

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

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		² OGRID Number 20572
		³ API Number 30 - 045- 31885
⁴ Property Code 32859	⁵ Property Name Santa Rosa 29-9-9	⁶ Well No. #3

⁷ Surface Location

UL or lot no. F	Section 9	Township 29N	Range 9W	Lot Idn	Feet from the 1415	North/South line North	Feet from the 1540	East/West line West	County San Juan
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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
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⁹ Proposed Pool 1 Basin Fruitland Coal	¹⁰ Proposed Pool 2
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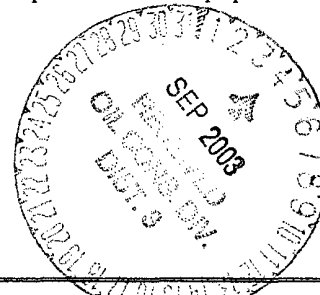
¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Pvt.	¹⁵ Ground Level Elevation 5719
¹⁶ Multiple N	¹⁷ Proposed Depth 2500	¹⁸ Formation Basin Fruitland Coal	¹⁹ Contractor	²⁰ Spud Date Sept. 23, 2003

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#, J-55,STC	0-300 Feet	248 cu. ft.	Surface
7-7/8"	5-1/2"	17#, J-55, STC	300-2500 Feet	535 cu. ft.	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.

See Attached Sheets.



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Lynn Garner</i>		OIL CONSERVATION DIVISION	
Printed name: Mr. Lynn Garner		Approved by: <i>[Signature]</i> DEPUTY OIL & GAS INSPECTOR, DIST. 9	
Title: Operations Manager		Title: <i>[Signature]</i>	
Date: 9/3/03		Approval Date: SEP - 4 2003 Expiration Date: SEP - 4 2004	
Phone: (970) 259-2701		Conditions of Approval: Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31885	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 32859	⁵ Property Name Santa Rosa 29-9-9	⁶ Well Number #3
⁷ OGRID No. 20572	⁸ Operator Name SG INTERESTS I LTD	⁹ Elevation 5719

¹⁰ Surface Location

UL or Lot No. F	Section 9	Township 29 N	Range 9 W	Lot Idn	Feet from the 1415	North/South line NORTH	Feet from the 1540	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

¹² UL or lot no.	¹³ Section	¹⁴ Township	¹⁵ Range	¹⁶ Lot Idn	¹⁷ Feet from the	¹⁸ North/South line	¹⁹ Feet from the	²⁰ East/West line	²¹ County
320	N1/2	Y							
²² Dedicated Acres		²³ Joint or Infill		²⁴ Consolidation Code		²⁵ Order No.			

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>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature Mr Lynn Garner Printed Name Operations Manager Title Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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>August 1, 2003</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p>7016 Certificate Number</p>

(R) - BLM Record

SG Interests I, Ltd.
(Agent: Sagle & Schwab Energy Resources)
PO Box 2677
Durango, CO 81302
(970) 259-2701

Santa Rosa 29-9-9 #3
SWNW Sec 9-T29N-R9W
1415' FNL & 1540' FWL
San Juan County, New Mexico

EIGHT POINT DRILLING PROGRAM

1. Estimated Formation Tops:

Ojo Alamo	965'
Kirkland	1125'
Fruitland Coal	2050'
Pictured Cliffs	2350
Total Depth	2500'

2. Estimated Depth of Anticipated Minerals:

Fruitland (Gas)	2200'
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3. Minimum Specifications for Pressure Control Equipment:

BOP equipment and accessories will meet or exceed BLM requirements outlined in 43 CFR Part 3160.

A 3000 psig double ram hydraulic BOP will be used (see attached diagram). Since maximum anticipated formation pressure is 1200 psig, accessories to the BOP will meet BLM requirements for a 2000 psig system (exhibit 1). 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.

Surface casing will be tested to 1500 psig for 30 minutes.