

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

RECEIVED
Santa Fe, New Mexico 87504-2088
AUG 10 1992

API NO. (assigned by OCD on New Wells)

30-045-28744

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, OR PLUG BACK

1a. Type of Work:

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

Ulasagies
Chavez 29-10-21

2. Name of Operator

SG Interests I, Ltd.

8. Well No.

1 (N/320)

3. Address of Operator

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

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter G : 1455' Feet From The North Line and 1320' Feet From The East Line

Section 21

Township 29N

Range 10W

NMPM

San Juan

County

10. Proposed Depth

2150'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

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

5616' GL, 5629' KB

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Walters Drilling

16. Approx. Date Work will start

August 20, 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 ₂ | surface |
| 7-7/8" | 5-1/2" | 15.5#, J-55 | 2150' | 225 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 fresh water based low solids non-dispersed mud will be used to drill the hole to TD. A double ram type blowout preventer and choke assembly will be used to maintain well control at all times during drilling operations. A full suite of open hole logs will be run upon reaching total depth. Both strings of casing will be cemented in separate single stage jobs. A high strength cement will be placed across the pay and 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. A description of the BOP equipment and choke assembly along with schematic sketches of the equipment are included as exhibits to this application.

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 8/6/92

TYPE OR PRINT NAME

A. M. O'Hare

TELEPHONE NO. (505) 325-5599

(This space for State Use)

APPROVED BY

Ernie Buel

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

8-12-92
AUG 12 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 2-12-93
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

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

| | | | | |
|---|--|---------------------------------|--|---------------------------|
| Operator S G INTERESTS I, LTD. | | Lease Chavez 29-10-21 | | Well No 1 |
| Unit Letter G | Section 21 | Township 29 N | Range 10 W | County San Juan |
| Actual Footage Location of Well: 1455 feet from the North line and 1820 feet from the East line | | | | |
| Ground level Elev. 5616 | Producing Formation Fruitland Coal | Pool Basin Fruitland | Dedicated Acreage: 320 Acres | |
| <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 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.</p> | | | | |

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

August 6, 1992

SURVEYOR CERTIFICATION

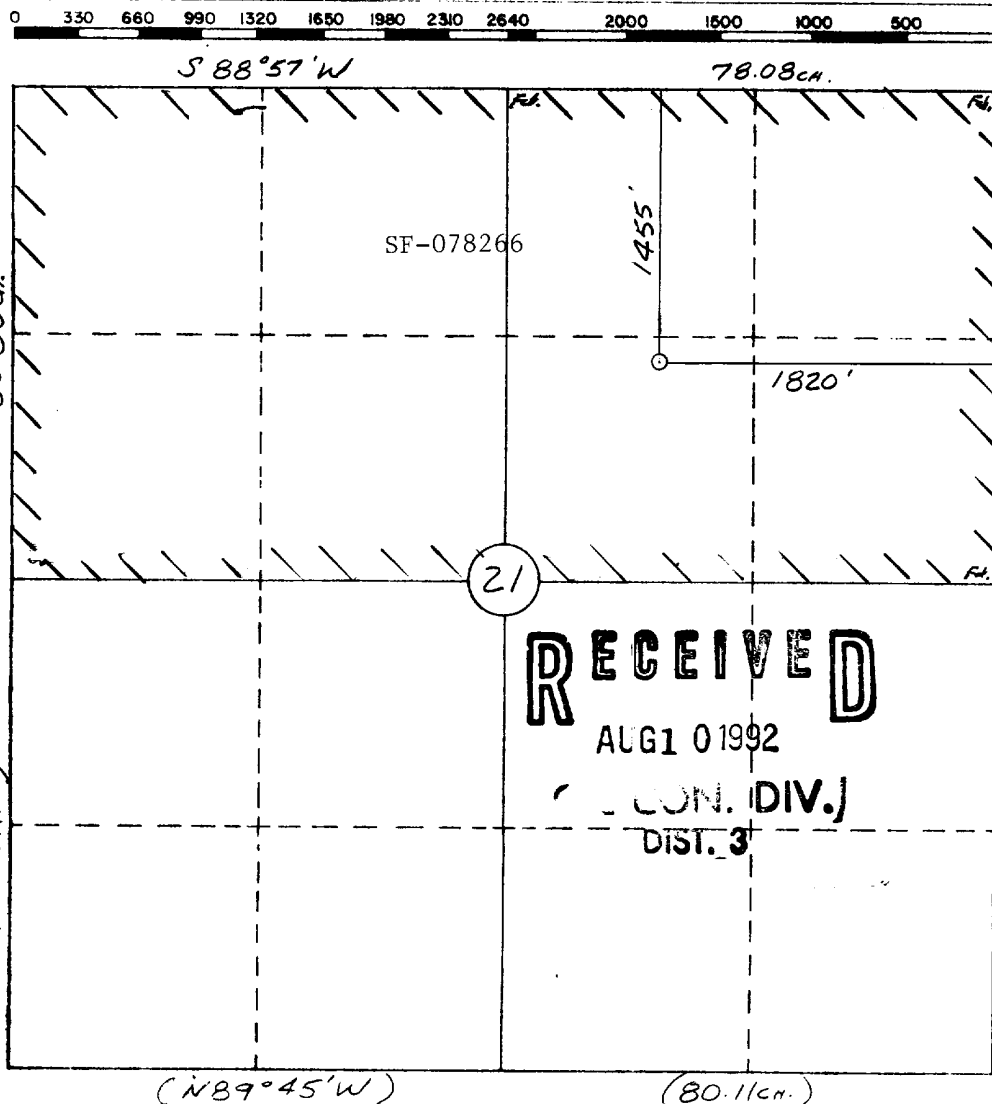
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

8-5-92

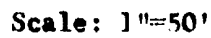
Date Surveyed

William E. Mahnke II

Signature & Seal of
Professional Surveyor



San Juan Co., N.M.



| | | | | | | | |
|------|--|--|--|--|--|--|--|
| 5620 | | | | | | | |
| 5610 | | | | | | | |
| | | | | | | | |

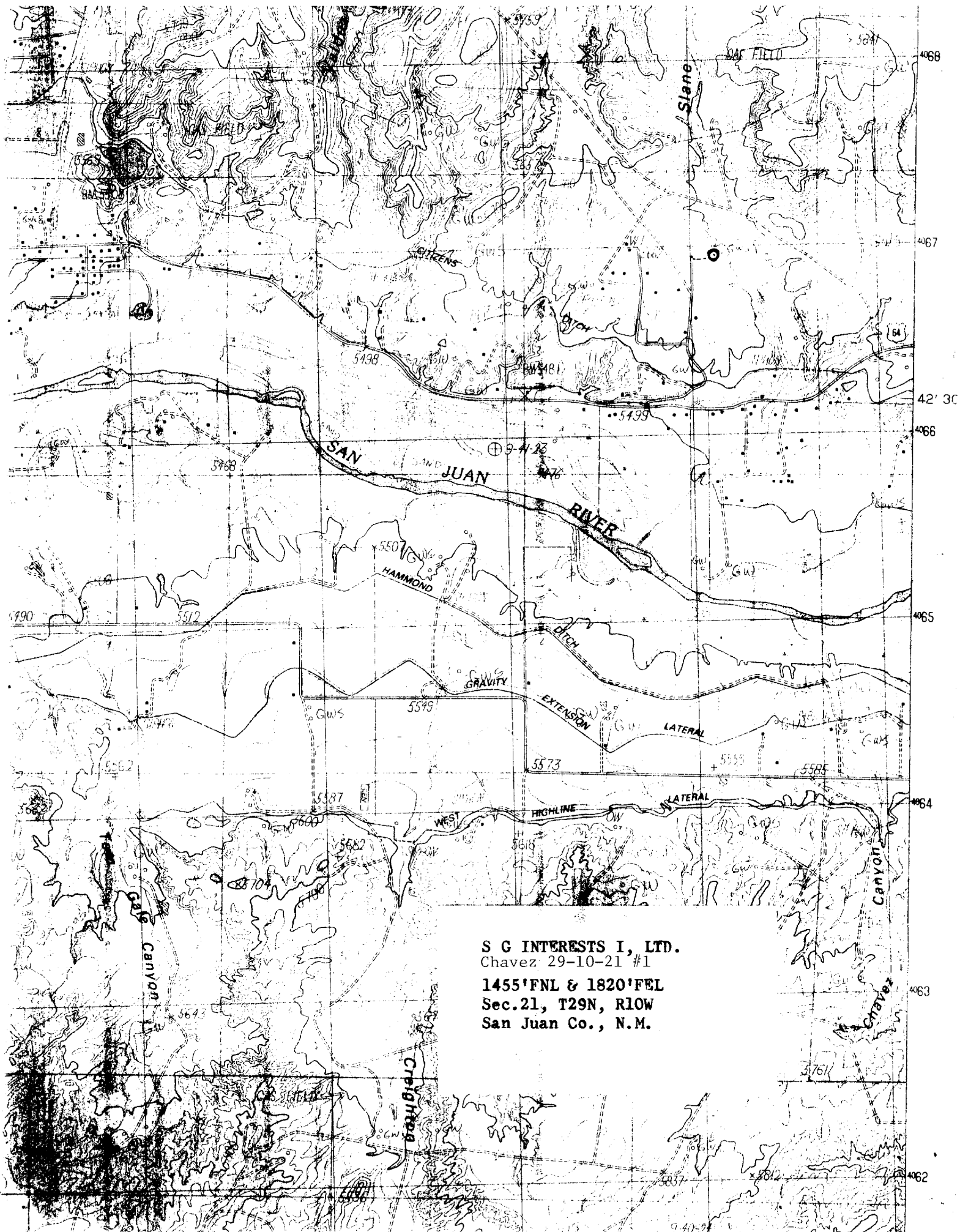


Exhibit #1
BOP Stack Arrangement

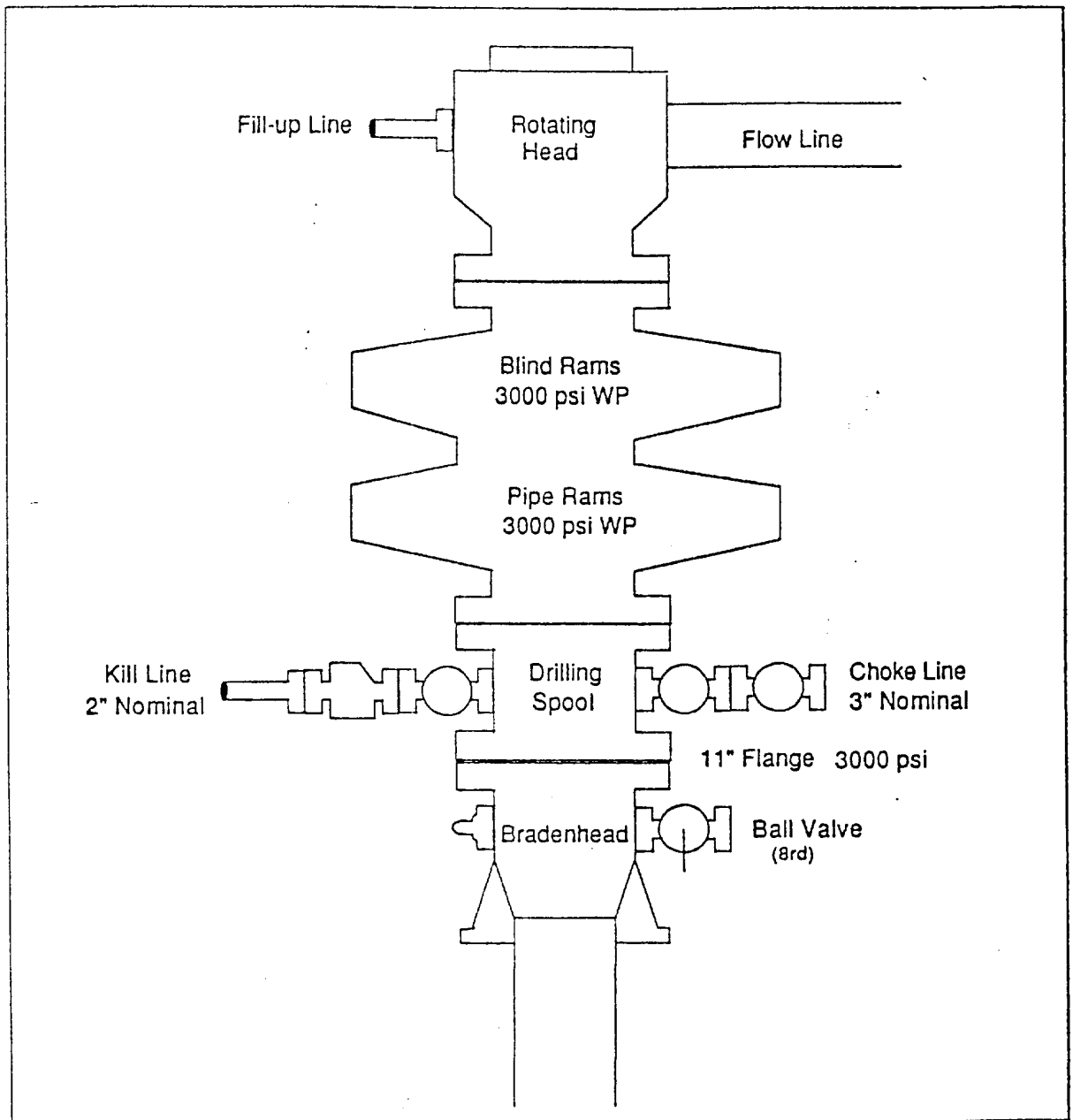


Exhibit #2
Choke Manifold & Accumulator Schematic

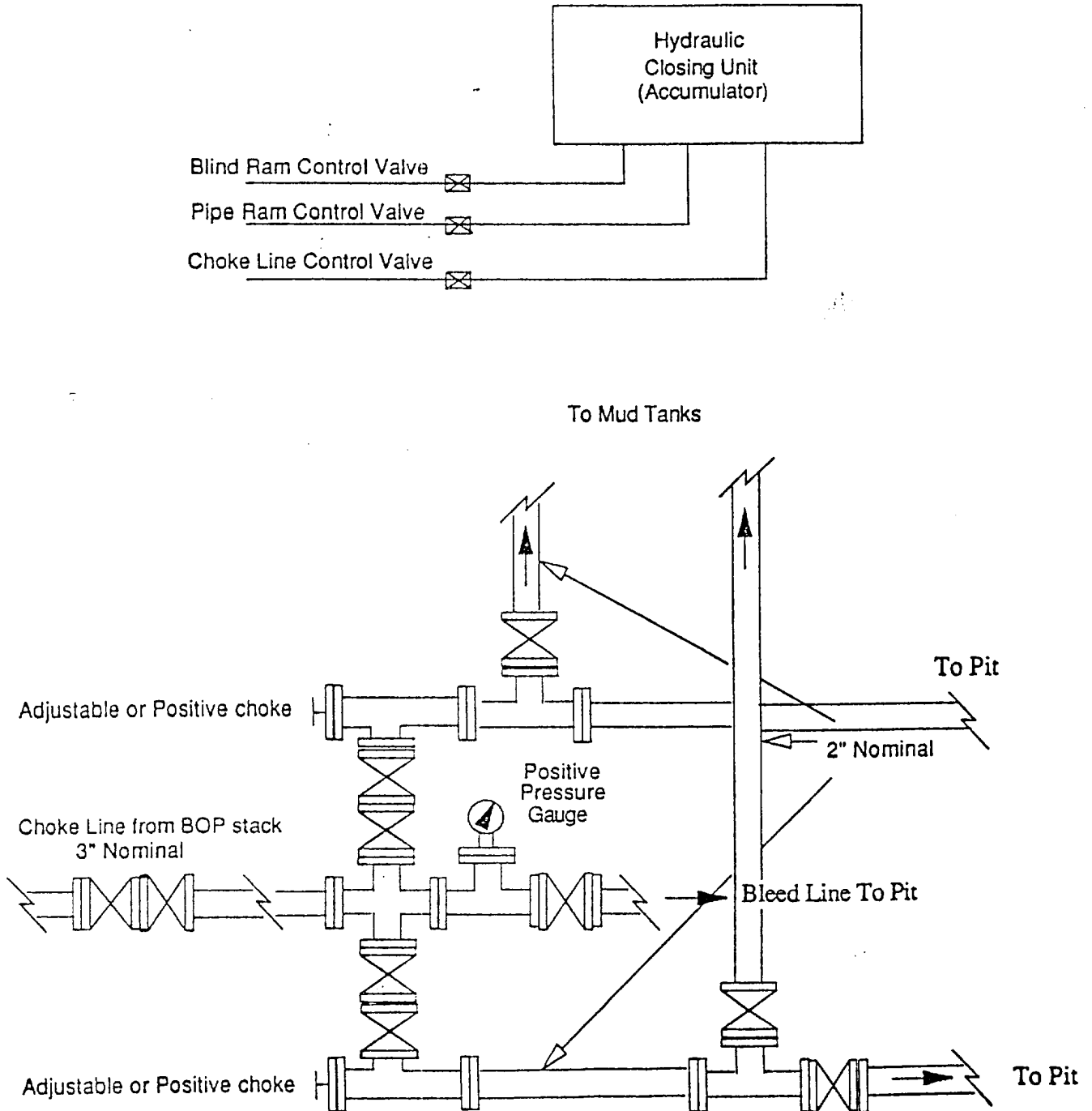


Exhibit #3
Blowout Prevention Equipment Specifications

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.

Submit 3 Copies
to Appropriate
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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.

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name

Velasquez 29-10-21

1. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

2. Name of Operator

SG Interests I, Ltd. Attn: A. M. O'Hare

8. Well No.

#1

3. Address of Operator

PO Box 421, Blanco NM 87412

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter G : 1455 Feet From The North Line and 1820 Feet From The East Line

Section 21

Township 29N

Range 10W

NMPM San Juan

County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5616' GR

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

REMEDIAL WORK ☐

ALTERING CASING ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

PULL OR ALTER CASING ☐

CASING TEST AND CEMENT JOB ☐

OTHER: change name ☒

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.

The name of this proposed well was the Chavez 29-10-21 #1 and it has been changed to the Velasquez 29-10-21 #1. If there are any questions please contact A. M. O'Hare at (505) 325-5599.

*Attach to
new APD*

RECEIVED
AUG 13 1992
OIL CON. DIV.
DIST. 3

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

SIGNATURE

Dana M. Hyde

TITLE Agent

DATE Aug. 12, 1992

TYPE OR PRINT NAME

Dana M. Hyde

TELEPHONE NO. 505-325-5599

(This space for State Use)

APPROVED BY

Chuck Gholson

DEPUTY OIL & GAS INSPECTOR, DIST. #3

TITLE

AUG 13 1992

CONDITIONS OF APPROVAL, IF ANY: