

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

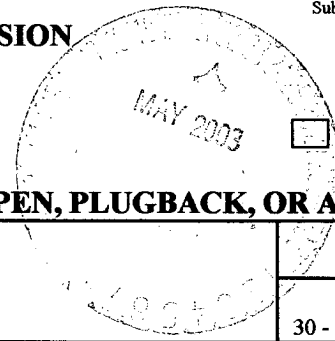
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
PO BOX 2088
Santa Fe, NM 87504-2088



AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address SG Interests I, Ltd. c/o Sagle & Schwab, PO Box 2677 Durango, CO 81302		² OGRID Number 020572
⁴ Property Code 009767	⁵ Property Name Santa Rosa 33	³ API Number 30 - 0 45-31699 ⁶ Well No. 3

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
F	33	30N	9W		1970	North	2175	West	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
⁹ Proposed Pool 1 71629					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5783'
¹⁶ Multiple No	¹⁷ Proposed Depth 2500'	¹⁸ Formation Fruitland Coal	¹⁹ Contractor	²⁰ Spud Date 7/6/2003

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	300'	210	Surface
7-7/8"	5-1/2"	17#	2500'	215 poz + 150 neat	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SG Interests I, Ltd. proposes drilling a Fruitland Coal well at the above referenced location to further develop methane reserves. SG proposes setting 5-1/2" casing 150 feet deeper than the Fruitland Coal base. SG will then perforate and stimulate the Fruitland Coal. A 3000# double ram hydraulic BOP will be used. Since maximum anticipated formation pressure is 1200 psi, accessories to the BOP will meet requirements for a 2000 psig system. The accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill line, kill line and line to choke manifold will be 2". BOP's will be function tested every 24 hours and will be recorded on IADC log.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature: *Lynn Garner*
Printed name: Lynn Garner
Title: Operations Manager
Date: 05/21/03
Phone: (970) 259-2701

OIL CONSERVATION DIVISION

Approved by: *[Signature]*
Title: DEPUTY OIL & GAS INSPECTOR, DIST. #1
Approval Date: MAY 22 2003
Expiration Date: MAY 22 2004
Conditions of Approval
Attached ☐

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ AFI Number 30-045-31699		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 009767	⁵ Property Name SANTA ROSA 33		⁶ Well Number 3
⁷ OGRID No. 020572	⁸ Operator Name SG INTERESTS I, LTD.		⁹ Elevation 5783

10 Surface Location


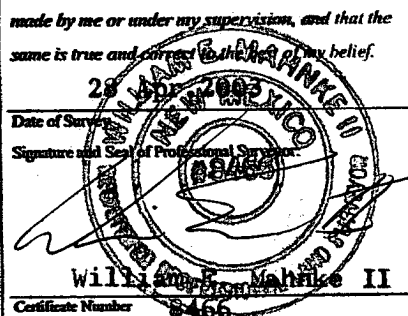
UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320 N/2	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ Fd. N 89° 59' W 79.48 ch. 1970' 2175' Sec. LAT. 36.77014° N LONG. 107.78675° W 33 N 89° 27' W 80.18 ch. Fd.	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Lynn Garner Printed Name Operations Manager Title May 21, 2003 Date
	¹⁸ 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 belief.  Date of Survey 28 MAY 2003 Signature and Seal of Professional Surveyor William F. Vahnke II Certificate Number 8466