

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 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

Santa Fe, New Mexico 87504-2088

AUG 1 2 1992

OIL CON. DIV.

DIST. 3

API NO. (assigned by OCD on New Wells)

30-045-28761-

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

Gross 29-9-2

2. Name of Operator

SG Interests I, Ltd.

8. Well No.

1

(N/32400)

3. Address of Operator

P.O. BOX 421, Blanco, NM 87412-0421

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter

G

1765

Feet From The

North

Line and

2010

Feet From The

East

Line

Section

2

Township

29N

Range

9W

NMPM

San Juan

County

10. Proposed Depth

2465'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

5660' GL, 5673' KB

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Walters Drilling

16. Approx. Date Work will start

August 28, 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 B w/ 2% CaCl ₂	surface
7-7/8"	5-1/2"	15.5#, J-55	2465'	270 65/35 Poxmix w/6% gel & 100 sx Class B tail	surface

SG Interests I, Ltd., proposes to drill a vertical well 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 BOP and choke assembly will be used to maintain well controll at all times during drilling operations. A description of the BOP and choke assembly and schematic sketches of that equipment is presented 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 in separate single stage cement jobs. A high strength 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 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. August 10, 1992

TYPE OR PRINT NAME

A. M. O'Hare

TELEPHONE NO. (505) 325-5599

(This space for State Use)

APPROVED BY

Chris Branch

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

AUG 14 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 2-14-93
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

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Revised 1-1-89

OIL CONSERVATION DIVISION

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

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P.O. Box 1980, Hobbs, NM 88240

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

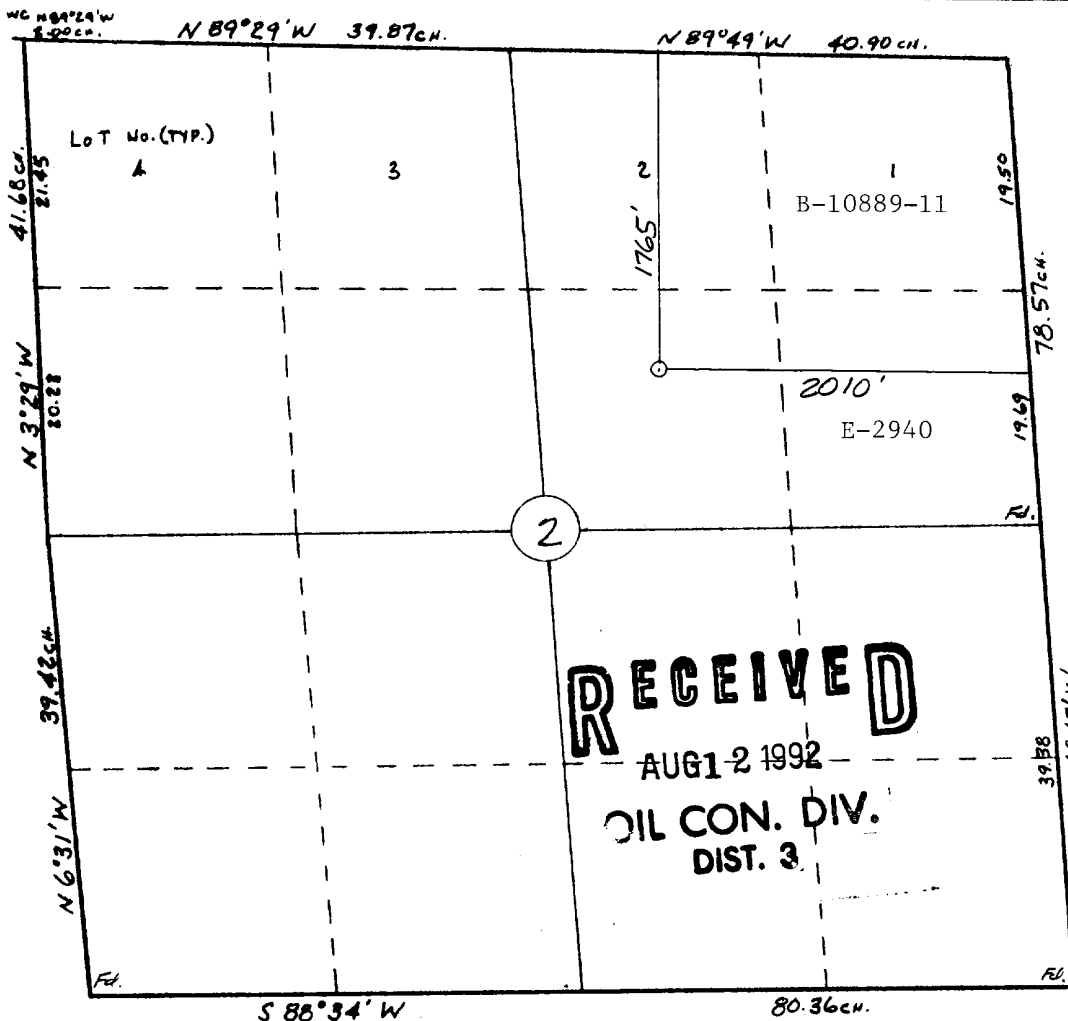
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator S G INTERESTS I, LTD,			Lease Gross 29-9-2		Well No. 1
Unit Letter G	Section 2	Township 29 N	Range 9 W	County San Juan	
Actual Footage Location of Well: 1765 feet from the North line and 2010 feet from the East line					
Ground level Elev. 5660	Producing Formation Fruitland Coal		Pool Basin Fruitland	Dedicated Acreage 324 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					

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



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/Agent
Company
Maralex Resources, Inc.
Agent for SG Interests I, Lt
Date
August 10, 1992

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.

8-7-92
Date Surveyed
William E. Mahnke II
Signature & Seal of Professional Surveyor
#8466
Certificate No. 8466
PROFESSIONAL LAND SURVEYOR

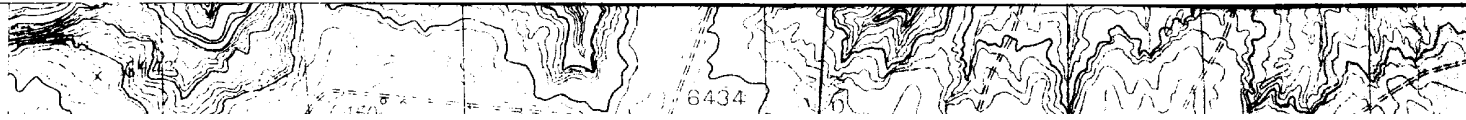
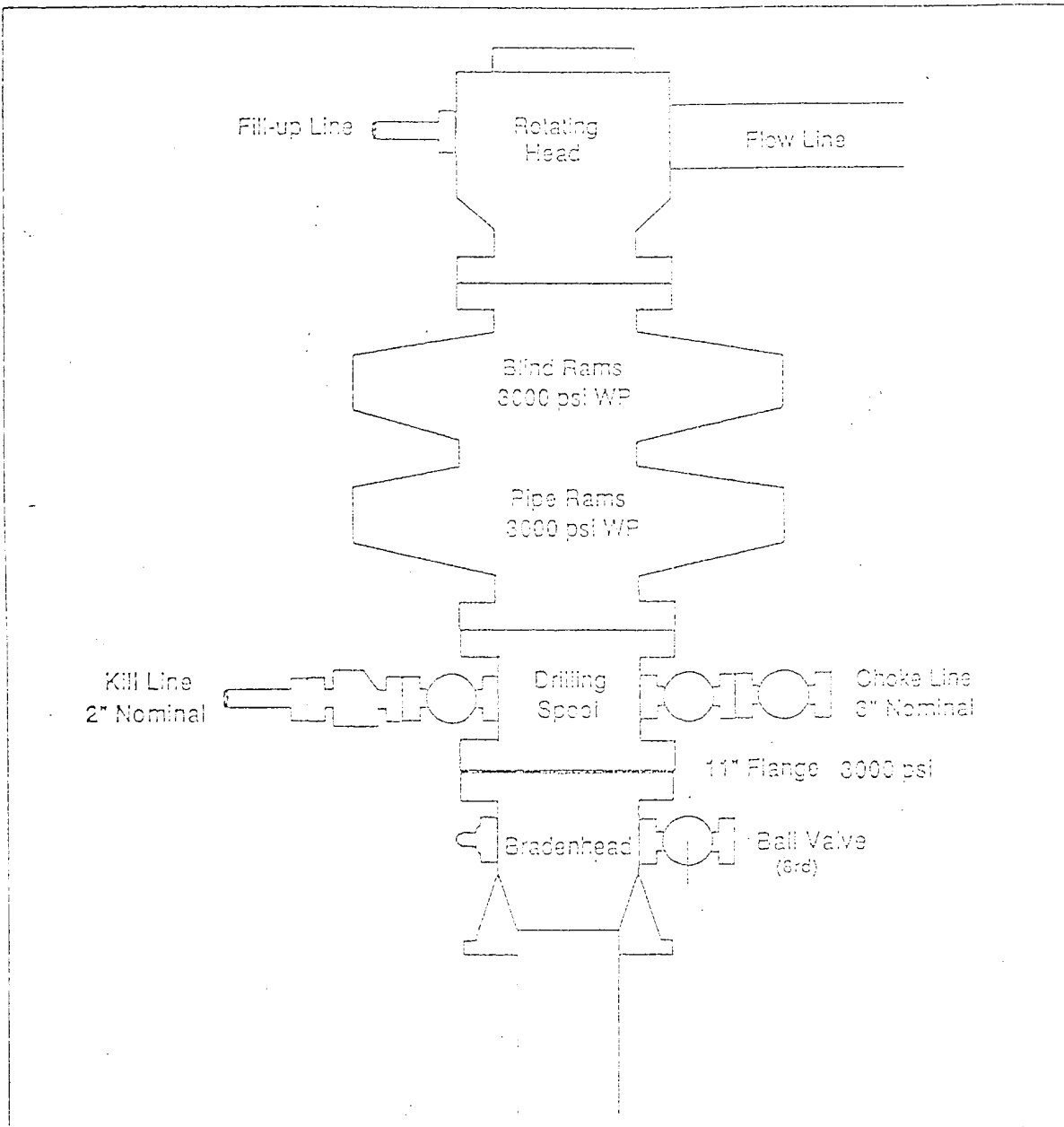


Exhibit #1
BOP Stack Arrangement



ILLECIBLE

Exhibit #2
Choke Manifold & Accumulator Schematic

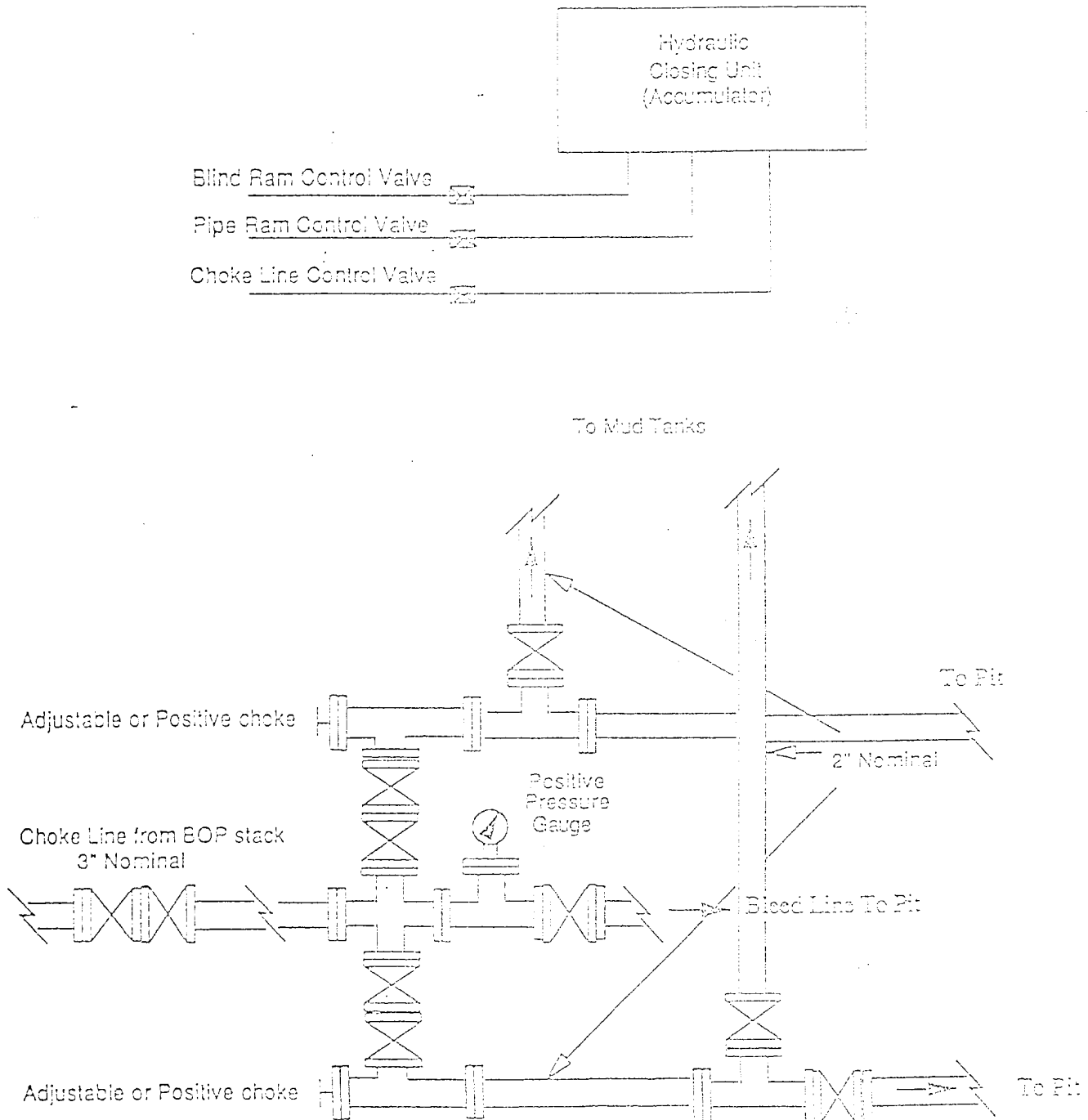


Exhibit #3
Blowout Prevention Equipment Specifications

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 by-pass 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.