

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

DISTRICT I  
P.O. Box 1960, Hobbs, NM 58240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2008  
Santa Fe, New Mexico 87504-2008

RECEIVED  
AUG 06 1992

API NO. (assigned by OCD on New Wells)	30-045-28737
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E-1203-11

APPLICATION FOR PERMIT TO DRILL, DEEPEN, RE-ENTER, OR PLUG BACK	
1a. Type of Work:	7. Lease Name or Unit Agreement Name
DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	State 29-9-2
b. Type of Well:	8. Well No. 2 (S/320)
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	9. Pool name or Wildcat
2. Name of Operator	Basin Fruitland Coal
SG Interests I, Ltd.	
3. Address of Operator	
P.O. BOX 421, Blanco, NM 87412-0421	

4. Well Location	Unit Letter L	1725'	Feet From The South	Line and 1190	Feet From The West	Line
Section 2	Township 29N	Range 9W	NMPM	San Juan	County	

10. Proposed Depth	3160'	11. Formation	Fruitland Coal	12. Rotary or C.T.	Rotary
13. Elevations (Show whether DF, RT, GR, etc.)	6400' GL, 6413' KB	14. Kind & Status Plug. Bond	Blanket	15. Drilling Contractor	Walters Drilling
		16. Approx. Date Work will start	August 15, 1992		

17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#, J-55	250'	200 Class Bw/2% CaCl <sub>2</sub>	surface
7-7/8"	5-1/2"	15.5#, J-55	3160'	660 65/35 Pozmix w/ 6% gel & 100 sk Class	surface

B neat tail.

SG Interests I, Ltd., proposes to drill a vertical hole to develop the Fruitland Coal formation at the above described site. A fresh water based low solids non-dispersed mud will be used to drill to TD. A double ram type preventer with a choke assembly will be used to maintain well control at all times during drilling operations. Schematic sketches of the of the BOP equipment and choke assembly along with a description of the equipment are included as exhibits to this application. A full suite of open hole logs will be run upon reaching TD. Both strings of casing will be cemented back to surface in separate single stage cement jobs. A high density cement will be placed across the pay zone and at least five hundred feet above the bottom of the hole. A minimum of ten centralizers will be used to optimize placement of the cement around the pipe.

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. 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 for SG Interests I, Ltd. DATE August 4, 1992  
TYPE OR PRINT NAME A. M. O'Hare TELEPHONE NO. (505) 325-5599

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE AUG 10 1992  
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 2-10-93  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

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Fee Lease - 3 copies

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Energy, Minerals and Natural Resources Department

Form C-102  
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 Brizos Rd., Aztec, NM 87410

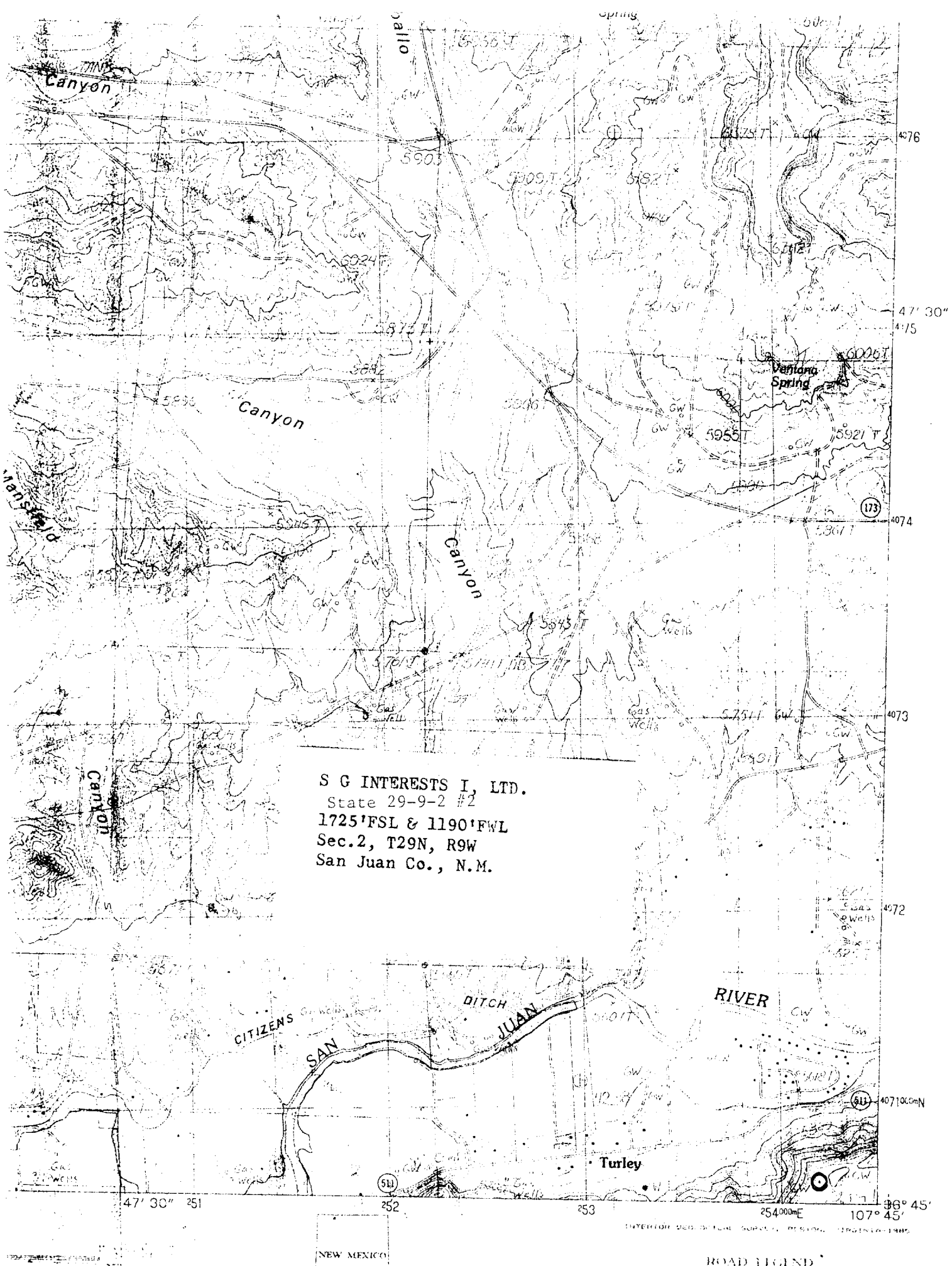
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator S G INTERESTS I, LTD.			Lease State 29-9-2		Well No. 2
Unit Lessor L	Section 2	Township 29 N	Range 9 W	County San Juan	
Actual Footage Location of Well: 1725 feet from the South line and 1190 feet from the West line					
Ground level Elev. 6400	Producing Formation Fruitland Coal	Pool Basin Fruitland		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks 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 Communitization  
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.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900 10230 10560 10890 11220 11550 11880 12210 12540 12870 13200 13530 13860 14190 14520 14850 15180 15510 15840 16170 16500 16830 17160 17490 17820 18150 18480 18810 19140 19470 19800 20130 20460 20790 21120 21450 21780 22110 22440 22770 23100 23430 23760 24090 24420 24750 25080 25410 25740 26070 26400 26730 27060 27390 27720 28050 28380 28710 29040 29370 29700 30030 30360 30690 31020 31350 31680 32010 32340 32670 33000 33330 33660 33990 34320 34650 34980 35310 35640 35970 36300 36630 36960 37290 37620 37950 38280 38610 38940 39270 39600 39930 40260 40590 40920 41250 41580 41910 42240 42570 42900 43230 43560 43890 44220 44550 44880 45210 45540 45870 46200 46530 46860 47190 47520 47850 48180 48510 48840 49170 49500 49830 50160 50490 50820 51150 51480 51810 52140 52470 52800 53130 53460 53790 54120 54450 54780 55110 55440 55770 56100 56430 56760 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S G INTERESTS I, LTD.  
State 29-9-2 #2  
1725'FSL & 1190'FWL  
Sec.2, T29N, R9W  
San Juan Co., N.M.

NEW MEXICO

ROAD LEGEND