

Submit to Appropriate  
District Office  
State Lease -- 6 copies  
Fee Lease -- 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

API NO. (assigned by OCD on New Wells)
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. Lease Name or Unit Agreement Name 13453 West Bisti State 36-26-13		
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. Well No. 2		
2. Name of Operator SG Interests I, Ltd 2572			9. Pool name or Wildcat Basin Fruitland Coal 7629		
3. Address of Operator PO Box 338, Ignacio, C) 81137 (303) 563-4000					
4. Well Location Unit Letter M : 1192 Feet From The South Line and 819 Feet From The West Line Section 36 Township 26 N Range 13 W NMPM San Juan County					
10. Proposed Depth 1365'			11. Formation Fruitland Coal		12. Rotary or C.T. Rotary
13. Elevations (Show whether DF, RT, GR, etc.) 6199 GR		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor	
16. Approx. Date Work will start Immediately upon approval					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
8-3/4"	7"	24# J-55	120'	50 sx Class B	Surface
6-1/4"	4-1/2"	10.5# J-55	1365'	200 sx Class B	Surface

SG Interests I, Ltd proposes to drill a vertical hole to develop the Fruitland Coal Formation at the above described site. The well will be drilled with LSND mud. A double ram type BOP will be used to maintain well control at all times during the drilling of the well. Sketches of the BOP and choke assembly are included as exhibits to this application. A full suite of logs will be run upon reaching TD. Both strings of casing will be cemented back to surface. A minimum of ten centralizers will be used to optimize placement of the cement around the pipe on the long string.

This Approval  
Expires 2-3-95  
and will Not Be  
Suspended

RECEIVED

FEB - 3 1994

OIL CON. DIV.

DIST 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTION 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.

SIGNATURE A. M. O'Hare TITLE Agent DATE February 1, 1994  
TYPE OR PRINT NAME A. M. O'Hare TELEPHONE NO. (303) 563-4000

(This space for State Use)

APPROVED BY Erica B... TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE FEB - 3 1994  
CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico  
Energy, Minerals and Natural Resources Department

Submit to Appropriate  
District Office  
State Lease -- 4 copies  
Fee Lease -- 3 copies

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88240

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

JAN 1994

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT  
All Distances must be from the outer boundaries of the section

Operator SG Interests I, Ltd <del>MARALEX RESOURCES INC.</del>		Lease WEST BISTI STATE		Well No. 36-26-13 No.2	
Unit Letter M	Section 36	Township 26 NORTH	Range 13 WEST	County SAN JUAN	
Actual Footage Location of Well: 1192 feet from the SOUTH line and 819 feet from the WEST line					
Ground level Elev. 6199		Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	
				Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure mark 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

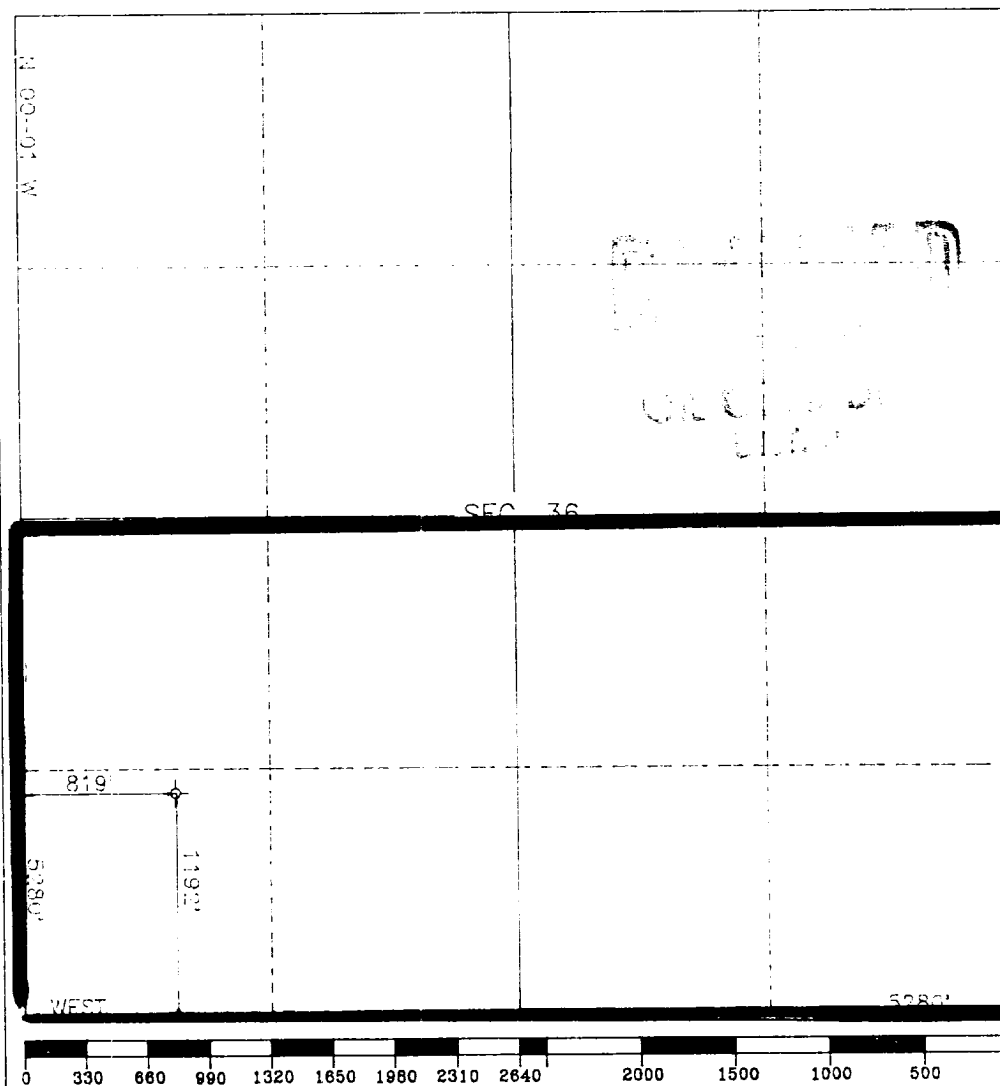
☐ Yes

☐ 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.



SURVEYOR 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

Agent

Position

SG Interests I, Ltd

Company

February 1, 1994

Date

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.

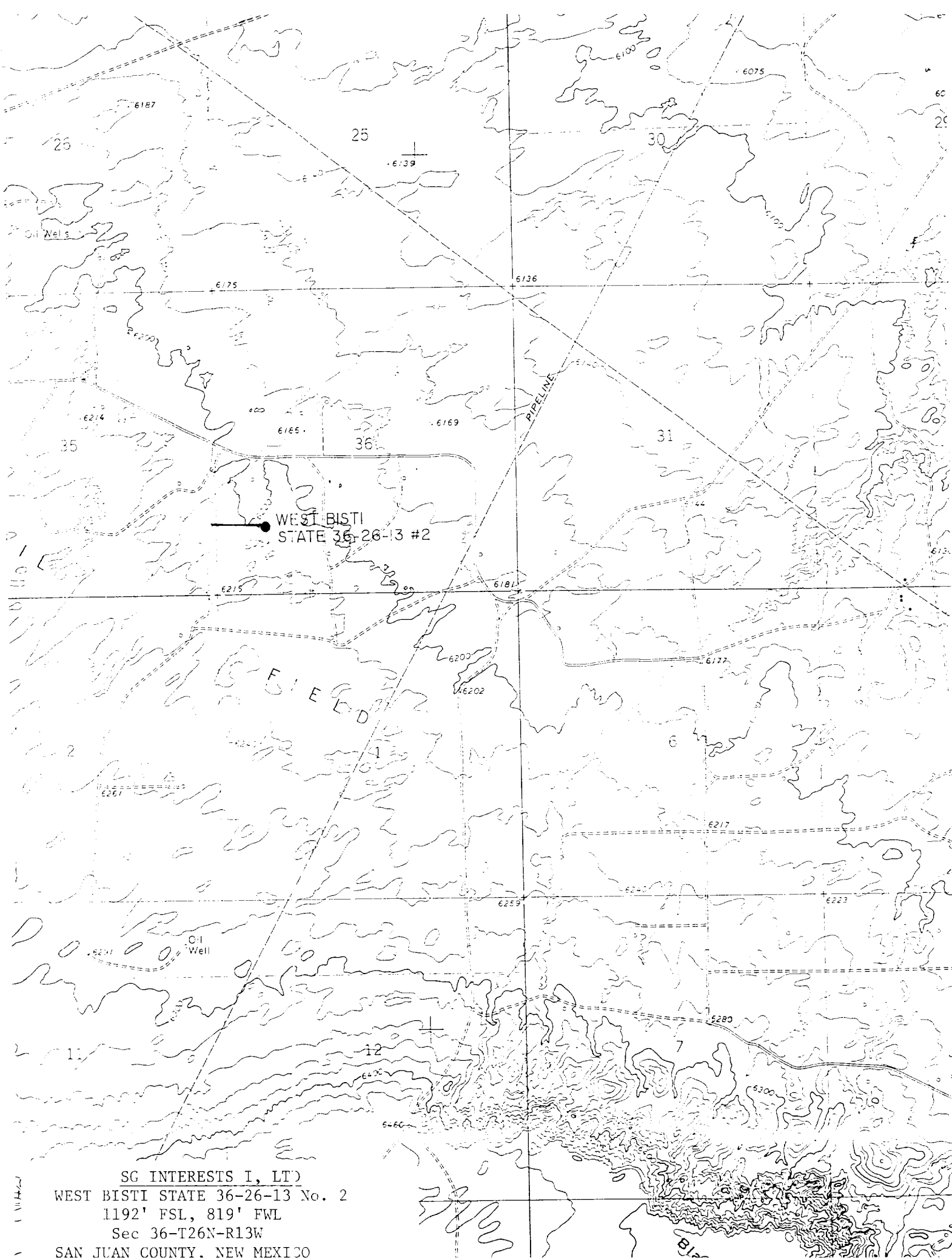
Date Surveyed

JANUARY 27, 1994

Signature & Seal of Professional Surveyor

ROY A. RUSH  
8804  
PROFESSIONAL LAND SURVEYOR  
8894

Certificate No.



SG INTERESTS I, LT)

WEST BISTI STATE 36-26-13 No. 2

1192' FSL, 819' FWL

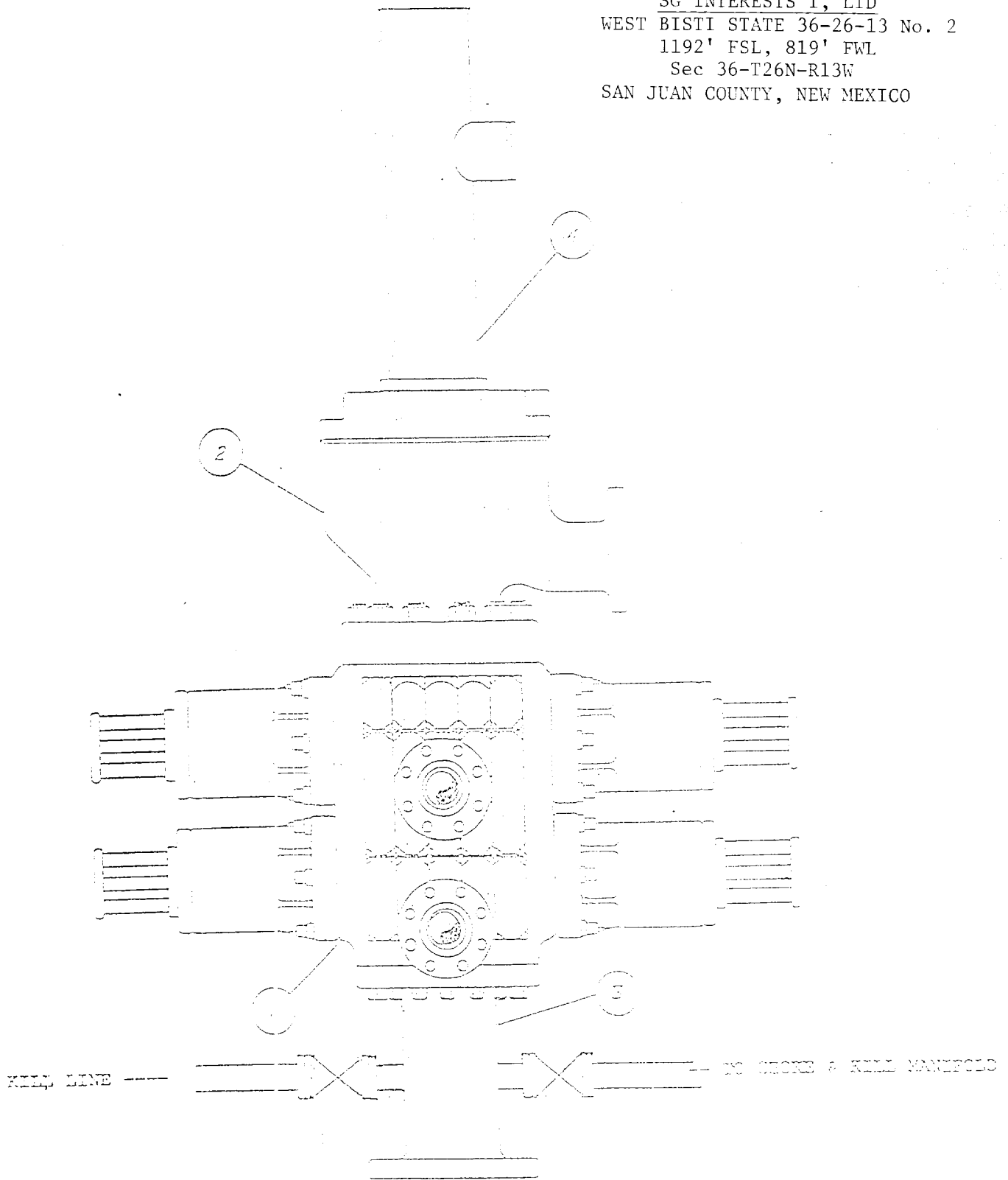
Sec 36-T26N-R13W

SAN JUAN COUNTY, NEW MEXICO

## BLOWOUT PREVENTION EQUIPMENT SPECIFICATIONS

1. All BOP equipment shall be fluid and/or mechanically operated.
2. BOP's and all fittings will be in good working condition.
3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled.
4. The nipple above the BOP shall be at least the same size as the last casing set.
5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which bypass shall be a minimum of 3 inches nominal and as straight as possible.
8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
9. Minimum size for kill line is 2 inches nominal.
10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.

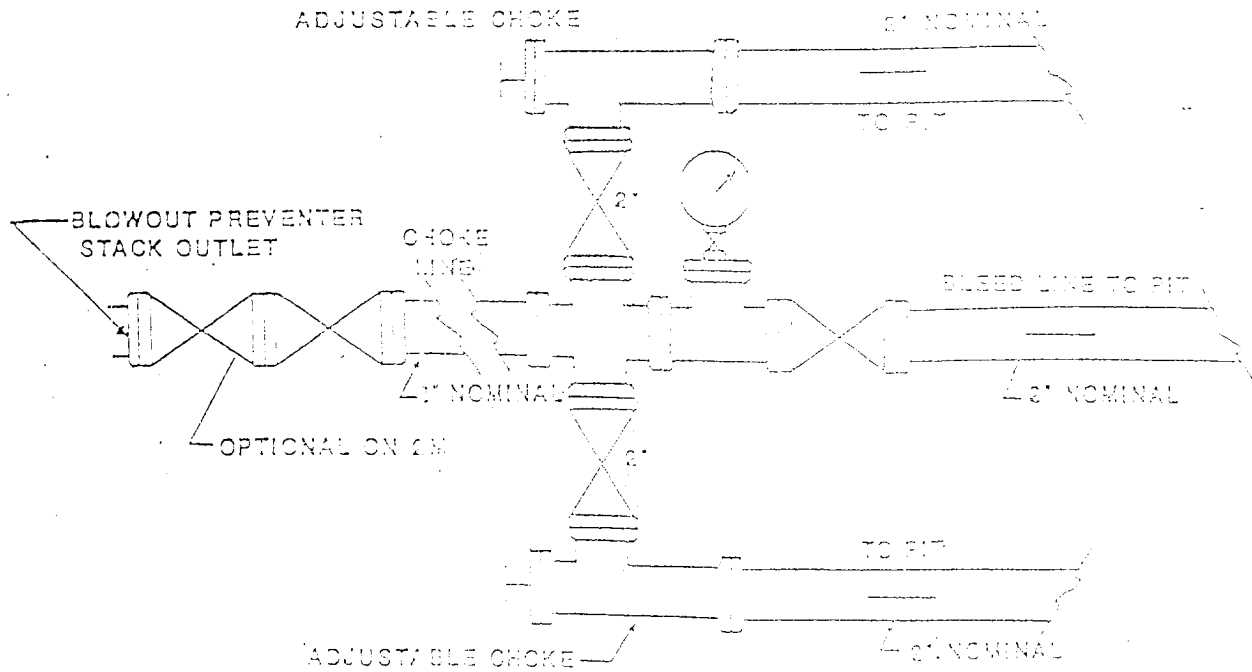
SG INTERESTS I, LTD  
 WEST BISTI STATE 36-26-13 No. 2  
 1192' FSL, 819' FWL  
 Sec 36-T26N-R13W  
 SAN JUAN COUNTY, NEW MEXICO



- ① DOUBLE RAM 3000 LB. MANUAL LOCK BLOWOUT PREVENTER
- ② ROTATING HEAD IF AIR OR GAS DRILLING
- ③ SPOOL W/2" MINIMUM KILL LINE VALVE & KILL LINE
- ④ DRILLING FLOW NECKLE

# CHOKE MANIFOLD SCHEMATIC

SG INTERESTS I, LTD  
WEST BISTI STATE 36-26-13 No. 2  
1192' FSL, 819' FWL  
Sec 36-T26N-R13W  
SAN JUAN COUNTY, NEW MEXICO



FOR 2,000 AND 3,000 PSI RATED  
WORKING PRESSURE

UPPER KELLY COCK VALVE WITH HANDLE AVAILABLE

SAFETY VALVE AND SUBS TO FIT ALL DRILL STRINGS  
IN USE WILL BE AVAILABLE