



OIL CONSERVATION DIVISION
RECEIVED

'93 JAN 28 AM 9 19

P.O. Box 421
Blanco, New Mexico 87412
(505) 325-5599 • Fax (505) 325-5512

January 20, 1993

Mr. William J. LeMay
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

REF: Non-Standard Location
Maralex Resources, Inc.
Gallegos Federal 26-13-24 #2
900' FSL, 700' FWL
Section 24, T26N, R13W
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request on behalf of Maralex Resources for administrative approval of the above referred to unorthodox location.

This well is located on the Navajo Agricultural Products Industries (NAPI) Block 9 and was staked to avoid future cultivated fields.

I have attached, for your review, a copy of the Application for Permit to Drill, a location plat, a plat indicating the offset operators, and a list of offset operators and their addresses.

The offset Fruitland Coal operators are being notified of this application by certified mail. Copies of these letters are enclosed.

Thank you for your consideration and approval of this application. If you have any questions, please do not hesitate to call on me.

Sincerely,

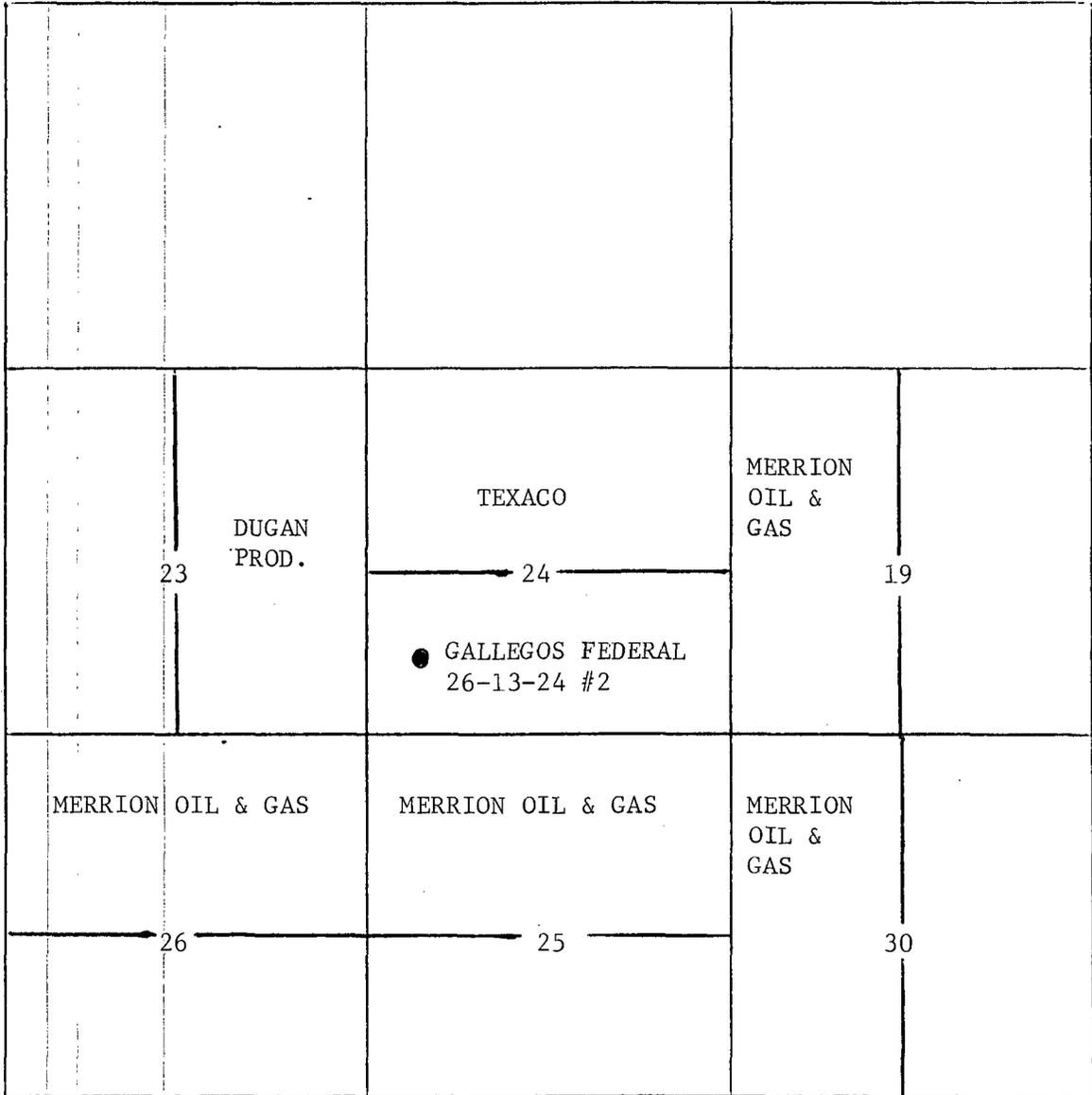
A handwritten signature in cursive script that reads 'A. M. O'Hare'.

A. M. O'Hare
President

Copy to Marlex 1/20/93

FRUITLAND COAL OFFSET OPERATORS
 MARALEX RESOURCES
 GALLEGOS FEDERAL 26-13-24 #2

T26N



R13W

R12W

MARALEX RESOURCES, INC.
OFFSET OPERATORS TO
Gallegos Federal 26-13-24 #2
900'FSL & 700'FWL, Section 24, T26N, R13W
San Juan County, New Mexico

OFFSET OPERATORS

Merrion Oil & Gas Company
Attn: Pat Hegarty
P. O. Box 840
Farmington, New Mexico 87499

Dugan Production Company
Attn: John D. Roe
P. O. Box 420
Farmington, New Mexico 87499

Texaco
Attn: Al Kleier
3300 North Butler
Farmington, New Mexico 87401



P.O. Box 421
Blanco, New Mexico 87412
(505) 325-5599 • Fax (505) 325-5512

January 20, 1993

CERTIFIED - RETURN RECEIPT

Texaco
Attn: Al Kleier
3300 North Butler
Farmington, New Mexico 87401

REF: Application for Unorthodox Location
Maralex Resources, Inc.
Gallegos Federal 26-13-24 #2
900' FSL, 700' FWL
Section 24, T26N, R13W
San Juan County, New Mexico

Dear Mr. Kleier:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'A. M. O'Hare'.

A. M. O'Hare
President

January 20, 1993

CERTIFIED - RETURN RECEIPT

Merrion Oil & Gas Company
Attn: Pat Hegarty
P. O. Box 840
Farmington, New Mexico 87499

REF: Application for Unorthodox Location
Maralex Resources, Inc.
Gallegos Federal 26-13-24 #2
900' FSL, 700' FWL
Section 24, T26N, R13W
San Juan County, New Mexico

Dear Mr. Hegarty:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,



A. M. O'Hare
President

January 20, 1993

CERTIFIED - RETURN RECEIPT

Dugan Production Company
Attn: John D. Roe
P. O. Box 420
Farmington, New Mexico 87499

REF: Application for Unorthodox Location
Maralex Resources, Inc.
Gallegos Federal 26-13-24 #2
900' FSL, 700' FWL
Section 24, T26N, R13W
San Juan County, New Mexico

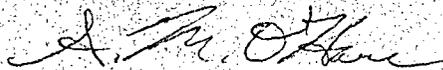
Dear Mr. Roe:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

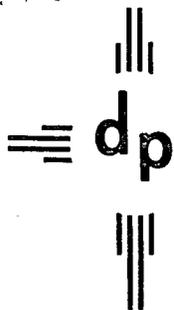
Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,



A. M. O'Hare
President

Mr. Bill DeMay



dugan production corp.

OIL CONSERVATION DIVISION
RECEIVED

'93 JAN 29 AM 9 31

January 28, 1993

A.M. O'Hare
President
Maralex Resources, Inc.
P.O. Box 421
Blanco, NM 87412

COPY

Dear Mr. O'Hare:

We are in receipt of two letters from you, each dated January 20, 1993, serving as notice of Maralex's application to the New Mexico Oil Conservation Division (NMOCD) for unorthodox locations to drill the Gallegos Federal 26-13-11 #1 and the Gallegos Federal 26-13-24 #2 wells.

Each letter advised that a copy of your application to the NMOCD was enclosed and that the NMOCD would wait for twenty (20) days after receiving the application prior to taking administrative action. Dugan Production received these letters on January 28, 1993 by certified mail (the envelope was postmarked January 26, 1993). Neither application was enclosed and your letter does not provide sufficient information for us to comment. Dugan Production does have leasehold interest adjacent to each of the proposed locations. Please provide copies of each application. If your applications do not include the objective horizon and your proposed acreage dedication, we will also need this information.

By copy of this letter, we are advising the NMOCD that we would appreciate having the opportunity to comment regarding your request for administrative approval for two unorthodox locations offsetting acreage held by Dugan Production Corp. If, in fact, the NMOCD application was mailed on or about January 20, 1993, approximately half of the comment period will be expired prior to our receiving your applications.

Should you have questions as to our request, please feel free to call.

Sincerely,

John D. Roe

John D. Roe
Manager of Engineering

JDR/cg

cc: New Mexico Oil Conservation Division



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION

AZTEC DISTRICT OFFICE

'93 FEB 23 AM 8 49

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 2-19-93

Attn: Mike Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____
Proposed NSL A _____
Proposed WFX _____
Proposed NSP _____

Proposed DIIC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 2-3-93

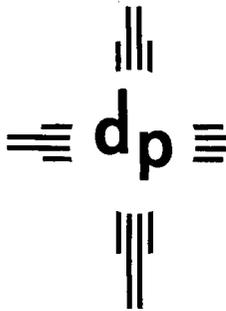
for the MARALEX RESOURCES, INC. GALLEGOS FED 2613-24 #2
OPERATOR LEASE & WELL NO.

M-24-26N-13W and my recommendations are as follows:
UL-S-T-R

Approve

Yours truly,

Ernest Brock



dugan production corp.

OIL CONSERVATION DIVISION
RECEIVED

'93 FEB 8 AM 8 51

February 5, 1993

Mr. Bill LeMay
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

**Re: Maralex Resources' Applications for Unorthodox Locations to Drill
Gallegos Federal 26-13-11 #1 (G-11-26N-13W) and
Gallegos Federal 26-13-24 #2 (M-24-26N-13W)
Basin Fruitland Coal Pool
San Juan County, New Mexico**

Dear Mr. LeMay:

Dugan Production Corp. received the subject applications on February 2, 1993 and, upon reviewing, have no objections to the granting of either application.

Sincerely,

John D. Roe

John D. Roe
Manager of Engineering

JDR/cg

enc.

cc: Maralex Resources

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL CONSERVATION DIVISION
RECEIVED
JAN 23 4 AM 9 45

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-7787
2. Name of Operator Maralex Resources, Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. Box 421, Blanco, NM 87412-0421 (505) 325-5599	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 900' FEL & 700' FWL Section 24, T26N, R13W	8. Well Name and No. Gallegos Federal 26-13-24 #2
	9. API Well No.
	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
	11. County or Parish, State San Juan County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

JAN 23 1993

OIL CON. DIV.
DIST. 3

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other

- Change of Plans
 New Construction
 Non-Routing Fracturing
 Water Shut-Off
 Conversion to Injection

Production Casing

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Production Casing: TD @ 1370' on 1-03-93

Hole Size: 6 1/4"

Casing: 32 Jts (1360.50') 4 1/2", 10.5#, J-55, Casing set @ 1373.50', Guide Shoe @ 1373', Float Collar @ 1330.48', 10 Centralizers @ 1354', 1312', 1228', 1144', 1060', 976', 892', 808', 724' & 640'.

Cement: 175 sx Class B w/2% CaCl & 1/4 pps Cello-Seal + 2 sx Extra Ndr2. (1.18 Yield/50 cu ft). Circ 6 bbls cement to surface.

Bump Plug w/1000 psi.

Plug Down @ 10:20 PM on 1-04-93.

14. I hereby certify that the foregoing is true and correct

Signed Carrie A. Base

Title Agent (915) 694-6107

Date 1/08/93

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

NMOCD

JAN 23 1993

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT CONSERVATION DIVISION**

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Maralex Resources, Inc.

3. Address and Telephone No.
 P. O. Box 421, Blanco, NM 87412-0421 (505) 325-5599

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 900' FEL & 700' FWL
 Section 24, T26N, R13W

5. Lease Designation and Serial No.
 NM-7787

6. If Indian, Allottee or Tribe Name
 -

7. If Unit or CA, Agreement Designation
 -

8. Well Name and No.
 Gallegos Federal 26-13-24 #2

9. API Well No.

10. Field and Pool, or Exploratory Area
 Basin Fruitland Coal

11. County or Parish, State
 San Juan County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other Spud Date/Surface Casing (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Spud Date: 12-30-93 @ 11:00 AM

Hole Size: 8 3/4"

Casing: 3 Jts (126.63') 7", 20#, J-55, Casing set @ 132.65', Guide Shoe @ 132'.

Cement: 50 sx Class B w/2% CaCl (1.18 Yield/59 cu ft). Circ 3 bbls cement to surface.

Pressure Test: Pressure Test BOP Stack & Casing to 600 psi - Held OK.

14. I hereby certify that the foregoing is true and correct

Signed Eddie A. Bay Title Agent (915) 694-6107 Date 1/08/93

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

NMOC

ACCEPTED FOR RECORD
JAN 25 1993

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

OIL CONSERVATION DIVISION
RECEIVED
JAN 19 09 10 47

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

- 5. Lease Designation and Serial No. NM-7787
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA, Agreement Designation
- 8. Well Name and No. Gallegos Federal 26-13-24
- 9. API Well No. 2
- 10. Field and Pool, or Exploratory Area Basin Fruitland Coal
- 11. County or Parish, State San Juan County, New Mexico

- 1. Type of Well
 Oil Well Gas Well Other
- 2. Name of Operator Maralex Resources, Inc.
- 3. Address and Telephone No. P. O. Box 421, Blanco, NM 87412
- 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
900' FEL, 700' FWL SW/SW Sec 24, T26N, R13W

2. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change operator.</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

3. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change operator from SG Interests I, Ltd. to Maralex Resources, Inc. If you have any questions call A. M. O'Hare at (505) 325-5599.

RECEIVED
JAN 2 1993
OIL CON. DIV.
DIST. 3

RECEIVED
JAN 5 1993
11:20 AM

14. I hereby certify that the foregoing is true and correct
Signed A. M. O'Hare Title President Date 01/04/93

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: **ACCEPTED FOR RECORD**

JAN 06 1993

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FARMINGTON RESOURCE AREA

*See Instruction on Reverse Side

BY _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT OIL CONSERVATION DIVISION

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-7787
2. Name of Operator SG Interests I, Ltd. Attn: A. M. O'Hare	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. Box 421 Blanco, N.M. 87412-0421 (505) 325-5599	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 900'FSL, 700'FWL (SWSW) Section 24, T26N, R13W	8. Well Name and No. Callegos Federal 26-13-24 #2
	9. API Well No.
	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
	11. County or Parish, State San Juan Co, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change in Drilling and Cementing Program:

SURFACE:

Hole Size	Casing Size	Wt.	Depth	Quantity of Cement
8-3/4"	7"	20#	120'	50 cuft. Class B w/2% CaCl2 and 1/4#/sx Flocele.

PRODUCTION:

Hole Size	Casing Size	Wt.	Depth	Quantity of Cement
6-1/4"	4-1/2"	10.5#	1390'	16 cuft. Class B with 2% Meta-Silicate 18 cuft. Class B with 1/4# Flocele

DEC-9 1992

14. I hereby certify that the foregoing is true and correct

Signed A. M. O'Hare Title Agent SG Interests I, Ltd. Date 11/23/92

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

APPROVED

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

NMOC

DEC 07 1992
AREA MANAGER

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

30-045-28833

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL DEEPEN PLUG BACK

b. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

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

3. ADDRESS OF OPERATOR

P O Box 421, Blanco, NM 87412-0421

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface

900' FSL & 700' FWL (SWSW)

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles South of Farmington, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

700'

16. NO. OF ACRES IN LEASE

1120 960

17. NO. OF ACRES ASSIGNED TO THIS WELL

5/320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

3500'

19. PROPOSED DEPTH

1950' 1370'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) This action is subject to technical and procedural review pursuant to 43 CFR 3125.8 and appeal pursuant to 43 CFR 3125.4

6108' GL

22. APPROX. DATE WORK WILL START*

as soon as permitted

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#, J-55	250' 236 ft ³	118 class B 2% CaCl ₂
7-7/8"	5-1/2"	15.5#, J-55	1950' 1370'	275 class B 2% CaCl ₂
			422 ft ³	w/ ADDITIVES

SG Interests I, Ltd., proposes to drill a vertical well to develop the Fruitland Coal formation at the above described site. The well will be drilled using a fresh water based low solids non-dispersed mud system. A double ram type blowout preventer and choke assembly will be used to maintain well control throughout drilling operations. A description of the BOP equipment and Choke assembly along with schematic sketches of the equipment are included as Exhibits to this application. A full suite of logs will be run upon reaching total depth. Both casing strings will be cemented to surface in separate single stage 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 six centralizer will be used to optimize placement of the cement around the pipe.

Formerly approved as the Star Federal 24-2.
If you have any questions please contact A. M. O'Hare at (505) 325-5999.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. A. M. O'Hare

SIGNED A. M. O'Hare TITLE Agent SG Interests DATE 11/16/92

(This space for Federal or State office use)

PERMIT NO. RECEIVED APPROVAL DATE NOV 24 1992

APPROVED BY NOV 24 1992 TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

OIL CON. DIV. 1
DIST. 3

C-104 For NGL + prod. See Instructions On Reverse Side

APPROVED AS AMENDED

NOV 20 1992

AREA MANAGER

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

Energy, Minerals and Natural Resources Dept., Santa Fe, New Mexico

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

RECEIVED
 BLM

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

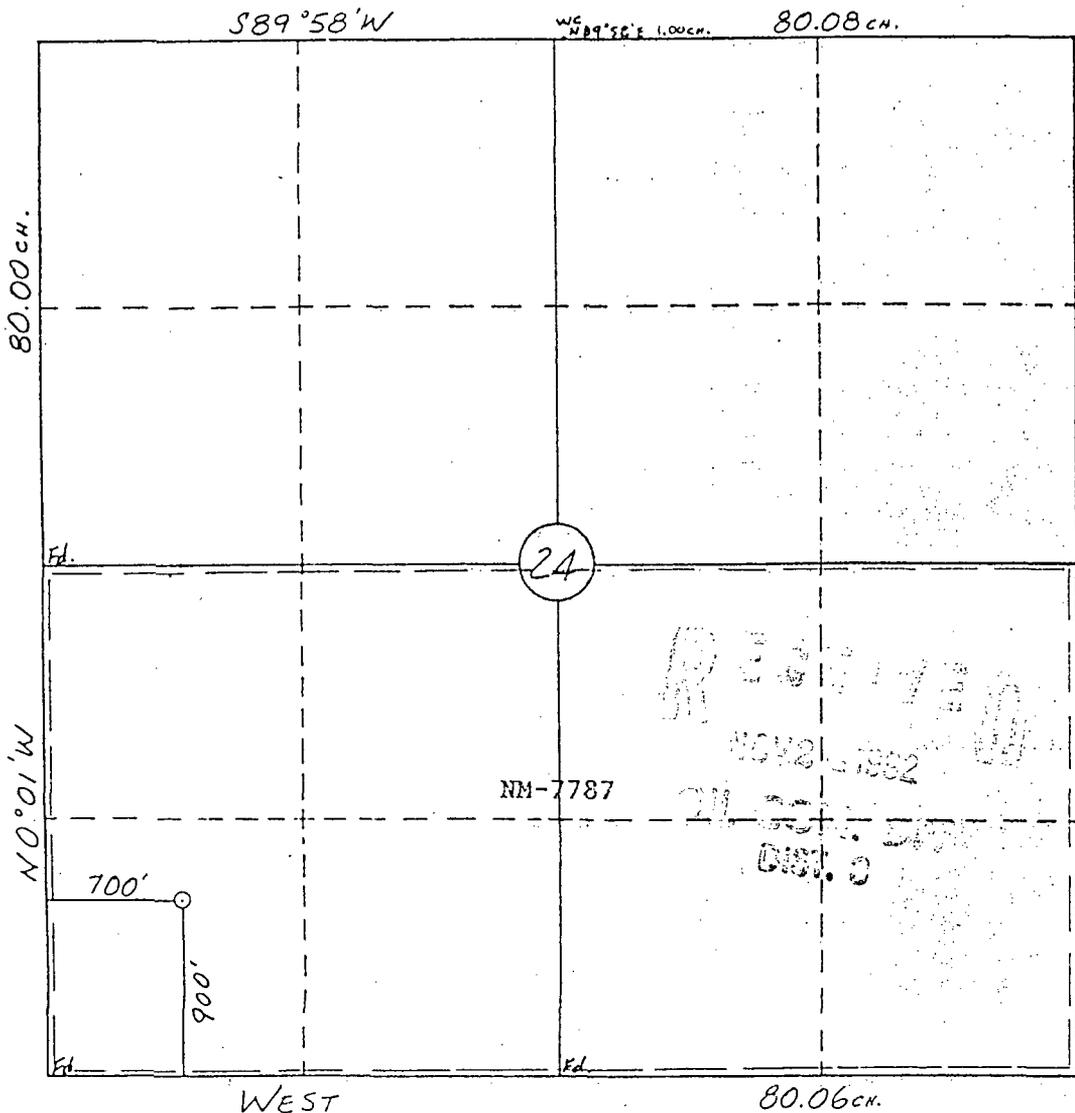
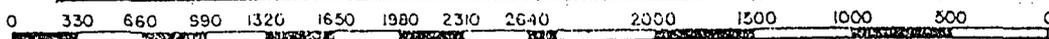
All Distances must be from the outer boundaries of the section.

92 NOV 16 PM 2:46

013 FARMINGTON, N.M.

Operator SG Interests I, Ltd.			Lease Gallegos Federal 26-13-24		Well No. 2
Unit Letter M	Section 24	Township 26 N	Range 13 W	County San Juan	
Actual Footage Location of Well: 900 feet from the South line and 700 feet from the West line					
Ground level Elev. 6108	Producing Formation Fruitland		Pool Basin <i>Fruitland Coal</i>	Dedicated Acreage: 320 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 _____
 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.



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/Maralex
 Company: Agent/SG Interests
 Date: 11/16/92

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.

Date Surveyed: 4-17-90
 William E. Mahnke II
 Signature & Seal of Professional Surveyor
 WILLIAM E. MAHNKE II
 NEW MEXICO
 #8466
 Certified No. 8466
 PROFESSIONAL LAND SURVEYOR