

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

JUL 20 1992

OIL CON. DIV. I

API NO. (assigned by OCD on New Wells)

30-045-28712

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 ☐

7. Lease Name or Unit Agreement Name

Brown 29-10-27

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

8. Well No.

2

9. Pool name or Wildcat

Basin Fruitland Coal

2. Name of Operator

SG Interests I, Ltd.

3. Address of Operator

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

4. Well Location

Unit Letter

K

: 1890

Feet From The

South

Line and

1555

Feet From The

West

Line

Section

27

Township

29N

Range

10W

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.)

5498' GL, 5511' KB

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

unknown

16. Approx. Date Work will start

August 10, 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 neat	surface
7-7/8"	5-1/2"	15.5#, J-55	2000'	205 sx 65/35 Poz	surface

100 sx Class B

neat tail.

SG Interests I, Ltd., proposes to drill a vertical well to develop the Fruitland Coal formation at the above described site. A full suite of logs will be run upon reaching total depth. A fresh water based low solids non-dispersed mud system will be used to drill to total depth. A double ram type blowout preventer and choke system will be used to maintain well control at all times during drilling operations. A description and drawings of the BOP equipment and choke assembly are included as exhibits to this application. Both casing strings will be cemented back to surface in separate single stage cement jobs. A high strength tail cement will be used to cover the proposed pay zone and at least five hundred feet above the bottom of the hole. A minimum of ten centralizers will be used on the long string job to optimize cement

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

July 17, 1992

TYPE OR PRINT NAME

A. M. O'Hare

TELEPHONE NO.

(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.

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Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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Santa Fe, New Mexico 87504-2088

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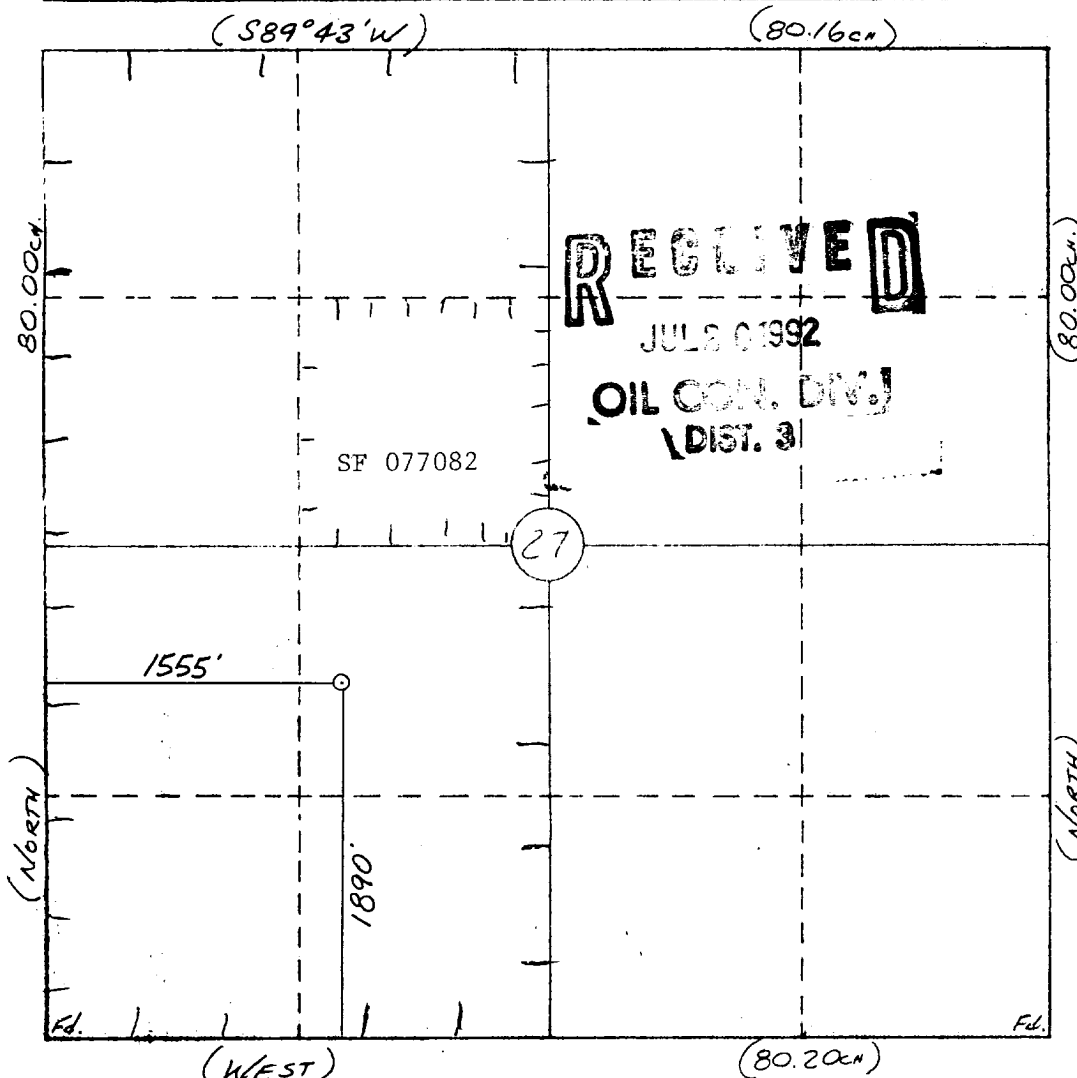
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator S G INTERESTS I, LTD.			Lease Brown 27-29-10		Well No. 2
Unit Letter K	Section 27	Township 29 N	Range 10 W	County NMPM	San Juan
Actual Footage Location of Well: 1890 feet from the South line and 1555 feet from the West line					
Ground level Elev. 5498	Producing Formation Eruitland 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 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 I, Ltd.
Date
July 17, 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.

7-14-92

Date Surveyed
William E. Mahnke II

Signature & Seal of Professional Surveyor
William E. Mahnke II
Professional Surveyor
NEW MEXICO
#8466
Certificate No. **8466**

42' 30"
4066
4065
4064
4063
4062
40'
4061

SAN JUAN RIVER

HAMMOND

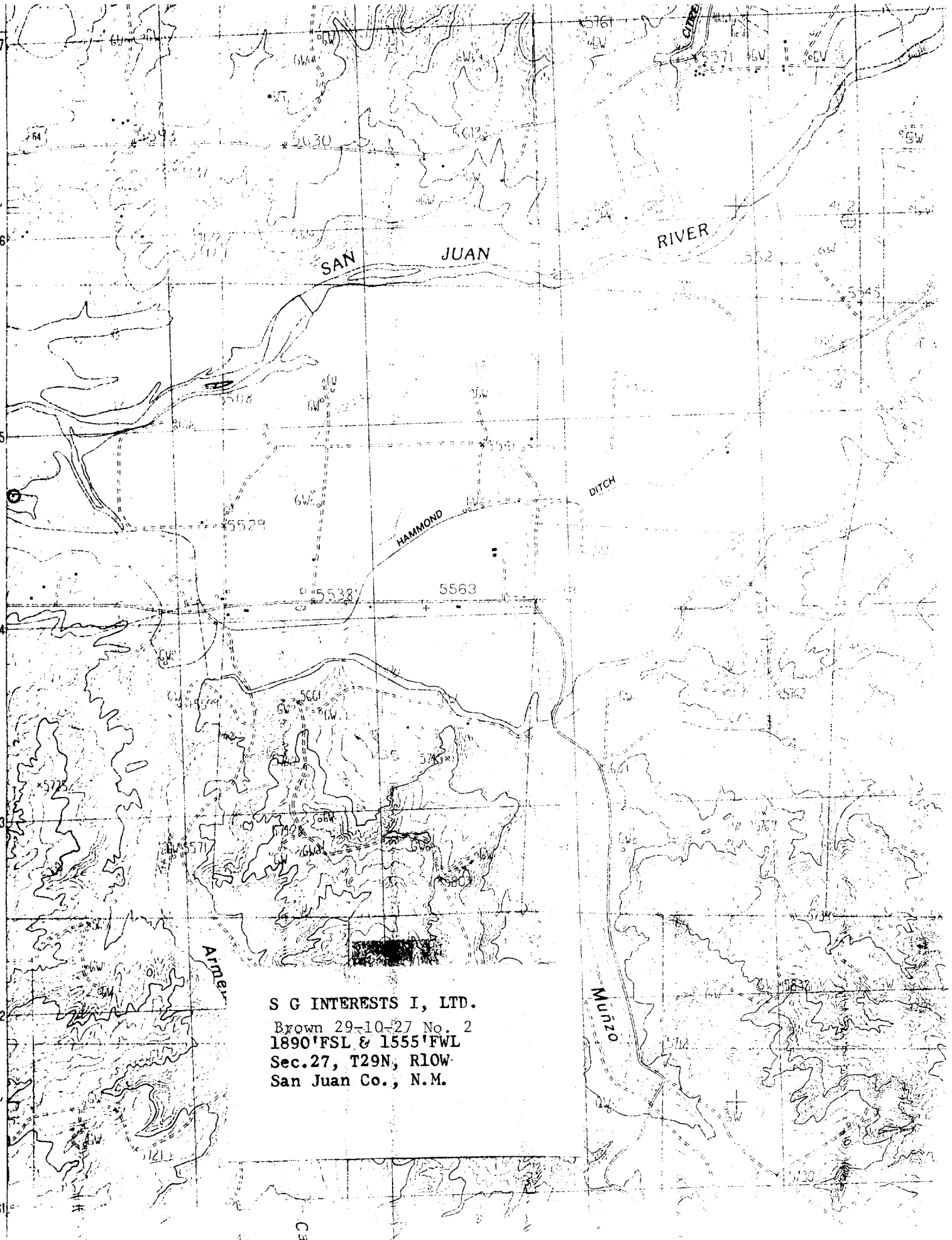
DITCH

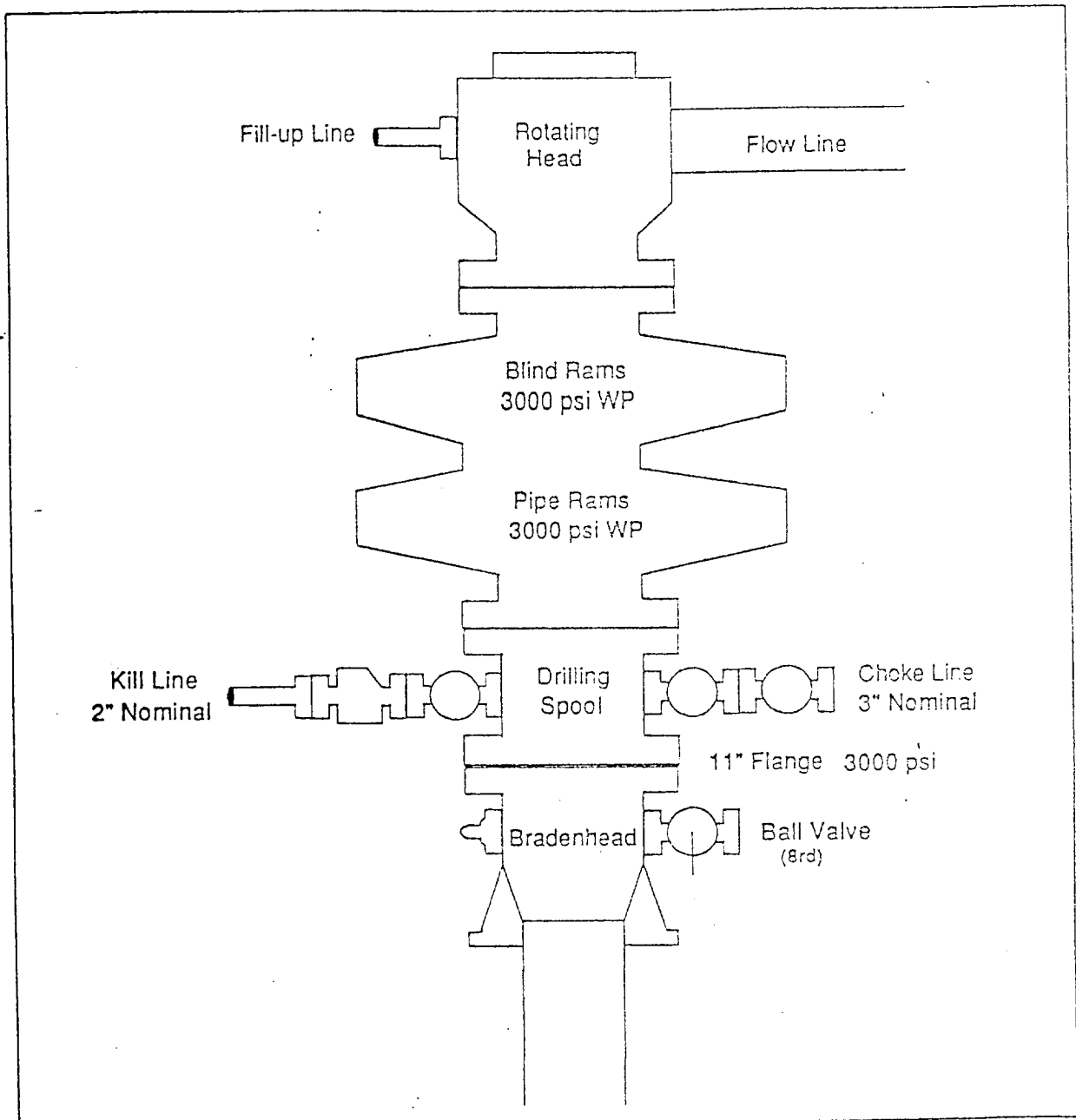
Munoz

Armer

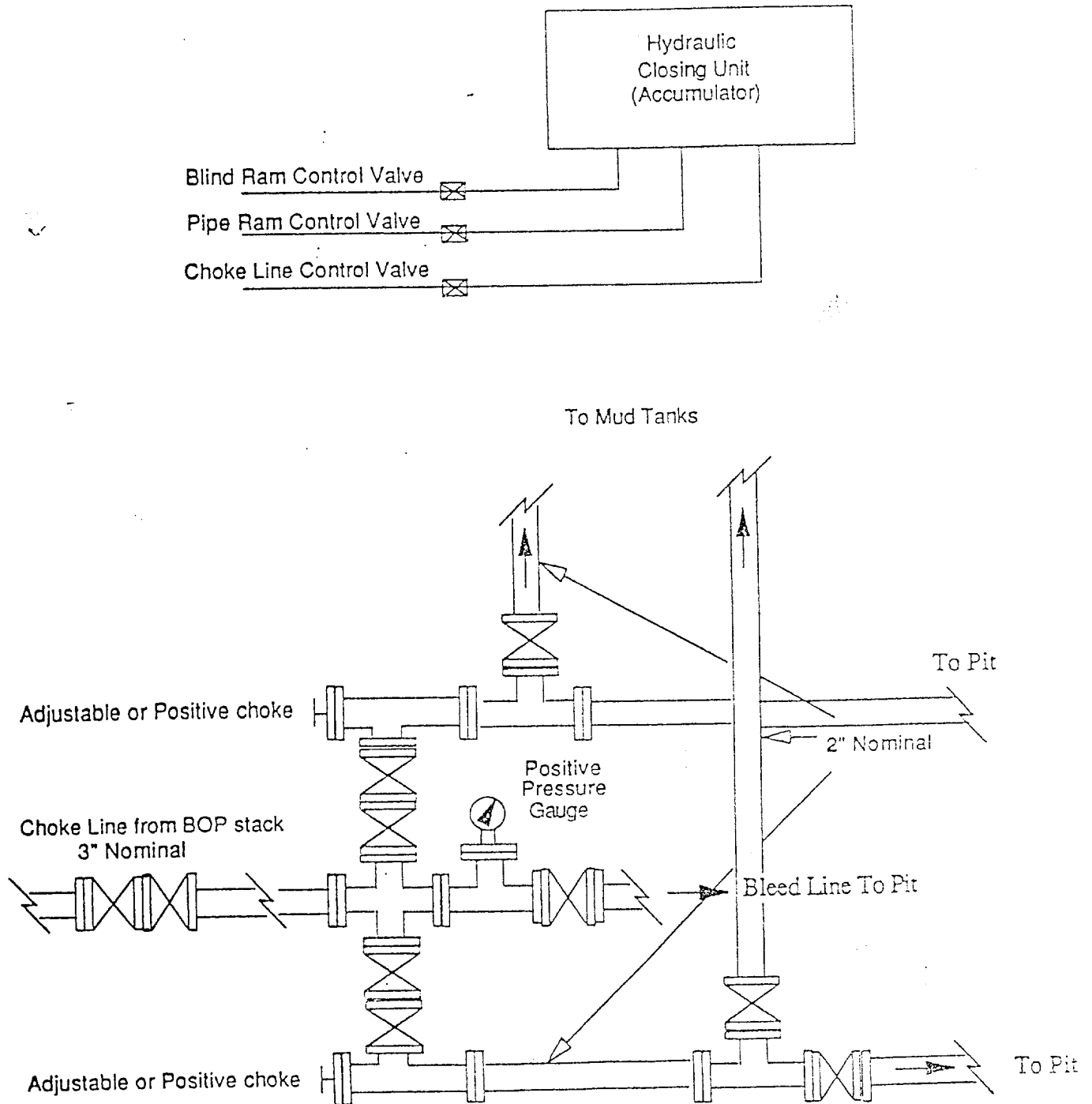
S G INTERESTS I, LTD.
Brown 29-10-27 No. 2
1890'FSL & 1555'FWL
Sec.27, T29N, R10W
San Juan Co., N.M.

Can





Choke Manifold & Accumulator Schematic



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.