

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

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

APP. NO. (Assigned by OCD on New Wells)

30-045-28731

1. Indicate Type of Lease

STATE ☐

FEE ☒

2. Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OR  
WELL ☐

GAS  
WELL ☒

OTHER ☐

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Armenta 29-10-27

2. Name of Operator

SG Interests I, Ltd.

8. Well No.

1

3. Address of Operator

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

9. Pool name or Wildcat

Basin Fruitland

4. Well Location

Unit Letter

H

: 2030'

Feet From The

North

Line and

825'

Feet From The

East

Line

Section

27

Township

29N

Range

10W

NMPM

San Juan

County

10. Proposed Depth

1950'

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

Aug. 11, 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 w/2%CaCl <sub>2</sub>	Surface
7-7/8"	5-1/2"	15.5#, J-55	1950'	200 65/35 Pozmix w/6%gel & 100 sx	Surface

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 fresh water based low solids non-dispersed mud will be used to drill below surface casing. A double ram type BOP and choke assembly will be used to maintain control of the well during drilling operations. A description and schematic drawings of the BOP and choke assembly 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 500 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 Agent for SG Interests I, Ltd. DATE July 23, 1992

TYPE OR PRINT NAME

A. M. O'Hare

TELEPHONE NO. (505) 325-5591

(This space for State Use)

APPROVED BY

*E. J. Burch*

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

8-3-92  
AUG 03 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 2-3-93  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

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

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

RECEIVED

JUL 27 1992

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

CON. DIV.

DIST. 3

Operator S G INTERESTS I, LTD.			Lease Armenta 29-10-27		Well No. 1
Unit Letter H	Section 27	Township 29 N	Range 10 W	County San Juan	
Actual Footage Location of Well: 2030 feet from the North line and 825 feet from the East line					
Ground level Elev. 5498		Producing Formation Fruitland Coal		Pool Basin Fruitland	
				Dedicated Acreage: E/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

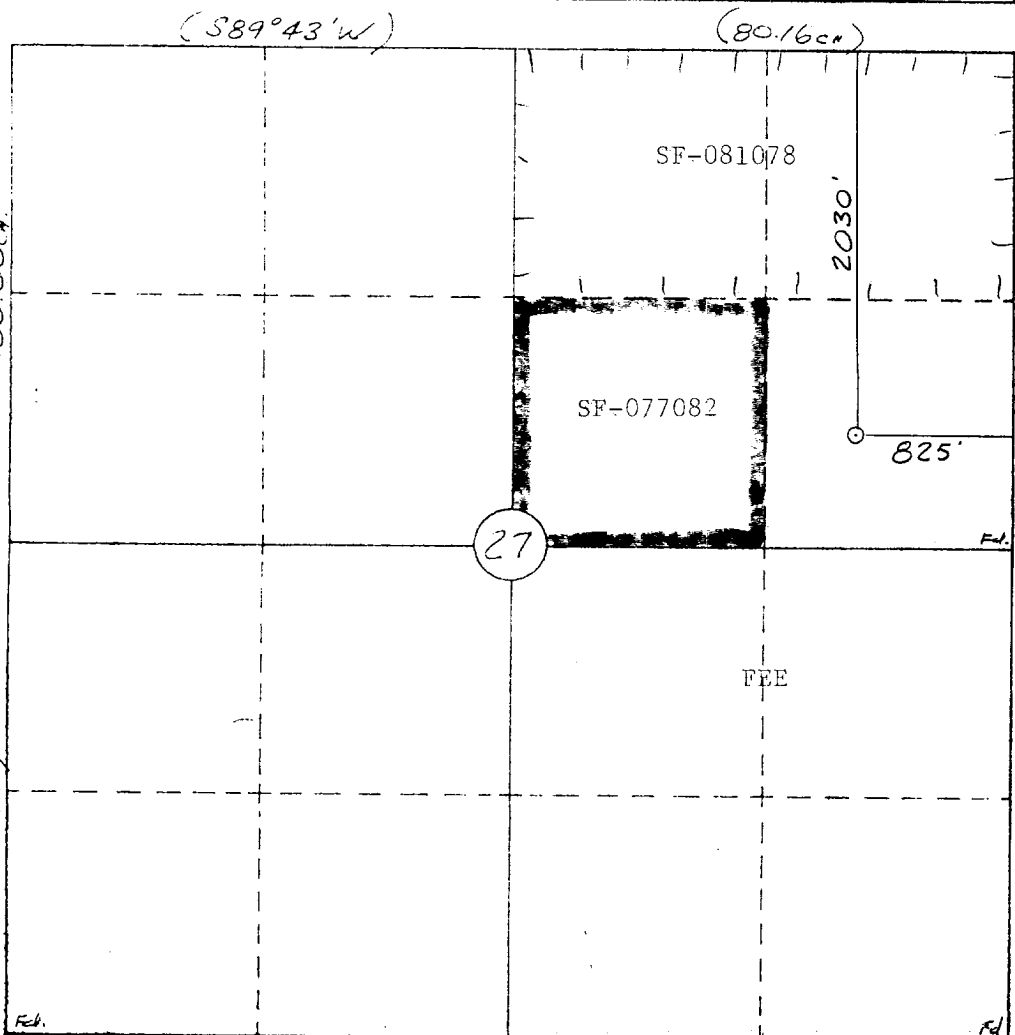
☐ No

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

Printed Name

A. M. O'Hare

Position

President/Agent

Company Maralex Resources, Inc.

Agent for SG Interests I, Ltd

Date

July 23, 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.

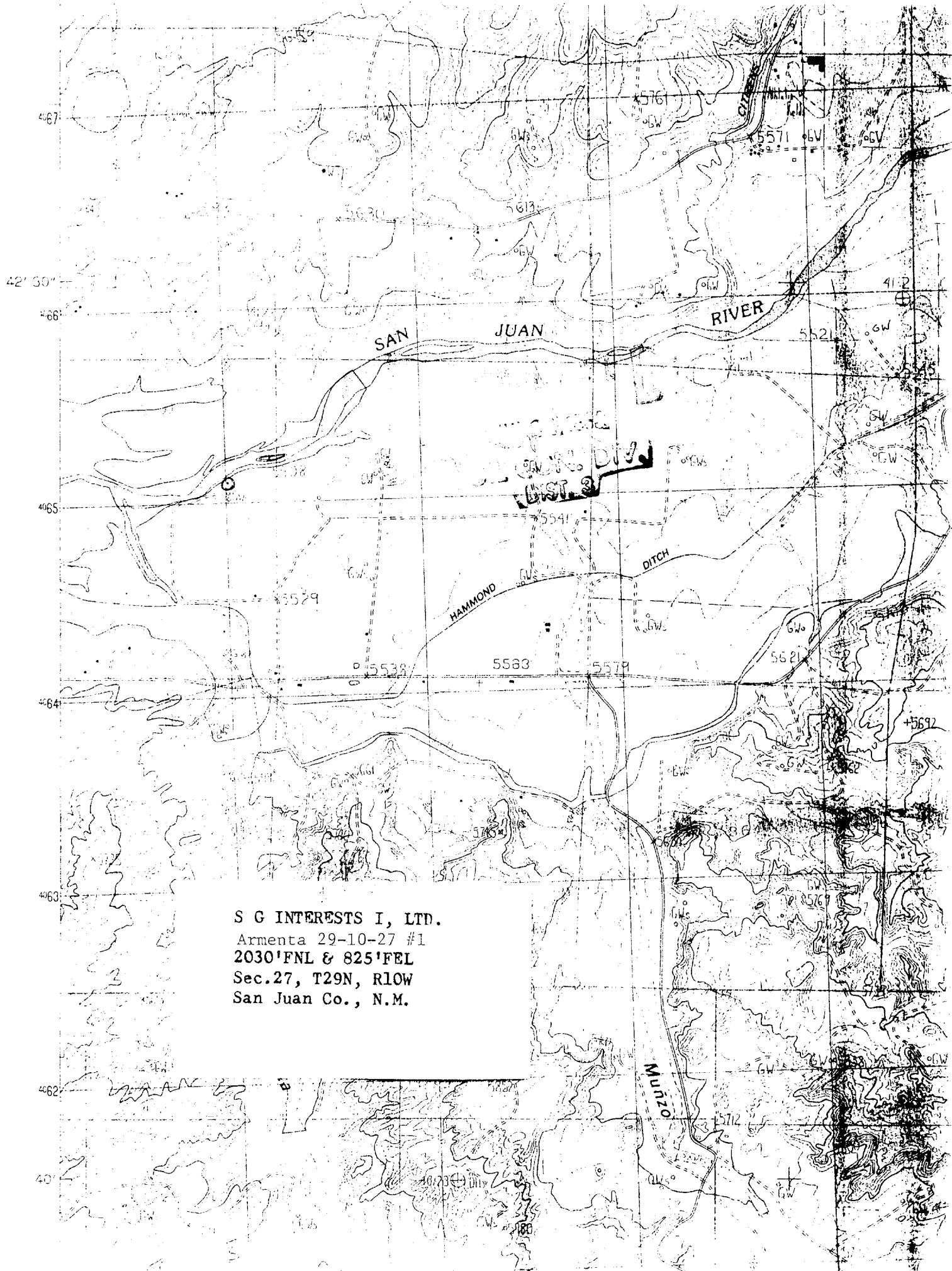
7-22-92

Date Surveyed

William E. Mahnke II

Signature & Seal of Professional Surveyor





S G INTERESTS I, LTD.  
Armenta 29-10-27 #1  
2030'FNL & 825'FEL  
Sec.27, T29N, R10W  
San Juan Co., N.M.

Exhibit #1

*BOP Stack Arrangement*

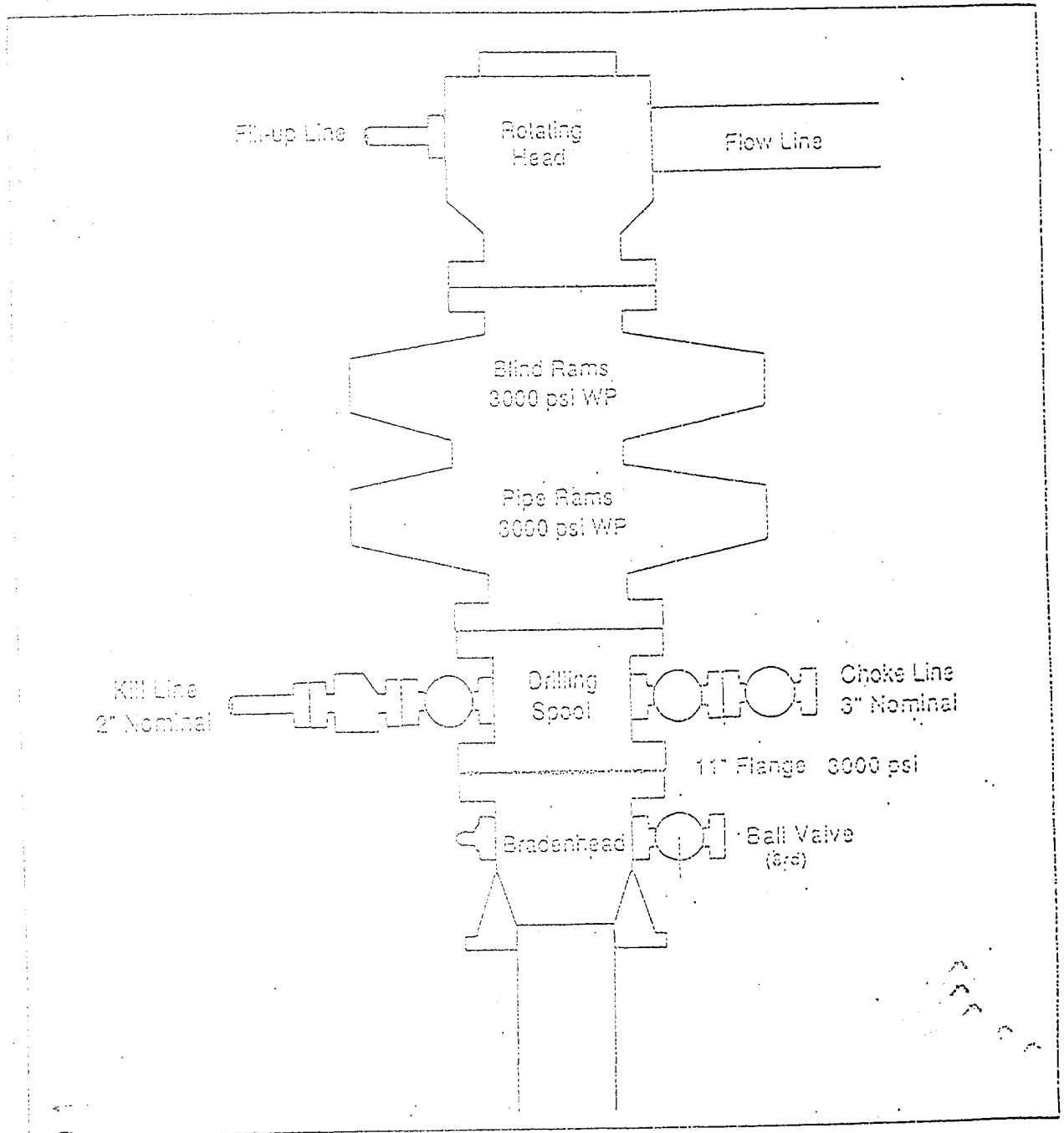


Exhibit #2  
Choke Manifold & Accumulator Schematic

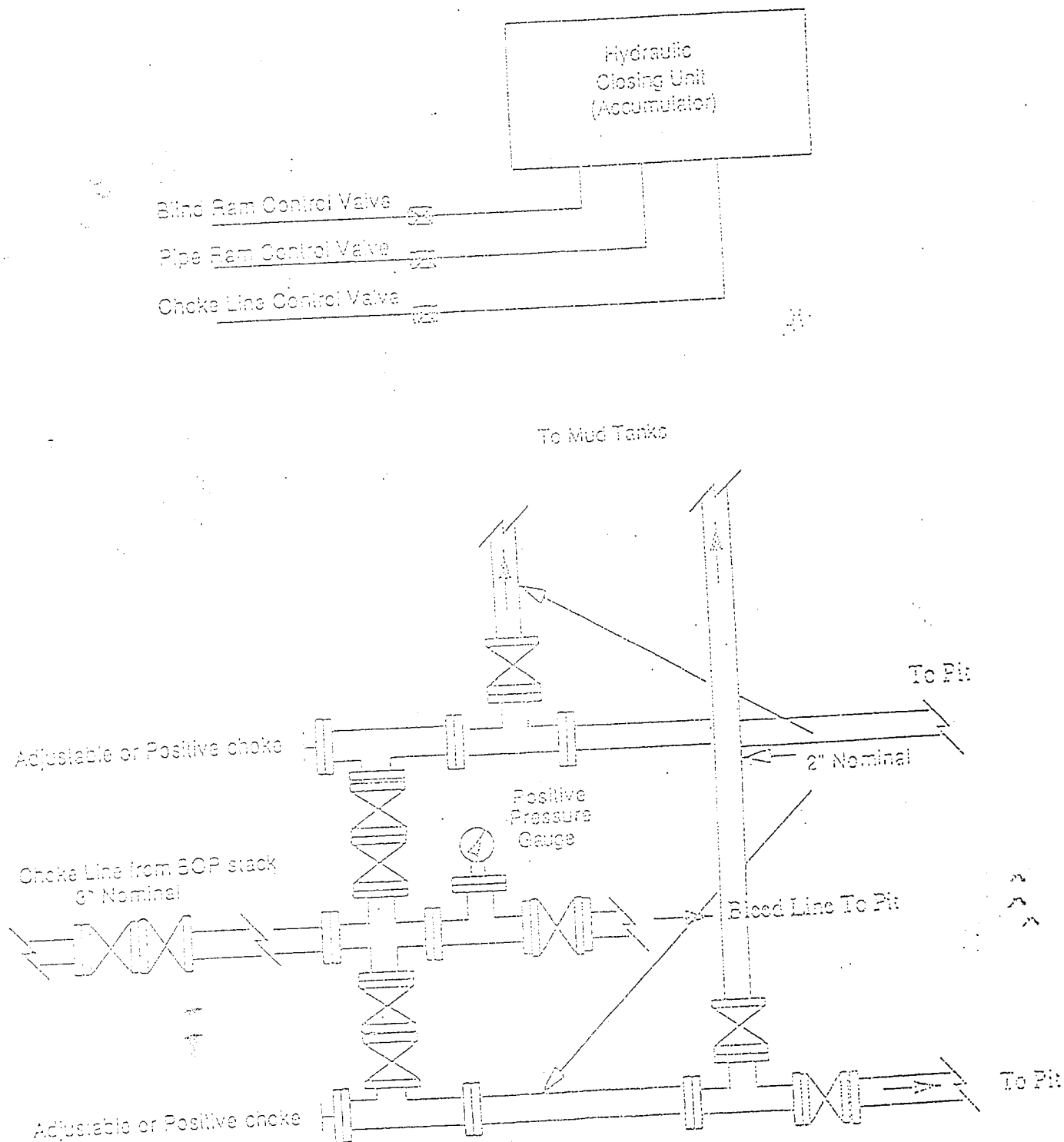




Exhibit #3  
Blowout Prevention Equipment Specifications

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.