Submit to Appropriate District Office

DISTRICT II

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

State Lease - 6 copies Fee Lease - 5 copies DISTRICT P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION JIJL2 3 1992

API N	O. (assigned by OCD on New Wells)		
	30-045-28709		
	dicate Type of Lease		
	STATE	TEE	XX
6. SI	tate Oil & Gas Lease No.		

sx Class B neat.

P.O. Drawer DD, Artesia, NM 88210 1000 Rio Brazos Rd., Aztec, NM 87410

APPLICATION FOR PERMIT TO DRILD LECON. DIX 7. Lease Name or Unit Agreement Name 1a. Type of Work: DEEPEN PLUG BACK DRILL X RE-ENTER b. Type of Well: MULTIPLE ZONE SINGLE XX Chapson 29-10-20 ZONE OTHER WELL 8. Well No. 2. Name of Operator SG Interests I, Ltd. 9. Pool name or Wildcat Address of Operator P.O. Box 421, Blanco, NM 87412-0421 Basin Fruitland (Well Location 930 875 Feet From The Feet From The West South Line and Unit Letter 29N 10W NMPM San Juan 20 County Township Section 12. Rotary or C.T. 10. Proposed Depth Formation 1900' Fruitland Coal Rotary 16. Approx. Date Work will start 14. Kind & Status Flug. Bond 15. Drilling Contractor 13. Elevations (Show whether DF, RT, GR, etc.) 5466' GL, 5479' KB August 5, 1992 Blanket unknown 17. PROPOSED CASING AND CEMENT PROGRAM EST. TOP SACKS OF CEMENT WEIGHT PER FOOT SETTING DEPTH SIZE OF CASING SIZE OF HOLE 8-5/8" 24#**,** J−55 250**'** 200 Class B nea surface 12-1/4" 5-1/2" 1900' 190 65/35 Pozmik 7-7/8" surface 15.5#, J-55 w/6% gel & 100

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 nondispersed mud would be used to drill the well. A double ram type blowout preventer and choke assembly will be used to maintain well control throughout drilling operations. A description of the BOP and choke equipment and diagrams of the equipment are included as exhibits to this application. A full suite of logs will be run upon reaching total depth. 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 500 feet above the bottom of the bole. A minimum of ten centralizers will be

	ptimize placement of the cement around the pipe.
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.	IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE
I hereby certify that the information above is true and complete to the SIGNATURE	e bist of my knowledge and belief. THE Agent for SG Interests I, Ltd. July 22, 1992
TYPE OR PRINT NAME A. M. O'Hare	TELEPHONE NO. (505) 325-5599
(This space for State Use) APPROVED BY	DEPUTY OIL & GAS INSPECTOR, DIST. #3 JUL 27 1992
CONDITIONS OF AFFROVAL, IF ANY:	APPROVAL EXPIRES 1-27-93: UNLESS DRILLIAG IS COMMENCED.

WITHIN 10 DAYS.

SPUD NOT CE MUST BE SUBMITTED