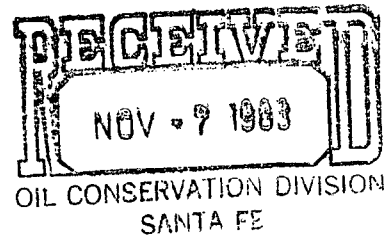


Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602-3280
307 265 7331



November 1, 1983

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Non-standard Location
Gallegos Canyon Unit Well No. 330
Section 24, T29N-R13W
San Juan County, New Mexico

Gentlemen:

This letter is to provide information as requested for the above referenced location:

- 1) Attached is a plat showing the ownership of the offsetting leases.
- 2) All offset owners have been notified of this proposed application by certified mail.
- 3) A plat is requested identifying the topographical necessity of the proposed site:

The basis of our need to drill this site are conflicts with the surface development. The well site in its legal location creates problems with future development on the surface. The well would reduce the value of the property to a point which would eliminate further development. The moving of the well to its present applied for location would allow the surface owner to realize the full potential value of his land. The present site is within an area owned by Amoco Production Co. and already exempt from any real estate development. Amoco has agreed to allow us access to this area for a well site.

This move will eliminate conflicts with the surface owner by allowing him to realize the full potential of the land without having a well essentially split the property.

Unfortunately a topo map does not adequately show our problem. We would be more than happy to meet with your representative on the ground to visually explain the problems.



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Santa Fe, New Mexico 87501

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If there are any questions, please call myself or our Farmington area Superintendent, Mr. T. C. Durham at 505-327-1639.

Very truly yours,

ENERGY RESERVES GROUP, INC.

William J. Fiant
Field Services Administrator

WJF/kw

cc: Oil Conservation Division - Aztec
T. C. Durham
File