

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

OIL CONSERVATION DIVISION

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

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

AUG 10 1992

OIL CON. DIV. I
DIST. 3

API NO. (assigned by OCD on New Wells)

30-045-28742

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name McCarthy 29-9-30 9753	
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Well No. 1	
2. Name of Operator SG Interests I, Ltd., 20570		9. Pool name or Wildcat Basin Fruitland Coal	
3. Address of Operator P.O. Box 421, Blanco, NM 87412-0421			
4. Well Location Unit Letter B : 1065' Feet From The North Line and 1945' Feet From The East Line Section 30 Township 29N Range 9W NNPM San Juan County			
10. Proposed Depth 2250'		11. Formation Fruitland Coal	
12. Rotary or C.T. Rotary			
13. Elevations (Show whether DF, RT, GR, etc.) 5701' GL, 5714' KB		14. Kind & Status Plug. Bond Blanket	
15. Drilling Contractor Walters Drilling		16. Approx. Date Work will start August 30, 1992	
17. PROPOSED CASING AND CEMENT PROGRAM			
SIZE OF HOLE 12-1/4"	SIZE OF CASING 8-5/8"	WEIGHT PER FOOT 24#, J-55	SETTING DEPTH 250'
SACKS OF CEMENT 200 Class B w/2% CaCl ₂		EST. TOP Surface	
7-7/8"	5-1/2"	15.5#, J-55	2250'
240 65/35 w/6% gel & 100 sx Class B neat 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 the hole to TD. A double ram type blowout preventer and choke assembly will be used to maintain well control at all times during drilling operations. A description of the BOP equipment and choke assembly along with schematic sketches of the equipment are included as exhibits to this application. A full suite of logs will be run upon reaching total depth. Both strings of casing will be cemented back to the 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 the 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 6, 1992

TYPE OR PRINT NAME A. M. O'Hare TELEPHONE NO. (505) 325-5599

(This space for State Use)

APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE AUG 12 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 2-12-93
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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District Office
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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

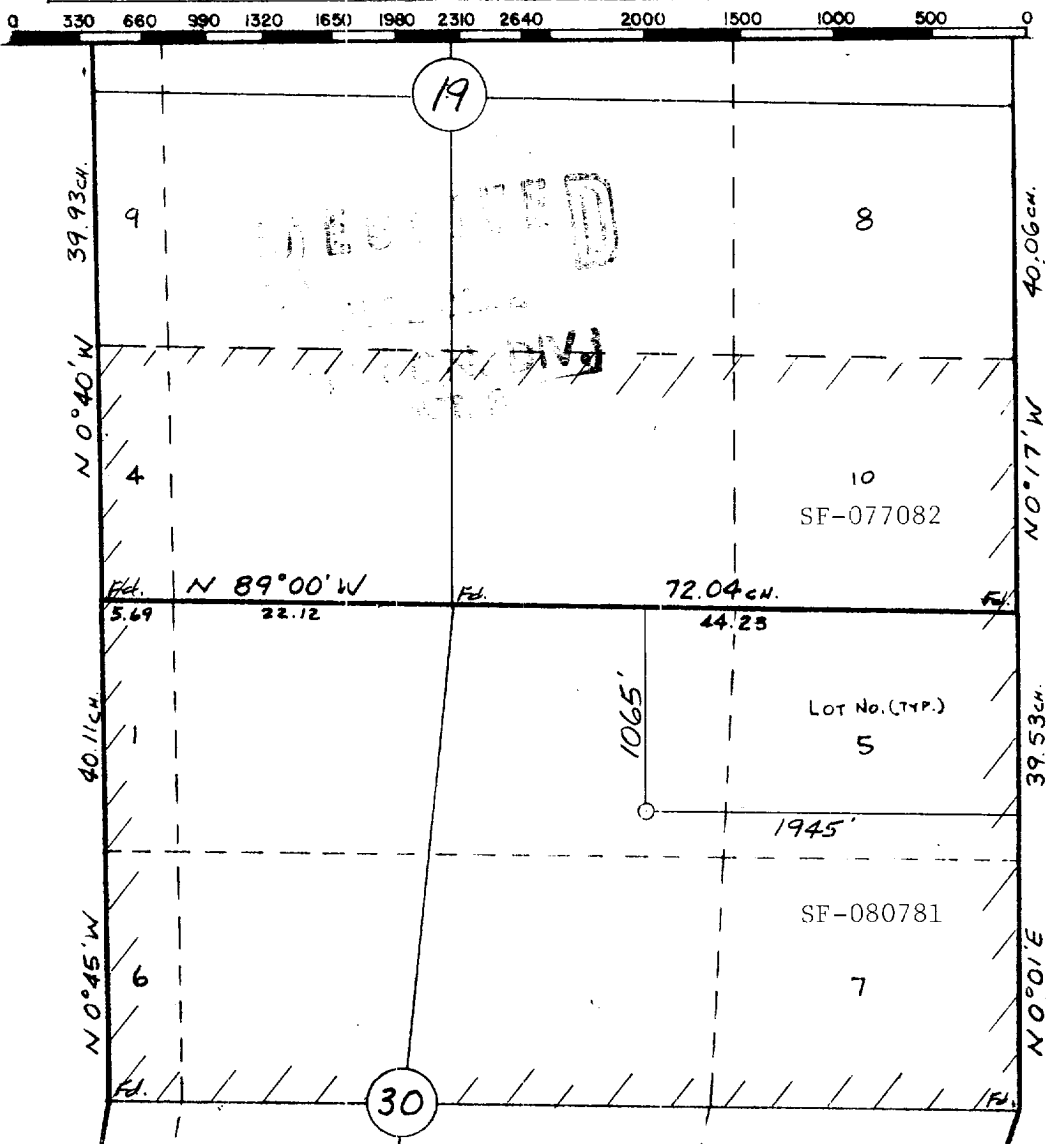
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator S G INTERESTS I, LTD.			Lease McCarthy 29-9-30		Well No. 1
Unit Letter B	Section 30	Township 29 N	Range 9 W	County San Juan	
Actual Footage Location of Well: 1065 feet from the North line and 1945 feet from the East line					
Ground level Elev. 5701	Producing Formation Fruitland Coal	Pool Basin Fruitland		Dedicated Acreage: 403.64 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 Communitization
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

Printed Name

A. M. O'Hare

Position

President/Agent

Company Maralex Resources, Inc.
Agent for SG Interests I, Ltd

Date

August 6, 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.

8-5-92

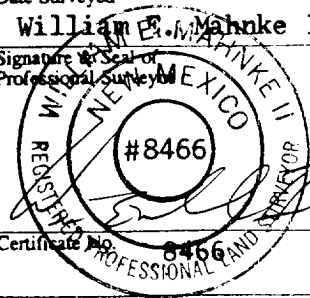
Date Surveyed

William E. Mahnke II

Signature or Seal of Professional Surveyor

Certificate No.

8466



RIVER

DITCH

Muñoz

S G INTERESTS I, LTD.
McCarthy 29-9-30 #1
1065'FNL & 1945'FEL
Sec.30, T29N, R9W
San Juan Co., N.M.

Exhibit #1
BOP Stack Arrangement

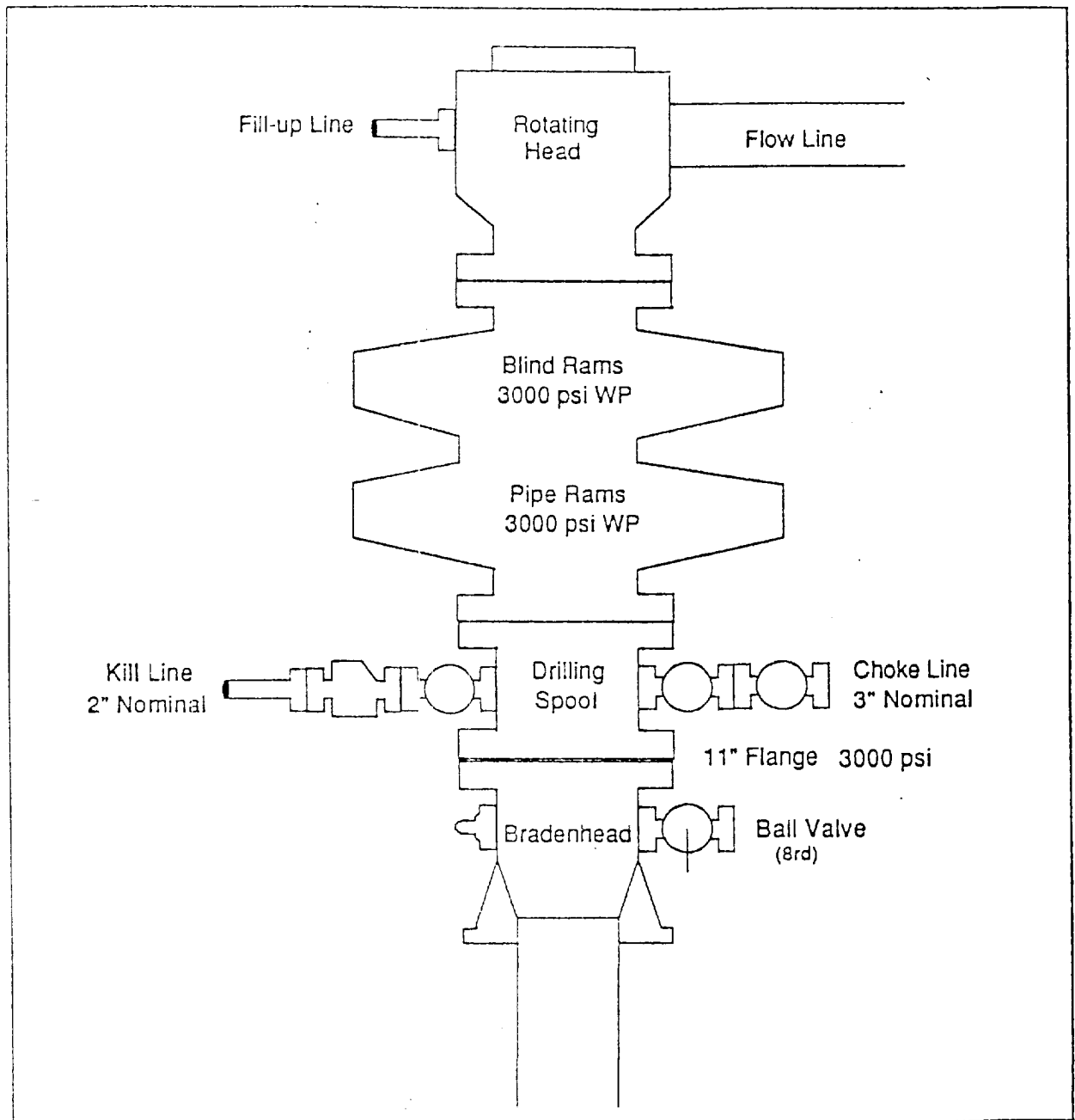


Exhibit #2
Choke Manifold & Accumulator Schematic

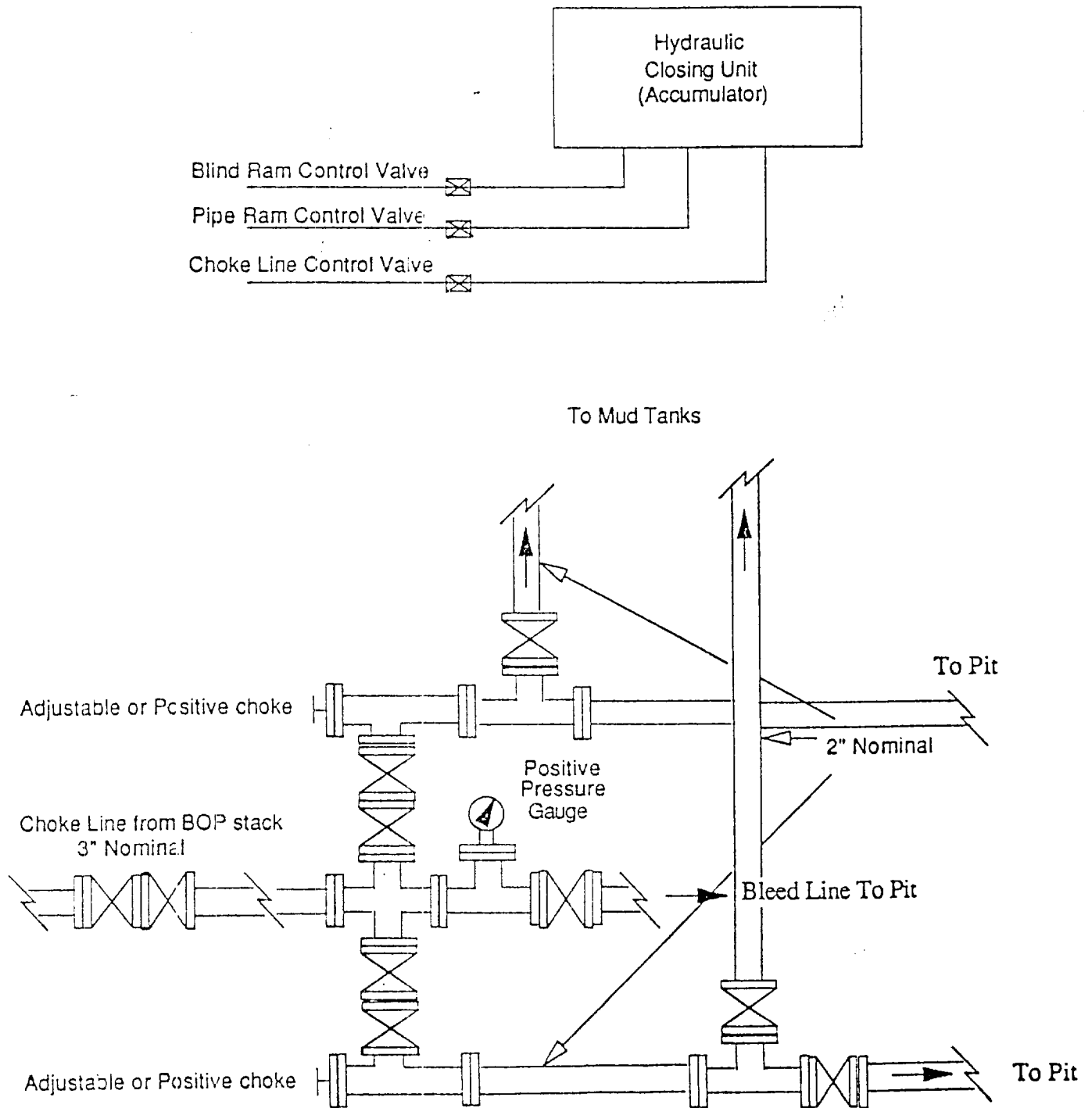


Exhibit #3
Blowout Prevention Equipment Specifications

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.