

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-045-28828

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SG Interests I, Ltd. Attn: A. M. O'Hare

3. ADDRESS OF OPERATOR

P O Box 421, Blanco, NM 87412-0421

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2250' FNL & 790' FEL (SENE)

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles South of Farmington, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

2250'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1500'

16. NO. OF ACRES IN LEASE

1120

19. PROPOSED DEPTH

1950' 1425

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,278' GR

22. APPROX. DATE WORK WILL START*

as soon as permitted

23.

PROPOSED CASING AND CEMENTING PROGRAM
and appeal pursuant to 43 CFR 3185.4.

PERMITS REQUIRED ARE
SUBJECT TO ATTACHED

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#, J-55	250' 236 ft	118 class B 2% CaCl ₂
7-7/8"	5-1/2"	15.5#, J-55	1950' 1425	275 class B 2% CaCl ₂
			432 ft	w/ additives.

SG Interests I, Ltd., proposes to drill a vertical well to develop the Fruitland Coal formation at the above described site. The well will be drilled using a fresh water based low solids non-dispersed mud system. A double ram type blowout preventer and choke assembly will be used to maintain well control throughout drilling operations. A description of the BOP equipment and Choke assembly along with schematic sketches of the equipment are included as Exhibits to this application. A full suite of logs will be run upon reaching total depth. Both casing strings will be cemented to surface in separate single stage jobs. A high strength cement will be placed across the pay zone and at least 500 feet above the bottom of the hole. A minimum of six centralizer will be used to optimize placement of the cement around the pipe.

If you have any questions please contact A. M. O'Hare at (505) 325-5599.

Formally Approved as Southland II

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. A. M. O'Hare

SIGNED

TITLE Agent SG Interests

DATE

11/13/92

(This space for signature of State official)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

NOV 23 1992

CON. DIV.
DIST. 3

NMOCD

APPROVED
AS AMENDED

NOV 20 1992

AREA MANAGER

*See Instructions On Reverse Side

24

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DO, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SG INTERESTS I, LTD			Lease Gallegos Federal 26-13-9		Well No. 1
Unit Letter H	Section 9	Township 26 N	Range 13 W	County San Juan	
Actual Footage Location of Well: 2250 feet from the North line and 790 feet from the East line					
Ground level Elev. 6278	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage 3.88 Acres		

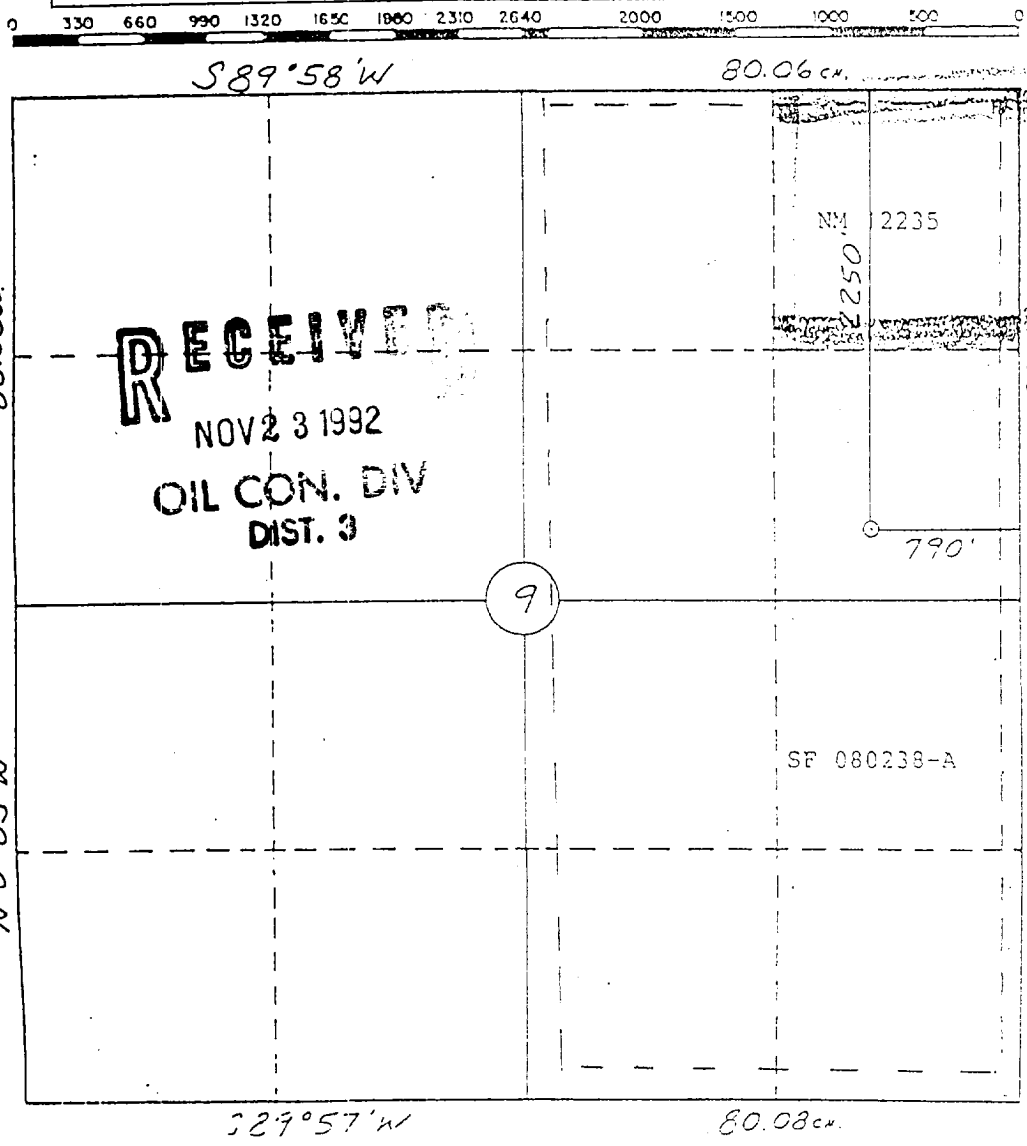
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated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

☒ Yes ☐ No If answer is "yes" type of consolidation will be communitized

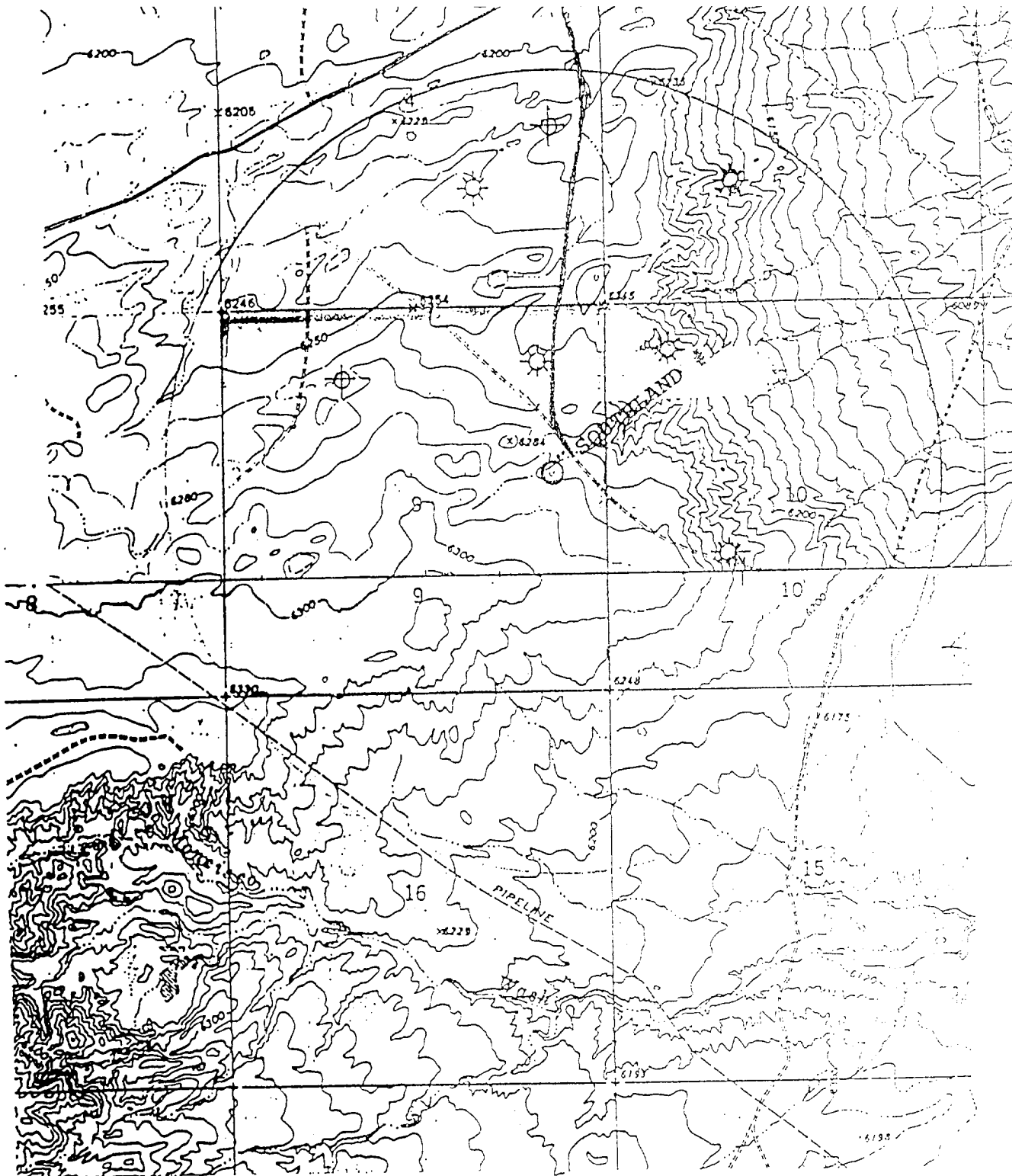
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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

RECEIVED
BLM
NOV 15 1992



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. M. O'Hare</i>
Printed Name	A. M. O'Hare
Position	President/Maralex
Company	Agent SG Interests
Date	11/13/92
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 knowledge and belief.	
Date Surveyed	5-2-90
Signature & Seal of Professional Surveyor	William E. Mahanke II
Certificate No.	8466



LEGEND

- PROPOSED LOCATION
- ★ PRODUCING GAS WELLS
- ✠ P&A GAS WELLS
- ⊕ D&A WELLS
- EXISTING ROAD
- PROPOSED NEW ACCESS ROAD
- - - LEASE BOUNDARY

SG Interests I, Ltd.
 Gallegos Federal 26-13-9 #1
 2250' FNL & 790' FEL
 Section 9, T26N, R13W
 San Juan County, New Mexico