

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT BY MAIL
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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

790' FSL & 790' FWL (SWSW)

At proposed prod. zone

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

20 miles South of Farmington, New Mexico

15. DISTANCE FROM PROPOSED*

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

790'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1600'

16. NO. OF ACRES IN LEASE

1120

19. PROPOSED DEPTH

1950' 1370'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR TABLE TOOLS

Rotary

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

6,236' GR

22. APPROX. DATE WORK WILL START*

as soon as permitted

23.

PROPOSED CASING AND CEMENTING PROGRAM

DRILLING OPERATIONS AUTHORIZED ARE

SUBJECT TO COMPLIANCE WITH ATTACHED

GENERAL REQUIREMENTS

118 class B 2% CaCl₂

275 class B 2% CaCl₂

45 H₂O

w/ ADD 17 VES.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#, J-55	250'
7-7/8"	5-1/2"	15.5#, J-55	1950' 1370'

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.

Formerly approved Southland 10.

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

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

11/16/92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

NOV 24 1992

TITLE

CONDITIONS OF APPROVAL, IF ANY:

OIL CON. DIV.
DIST. 3

*See Instructions On Reverse Side

APPROVED
AS AMENDED

NOV 20 1992

AREA MANAGER

State Lease - 4 copies
Fee Lease - 3 copies

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

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED
BLM

WELL LOCATION AND ACREAGE DEDICATION PLAT

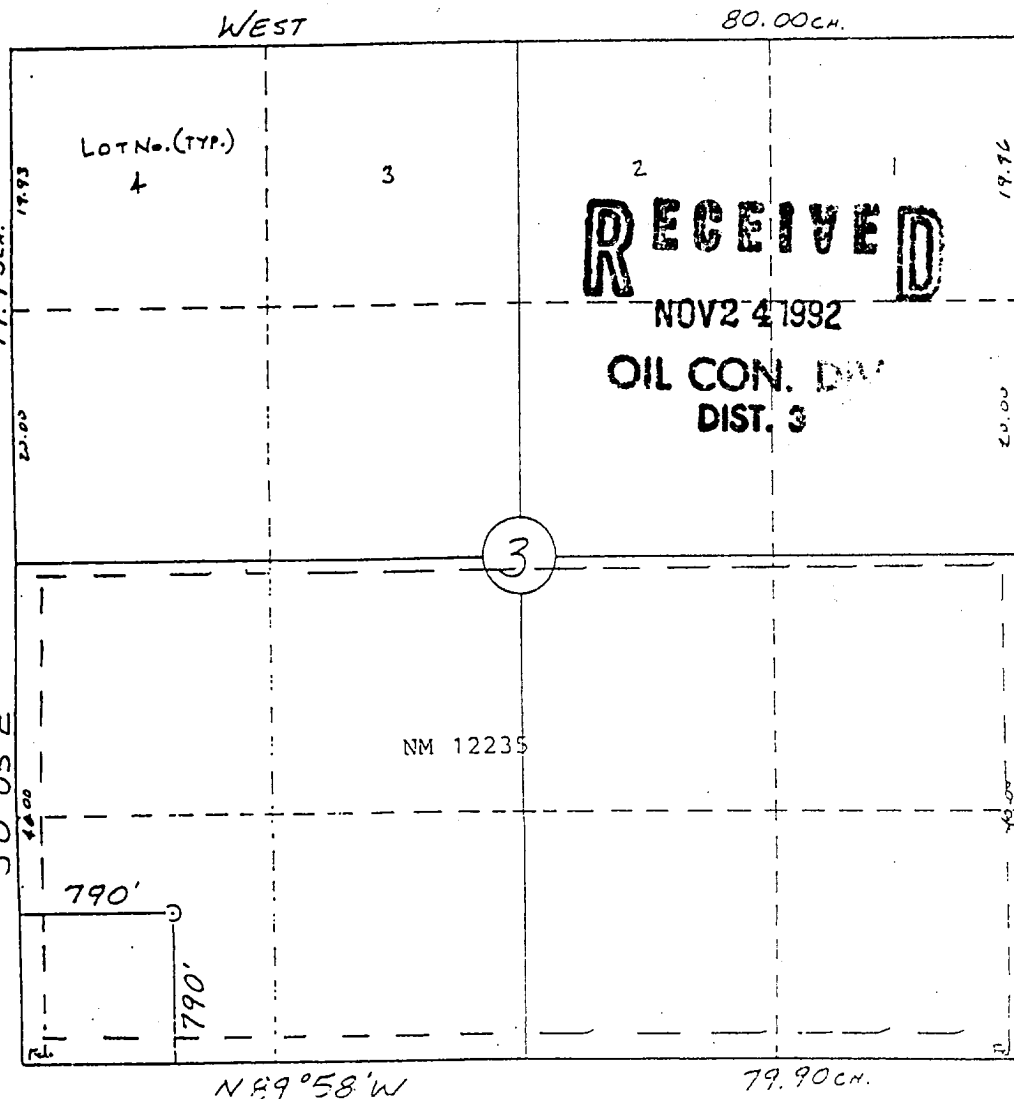
All Distances must be from the outer boundaries of the section.

92 NOV 16 PM 2:49

Operator SG INTERESTS I, LTD			Lease GALLEGOS FEDERAL 26-13-3		
Unit Letter M	Section 3	Township 26 N	Range 13 W	County SAN JUAN	
Actual Footage Location of Well: 790 feet from the South line and 790 feet from the West line					
Ground level Elev. 6236	Producing Formation Fruitland		Pool Basin Fruitland Coal		Dedicated Acreage: 320 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 _____
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 interest, has been approved by the Division.

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



OPERATOR CERTIFICATION

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

Signature
A. M. O'Hare
Printed Name
A. M. O'Hare
Position
President/Maralex
Company
Agent, SG Interests
Date
11/16/92

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.

6-2-90

Date Surveyed
William E. Vahnke II

Signature & Seal of
Professional Surveyor
WILLIAM E. VAHNKE II
#8466
CERTIFICATE NO. 8466
PROFESSIONAL LAND SURVEYOR