

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised February 10, 1994

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

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

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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
3 API Number 30 - 0 45-31690		
4 Property Code 009770	5 Property Name Santa Rosa 5	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
E	5	29N	9W		1335	North	1020	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 5661'
16 Multiple No	17 Proposed Depth 2500'	18 Formation Fruitland Coal	19 Contractor	20 Spud Date 6/15/2003

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: 05/14/03
Phone: (970) 259-2701

OIL CONSERVATION DIVISION

Approved by: *[Signature]*
Title: DEPUTY OIL & GAS INSPECTOR, DIST. #2
Approval Date: MAY 29 2003
Expiration Date: MAY 29 2004
Conditions of Approval
Attached ☐

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1381 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 API Number 30-045-31690		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 009770	⁵ Property Name SANTA ROSA 5		⁶ Well Number 3
⁷ OGRID No. 020572	⁸ Operator Name SG INTERESTS I, LTD.		⁹ Elevation 5661

10 Surface Location

UL or lot no. E	Section 5	Township 29 N	Range 9 W	Lot No. 1335	Feet from the North/South line 1020	East/West line West	County San Juan
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the North/South line	Feet from the East/West line	County
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¹² Dedicated Acres 320.96	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

<p>¹⁶ 16 N89°41'W 39.8204. N89°56'W 40.0104. Lot No. (TWP.) 1</p> <p>4 3</p> <p>1020'</p> <p>LAT. 36.75689°N LONG. 107.80836°W</p> <p>MAY 2003</p> <p>Sec.</p> <p>N20°59'W 39.6504</p> <p>N89°14'W 81.3204</p>				<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Lynn Garner</i> Signature Lynn Garner Printed Name Operations Manager Title May 14, 2003 Date</p>	
<p>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.</p> <p>WILLIAM E. MARINE II NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR #8466</p> <p>WILLIAM E. MARINE II Certificate Number 8466</p>				<p>19</p>	