

P.O. Box 1980, Hobbs, NM 88241-1980

Energy, Minerals and Natural Resources Department

Revised February 10, 1994

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

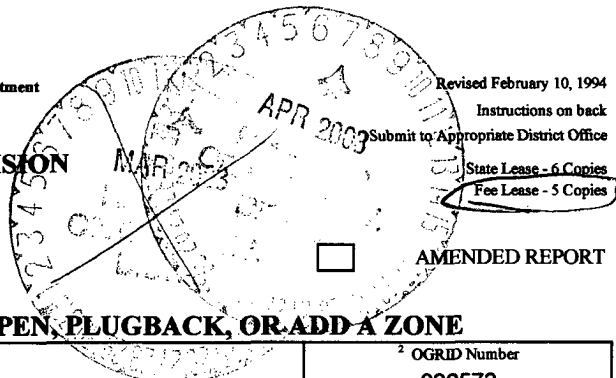
DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

PO BOX 2088
Santa Fe, NM 87504-2088

APR 2 2003

BY:



Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address SG Interests I, Ltd c/o Sagle & Schwab P.O. Box 2677 Durango, CO 81302		² OGRID Number 020572
		³ API Number 30 - 0 45-31442
⁴ Property Code 009753	⁵ Property Name McCarthy 29-9-30	⁶ Well No. 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
C	30	29N	9W		710	North	930	West	San Juan

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
⁹ Proposed Pool 1 71629					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5589'
¹⁶ Multiple No	¹⁷ Proposed Depth 2500'	¹⁸ Formation Fruitland Coal	¹⁹ Contractor	²⁰ Spud Date 5/20/2003

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4	8-5/8	24 #	300'	195	Surface
7-7/8	5-1/2	17#	2500'	400 poz/150 neat	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SG Interest I, Ltd proposes to drill a Fruitland Coal well at the above referenced location to further develop methane reserves. SG proposes to set 5 1/2" casing 150' deeper than the Fruitland Coal base. SG will then fracture stimulate the Fruitland Coal. A 3000# double ram hydraulic BOP will be used. Since maximum anticipated formation pressure is 1200 psig, accessories to the BOP will meet requirements for a 2000 psig system. The accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill line, kill line, and line to choke manifold will be 2". BOP's will be tested every 24 hours and will be recorded on IADC log.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Terry Lindeman

Title: Agent / Engr.

Date: 03/11/03

Phone:

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. NO.

Approval Date: APR - 7 2003

Expiration Date: APR - 7 2004

Conditions of Approval
Attached ☐

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-31442	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 009753	Property Name MCGARTHY 29-9-30	Well Number 2
GRID No. 020572	Operator Name SG INTERESTS I, LTD.	Elevation 5589

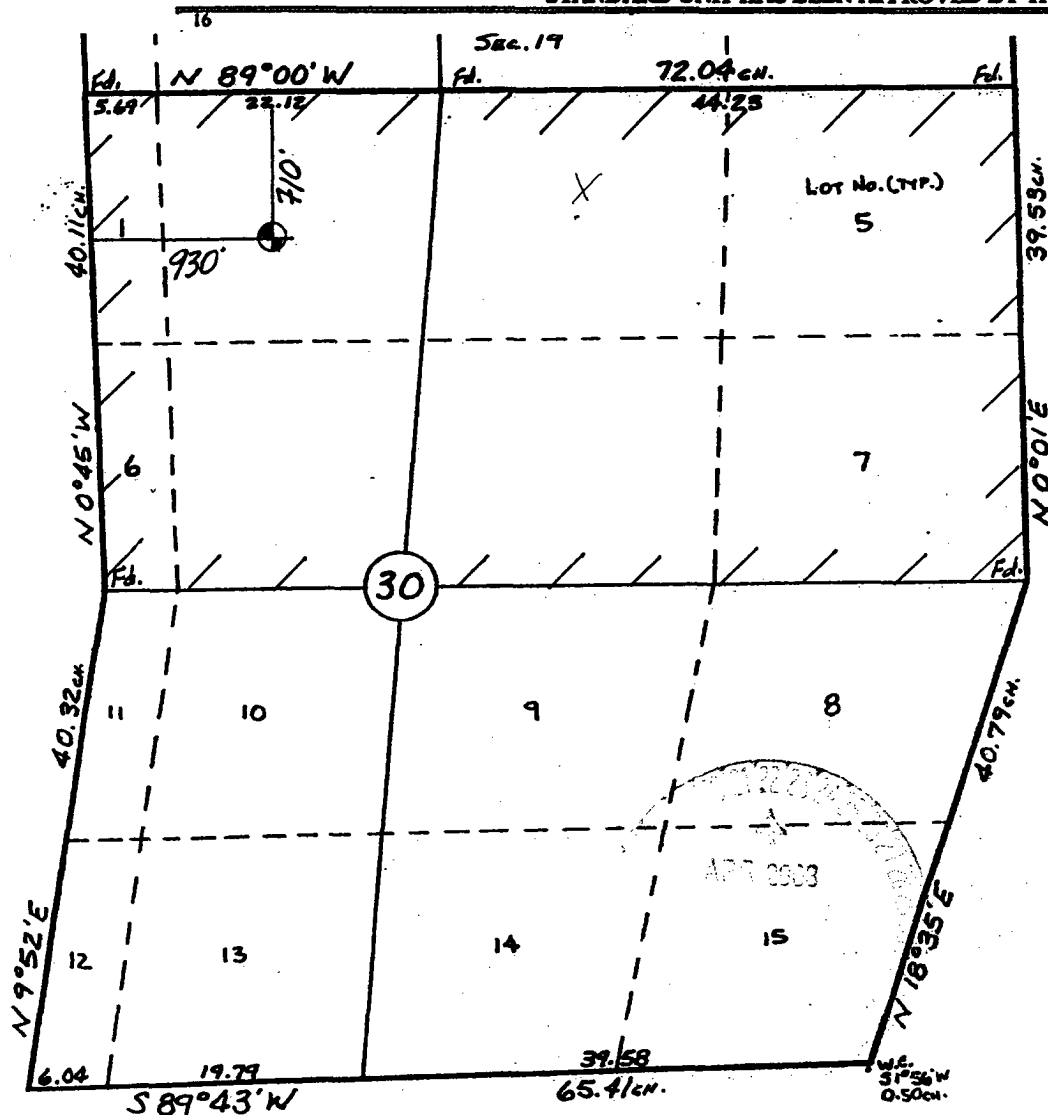
Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
6	30	29 N	9 W		710	North	930	West	San Juan

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 272.78		Joint or Infill I		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

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

Signature: *[Signature]*
Printed Name: **ROBERT J. SAGLE**

Title: **AGENT FOR SG INTERESTS**

Date: **4/17/03**

18 SURVEYOR CERTIFICATION

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 belief.

Date of Survey: **20 APR 2003**

Signature of Professional Surveyor: *[Signature]*
Certificate Number: **8466**

WILLIAM E. MANNKE II
Certificate Number: **8466**

