

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 87508-2488

RECEIVED

NOV 19 1992

API NO. (assigned by OCD on New Wells)

30-645-28845

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

Kutz 29-9-19

2. Name of Operator

SG Interests I, Ltd. Attn: A. M. O'Hare

8. Well No.

#1 (E/336-17)

3. Address of Operator

PO Box 421, Blanco NM 87412-0421

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter G : 2500 Feet From The North Line and 1505 Feet From The East Line

Section 19 Township 29 N Range 9 W NMPM San Juan County

10. Proposed Depth

2160'

11. Formation

Fruitland

12. Rotary or C.T.

Rotary

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

5624' GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

unknown

16. Approx. Date Work will start

as soon as permitted

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	surface
				w/2% CaCl ₂	
7-7/8"	5-1/2"	15.5#, J-55	2160'	220 65/35	surface

Pozmix w/6% gel & 100 sx
class B tail

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 control at all times during drilling operations. A description of the BOP and choke assembly, along with schematic sketches of that equipment 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 in separate single stage cement jobs. A high strength cement will be placed across the pay zones and at least five hundred feet above the bottom of the hole. A minimum of six centralizers will be used to optimize placement of the cement around the pipe on the long string.

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

Dana M. Hyde

TITLE

Agent for SG Interests DATE 11-18-92

TYPE OR PRINT NAME

Dana M. Hyde

(505) 325-5599
TELEPHONE NO.

(This space for State Use)

APPROVED BY

Emil Bassel

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

NOV 20 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 5-20-93
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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

State of New Mexico
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

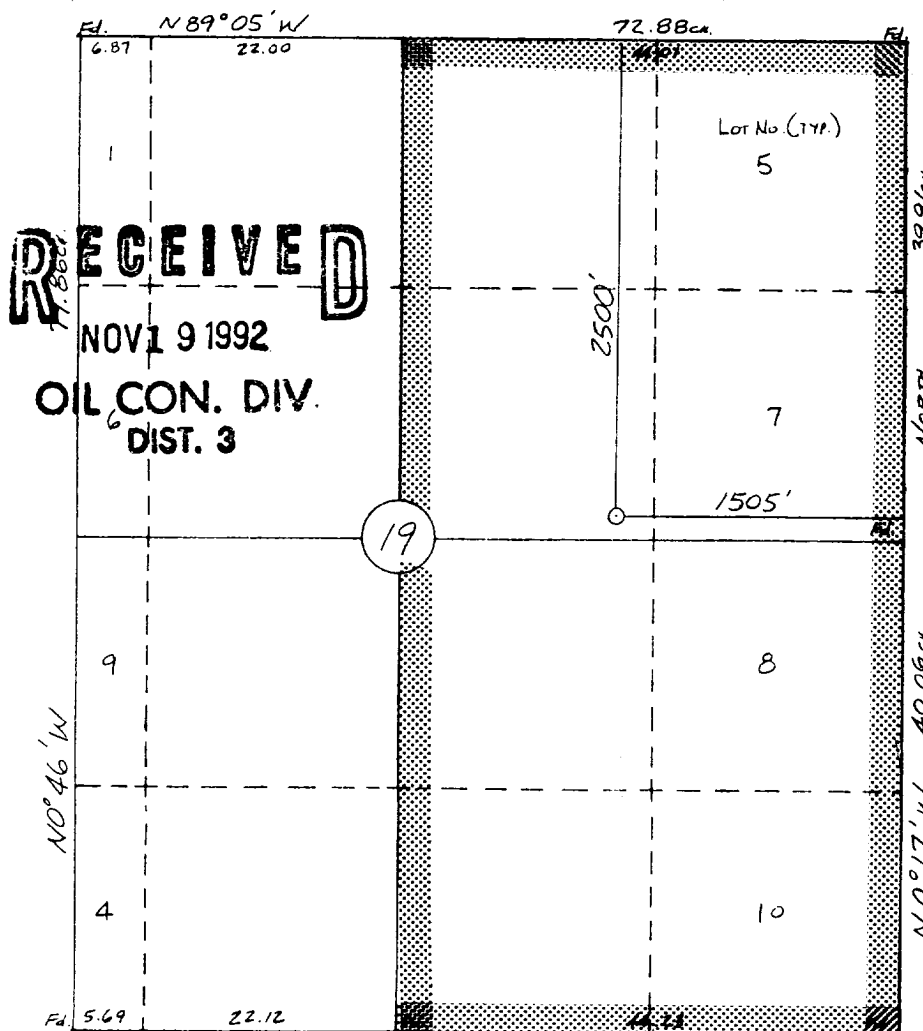
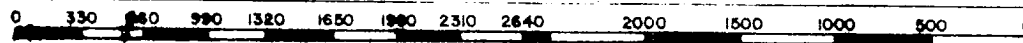
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio 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 Kutz 29-9-19		Well No. 1
Unit Letter G	Section 19	Township 29 N	Range 9 W	County San Juan	
Actual Portage Location of Well 2500 feet from the North line and 1505 feet from the East line					
Ground level Elev. 5624	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres 336.17	
<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 _____ 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.</p>					



OPERATOR CERTIFICATION

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

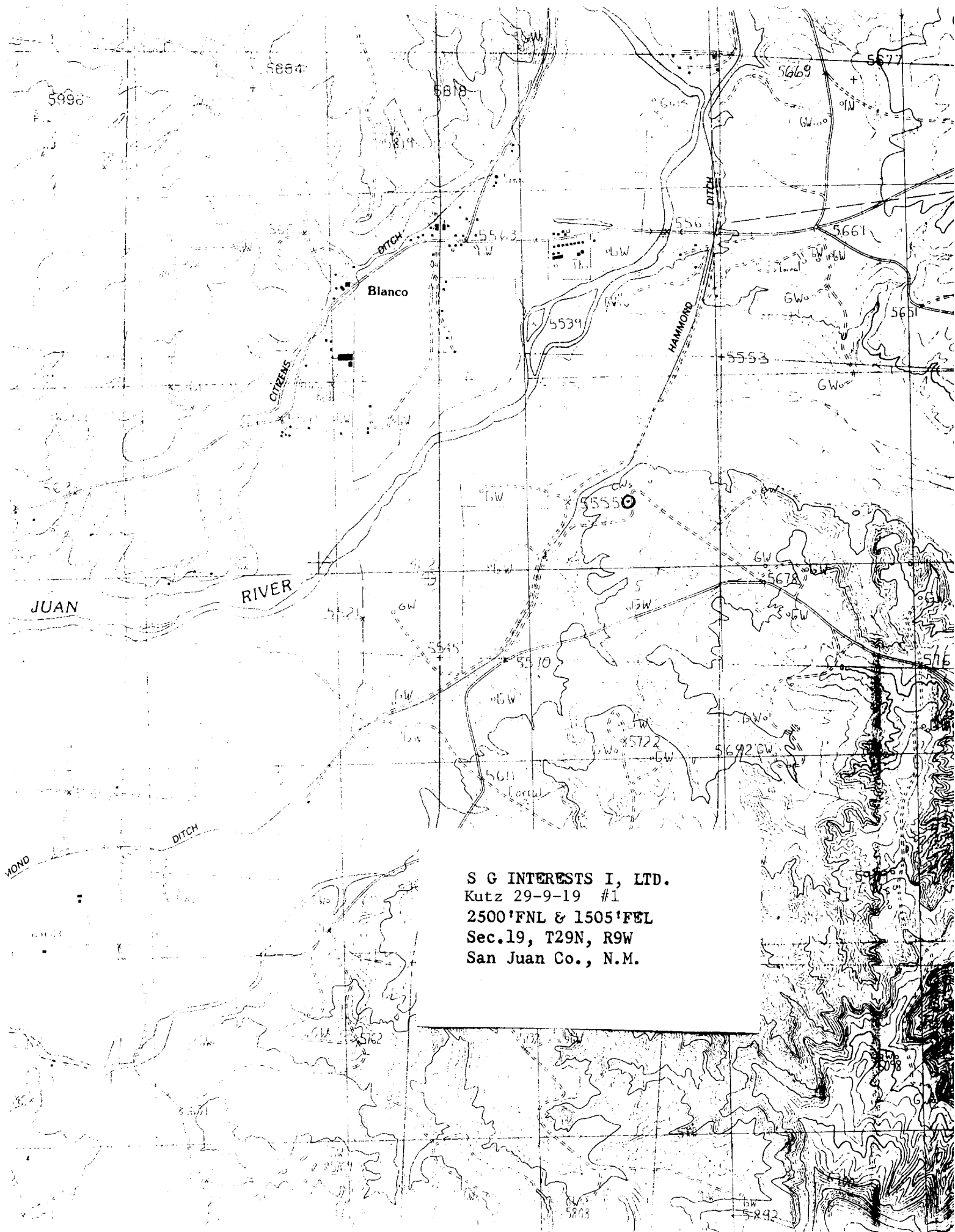
Signature: *A. M. O'Hare*
Printed Name: A. M. O'Hare
Position: Agent/President
Company: Maralex Resources
SG Interests I, Ltd.
Date: 11/17/92

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.
Date Surveyed: 11-9-92

Signature: William E. Mahnke II
Date: 11-9-92

Signature & Seal of Professional Surveyor
WILLIAM E. MAHNKE II
NEW MEXICO
#8466
Certification No. 8466
REGISTERED PROFESSIONAL LAND SURVEYOR



S G INTERESTS I, LTD.
Kutz 29-9-19 #1
2500'FNL & 1505'FEL
Sec.19, T29N, R9W
San Juan Co., N.M.

Exhibit #1
BOP Stack Arrangement

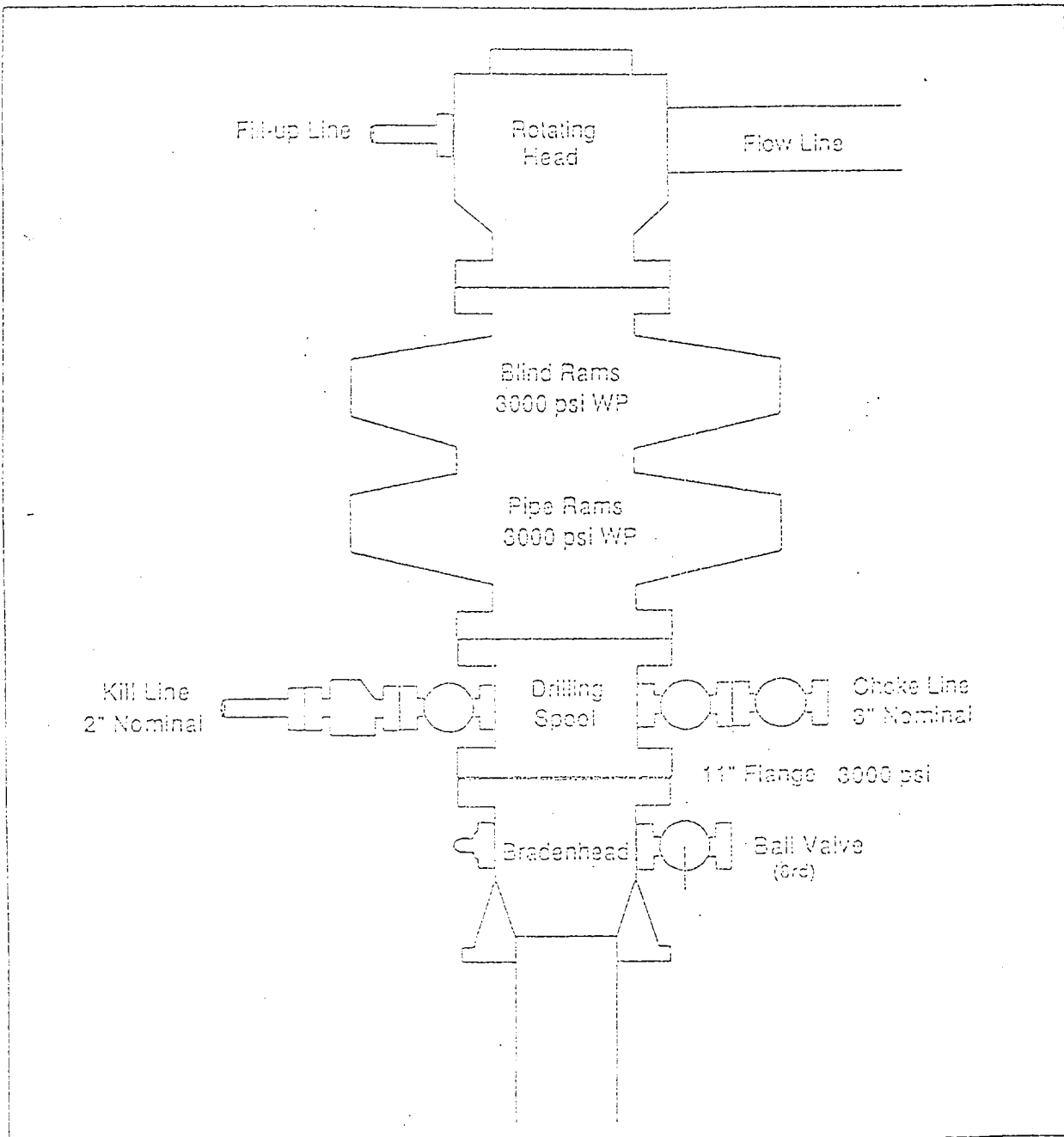


Exhibit #2
Choke Manifold & Accumulator Schematic

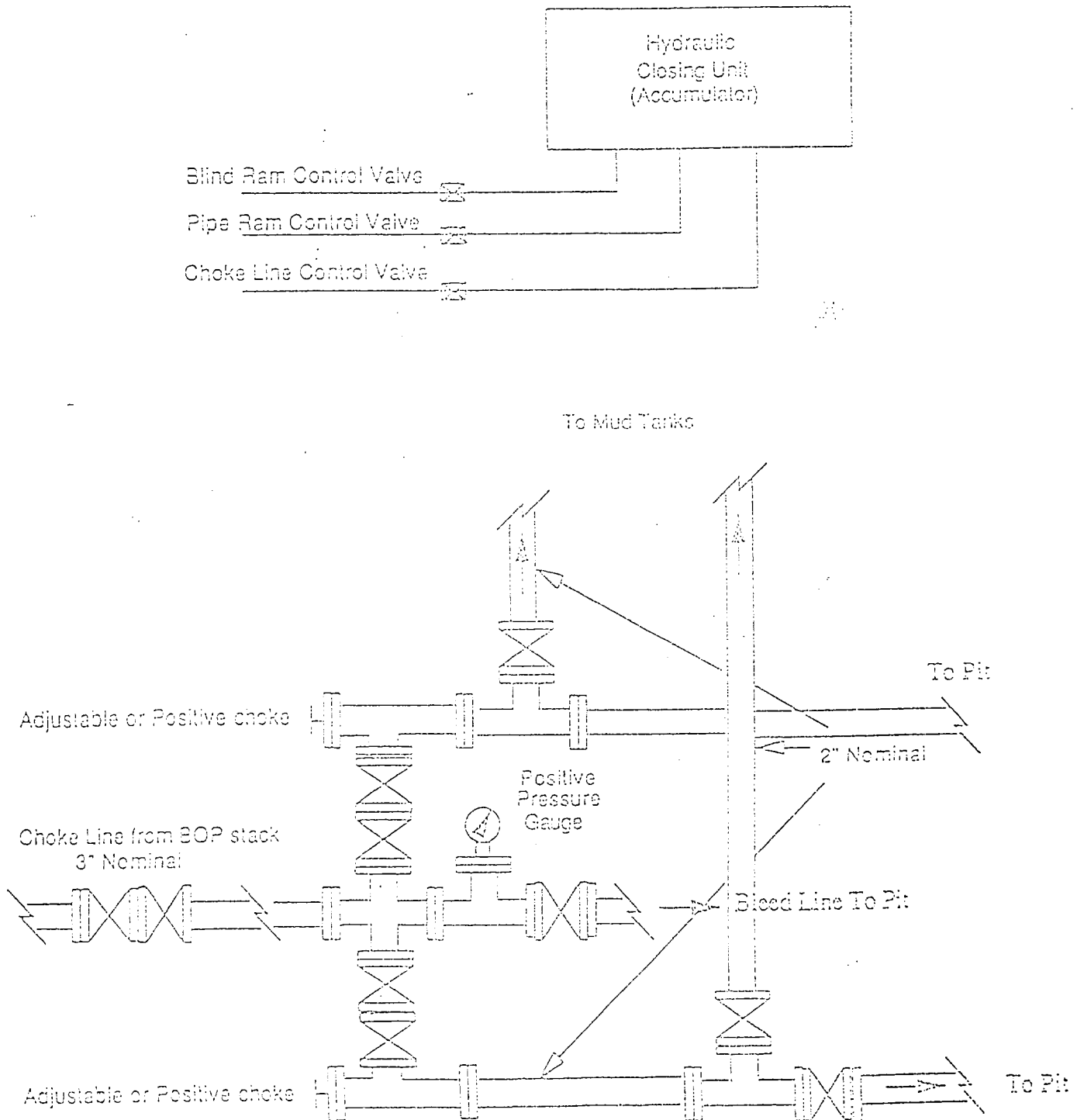


Exhibit #3
Blowout Prevention Equipment Specifications

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.