

LAW OFFICES

TANSEY, ROSEBROUGH, GERDING & STROTHER, P.C.

OIL CONSERVATION DIVISION  
RECEIVED

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FARMINGTON, NEW MEXICO 87401  
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92 NOV 9 AM 9 00

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Mailing Address:  
P. O. Box 1020  
Farmington, N.M. 87499

November 6, 1992

State of New Mexico  
Energy, Minerals and Natural  
Resources Department  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87501-2088

Attn: William J. Lemay, Director

Re: Examiner Hearing - November 19, 1992

Gentlemen:

SG Interests I, Ltd. requests that the following cases set for the November 19, 1992 Examiner Hearing be dismissed:

- 1) Case No. 10577  
N/2 of Section 2, Township 29 North, Range 9 West, San Juan County, New Mexico
- 2) Case No. 10579  
S/2S/2 of Section 19, Township 29 North, Range 9 West, San Juan County, New Mexico and  
N/2 of Section 30, Township 29 North, Range 9 West, San Juan County, New Mexico
- 3) Case No. 10580  
E/2 of Section 15, Township 29 North, Range 10 West, San Juan County, New Mexico
- 4) Case No. 10581  
N/2 of Section 21, Township 29 North, Range 10 West, San Juan County, New Mexico
- 5) Case No. 10582  
S/2 of Section 22, Township 29 North, Range 10 West, San Juan County, New Mexico

State of New Mexico  
New Mexico Oil Conservation Division  
Page 2  
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- 6) Case No. 10583  
E/2 of Section 27, Township 29 North, Range 10  
West, San Juan County, New Mexico
- 7) Case No. 10587  
S/2 of Section 17, Township 30 North, Range 9  
West, San Juan County, New Mexico
- 8) Case No. 10588  
E/2 of Section 18, Township 30 North, Range 9  
West, San Juan County, New Mexico
- 9) Case No. 10589  
S/2 of Section 25, Township 30 North, Range 9  
West, San Juan County, New Mexico
- 10) Case No. 10590  
N/2 of Section 25, Township 30 North, Range 9  
West, San Juan County, New Mexico
- 11) No Case No. assigned  
W/2 of Section 28, Township 29 North, Range 10  
West, San Juan County, New Mexico  
Davis 29-10-28 #2 Well

Sincerely,



Tommy Roberts, Attorney for  
SG Interests I, Ltd.

TR:mkc

cc: James B. Fullerton  
Consulting Landman on behalf  
of SG Interests I, Ltd.  
1645 Court Place, Suite 406  
Denver, Colorado 80202

SECTION 2

TOWNSHIP 29 North

RANGE 9 West


④ 42.05

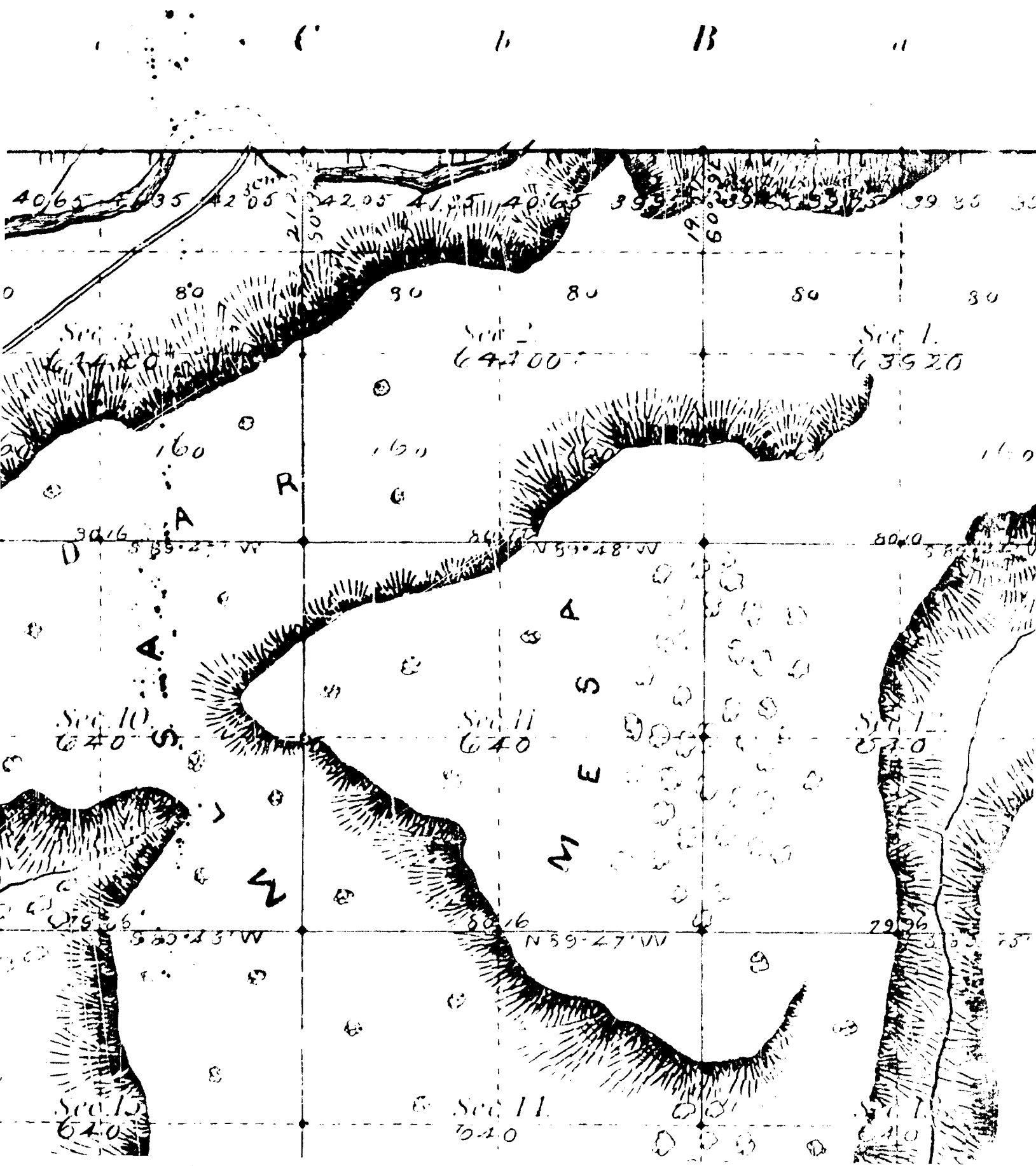
③ 41.35

③ 40.65

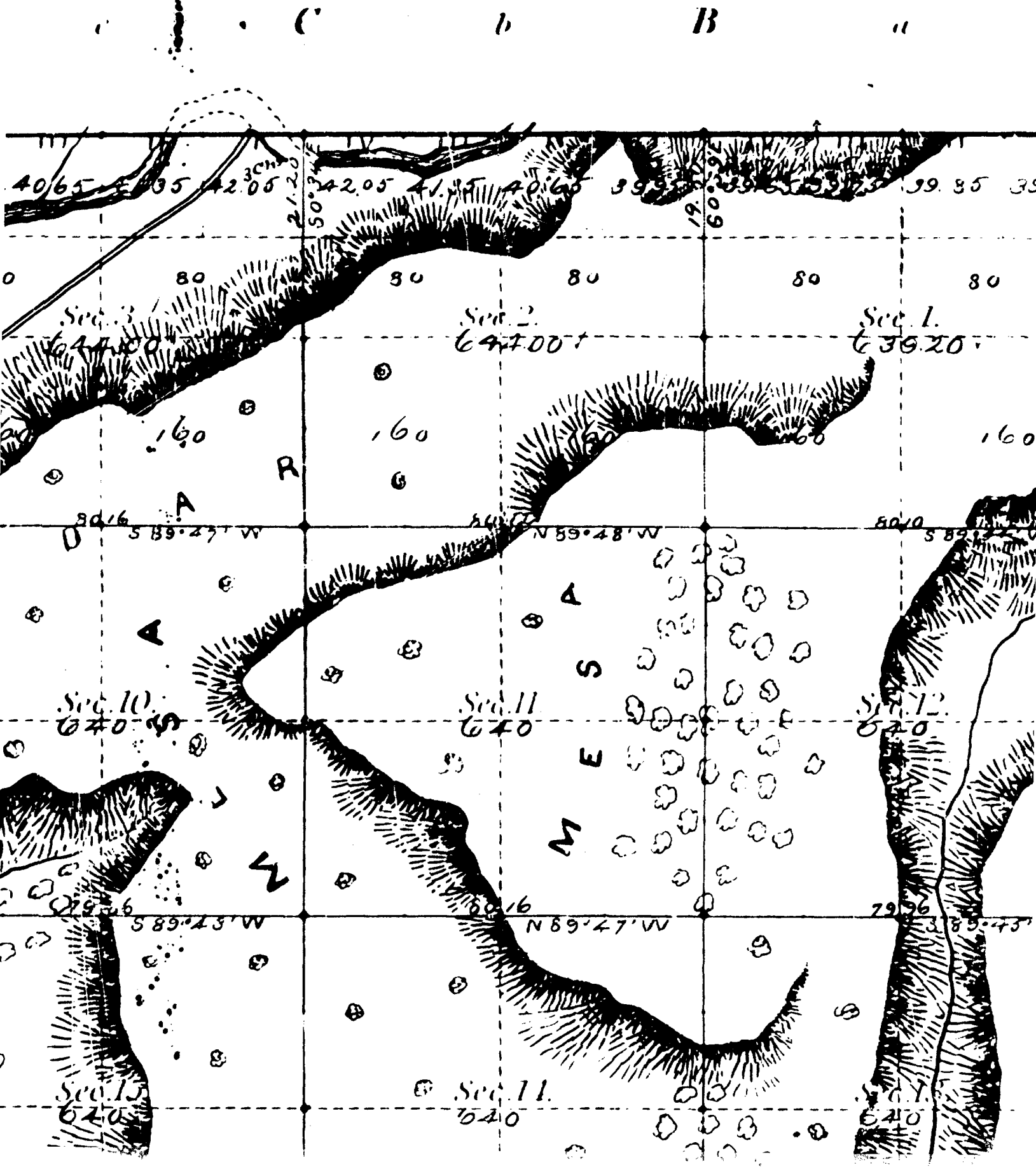
④ 39.95

324 acres

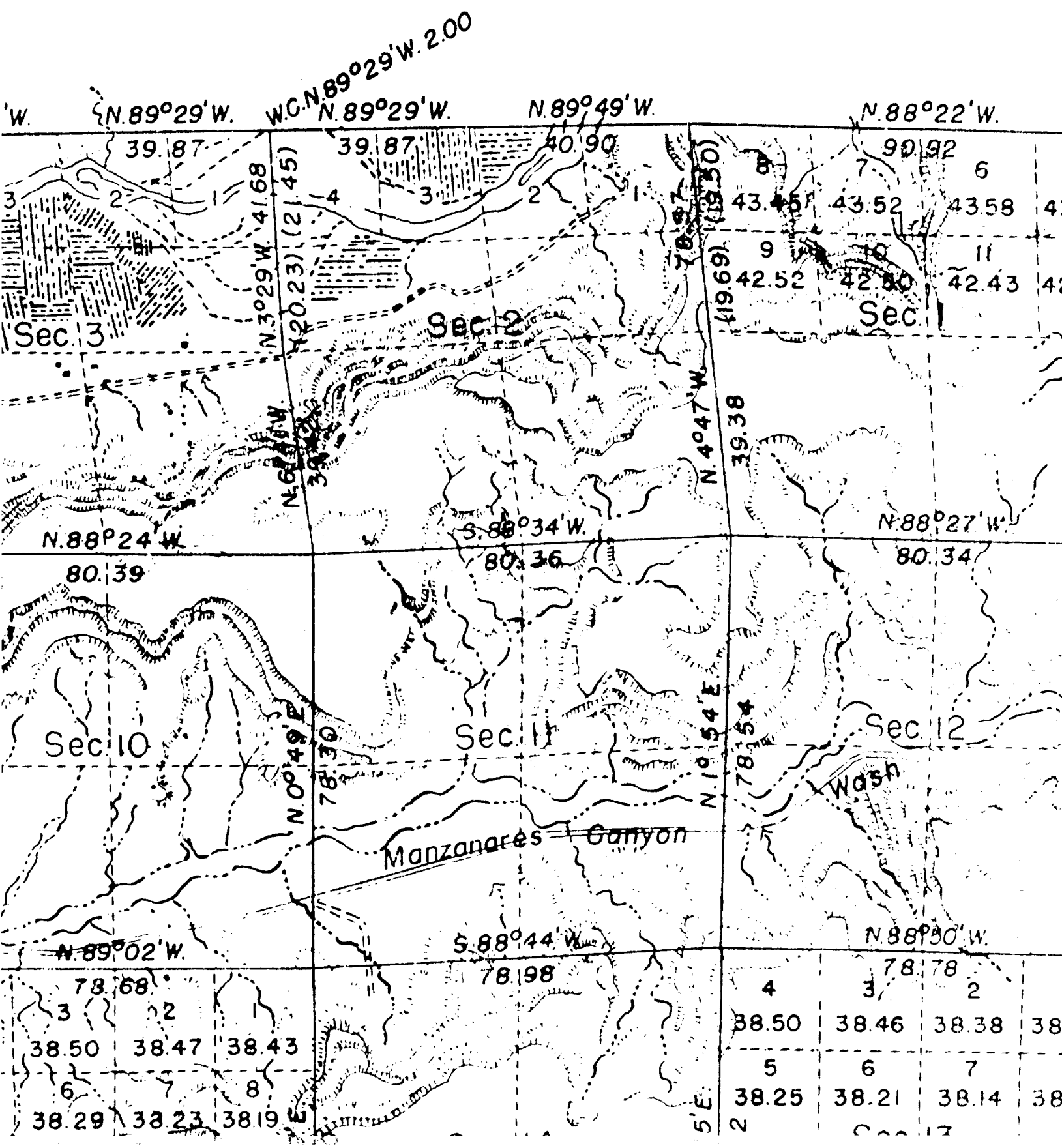
# THE NEW MEXICO PRINCIPAL MERIDIA



THE NEW MEXICO PRINCIPAL MERIDIA



# THE NEW MEXICO PRINCIPAL MERIDIAN SURVEY



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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form O-201  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer 60, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

**RECEIVED**  
AUG 2 1992

API NO. (assigned by OGD on New Well)  
30-045-28761  
5. Indicate Type of Lease  
STATE  FEE   
6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK  
**OIL CON. DIV. DIST. 3**

1a. Type of Work: DRILL  RE-ENTER  DEEPEN  PLUG BACK   
b. Type of Well: OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. Name of Operator: SG Interests I, Ltd.  
3. Well No.: 1

3. Address of Operator: P.O. BOX 421, Bianco, NM 87412-0421  
9. Pool name or Wellcat: Basin Fruitland N/24

4. Well Location  
Unit Letter G : 1765 Feet From The North Line and 2010 Feet From The East Line  
Section 2 Township 29N Range 9W NMPM San Juan County

10. Proposed Depth: 2465'  
11. Formation: Fruitland Coal  
12. Rotary or C.T.: Rotary

13. Elevations (Show whether DF, RT, GR, etc.): 5660' GL, 5673' KB  
14. Kind & Status Plug. Bond: Blanket  
15. Drilling Contractor: Walters Drilling  
16. Approx. Date Work will start: August 28, 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 w/ 2% CaCl <sub>2</sub>	surface
7-7/8"	5-1/2"	15.5#, J-55	2465'	270 65/35 Poxmix w/6% gel & 100 sx Class B tail	surface

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 controll at all times during drilling operations. A description of the BOP and choke assembly and schematic sketches of that equipment is presented as exhibits to this application. A full suite of logs will be run upon reaching TD. Both strings of casing will be cemented back to surface in separate single stage cement jobs. A high strength cement will be placed across the pay zone and at least five hundred feet above the bottom of the hole. A minimum of ten centralizers will be used to optimize placement of cement around the pipe.

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. DATE: August 10, 1992

TYPE OR PRINT NAME: A. M. O'Hare TELEPHONE NO.: (505) 325-559

(This space for State Use)

APPROVED BY: Eric Bosch TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE: AUG 14 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL ENPIRES 2-14-93  
UNLESS OR LONG IS COMMENCED.  
APUD NOT CE 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 O-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

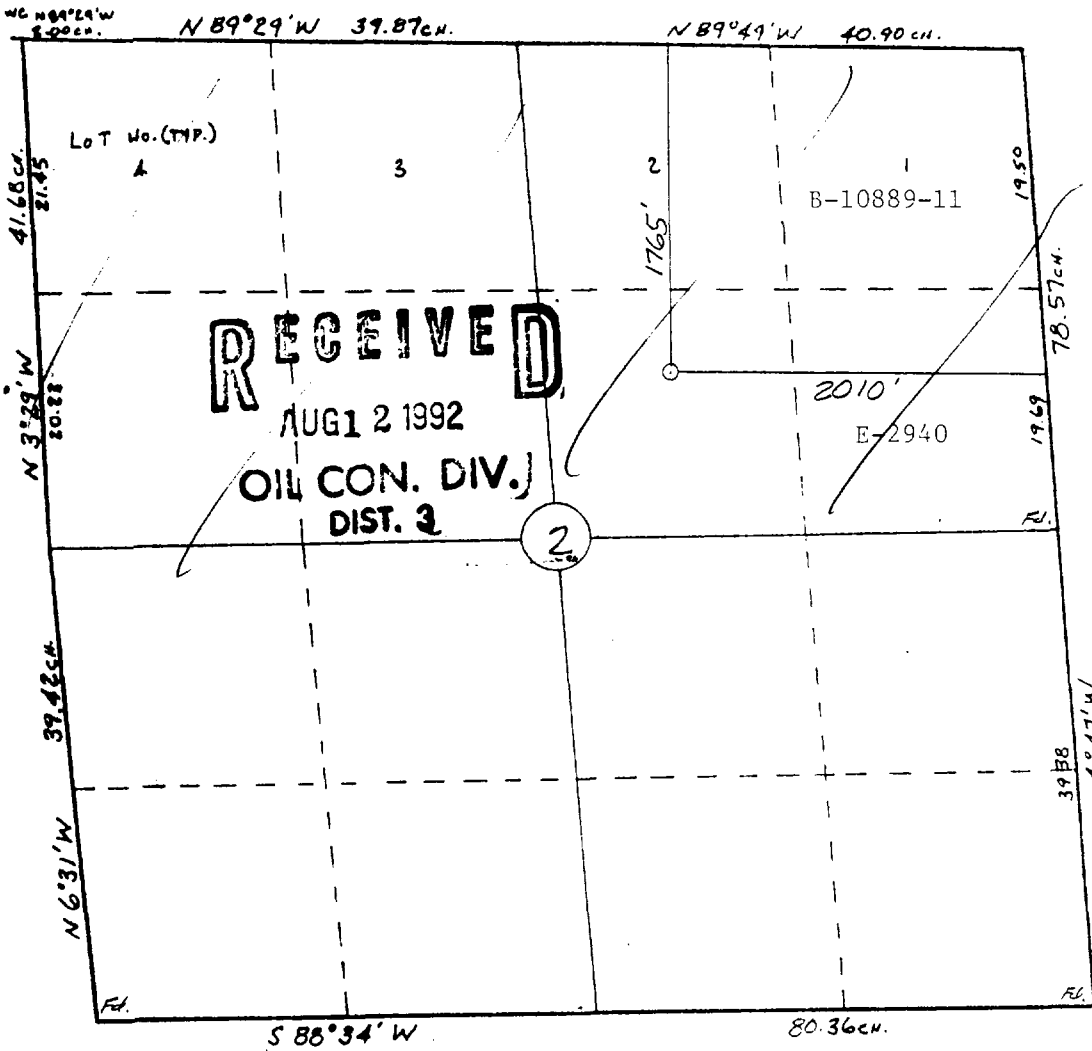
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator S G INTERESTS I, LTD,			Lease Gross 29-9-2		Well No.
Unit Letter G	Section 2	Township 29 N	Range 9 W	County San Juan	
Actual Footage Location of Well: 1765 feet from the North line and 2010 feet from the East line					
Ground level Elev. 5660	Producing Formation Fruitland Coal		Pool Basin Fruitland	Dedicated Acreage 324 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 \_\_\_\_\_
 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.



**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*

Printed Name: A. M. O'Hare

Position: President/Agent

Company: Maralex Resources, Agent for SG Interests I,

Date: August 10, 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.

Date Surveyed: 8-7-92

Date Surveyed: 8-7-92

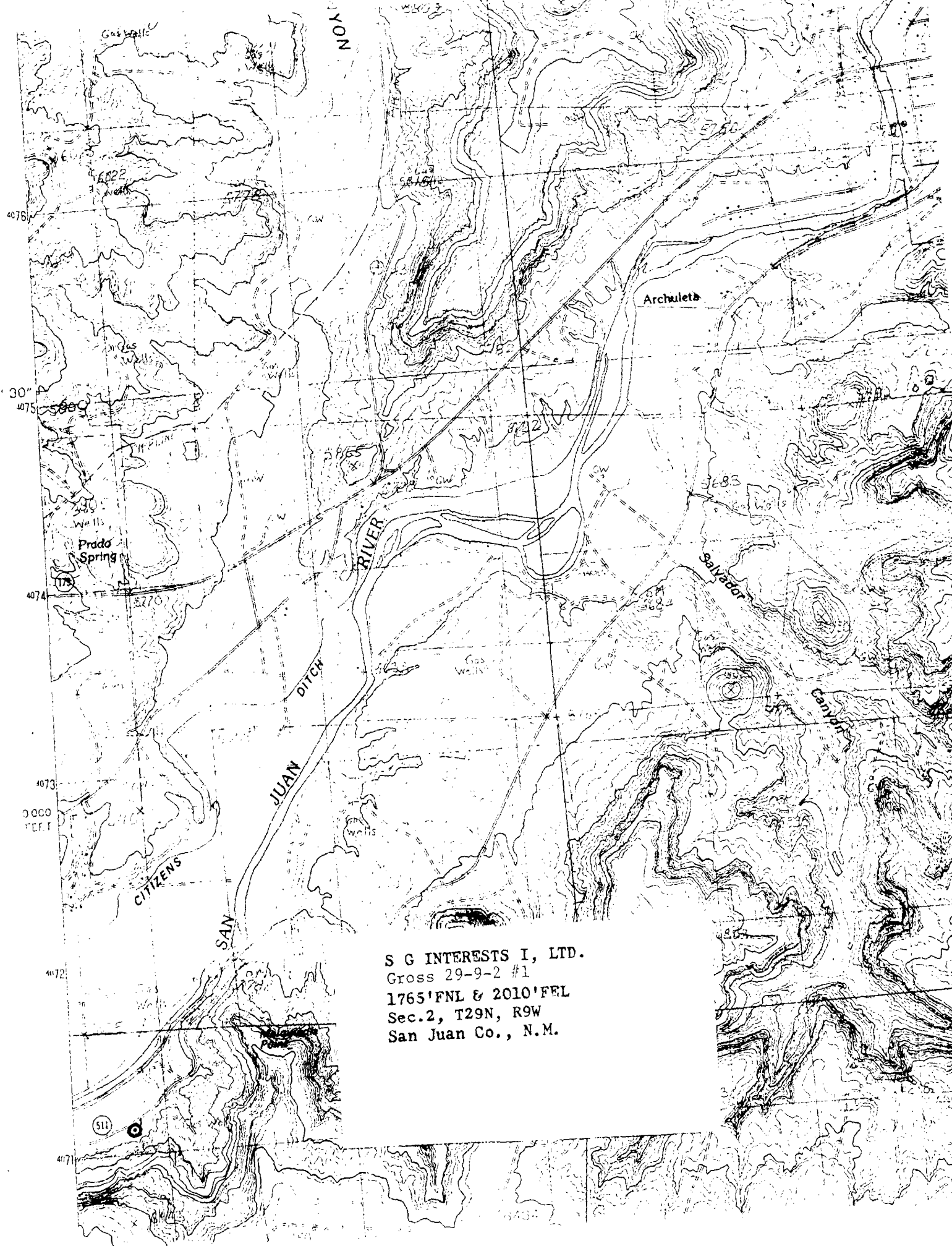
Signature: *William E. Mahinke II*

Professional Surveyor

Seal: WILLIAM E. MAHINKE II, NEW MEXICO, #8466, PROFESSIONAL LAND SURVEYOR

Certificate No. 8466





S G INTERESTS I, LTD.  
Gross 29-9-2 #1  
1765'FNL & 2010'FEL  
Sec.2, T29N, R9W  
San Juan Co., N.M.

Exhibit #  
BOP Stack Arrangement

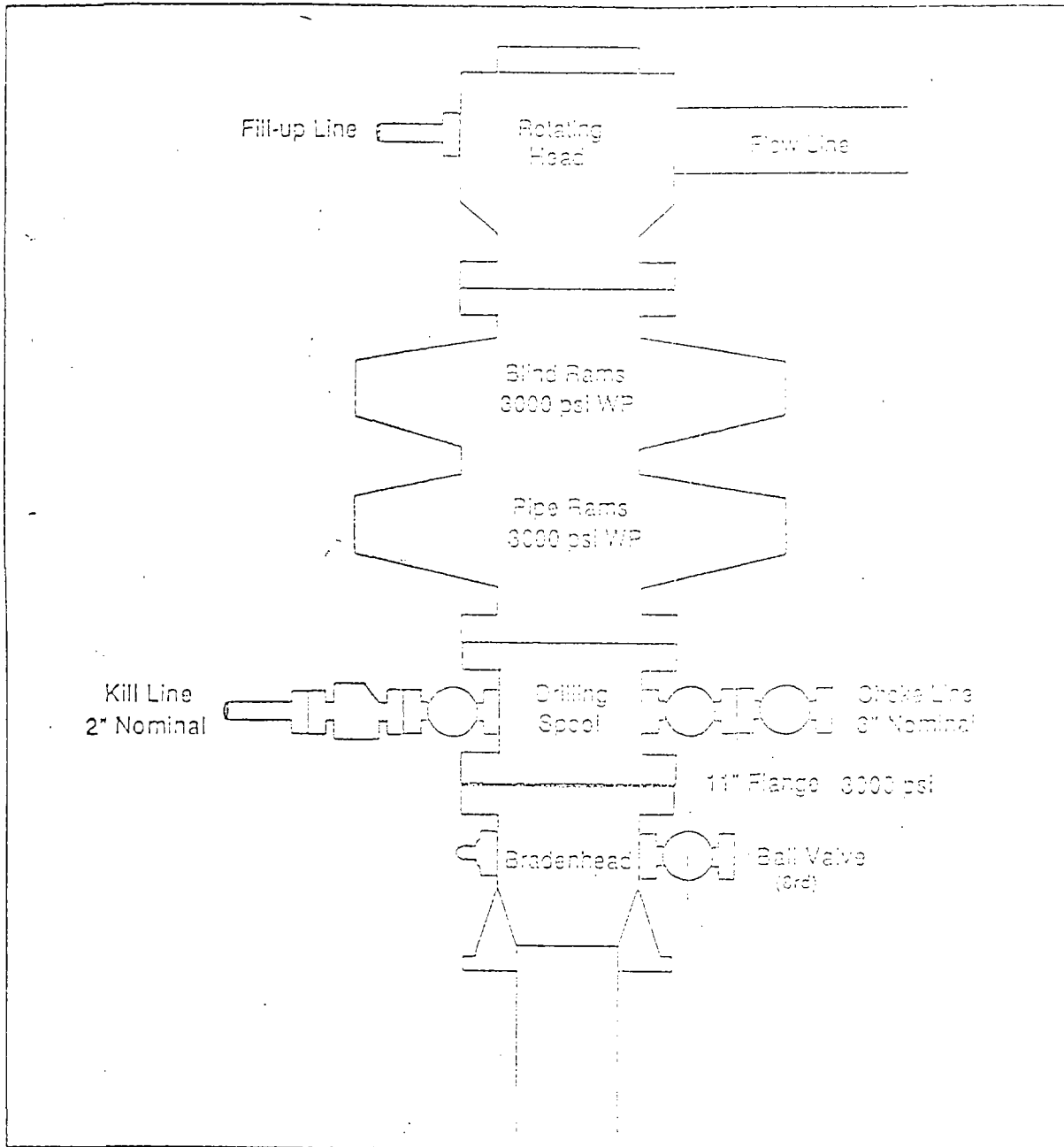


Exhibit #2  
Choke Manifold & Accumulator Schematics

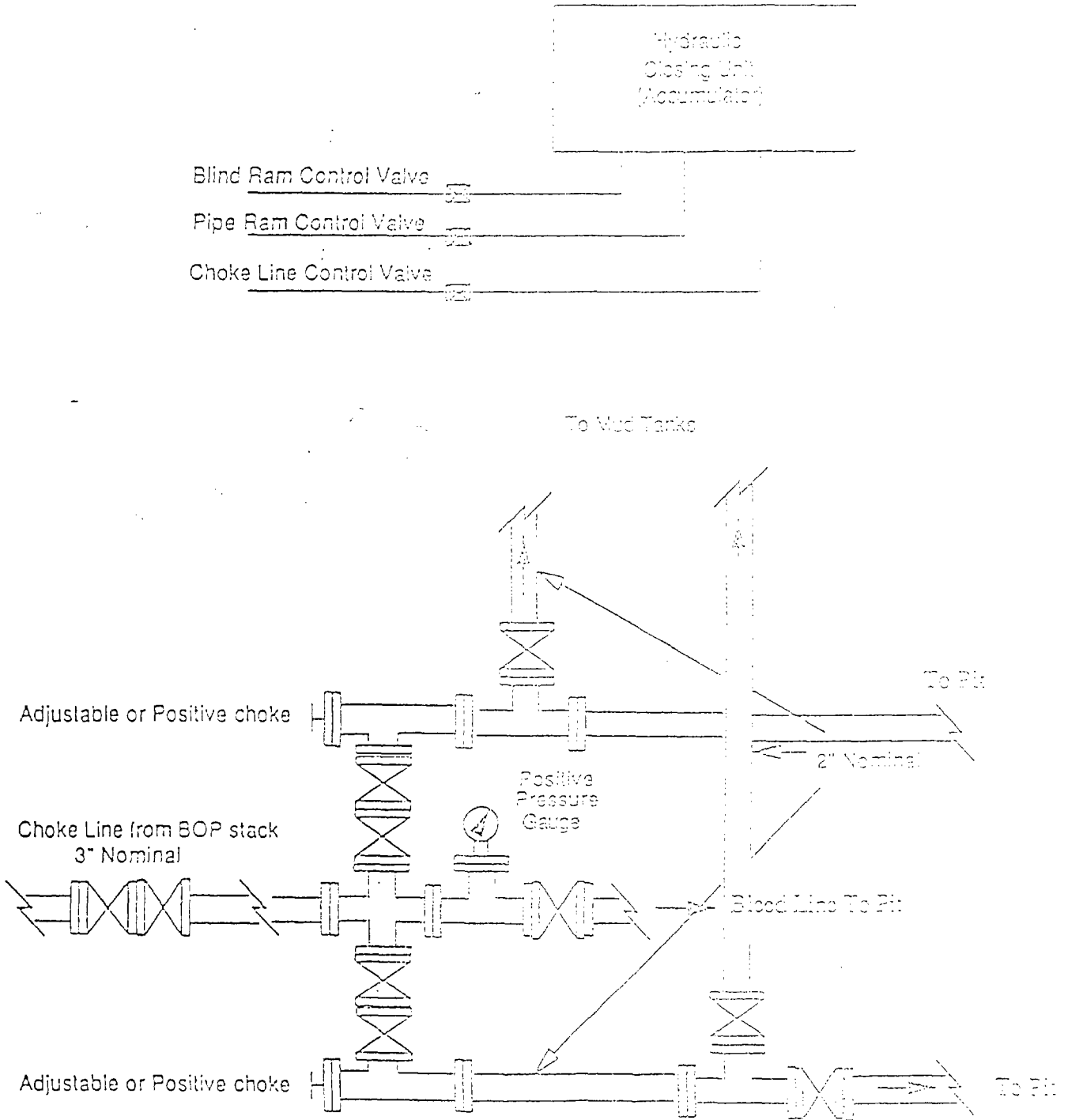


Exhibit #3  
Blowout Prevention Equipment Specifications

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.