

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

30-045-28864

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. SF-078566	
B. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
C. NAME OF OPERATOR 20572 SG Interests I, Ltd. Attn: A. M. O'Hare				7. UNIT AGREEMENT NAME	
D. ADDRESS AND TELEPHONE NO. P. O. Box 421 Blanco, N.M. 87412-0421 (505) 325-5599				8. FARM OR LEASE NAME, WELL NO. Federal 28-8-34 #41739	
E. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 875' FNL & 1975' FEL At proposed prod. zone Same				9. API WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 Miles Southeast of Blanco, N.M.				10. FIELD AND POOL, OR WILDCAT 71629 Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 875'		16. NO. OF ACRES IN LEASE 1266.80		17. NO. OF ACRES ASSIGNED TO THIS WELL 310.5 325	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 325'		19. PROPOSED DEPTH 2812'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6288' GR This action is subject to technical and procedural review pursuant to 43 CFR 3106.3 and 3106.4.				22. APPROX. DATE WORK WILL START* As Soon As Permitted	
23. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS	
12-1/4"	8-5/8"	24# J-55	250'	236 ft. Class B w/2% CaCl	
7-7/8"	5-1/2"	15.5# J-55	2812'	589 ft. 65/35 Pozmix w/6% Gel	
				118 ft. Class B Neat Tail	

SG Interests I, Ltd. 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.

This APD is also serving as application to obtain BLM road Right-of-Way. The right-of-way will be an existing road extending from the Largo/Carrizo Canyon road to the location. The requested right-of-way is approximately 2 miles in length and 30 feet in width. The proposed right-of-way crosses the NW/SW and SW/SW of Section 22, the NW/NW, SW/NW, NW/SW and SE/SW of Section 27, and the NE/NW and NW/NE of Section 34, all of T28N, R8W San Juan County, N.M.

RECEIVED  
DEC - 3 1992  
OIL CONSERVATION DIV

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on 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 blow out program, if any.

24. SIGNED A. M. O'Hare TITLE Agent SG Interests I, Ltd. DATE 10/26/92

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE \_\_\_\_\_ DATE \_\_\_\_\_

APPROVED  
AS AMENDED

AREA MANAGER

\*See Instructions On Reverse Side NMOCD

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States a false statement or to withhold information from any such department or agency.

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

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

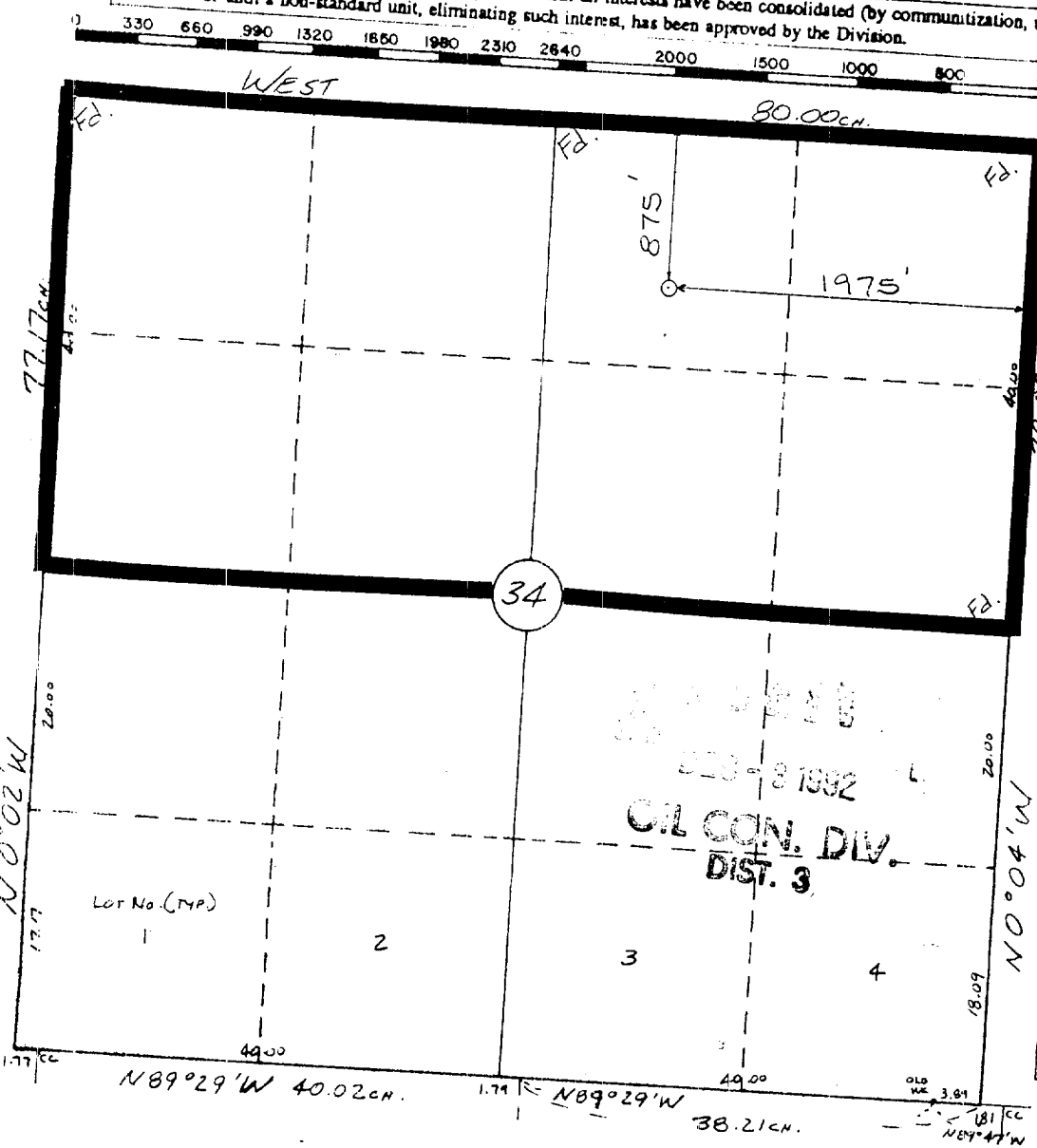
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT  
All Distances must be from the outer boundaries of the section

Operator <b>S G INTERESTS I, LTD.</b>			Lease <b>FEDERAL 28-8-34</b>		Well No. <b>1</b>
Unit Letter <b>B</b>	Section <b>34</b>	Township <b>28 N</b>	Range <b>8 W</b>	County <b>San Juan</b>	
Actual Footage Location of Well <b>875</b>			feet from the <b>North</b> line and <b>1975</b> feet from the <b>East</b> line		
Ground level Elev. <b>6288</b>		Producing Formation <b>Fruitland Coal</b>	Pool <b>Basin Fruitland Coal</b>		
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.			Dedicated Acreage <b>30.5326</b> Acres		
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.? <input type="checkbox"/> Yes <input type="checkbox"/> 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, Inc.**  
Agent: **SG Interests I, Ltd.**  
Date: **10/26/92**

**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: **10-7-92**  
Surveyor: **William E. Mahnke II**  
Signature: *William E. Mahnke II*  
Professional Seal: **#8466**  
Certificate No.: **8466**  
Professional License: **PROFESSIONAL LAND SURVEYOR**

RECEIVED  
DEC - 3 1962  
OIL CON. DIV.  
DIST. 3