

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



April 29, 1982

State of New Mexico
Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Re: Request for Unorthodox Well Location:
Gallegos Canyon Unit, San Juan County,
New Mexico

Gentlemen:

Energy reserves Group, Inc. respectfully requests approval of the below referenced well location.

Gallegos Canyon Unit, Well No. 331
1875' FNL 640' FWL
Section 29, T29N-R12W
San Juan County, New Mexico
Fee Lease - L.V. Goff et ux

This proposed well is to be drilled to the Pictured Cliffs Formation at a depth of 1365'. Energy Reserves Group, Inc. is the sub operator of the Gallegos Canyon Unit which includes all formations above the base of the Pictured Cliffs Formation. Attached is a map delineating the Gallegos Canyon Unit boundry and the Pictured Cliffs participating area.

This location is situated along the San Juan River bottom approximately 250' North of the current flow channel. Amoco Production Company has constructed an access road and well pad into their well No. 173-E located approximately 100' West of our proposed site. The area was elevated by hauling approximately 3' to 4' of fill material to eliminate flooding during periods of high run off. It is proposed to extend their pad a sufficient distance to allow for rig placement and safety of operations.

In addition, there are private residences located to the Northeast of the well which would prevent moving the site to the orthodox location.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<i>Energy Reserves Group</i>	EXHIBIT NO. <u>1</u>
CASE NO.	<u>8032</u>

Page 2



We would appreciate your review of our request based upon the topographic conflicts.

Very truly yours,

ENERGY RESERVES GROUP, INC.

A handwritten signature in dark ink, appearing to read "William J. Fiant".

William J. Fiant
Field Services Administrator

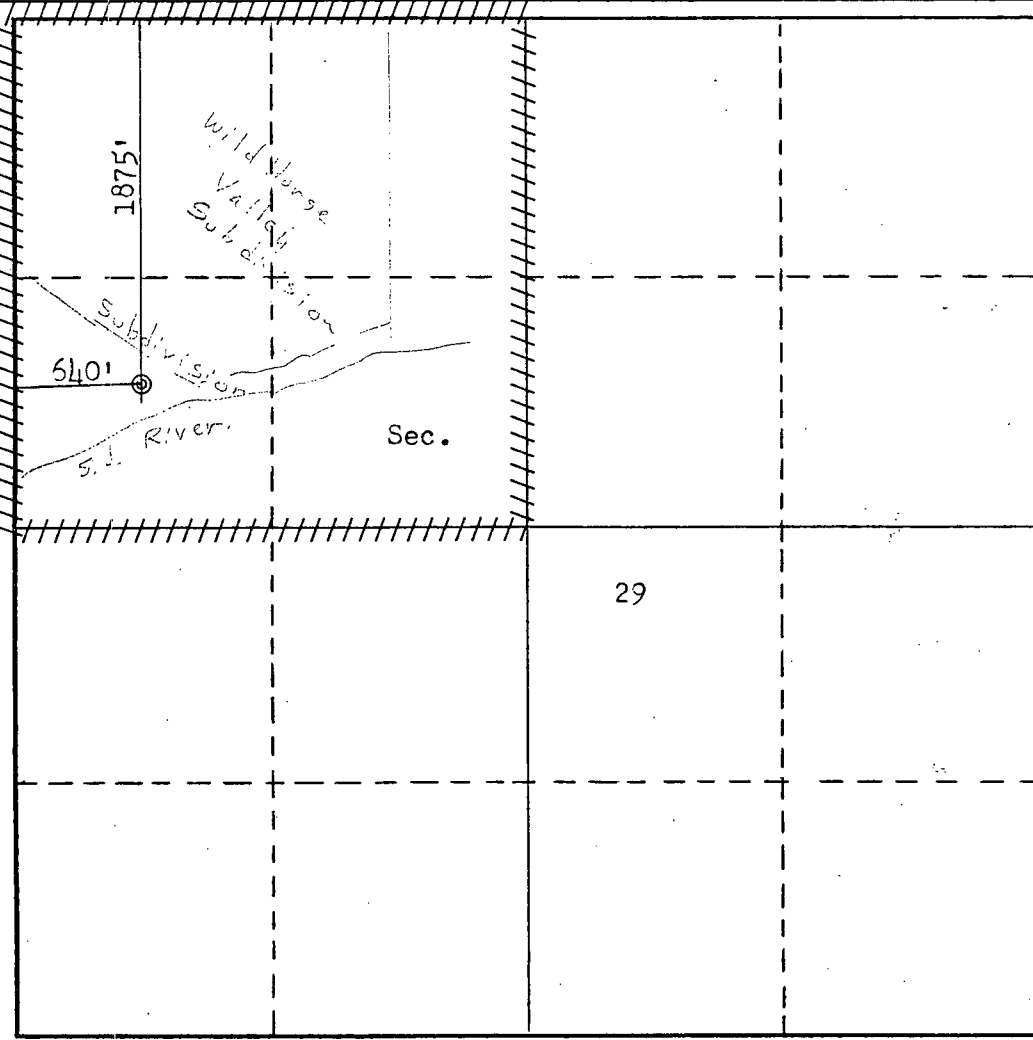
WJF/ef

cc: State of New Mexico
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87401

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

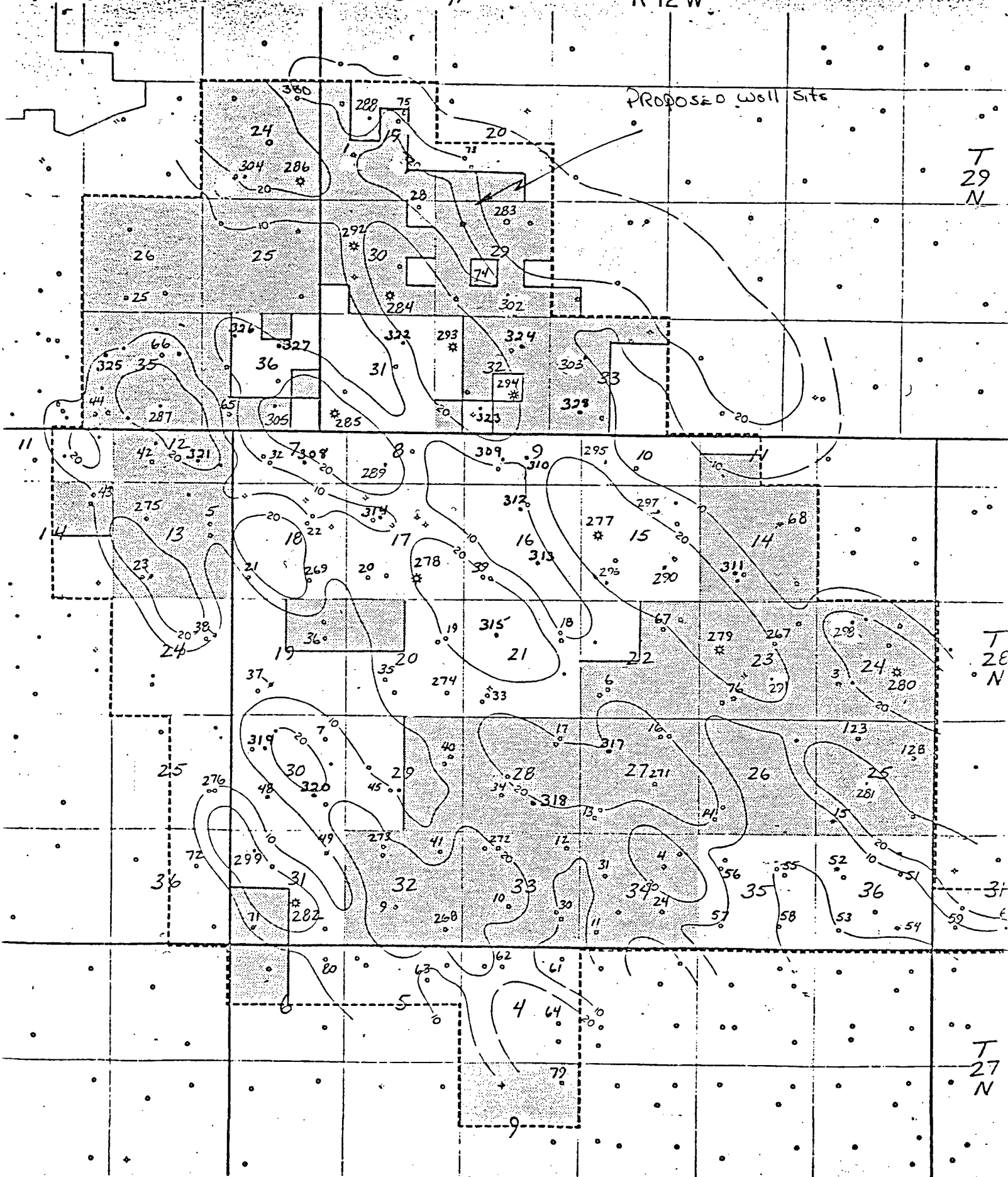
All distances must be from the outer boundaries of the Section.

Operator ENERGY RESERVES GROUP, INC.		Lease GALLEGOS CANYON UNIT		Well No. 331
Unit Letter E	Section 29	Township 29N	Range 12W	County San Juan
Actual Footage Location of Well: 1875 feet from the North line and 640 feet from the West line				
Ground Level Elev. 5303	Producing Formation Pictured Cliffs	Pool West Kutz Pictured Cliffs	Dedicated Acreage: 160 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.</p>				
			<p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Name <i>William J. Kerr</i></p> <p>Position Field Services Administrator</p> <p>Company Energy Reserves Group, Inc.</p> <p>Date May 4, 1982</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed April 29, 1982</p> <p>Registered Professional Engineer and/or Land Surveyor <i>Fred B. Kerr Jr.</i></p> <p>Certificate No. 3950</p>	

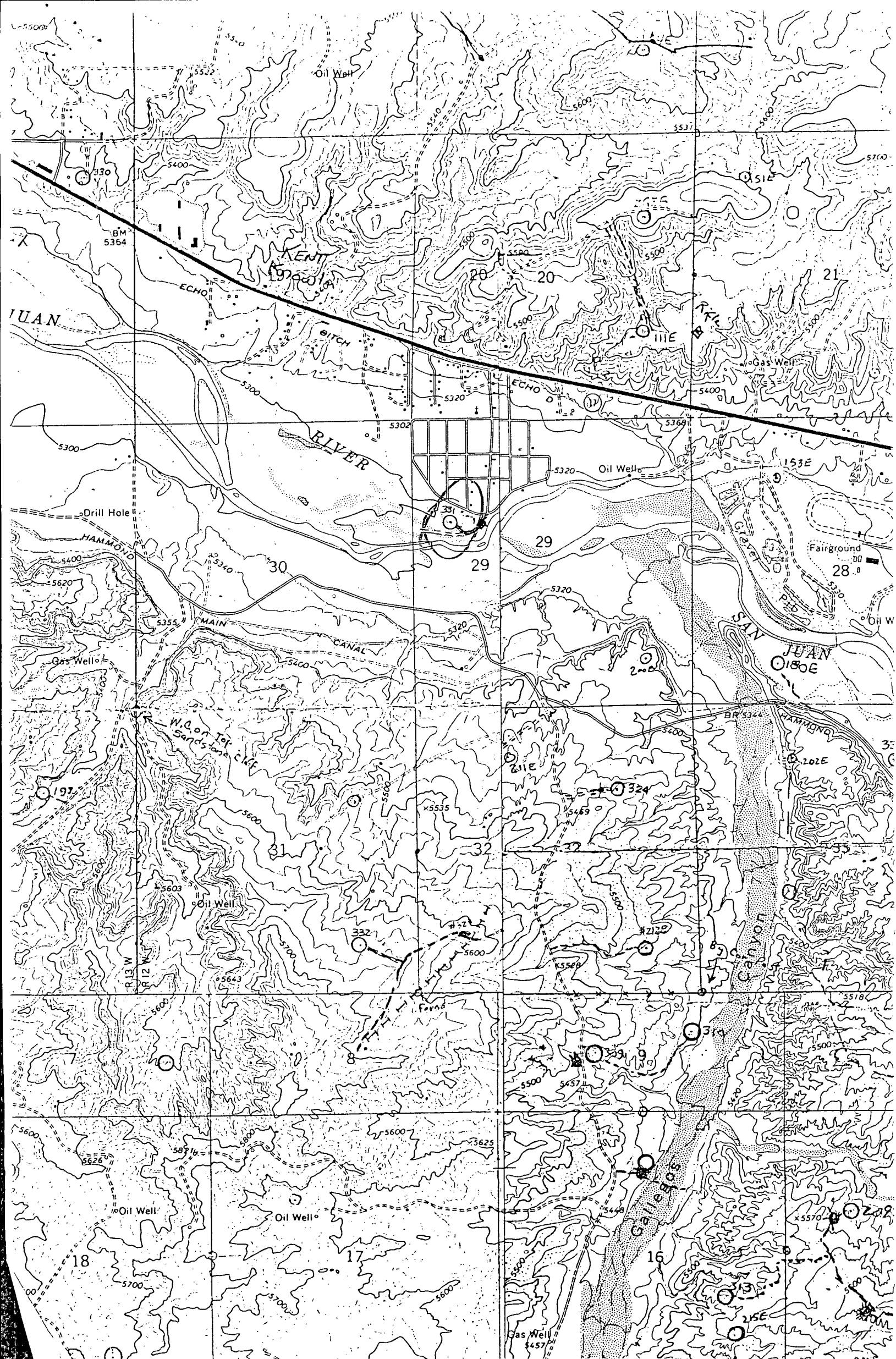
R 13 W

San Juan County, New Mexico

R 12 W



Note: Unnumbered wells are not Unit-Pictured Cliffs wells.



Vicinity Map for
 ENERGY RESERVES GROUP INC. #331 GALLEGOS CANYON UNIT
 1875' FNL 640' FWL Sec. 29-T29N-R12W
 SAN JUAN COUNTY, NEW MEXICO

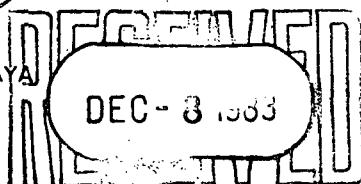
Gallegos
Spring



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

RMD CASPER

This application has been approved with the following conditions:

1. Trash is to be taken to a sanitary landfill, not buried at the wellsite, unless approved by the landowner.
2. Wells which produce oil during cleanup and testing shall be flowed through a separator and the oil recovered in a tank.
3. Cement quantities shall be reported in cubic feet on all reports, with a description of additives and different slurries used.
4. Casing and cementing reports must show water shut-off test, as required by Rule 107(c).
5. Reports of commencement of drilling operations must be filed within 10 days of spud, as required by Rule 1103.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<i>Energy Reserves Group</i>	EXHIBIT NO. <u>2</u>
CASE NO.	<u>8032</u>

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATION	

5A. Indicate Type of Lease
STATE ☐ FEDERAL ☒
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> 2. Name of Operator Energy Reserves Group, Inc. 3. Address of Operator P. O. Box 3280; Casper, WY 82602 4. Location of Well UNIT LETTER <u>E</u> LOCATED <u>1875'</u> FEET FROM THE <u>North</u> LINE AND <u>640</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>29</u> TWP. <u>29N</u> RGE. <u>12W</u> NMDM 13. Proposed Depth 1365' 19A. Formation Pictured Cliffs 20. Rotary or C.T. Rotary 21A. Kind & Status Plug. Bond blanket 21B. Drilling Contractor James Drilling Co. 22. Approx. Date Work will start Summer, 1983		7. Unit Agreement Name Gallegos Canyon Unit 8. Name of Lease Name 1. 111 GOLF COURSE 9. Well No. 331 10. Field and Pool, or Wildcat West Kutz Pictured Cliff 12. County San Juan
23. PROPOSED CASING AND CEMENT PROGRAM		

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
9-7/8"	7"	17#	100'±	Cement to surface	
6-1/4"	4-1/2"	9.5#	1365'±	Cement to surface	

It is proposed to drill the above referenced well with rotary tools from the surface to T.D.. Production casing will be cemented to the surface so as to seal off the Ojo Alamo Formation. BOE will consist of a Regan 8" annular type preventor pressure tested to 500 psi.

APPROVAL EXPIRES May 9, 1984
UNLESS DRILLING IS COMMENCED.
SPUD LOGICE MUST BE SUBMITTED
WITHIN 30 DAYS.

RECEIVED
NOV 9 - 1983

OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title Field Services Administrator Date November 7, 1983

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE NOV 9 - 1983

CONDITIONS OF APPROVAL, IF ANY:

7261104 for NSL

All distances must be from the outer boundaries of the Section.

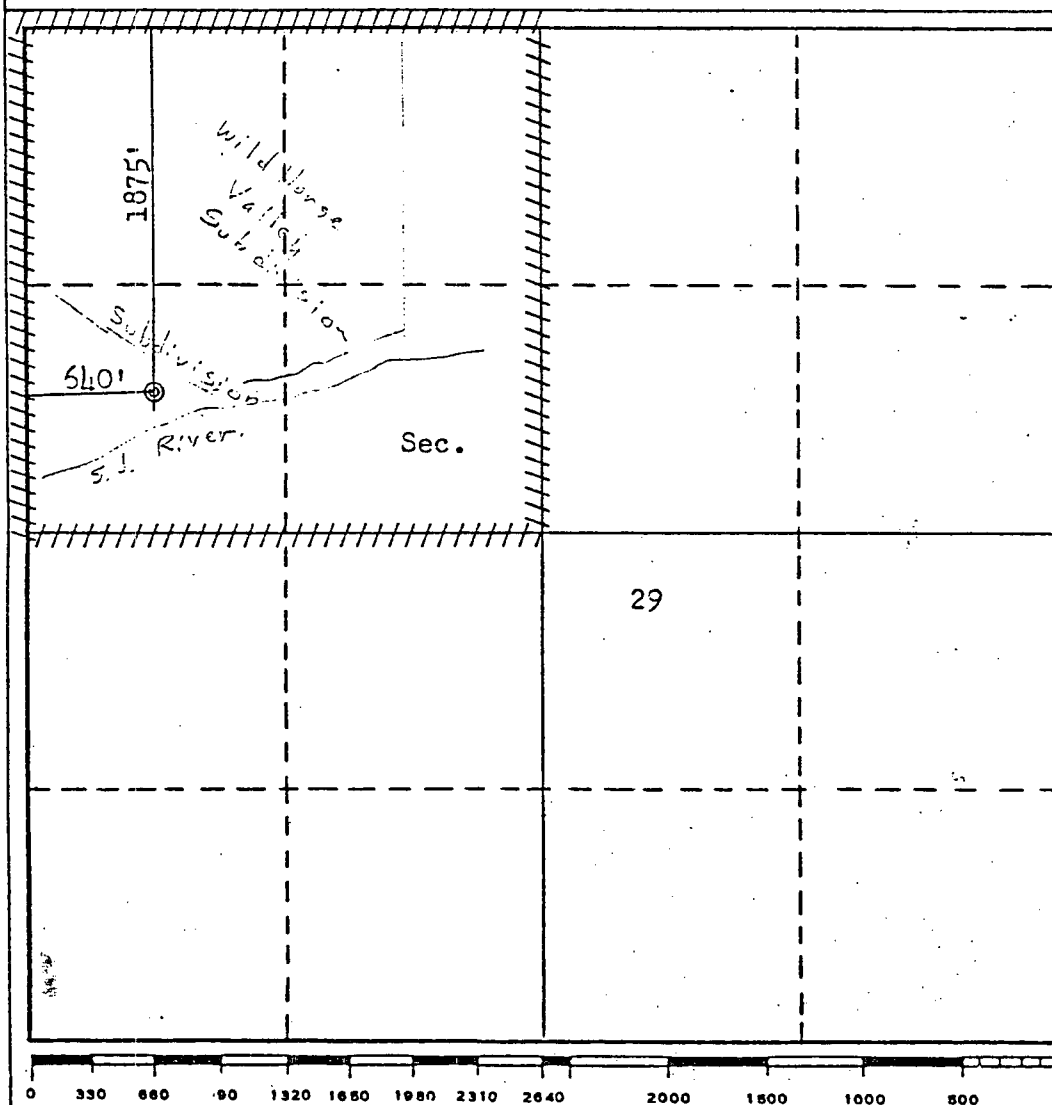
Operator ENERGY RESERVES GROUP, INC.			Lease GALLEGOS CANYON UNIT		Well No. 331
Unit Letter E	Section 29	Township 29N	Range 12W	County San Juan	
Actual Footage Location of Well: 1875 feet from the North line and 640 feet from the West line					
Ground Level Elev. 5303	Producing Formation Pictured Cliffs		Pool West Kutz Pictured Cliffs		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
William J. Kerr
Position
Field Services Administrator
Company
Energy Reserves Group, Inc.
Date
May 4, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
April 2, 1982
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.
Certificate No.
3950