

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

OIL CONSERVATION DIVISION

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

P.O. Box 2088

San Francisco, NM 87504-2088

RECEIVED

JUL 5 1992

API NO. (assigned by OCD on New Wells)
30-045-28711
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> PLUG BACK <input type="checkbox"/>					
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator SG Interests I, Ltd. 20572					
3. Address of Operator P.O. Box 421, Blanco, NM 87412-0421					
4. Well Location Unit Letter H : 1630 Feet From The North Line and 975 Feet From The East Line Section 26 Township 29 N Range 10 W NMPM San Juan County					
10. Proposed Depth 2000'		11. Formation Fruitland Coal		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 5536' GL, 5549' KB		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor unknown	
16. Approx. Date Work will start August 5, 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 sx Class B	surface
7-7/8"	5-1/2"	15.5#, J-55	2000'	210 sx 65/35 w/	surface
				6% gel & 100 sx	

Class B neat tail

SG Interests I, Ltd., proposes to drill a vertical well at the above described site to develop the Fruitland Coal formation. A full suite of logs will be run upon reaching total depth. A double ram type blowout preventor and choke system will be used to maintain well control at all times during drilling operations. Drawings and a description of the BOP equipment to be used in the drilling of this well are attached as exhibits to this application. Both strings of casing will be cemented back to surface in separate single stage cement jobs. The production string will have a high strength cement placed across the zone of interest to a height of 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 President DATE 7-14-92  
TYPE OR PRINT NAME A. M. O'Hare TELEPHONE NO. 7-27-92

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUL 27 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 1-27-93  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

0391330

1990-1991

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

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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

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

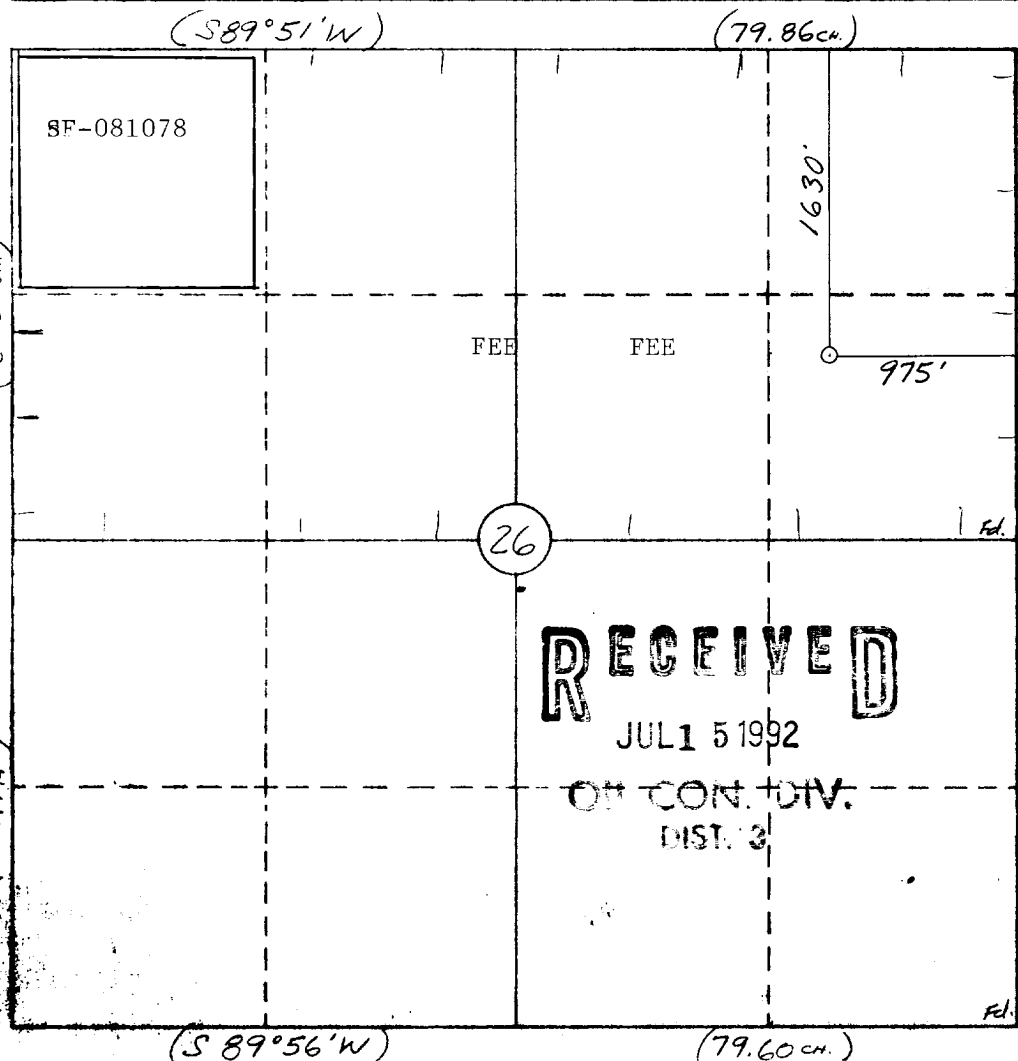
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>S G INTERESTS I, LTD.</b>			Lease <b>Moreland 29-10-26</b>		Well No. <b>1</b>
Unit Letter <b>H</b>	Section <b>26</b>	Township <b>29 N</b>	Range <b>10 W</b>	County <b>NMPM San Juan</b>	
Actual Footage Location of Well: <b>1630</b> feet from the <b>North</b> line and <b>975</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5536</b>	Producing Formation <b>Fruitland Coal</b>		Pool <b>Basin Fruitland</b>	Dedicated Acreage <b>320 Acres</b>	
<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation <u>Communitization</u></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 2000 1500 1000 500 0



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, Ltd.

Date: **July 14, 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.

**7-10-92**

Date Surveyed: **William E. Mahnke II**

Signature: *William E. Mahnke II*  
Professional Surveyor

Professional Land Surveyor  
New Mexico  
#8466  
Certificate No. 8466

# BOP Stack Arrangement

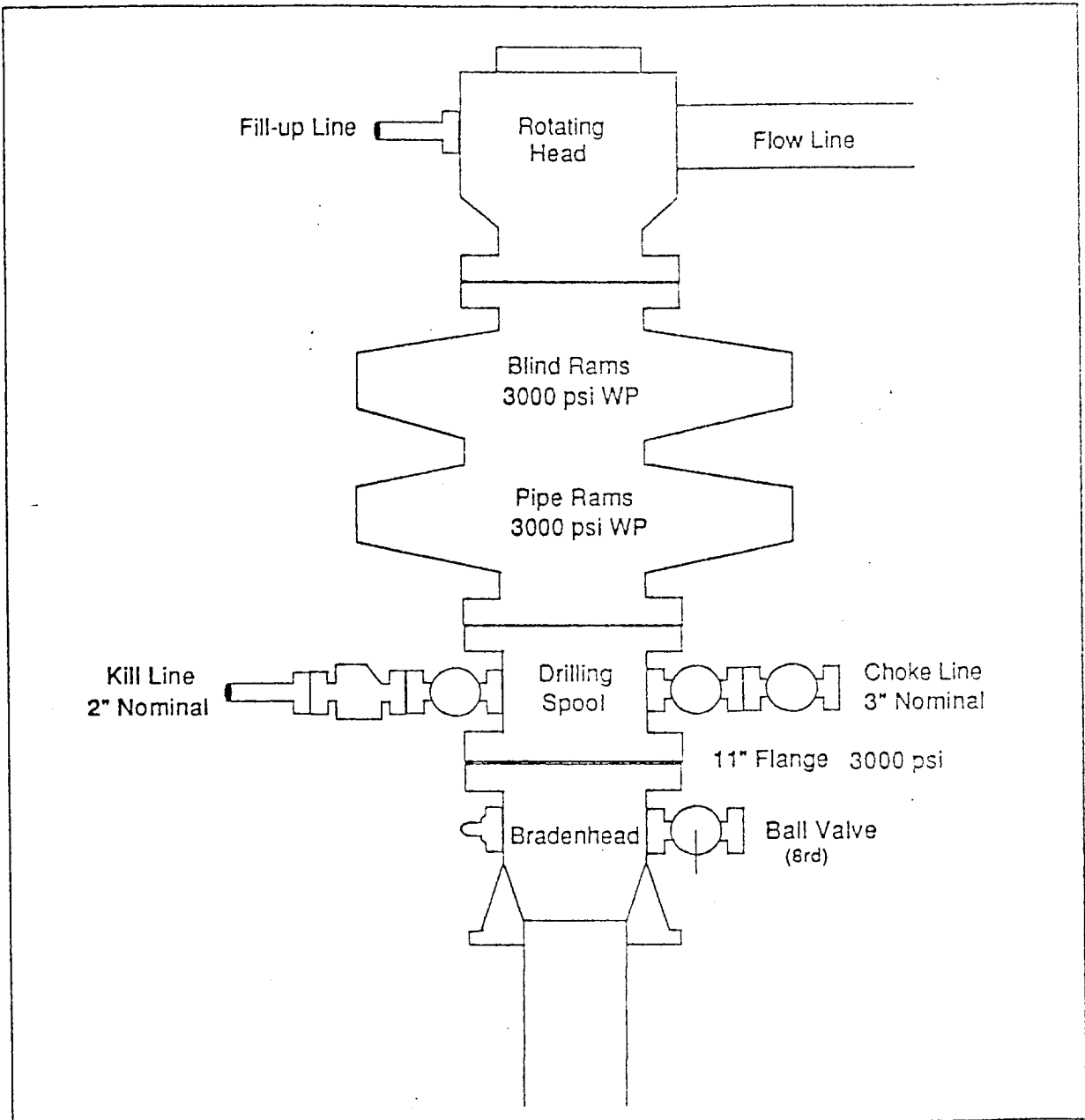


Exhibit #2  
Choke Manifold & Accumulator Schematic

