

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

RECEIVED
JUL 15 1992

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil or Gas Lease No.

7. Lease Name or Unit Agreement Name

Sikes 29-10-30

8. Well No.

2 (51318-50)

9. Pool name or Wildcat

Basin Fruitland

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 ☐

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 L : 1715 Feet From The South Line and 950 Feet From The West Line

Section 30 Township 29N Range 10W NMPM Sar Juan County

10. Proposed Depth

2000'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

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

5519' GL, 5532' 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 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 to develop the Fruitland Coal formation at the above described site. A full suite of open logs will be run upon reaching total depth. A double ram type blowout preventer 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

TITLE

Agent for SGI I, Ltd.

DATE

7-14, 1992

TYPE OR PRINT NAME

A. M. O'Hare

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE DEPUTY OIL & GAS INSPECTOR, NEM. #7

DATE

JUL 27 1992

CONDITIONS OF APPROVAL, IF ANY:

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

1981

1981

Submit to Appropriate
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Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 1-1
Revised 11-89

OIL CONSERVATION DIVISION

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

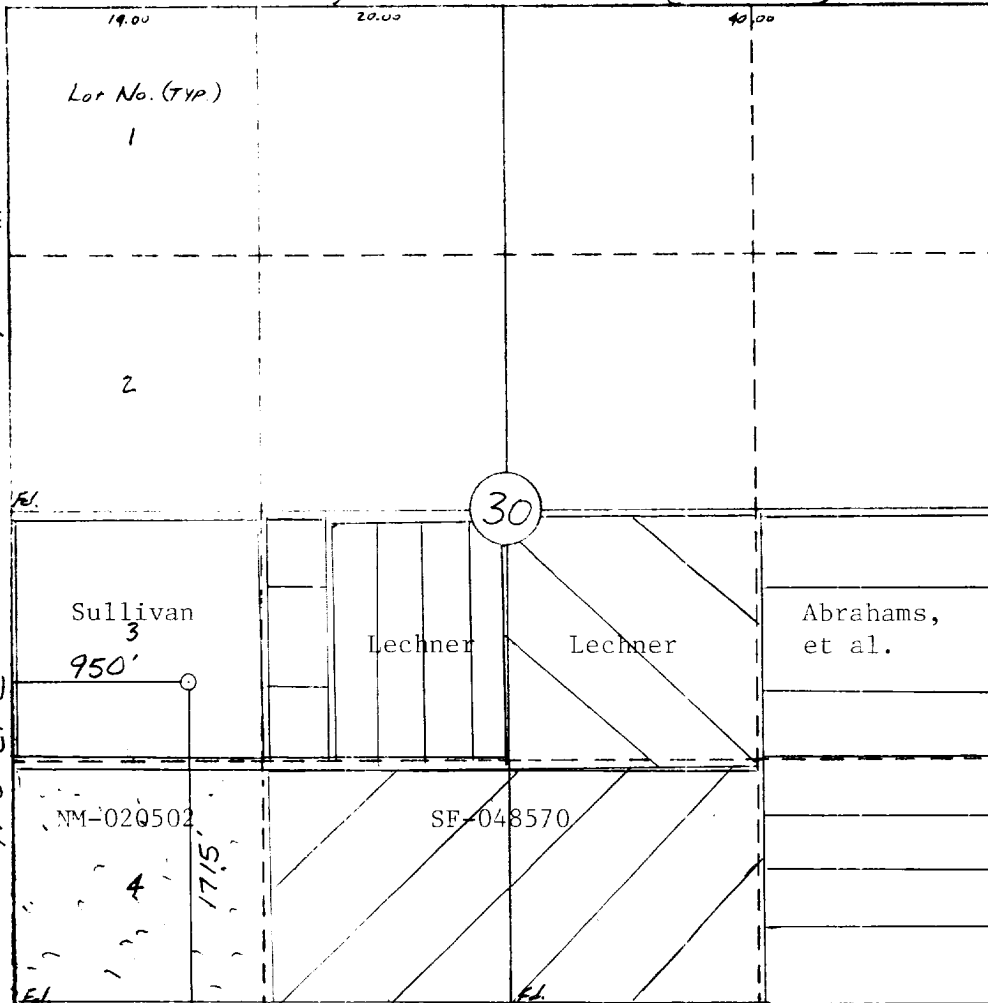
Operator S G INTERESTS I, LTD.			Lease Sikes 29-10-30		Well No. 2
Unit Letter L	Section 30	Township 29 N	Range 10 W	County San Juan	
Actual Footage Location of Well: 1715 feet from the South line and 950 feet from the West line					
Ground level Elev. 5519	Producing Formation Fruitland Coal		Pool Basin Fruitland	Dedicated Acreage 318.8 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

(S89°51'W)

(79.80 ca.)



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 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
7-13-92

Date Surveyed
William E. Mahnke II

Signature & Seal of Professional Surveyor

NEW MEXICO
#8466
PROFESSIONAL LAND SURVEYOR
Certificate No. **8466**

EXHIBIT #1
BOP Stack Arrangement

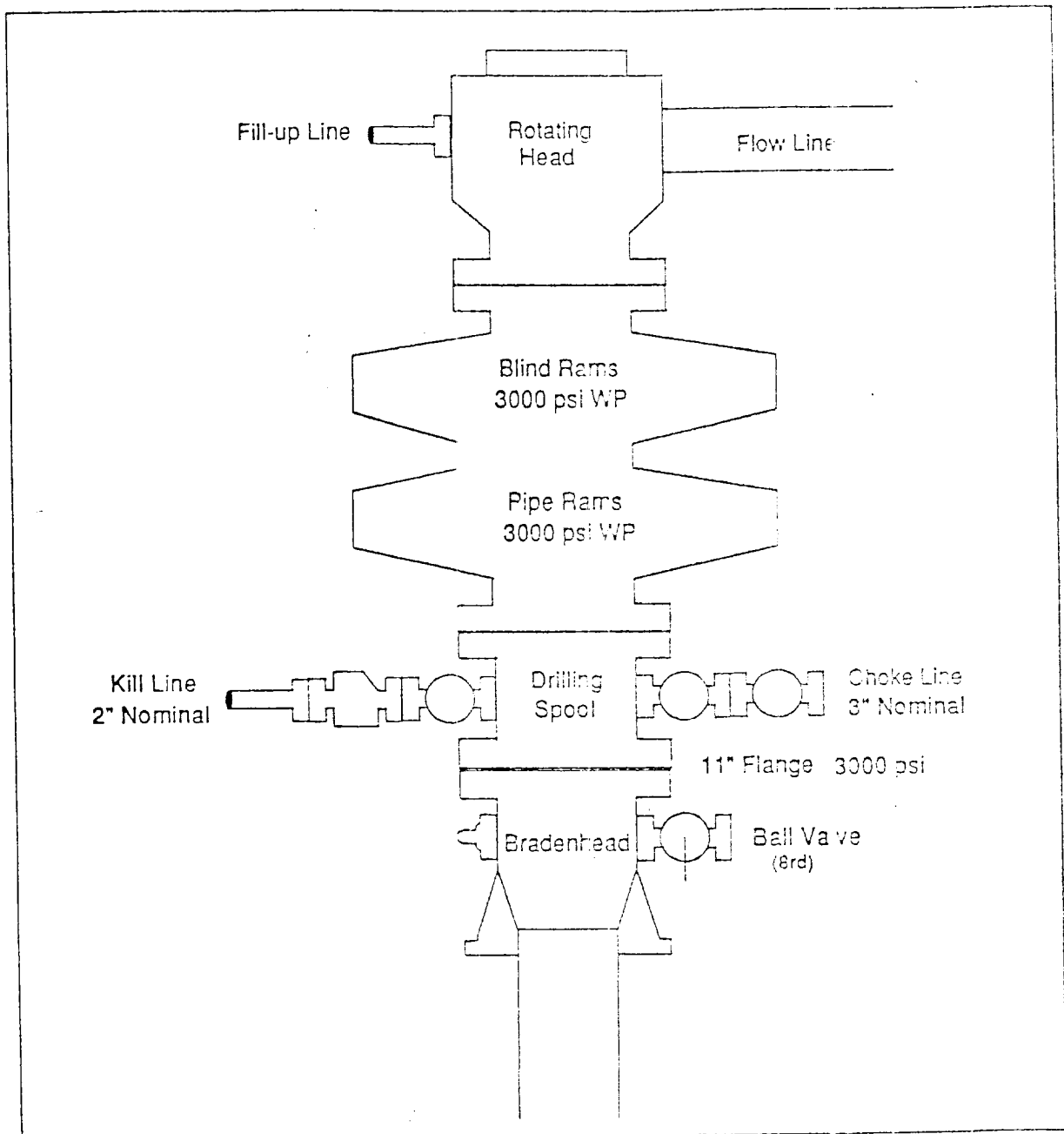


Exhibit #2
Choke Manifold & Accumulator Schematic

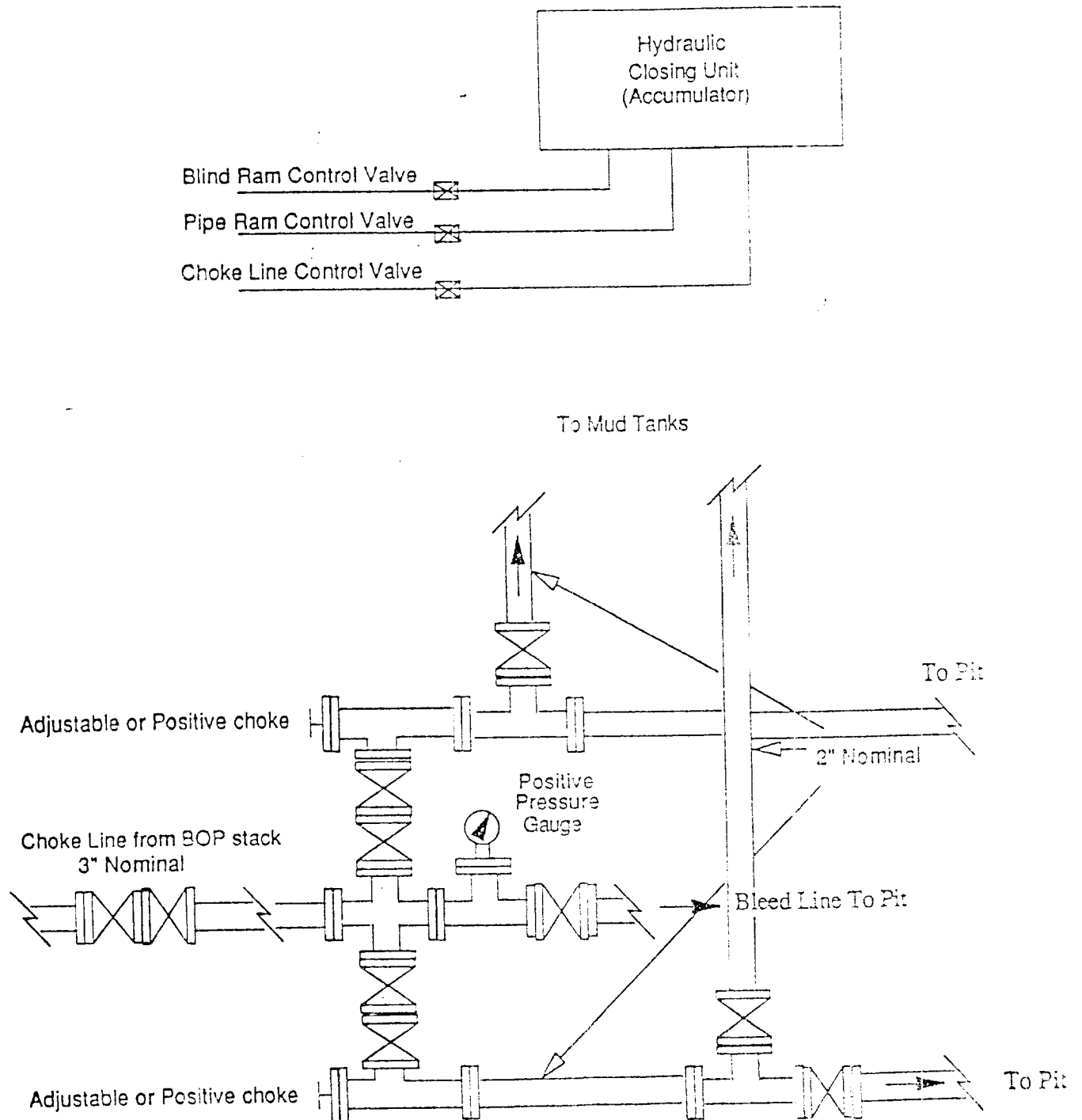


Exhibit #3
Blowout Prevention Equipment Specifications

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.

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Form C-103
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P.O. Box 1980, Hobbs, NM 88240

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

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

WELL API NO. 30-045-28714
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. -
7. Lease Name or Unit Agreement Name Sikes 29-10-30
8. Well No. 2
9. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
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 L : 1715 Feet From The South Line and 1950 Feet From The West Line Section 30 Township 29N Range 10W NMPM San Juan County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5519' GL, 5532' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud Date: 11-05-92 @ 12:00 PM
Hole Size: 12 1/4"
Casing: 6 Jts (254') 8 5/8", 23#, X42LS, Casing set @ 266'
Guide Shoe @ 266', Insert Float, 3 Centralizers @ 246', 162', & 78'.
Cement: 200 sx Class B w/2% CaCl (1.18 Yield/236 cu ft).
Circ 11 bbls cement to surface.
Pressure Test BOP Stack & Float Equipment to 600 psi - Held OK.
Pressure Test Casing to 600 psi - Held OK.

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

SIGNATURE Carrie A. Baze TITLE Agent DATE 11/13/92
TYPE OR PRINT NAME Carrie A. Baze (915) 694-6107 TELEPHONE NO.

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPPLY SUPERVISOR DATE NOV 13 1992
CONDITIONS OF APPROVAL, IF ANY:

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DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

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3. Address of Operator P. O. Box 421, Blanco, NM 87412-0421
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10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5519' GL, 5532' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☒
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Production Casing: TD @ 1994' on 11-06-92
Hole Size: 7 7/8"
Casing: 46 Jts (1979') 5 1/2", 15.5#, J-55, Casing set @ 1990', Guide Shoe @ 1990', Float Collar @ 1944', Centralizers @ 1970', 1928', 1844', 1760', 1676', 1592', 1508', 1424', 1340', 1256', 1172', & 1088'.
Cement: 270 sx Pacesetter Lite w/6% gel (1.93 Yield/521 cu ft), + 100 sx Class B w/1% CF-14 & 0.4% Thrifty Lite (1.18 Yield/118 cu ft). Circ 10 bbls cement to surface.
Bump Plug w/1400 psi.
Plug Down @ 7:10 AM on 11-07-92.

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

SIGNATURE Carrie A. Baze TITLE Agent DATE 11/13/92
TYPE OR PRINT NAME Carrie A. Baze (915) 694-6107 TELEPHONE NO.

(This space for State Use)

APPROVED BY Original Signed By [Signature] TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: