

W Bisti 26-13-36 #1

H-36-26N-13W

SG INT I LTD



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 FAX: (505) 334-6170

November 29, 1995

EXPIRATION NOTICE ON PERMIT TO DRILL

SG Interest I LTD
P O Box 338
Ignacio CO 81137

RE West Bisti 26-13-36 #1 H-36-26N-13W

Gentlemen:

The permit to drill the referenced well has expired. Should you wish to drill this well in the future, you will have to submit a new application.

Sincerely,

Frank T. Chavez
District Supervisor

FTC\dj

xc: Well File
Santa Fe

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-11-95 BY 1043

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO 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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

NOV 22 1994

Form C-101
Revised February 10, 1994
Instructions on back
Submitted 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

Operator Name and Address. SG INTERESTS I LTD PO Box 338 Ignacio, CO 81137		OGRID Number 020572
		API Number 30-045-2920
Property Code 16129	Property Name WEST BISTI 26-13-36	Well No. #1

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
H	36	26N	13W		1850	North	1310	East	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
H	36	26N	13W		1850	North	1310	East	San Juan

71629 Basin Fruitland Coal	Proposed Pool 1 N/320	Proposed Pool 2
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Work Type Code New well	Well Type Code G	Cable/Rotary Rotary	Lease Type Code State	Ground Level Elevation 6155'
Multiple No	Proposed Depth 1450'	Formation Fruitland Coal	Contractor To be determined	Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7"	24#	120'	50 sx Class B	Surface
6-1/4"	4-1/2"	10.5#	1450'	200 sx Class B	Surface

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 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.

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

Signature:

Printed name:

Tony Beilman

Title:

Petroleum Engineer/Agent for SG

Date:

November 21, 1994

Phone:

(303) 563-4000

OIL CONSERVATION DIVISION

Approved by:

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. #3

Approved Date:

NOV 22 1994

Expires Date:

NOV 22 1995

Conditions of Approval:

Attached ☐

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer 20, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-29201		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 16129	⁵ Property Name WEST BISTI 26-13-36		⁶ Well Number 1
⁷ OGRID No. 020572	⁸ Operator Name SG INTERESTS II LTD		⁹ Elevation 6155

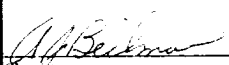
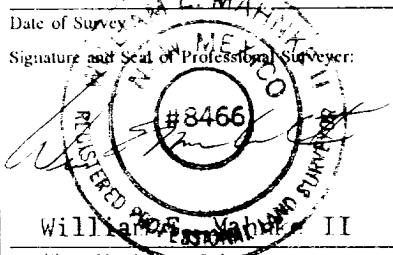
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	36	26 N	13 W		1850	North	1310	East	San Juan

¹¹ 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
¹² Dedicated Acres 320		¹³ Joint or Infill N	¹⁴ Consolidation Code		¹⁵ 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

<div>16</div> <div>WEST</div> <div>80.00ch.</div> <div>80.00ch.</div> <div>1850'</div> <div>1310'</div> <div>SEC.</div> <div>36</div> <div>RECEIVED</div> <div>NOV 22 1994</div> <div>OIL CONSERVATION DIVISION</div> <div>WEST</div> <div>80.00ch.</div> <div>Fd.B.C.</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div></div> <div>Signature</div> <div>Tony Beilman</div> <div>Printed Name</div> <div>Petroleum Engineer/Agent for</div> <div>Title</div> <div>SG</div> <div>November 21, 1994</div> <div>Date</div>
	<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>11 NOV 1994</div> <div>Date of Survey</div> <div></div> <div>Signature and Seal of Professional Surveyor</div> <div>#8466</div> <div>Willard P. Vahman II</div> <div>Certificate Number</div> <div>8466</div>

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. **NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.**
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be showing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling
16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular

distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

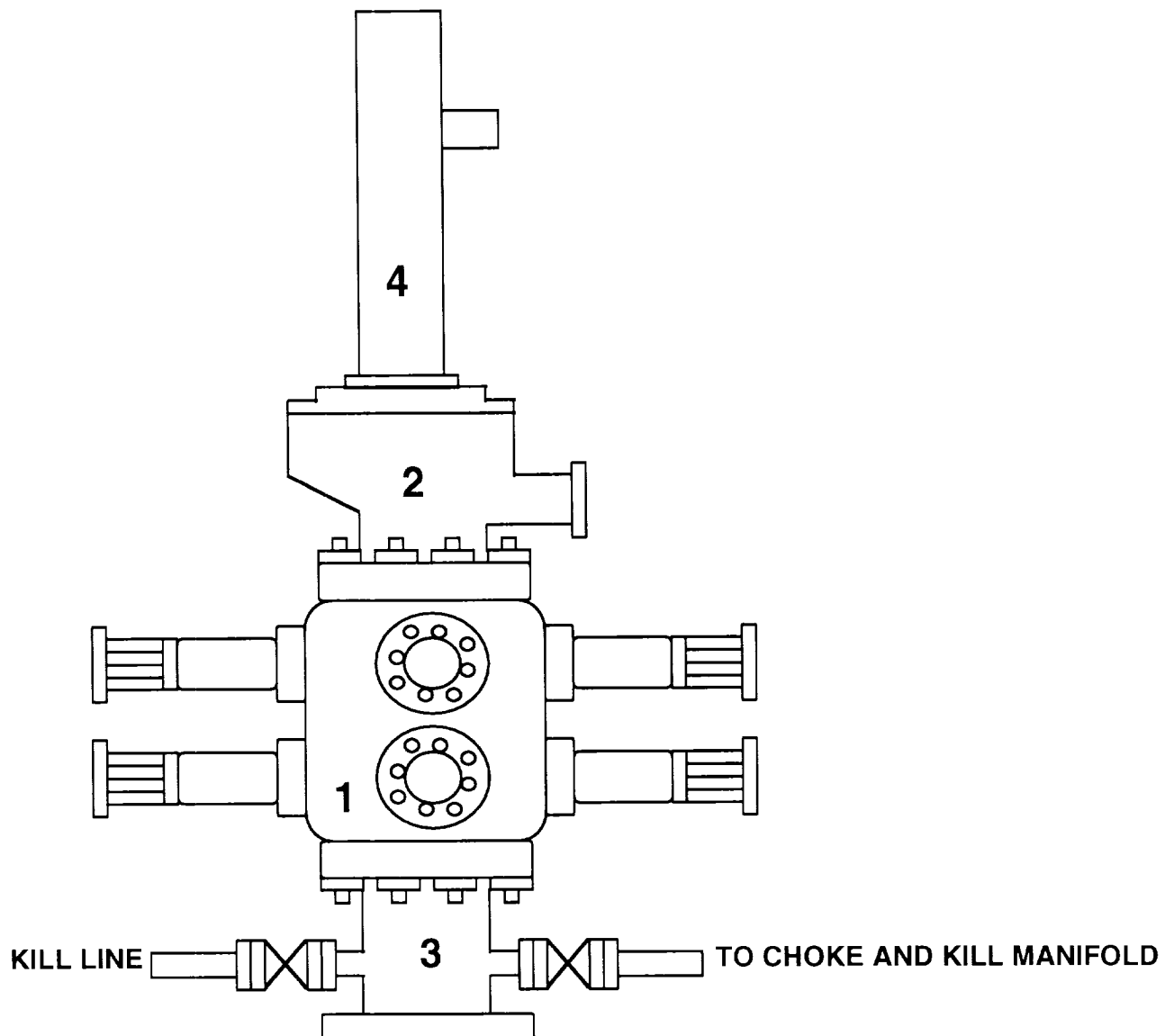
If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

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.

MARALEX RESOURCES INC.



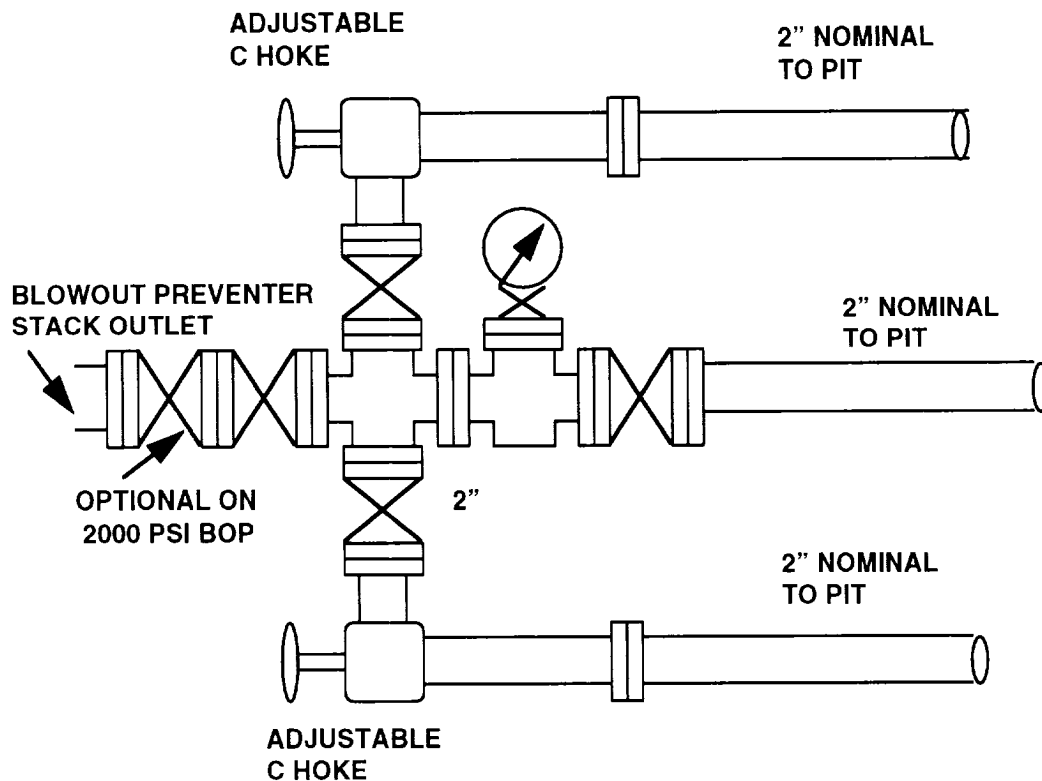
- 1 DOUBLE RAM 2000 OR 3000 LB. MANUAL LOCK BLOWOUT PREVENTER
- 2 ROTATING HEAD IF AIR OR GAS DRILLING
- 3 SPOOL W/2" MINIMUM KILL LINE VALVE & KILL LINE
- 4 DRILLING FLOW NIPPLE

SG INTERESTS

West Bisti State 26-13-36 No 1

Section 36-T26N-R13W

San Juan County, New Mexico



**FOR 2000 & 3000 PSI RATED
WORKING PRESSURE**

UPPER KELLY COCK VALVE WITH HANDLE AVAILABLE

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

SG INTERESTS LTD
WEST RISTI 26-13-36 #1
1350'FNL & 1310'FEL
Sec. 36, T26N, R13W, N.M.P.M.
San Juan Co., NM

A hand-drawn site plan map showing a rectangular area divided into sections. The top section is labeled "EXISTING TRAIL" and "Laydown". The bottom section is labeled "Reserve Pit 10' Deep". The map includes dimensions (140', 135', 110', 40', 15', 50', 150') and various labels (C-30, C-03, F-16, C-12, C-23, C-02, F-21, Elev. 6154.8, Grd'd.Gr. 6156, S 55° W). A scale bar indicates 1 inch equals 50 feet.

A-A'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L			
6160						
6150						

B-B'						
6160						
6150						

C-C'						
6160						
6150						