Submit to Appropriate District Office State Lease - 6 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Davicad 1.1.20

Fee Lease - 5 copies

la. Type of Work:

b. Type of Well:

2. Name of Operator

3. Address of Operator

Well Location

PO Box 421,

Unit Letter

5757' GR

WEIL [

DISTRICTI 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

DRILL XX

WELL X OTHER

SG Interests I, Ltd.

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

APPLICATION FOR PERMIT TO DRILL,

Blanco

RE-ENTER

NM

: 2165 Feet From The South

OIL CONSERVATION DIVISIO	
OIL CONSERVATION DIVISIO	the same
NOV1 9 1992	, E

SINGLE

ZONE

X

0'Hare

PLUG BACK

MOT THE P

15. Drilling Contractor

ZONE

DEEPEN

Attn: A. M.

87412-0421

14. Kind & Status Plug. Bond

Blanket

10. Proposed Depth

23501

	Kerbed 1-1-05	
API NO. (assigned by OCD on	New Wells)	

1	30-045-28847
	5. Indicate Type of Lease STATE FEE X
	6. State Oil & Gas Lease No.
	7. Lease Name or Unit Agreement Name
	Chrisman 30-11-6
	8. Well No. #2 (W/325-46)
	9. Pool name or Wildcal
	Basin Fruitland Coal
540	T on m
////	NMPM San Juan County
//// 11. F	formation 12. Rotary or C.T.

as soon as permitted unknown

Rotary

16. Approx. Date Work will start

Fruitland Coal

17. PROPOSED CASING AND CEMENT PROGRAM SETTING DEPTH SACKS OF CEMENT EST. TOP SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT J-55 250 ' 200 class B surface 12-1/4" 8-5/8" 24#, w/2% CaCl 5-1/2" 15.5#. J - 5523501 230 65/35 surface 7-7/8"

Pozmix w/6% gel & 100 sx class B 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 to TD. A double ram type BOP and choke assembly will be used to maintain well control at all times during drilling operations. A description of the BOP and choke assembly, along with schematic sketches of that equipment are included as Exhibits to this application. A full suite of logs will be run upon reaching TD. Both strings of casing will be cemented in separate single stage cement jobs. A high strength cement will be placed across the pay zones and at least five hundred feet above the bottom of the hole. A minimum of six centralizers will be used optimize placement of the cement around the pipe on the long string.
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 PR	EVENTER PROGRAM	ų if any.			
I hereby certify that the in	formation above is to	rue and complet	11. 10		11 10 00
SIGNATURE	Dana	<u> </u>	Nyou	mu Agent	DATE 11-18-92
TYPE OR PRINT NAME	Dana M.	Hvde	0		(505) 325-5599 TELEPHONE NO.
					11-20-92

(This space for State Use)

APPROVED BO

NOV 2.0 1992 THE DEPUTY OIL & GAS HISPECTOR, DIST. #3

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 5-20-93 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

DISTRICT | P.O. Box 1980, Hobbs, NM 88240

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

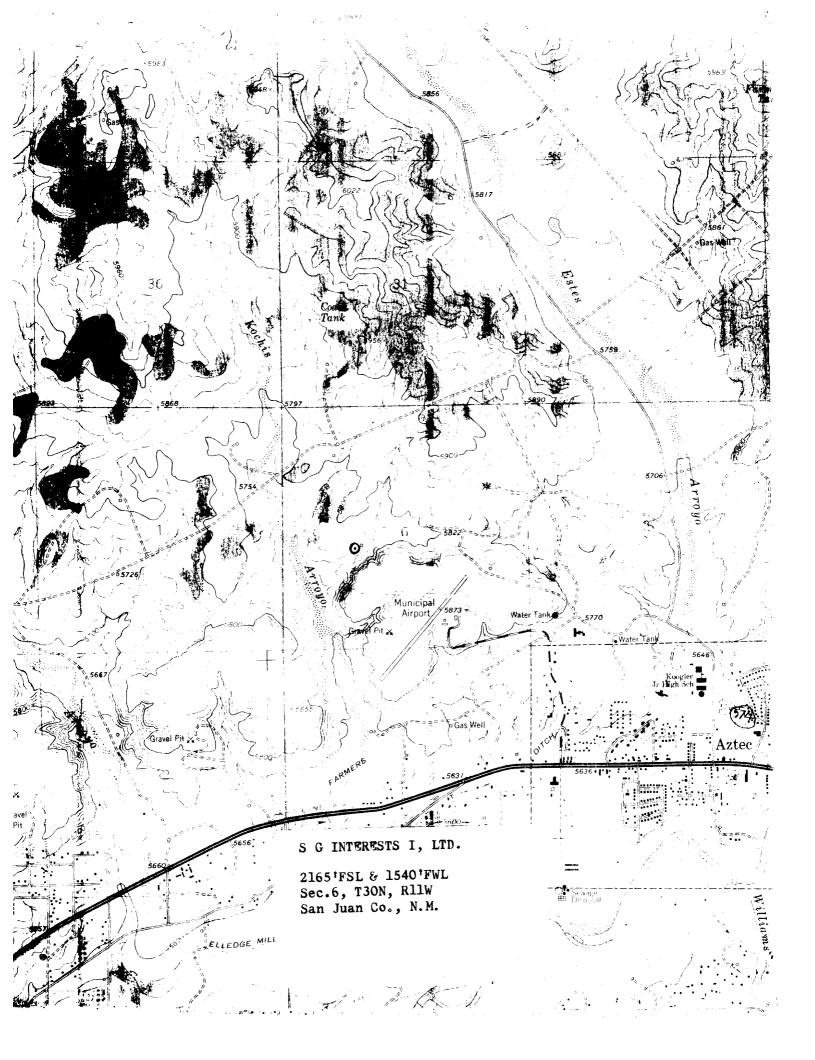
DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

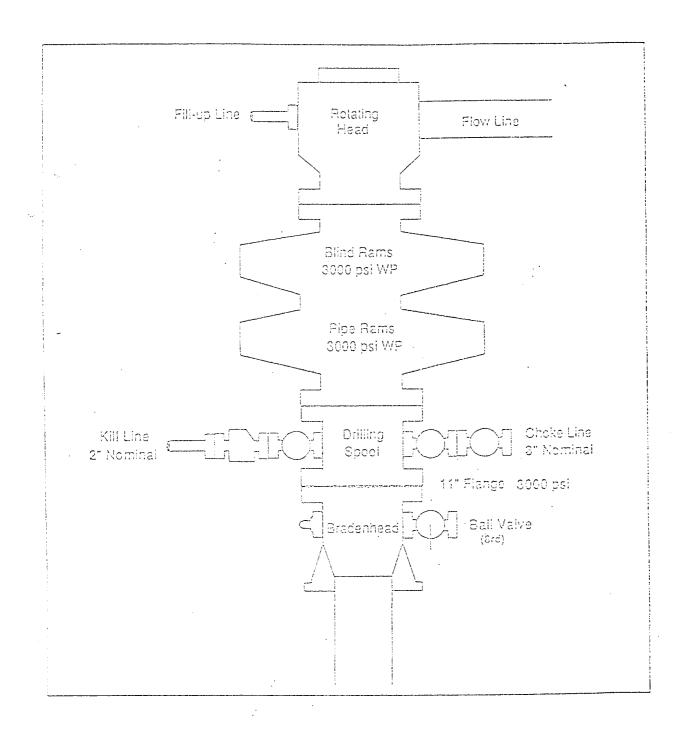
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

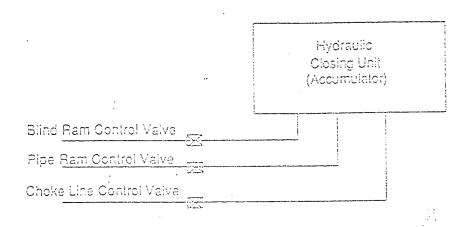
Operator C TAME	PDPOMO T IMB	T	CHRISMAN 30) 11 6	Well No.
	erests I, Ltd.)-TT-0	
Unit Latter S K	Section Township	30 N	ange 11 W	NMPM	San Juan
Actual Foctage Location 2165	on of Well: set from the South	line and	1540	feet from	the West hine
Ground level Elev. 5757	Producing Formation Fruitland	P	∞l Basin Frui	+land Car	Dedicated Acreage 25 9 Acres
1. Outline th	ne acreage dedicated to the subj	ect well by colored pencil	or hachure marks on the p	lat below.	
2. If more th	nan one lease is dedicated to the	well, outline each and id	entify the ownership thereo	of (both as to working	ng interest and royalty).
	nan one lease of different owner n, force-pooling, etc.?	ship is dedicated to the w	rell, have the interest of all	owners been consol	lidated by communitization,
Π,	Yes No "no" list the owners and tract d	If answer is "yes" type escriptions which have so	of consolidation tually been consolidated. (Use reverse side of	
this form if No allowabl	neccessary. e will be assigned to the well u	ntil all interests have been	consolidated (by commun		
	e-standard unit, eliminating suc 1320 1650 1980 2310 2	h interest, has been appro	1500 1000 50	0 0	OPERATOR CERTIFICATION
\$89°58'W	39 5704	N 89°54	'W 39.97ca	· .	I hereby certify that the informati
20:17	39.57cm.	FFBC.		N.S.C.	contained herein in true and complete to sest of my knowledge and belief.
				1 1	Signature 2
LOT NO. (TYP.)	10	9	1 8	572	Printed Name
7	1			2 2	A. M. O'Hare Position President, Mara
		n E	CEIVE		Agent, SG Interests
			CELVE	<i>J</i>	Company
	1	3.0	71 7 E92 T	, I	Date 11-18-92
5	1	D. E.	10 1 12 12 12 12 12 12 12 12 12 12 12 12 1	0.0	SURVEYOR CERTIFICATION
		6	OST 3	>	I hereby certify that the well location sh
sc.		6)		En Mus Cl	on this plat was plotted from field note actual surveys made by me or under
			1		supervison, and that the same is true correct to the best of my knowledge
1540'	· 			1 3	belief 11-16-92
6	1	14	13	38.75	Date Surveyed William W. Walnake II
			1	w	Signature & Satisfaction E. Frofessional Subsequent E.
			+		
	59/			3	#8466
7	1 0 15			030	Cerufficial Manager 140 C. Links
1				8	CLESSIONAL
4. 	12.7		39.50		
3c. 20.93	19.75 19°21'W		<u> 37.60</u> 80.18сн	Fel.BC.	



Exhibit#1 BOP Stack Arrangement



Exhibit#2 Choke Manifold & Accumulator Schematic



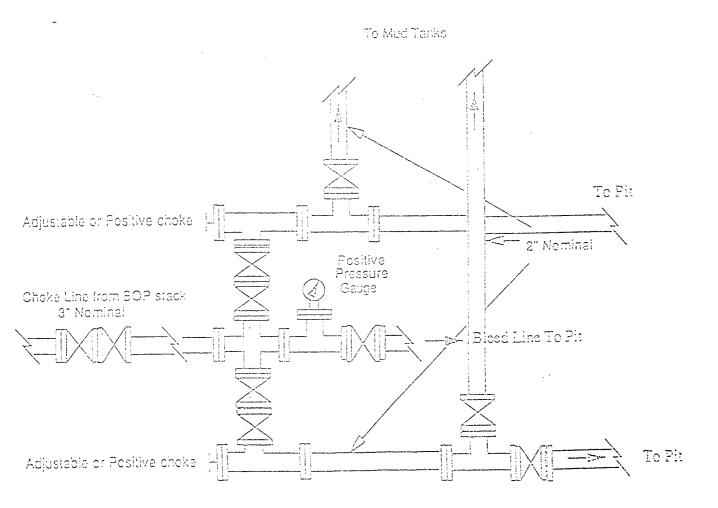


Exhibit #3 Biowout Prevention Equipment Specifications

- 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 easing 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 builded 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.