

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. 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/MARALEX RESOURCES, INC.

(303) 563-4000

3. ADDRESS OF OPERATOR

PO BOX 338, IGNACIO, COLORADO 81137

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

1107' FSL, 892' FWL Sec 28-T31N-R10W

At proposed prod. zone  
Same

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

Approx 9 miles northeast of Aztec, NM

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

892'

16. NO. OF ACRES IN LEASE  
1760.0

17. NO. OF ACRES ASSIGNED  
TO THIS WELL  
3/320 304.50

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

19. PROPOSED DEPTH  
2850'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DE, RT, GR, etc.)

GL 6091'

This permit is for a well and  
proceedural to be drilled and  
and appeal for a well and  
proposed casing and cementing program

22. APPROX. DATE WORK WILL START\*

Upon BLM Approval

DRILLING OPERATIONS TO BE  
SUBJECT TO BLM APPROVAL  
"GENERAL PROVISIONS"

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH |                                          |
|--------------|----------------|-----------------|---------------|------------------------------------------|
| 12-1/4"      | 8-5/8"         | 23# 24          | 300'          | 200.00 Class B plus 2% CaCl <sub>2</sub> |
| 7-7/8"       | 5-1/2"         | 15.5#           | TD            | 466.50 Class B                           |

Maralex Resources, Inc. proposes to drill a vertical well to develop the Fruitland Coal Formation at the above described site in accordance with the attached drilling and surface use programs.

An archaeological survey will be conducted to determine any potential sites.

All of the access road for this well is located on this lease, so no right-of-way application is required.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give 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.

SIGNED A.M. O'Hare / DRR TITLE AGENT SG INT I, LTD DATE December 6, 1993  
A.M. O'Hare  
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED  
AS AMENDED

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NMOCD

DISTRICT MANAGER

\*See Instructions On Reverse Side

I, the undersigned, hereby certify that the information furnished herein is true and correct to the best of my knowledge and belief.

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

DISTRICT I  
P.O. Box 1930, Hobbs, NM 88240

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102  
Revised 1-1-89

88DEC-7 11 7:33

070 HART CANYON, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                         |                                     |                       |                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-----------------------|-----------------------------------------------|
| Operator<br><b>MARALEX RESOURCES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                         | Lease<br><b>HART CANYON 28</b>      |                       | Well No.<br><b>28-2</b>                       |
| Unit Letter<br><b>M</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Section<br><b>28</b>                    | Township<br><b>31 N.</b>            | Range<br><b>10 W.</b> | County<br><b>SAN JUAN</b>                     |
| Actual Footage Location of Well:<br><b>1107</b> feet from the <b>SOUTH</b> line and <b>892</b> feet from the <b>WEST</b> line                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                         |                                     |                       |                                               |
| Ground level Elev.<br><b>6091</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Producing Formation<br><b>Fruitland</b> | Pool<br><b>Basin Fruitland Coal</b> |                       | Dedicated Acreage:<br><b>320 304.50</b> 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 communization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communization, 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/DAR**  
Printed Name  
**A. M. O'Hare**  
Position  
**President**  
Company  
**SEINT, LTD**  
**Maralex Resources, Inc.**  
Date  
**December 6, 1993**

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  
**11/30/1993**  
Signature & Seal of Professional Surveyor  
**ROY A. RUSH**  
**NEW MEXICO**  
**8894**  
Certificate No.  
**8894**

