

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
Santa Fe, New Mexico 87504-2088

RECEIVED

JUL 20 1992

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL PLUG BACK

1a. Type of Work:

DIST. 3

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

Keys 29-10-29

2. Name of Operator

SG Interests I, Ltd

8. Well No.

2

3. Address of Operator

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

9. Pool name or Wildcat

Basin Fruitland

4. Well Location
Unit Letter

N

1210

Feet From The

South

Line and

1670

Feet From The

West

Line

Section 29

Township

29N

Range

10W

NMPM San Juan

County

10. Proposed Depth

1925'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
5542' GL, 5555' KB

14. Kind & Status Plug Bond
Blanket

15. Drilling Contractor
unknown

16. Approx. Date Work will start
August 12, 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	1925'	195 sx 65/35 Poz	surface
				mix w/6% gel &	
				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 low solids nondispersed fresh water mud will be used to drill the well to TD. A double ram type blowout preventer will be used to maintain well control at all times during drilling operations. A description and diagrams of the BOP and choke equipment are included as exhibits to this application. A full suite of open hole 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. In addition, a minimum of ten centralizers will be used on the long string 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 July 20, 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: Pool Plug Keys 29-10-29 Basin Fruitland Coal

APPROVAL EXPIRES 1-27-93
UNLESS DRILLING IS COMMENCED
SPUD NOTICE MUST BE SUBMITTED
WITHIN 60 DAYS

Submit to Appropriate
District Office
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Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form 1-1
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
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DISTRICT II
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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

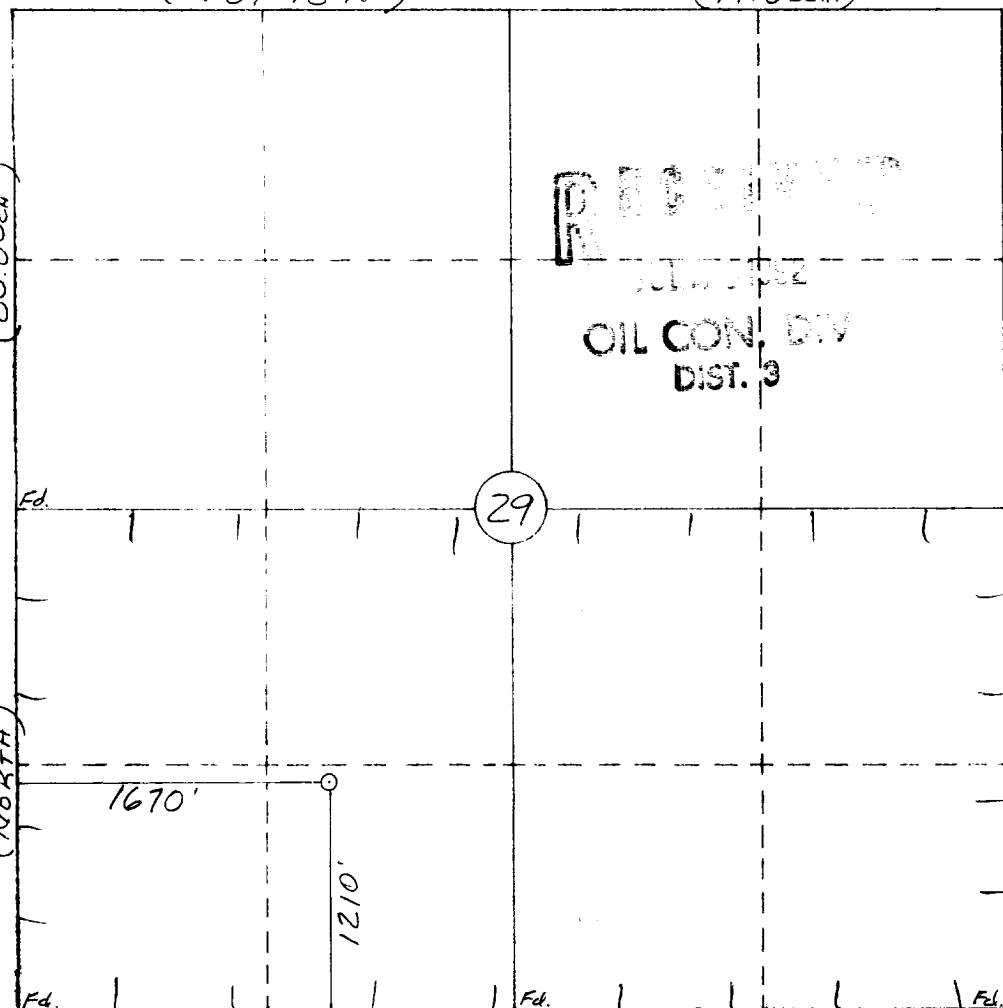
Operator S G INTERESTS I, LTD.			Lease Keys 29-10-29		Well No. 2
Unit Letter N	Section 29	Township 29 N	Range 10 W	County San Juan	NMPM
Actual Footage Location of Well 1210 feet from the South line and 1670 feet from the West line					
Ground level Elev 5542	Producing Formation Fruitland Coal		Pool Basin 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 _____
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

(N 89°48'W)

(79.86ch.)



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 20, 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

7-17-92

Date Surveyed
William B. Mahnke II

Signature *W. B. MAHNKE II*
Professional Surveyor

NEW MEXICO
#8466
REGISTERED PROFESSIONAL SURVEYOR

Exhibit #1
BOP Stack Arrangement

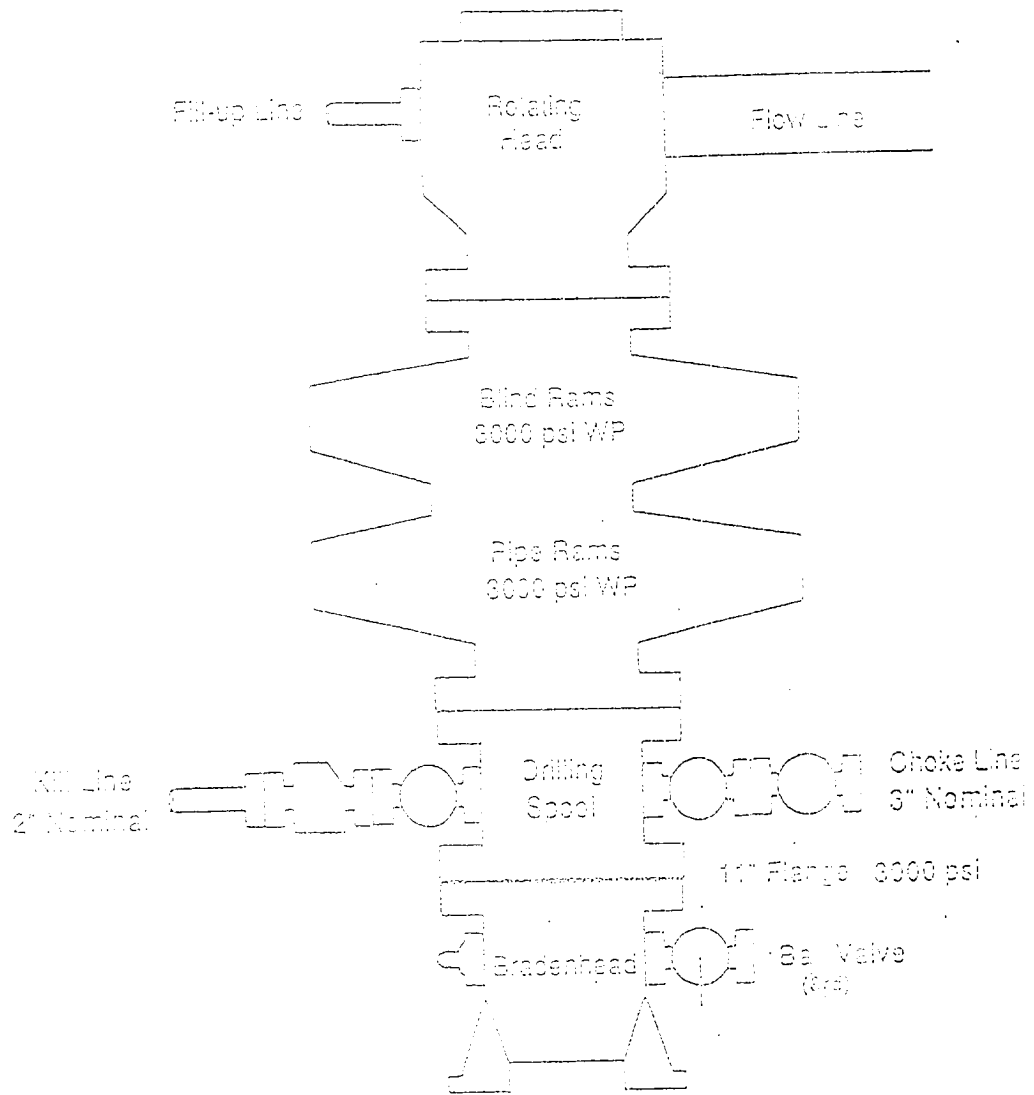


Exhibit #2
Choke Manifold & Accumulator Schematic

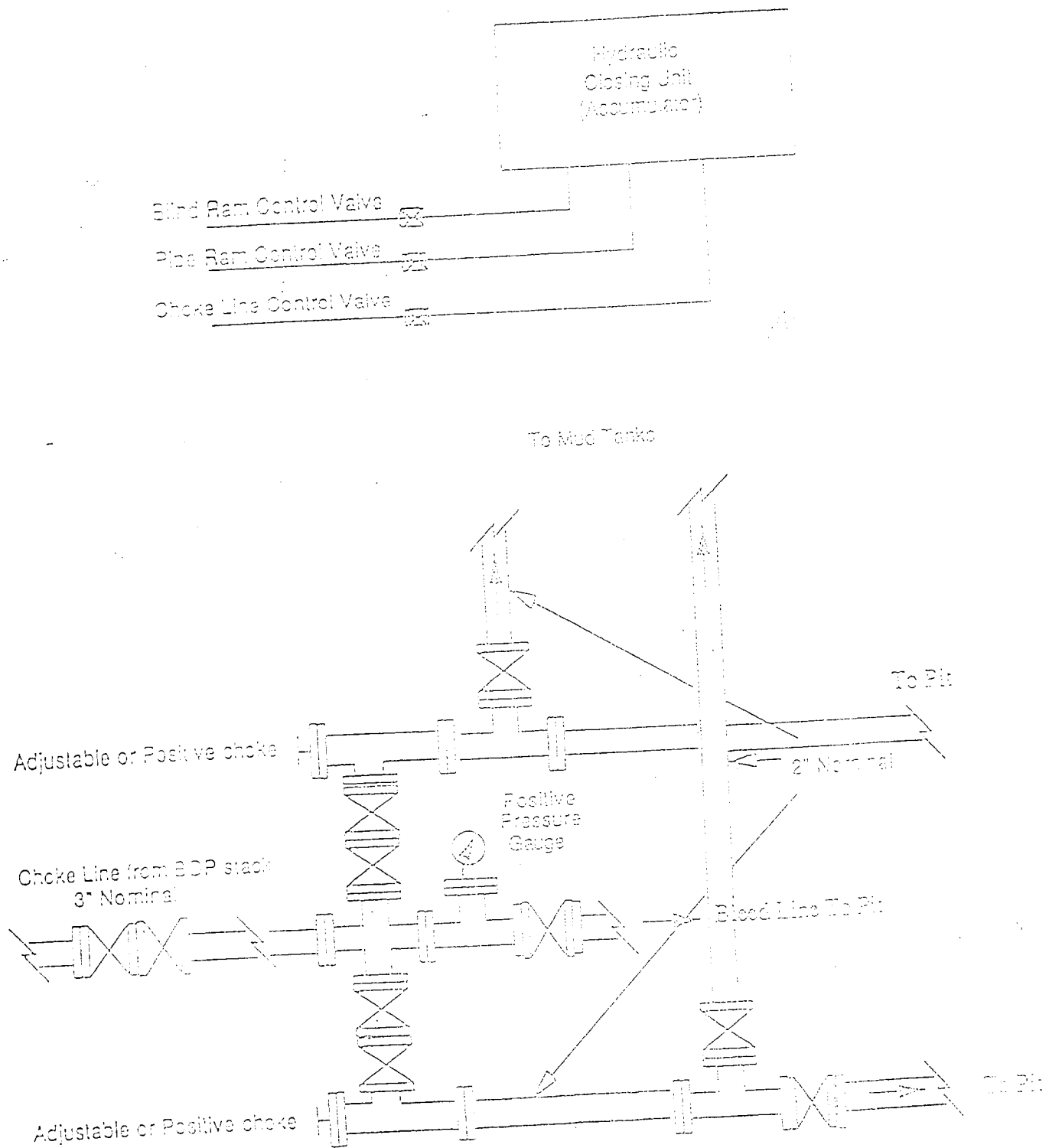


Exhibit #3
Blowout Prevention Equipment Specifications

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 shall 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.