

Att. Mike Stagner

September 10, 1992

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

Oil Conservation Division
1000 Rio Brazos Road
Aztec NM 87410

RE: Unorthodox Location Application
Archunde 29-10-24 #1
1030' FNL 640' FEL
Sec. 24, T29N, R10W
San Juan County, New Mexico

RECEIVED
SEP 11 1992
OIL CON. DIV.]
DIST. 3

Gentlemen:

SG Interests I, Ltd. requests administrative approval to drill the subject well in an unorthodox location.

Attached for your consideration are the following:

- Attachment 1 - Completed C-102.
- Attachment 2 - Land Plat.
- Attachment 3 - Unorthodox location waiver sent to offset operators.

As shown on attachment 2, the proposed location is outside the drilling window. The well has been staked at this location to accommodate the landowner's desire to keep the well as far from his house as possible. The proposed location is adjacent to a producing well and the existing road and location will be utilized to gain access to the new location.

Directional drilling to reach a legal bottom-hole location is not economically feasible. The closest offset producing Fruitland Coal well is located in the southwest quarter of Section 18, T29N, R9W and is operated by SG Interests I, Ltd.

Your earliest approval of this request would be appreciated.

Sincerely,

A. M. O'Hare

A. M. O'Hare, P.E.
President of Maralex Resources, Inc.
Agent for SG Interests I, Ltd.

AVG
date

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87504-2088

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OIL CON. DIV.
DIST. 9

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Archunde 29-10-24

8. Well No.

1

9. Pool name or Wildcat

Basin Fruitland

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL

GAS

WELL ☐

WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. Name of Operator

SG Interests I, Ltd.

3. Address of Operator

P.O. Box 421, Blanco, NM 87412-0421

4. Well Location

Unit Letter A : 1030 Feet From The North Line and 640' Feet From The East Line

Section 24 Township 29N Range 10W NMPM San Juan County

10. Proposed Depth

2100'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

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

5547' GL, 5560' KB

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Walters Drilling

16. Approx. Date Work will start

September 5, 1992

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#, J-55	250'	200 Class B neat	surface
7-7/8"	5-1/2"	15.5#, J-55	2100'	205 sx 65/35 Pdz	surface
				mix w/6% gel & 100sx	
				Class B neat tail	

SG Interests I, Ltd., proposes to drill a vertical hole to develop the Fruitland Coal formation at the above described site. The well will be drilled with a low solids non-dispersed mud. A double ram type blowout preventer will be used to maintain well control at all times during the drilling of the well. Schematic sketches of the BOP and choke assembly, along with a description 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 ten centralizers will be used to 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 PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

A. M. O'Hare

TITLE

Agent for SG Interests I, Ltd. August 19, 1992

TYPE OR PRINT NAME

A. M. O'Hare

TELEPHONE NO. (505) 325-55

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

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

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

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

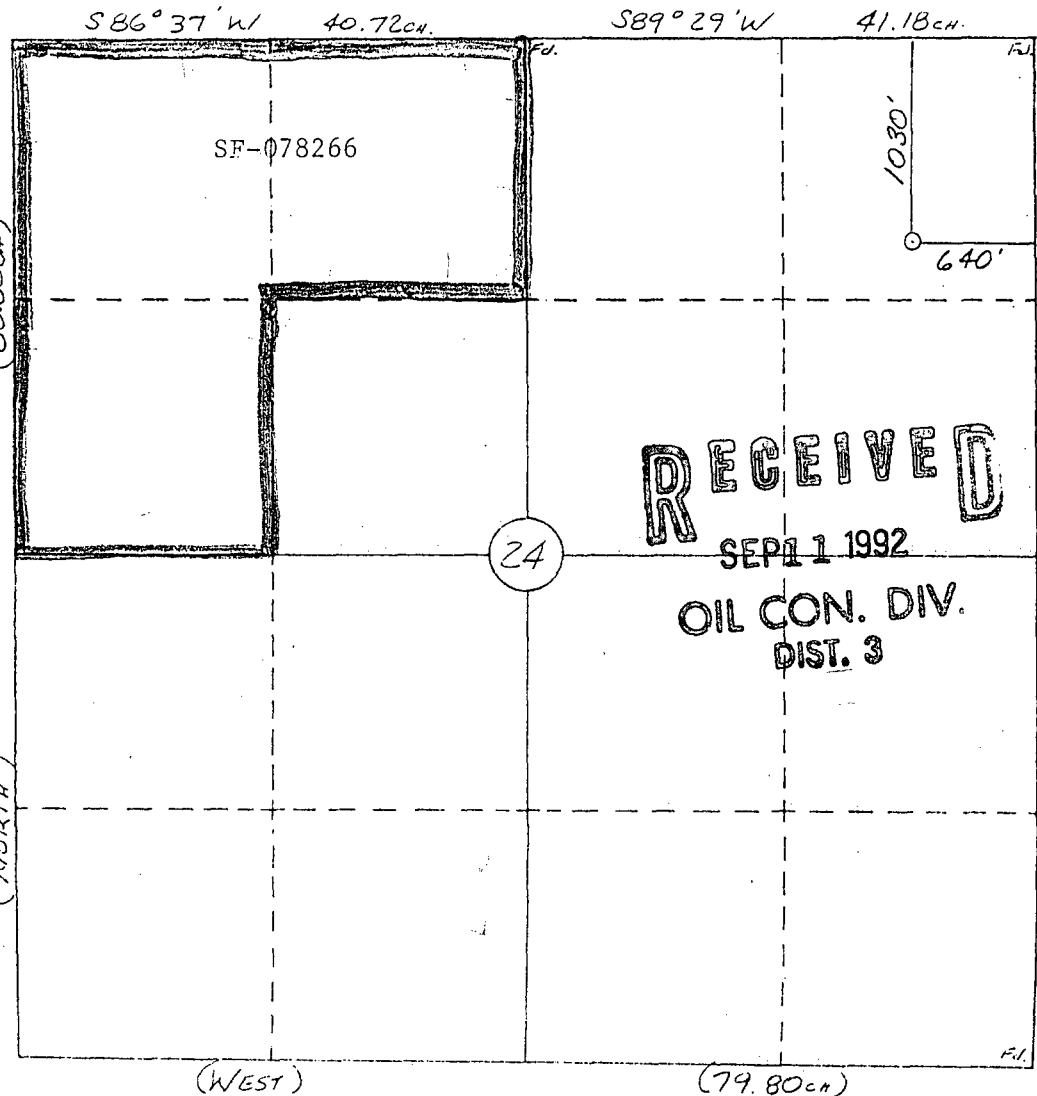
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator S G INTERESTS I, LTD.			Lease Archunde 29-10-24		Well No. 1
Unit Letter A	Section 24	Township 29 N	Range 10 W	County San Juan	
Actual Footage Location of Well: 1030 feet from the North line and 640 feet from the East line					
Ground level Elev. 5547	Producing Formation Fruitland Coal		Pool Basin Fruitland		Dedicated Acreage: 320 Acres
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. 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). 3. 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 <u>Communitization</u> 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.					

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Position

Company

Agent for SG Interests, I, Ltd

Date

August 19, 1992

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.

6-29-92

Date Surveyed

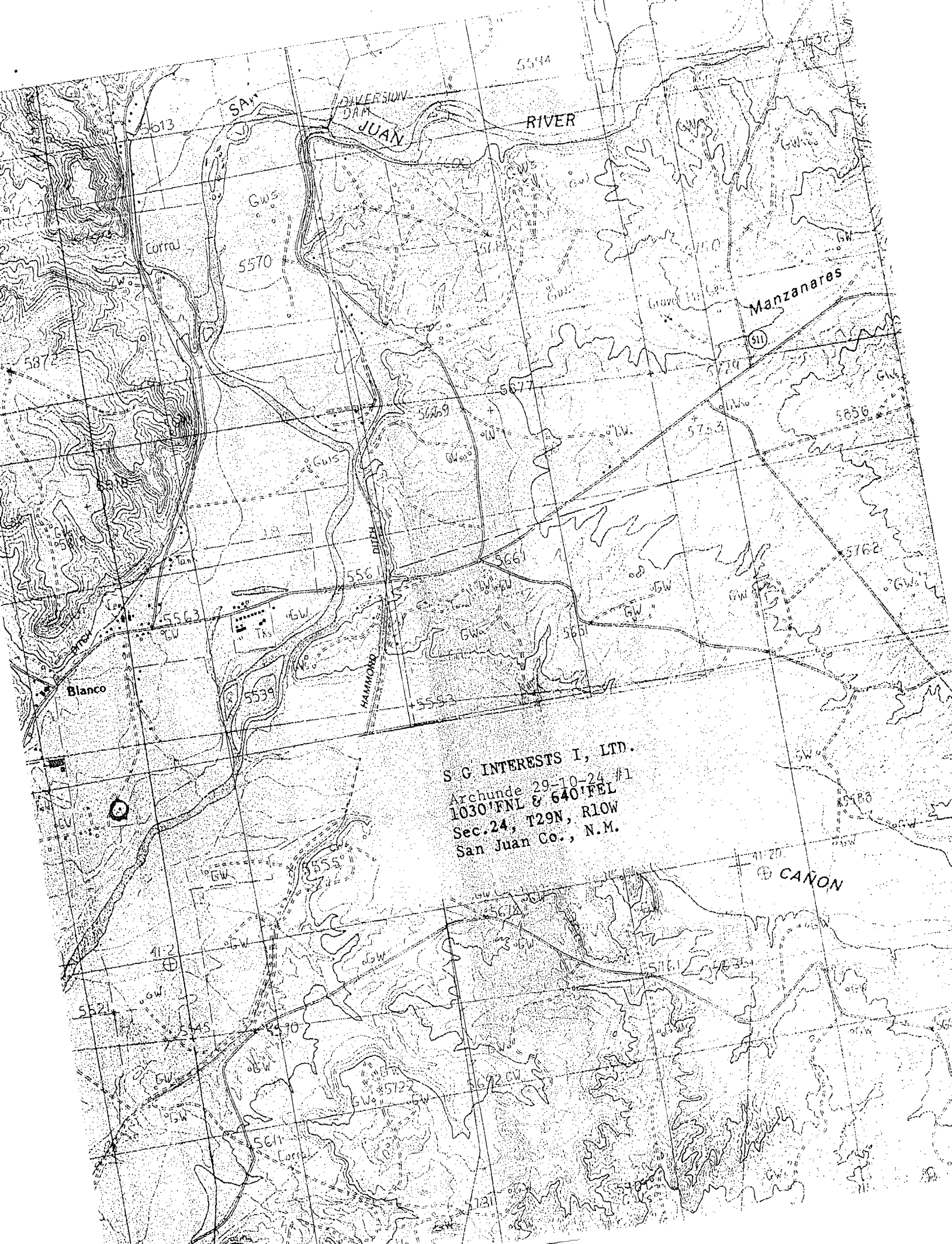
William E. Mahnke II

Signature of Registered Professional Surveyor

NEW MEXICO
#8466

REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate No. 8466



S G INTERESTS I, LTD.
Archunde 29-10-24 #1
1030' FNL & 640' FEL
Sec. 24, T29N, R10W
San Juan Co., N.M.

Exhibit #1
BOP Stack Arrangement

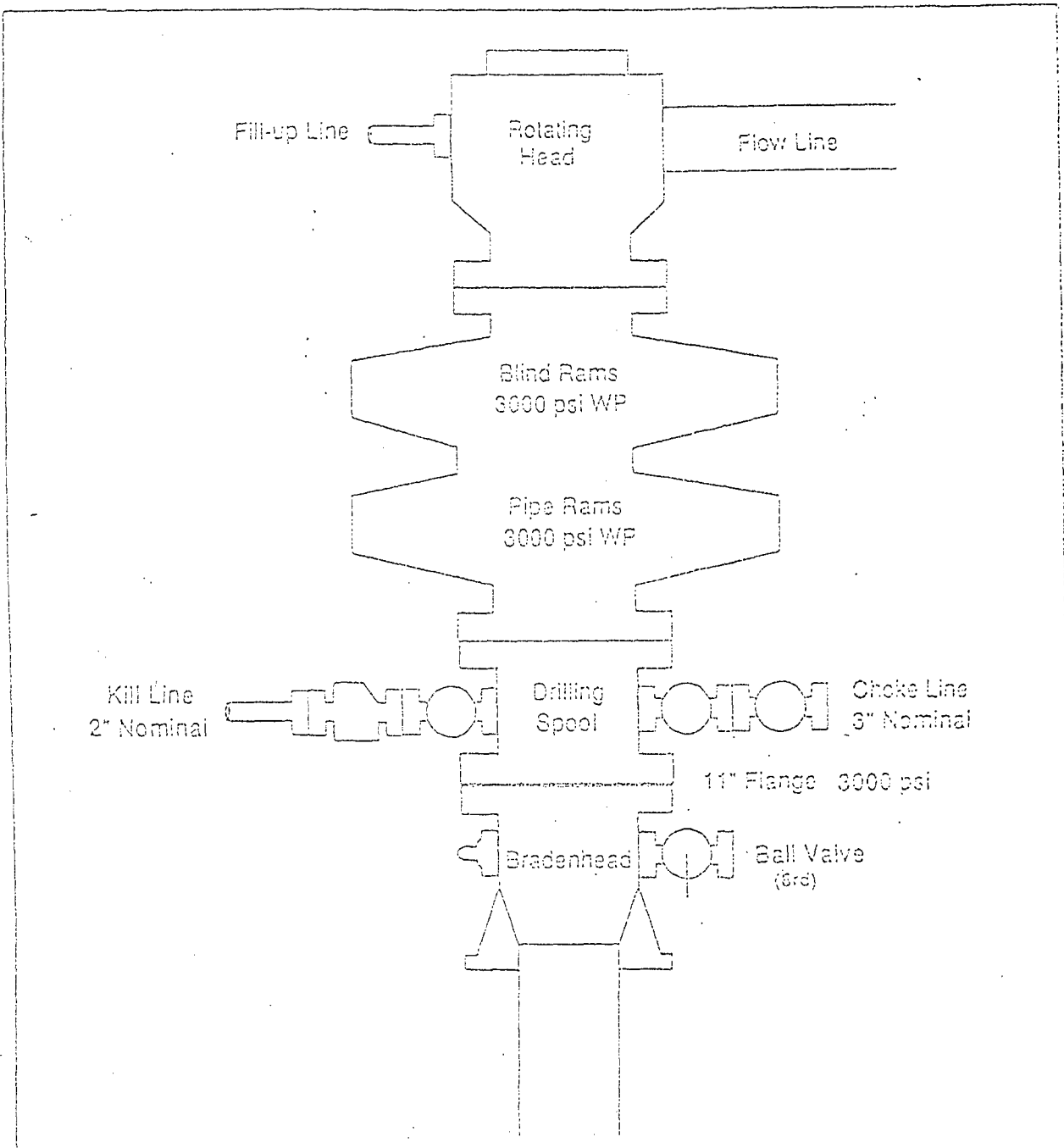


Exhibit #2
Choke Manifold & Accumulator Schematic

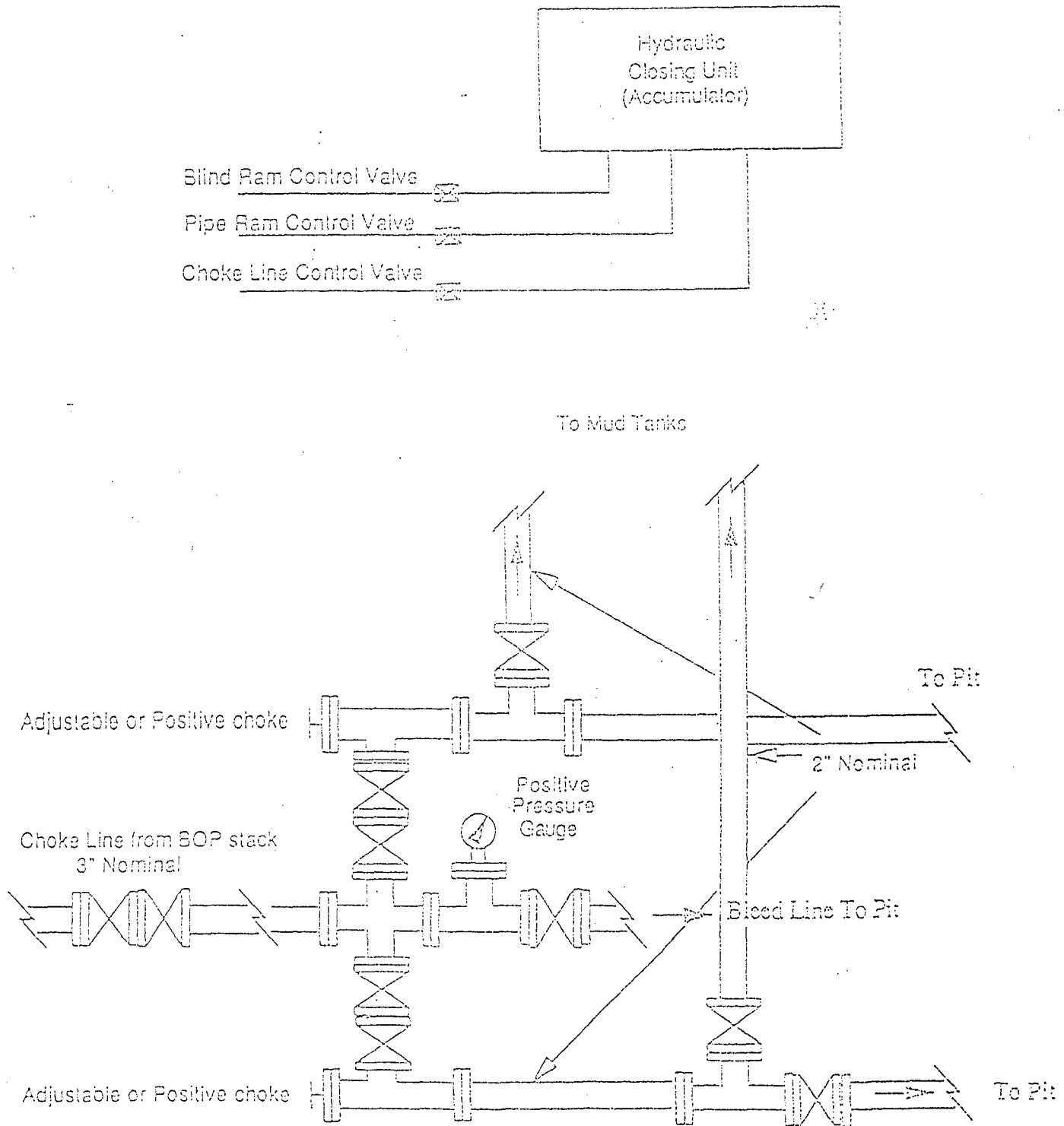
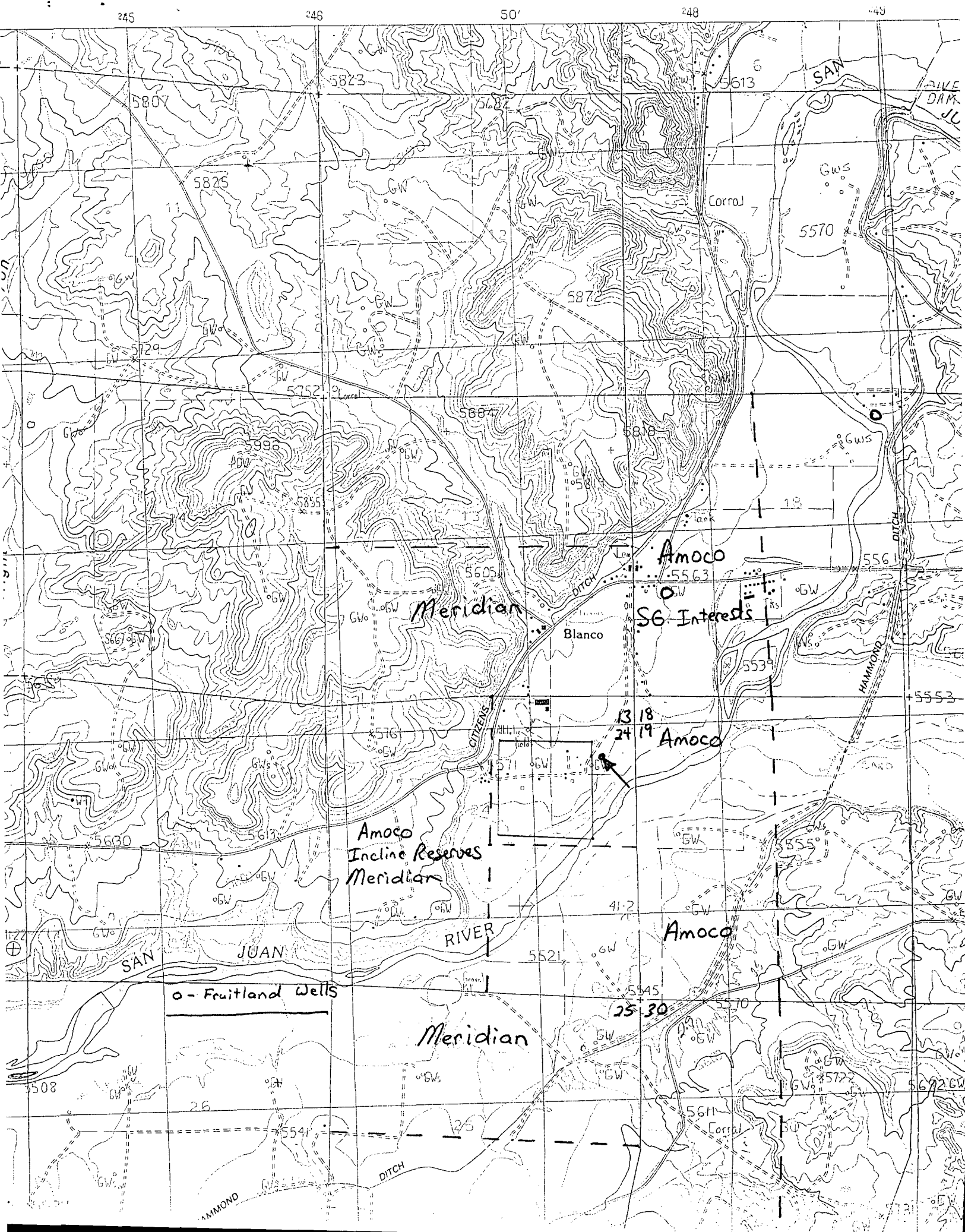


Exhibit #3
Blowout Prevention Equipment Specifications

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 casing 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 bundled 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.



August 19, 1992

RE: Unorthodox Location
Archunde 29-10-24 #1
NE NE Sec. 24, T29N, R10W
San Juan County, New Mexico

Gentlemen:

This letter serves as notice to you that SG Interest I, Ltd. is proposing to drill the captioned Fruitland Coal well at an unorthodox location. The well has been staked 1030 feet from the north line and 640 feet from the east line of the section to accommodate the landowner's desire to keep the wellbore as far from the house as possible.

To expedite the approval process we respectfully request that you execute this letter in the space provided below signifying your agreement to waive any protest to the proposed location.

Please forward the executed copy of this letter to the NMOCD in the stamped envelope, enclosed. Thank you for your cooperation.

Sincerely,

A. M. O'Hare, P.E.
President of Maralex Resources, Inc.
Agent for SG Interests I, Ltd.

I, _____, as _____, for _____ do
Name Title Company Name
hereby agree to waive any and all protest to the unorthodox
location specified above as of this _____ day of, _____ 1992.

cc: NMOCD Ernie Bush

Sent to:
Meridian
Amoco
Incline Reserves

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Steve Owen
1603 SW 37th
Topeka, KS 66661

4a. Article Number

PO81 574674

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

8/24/92

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

John A. Hook

PS Form 3811, November 1990 ★ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☒ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

PO81 574675

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

8/24/92

5. Signature (Addressee)

6. Signature (Agent)

[Signature]

PS Form 3811, November 1990 ★ U.S. GPO: 1991-287-066

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SENDER:

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- Write "Return Receipt Requested" on the mailpiece below the article number.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

PO81 574676

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

8-20-92

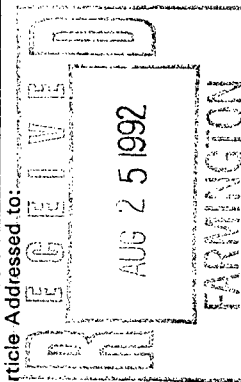
5. Signature (Addressee)

6. Signature (Agent)

[Signature]

PS Form 3811, November 1990 ★ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT





MARALEX
Resources, Inc.

RECEIVED

NSL-3173

92 SEP 1 PM 8 59

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

August 11, 1992

RE: Unorthodox Location
Archunde 29-10-24 #1
NE NE Sec. 24, T29N, R10W
San Juan County, New Mexico

RECEIVED
AUG 26 1992
OIL CON. DIV.
DIST. 3

Gentlemen:

This letter serves as notice to you that SG Interest I, Ltd. is proposing to drill the captioned Fruitland Coal well at an unorthodox location. The well has been staked 1030 feet from the north line and 640 feet from the east line of the section to accommodate the landowner's desire to keep the wellbore as far from the house as possible.

To expedite the approval process we respectfully request that you execute this letter in the space provided below signifying your agreement to waive any protest to the proposed location.

Please forward the executed copy of this letter to the NMOCD in the stamped envelope, enclosed. Thank you for your cooperation.

Sincerely,

A. M. O'Hare, P.E.
President of Maralex Resources, Inc.
Agent for SG Interests I, Ltd.

I, Ernie Bush, as SENIOR LANDMAN, for AMOCO do
Name Title Company Name
hereby agree to waive any and all protest to the unorthodox
location specified above as of this 24th day of August 1992.

cc: NMOCD Ernie Bush



RECEIVED AUG 2 4 1992

NSL-3173

RECEIVED
IN DIVISION
SERIALS
RESOURCES, INC.

'92 AUG 31 PM 10 32

ATTN:

Mike Stagner

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

August 11, 1992

RE: Unorthodox Location
Archunde 29-10-24 #1
NE NE Sec. 24, T29N, R10W
San Juan County, New Mexico

RECEIVED
AUG 27 1992
OIL CON. DIV
DIST. 3

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Sincerely,

A. M. O'Hare

A. M. O'Hare, P.E.
President of Maralex Resources, Inc.
Agent for SG Interests I, Ltd.

I, J.P. GARRETT, as Vice President, for Lucine Resources, Inc.
Name Title Company Name
hereby agree to waive any and all protest to the unorthodox
location specified above as of this 24 day of, August 1992.

cc: NMOCD Ernie Bush

'92 SEP 11 AM 9 27

Attn: Mike Sfognea

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

RECEIVED

SEP 09 1992

August 11, 1992

OIL CON. DIV
1 DIST. 3

RE: Unorthodox Location
Archunde 29-10-24 #1
NE NE Sec. 24, T29N, R10W
San Juan County, New Mexico



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Sincerely,

A. M. O'Hare

A. M. O'Hare, P.E.
President of Maralex Resources, Inc.
Agent for SG Interests I, Ltd.

I, *Tan L. Grebel*, as *Senior Landman*, for *Mendota Oil* do
Name Title Company Name
hereby agree to waive any and all protest to the unorthodox
location specified above as of this *8* day of, *September* 1992.

cc: NMOCD Ernie Bush



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

RECEIVED

AZTEC DISTRICT OFFICE

'92 SEP 23 PM 9 19 1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Letter: Mike Stogner

Date: 9-18-92

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

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

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 9-11-92
for the Marathon Petroleum Archwilde 29-10-24 #1
OPERATOR LEASE & WELL NO.

A-24-29-10-100 and my recommendations are as follows:
UL-S-T-R

Approved

Yours truly,

Eugene Busch