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

Cease - 5 copies OIL CONSERVATION DIVISION

	Revised	1-1-89
(assigned by OCD o	n New W	ellc)

DICTRICTI	OLLC	ONSERVATION		API NO. (assigned by OCD	Off Lien ALCHE)
DISTRICT I P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088		30-045-29059			
Santa Fe, New Mexico 87504-2088		5. Indicate Type of Lease			
P.O. Drawer DD, Artesia, NM 88210		STATE FEE X			
DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410		6. State Oil & Gas Lease N	lo.		
APPLICATI	APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK		R PLUG BACK		
1a. Type of Work:				7. Lease Name or Unit Agreement Name	
DRILL X RE-ENTER DEEPEN PLUG BACK b. Type of Well: SINGLE MULTIPLE			APPERSON 30-11-30		
OIL GAS WELL X OTHER SINGLE X ZONE X		13357			
2. Name of Operator			8. Well No.		
SG INTERESTS I LTD/MARALEX RESOURCES, INC. 20572			#2		
3. Address of Operator			9. Pool name or Wildcat Pagin Frankland Coal 44446		
PO Box 338, Ignacio, CO 81137			Basin Fruitland Coal 7/629		
4. Well Location Unit Letter K: 1708 Feet From The South Line and 1808 Feet From The West Line					
Section 30	T	30 North Ran	11 West	_{IMPM} San Juan	County
Section 30	Townsh	Man Kan			
		10. Proposed Depth			12. Rotary or C.T.
		////		LCTCLIC CONT	Rotary
13. Elevations (Show whethe 5731 GR	r DF, RT, GR, etc.)	. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Unknown	16 Approx. I Immediat	ely upon approval
17.	PRO	POSED CASING AN	ID CEMENT PROGF	RAM	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	
12-1/4"	8-5/8"	24# J-55	250 '	190 sx Class B	
7-7/8"	5-1/2"	15.5# J-55	2250 '	122 sx Class B	Surface
	Tail w/100 sx				
				Class B + addi	
SG Interests I, Ltd/Maralex Resources, Inc. proposes to drill a vertical hole to develop the Fruitland Coal Formation at the above described site. The well will be drilled with LSND mud. A double ram type BOP will be used to maintain well control at all times during the drilling of the well. Sketches of the BOP and choke assembly 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 back to surface. A minimum of ten centralizers will be used to optimize placement of the cement around the pipe on the long string.					
				1	BELE INAL
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PROTECTIVE AND ADDRESS FUNCTIONAL TIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.					
I hereby certify that the infor	mation above is true and complete	e to the best of my knowledge and	i belief.		
SKINATURE THE President AGENT DATE January 18, 1994					
TYPE OR PRINT NAME A. M. O'Hare TELEPHONE NO. (303) 563-4000					
(This space for State Use)					
DEPUTY OIL & GAS INSPECTOR, DIST. #3 JAN 2. 6 1994					
APPROVED TO THOUGH THE ANY. This Approval					
CONDITIONS OF APPROVAL,		nires 1-9/6			

And Will Not Be

Extended

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 83240 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 . WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section DISTRICT 1000 Rio Brazos Rd., Amec, NM 87410 Well No. NO, 2 Operator APPERSON 30-II-30 56 Intrest -I LTD MARALEX RESOURCES County Range Township SAN JUAN Unit Letter II WEST NMPM 30 NORTH 30 Κ Actual Footage Location of Well: WEST 1808 feet from the line and Dedicated Acres 85: SOUTH 29.50 1708 feet from the Pool Producing Formation Ground level Elev. Basin Fruitland Coal Fruitland Coal 5731 1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.? 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 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 in true and complete to the best of my browledge and belief. 2641.98 Signan JAN1 9 1994 OIL CON. DIV A. M. O'Hare Position DIST. 2 President Company JG IN YERESTS, & Maralex Resources, ≥ N00-08 January 18, 1994 30 SURVEYOR CERTIFICATION SEC. I hereby certify that the well location shown 2640.00 on this plat was placed from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my browledge and belief. Date Surveyed 1808 JANUARY II,1994 Signature & Sept o , 79-0Q 2511,967 N 89-32 W 2669.04 N 89-32 W

0

500

1000

1500

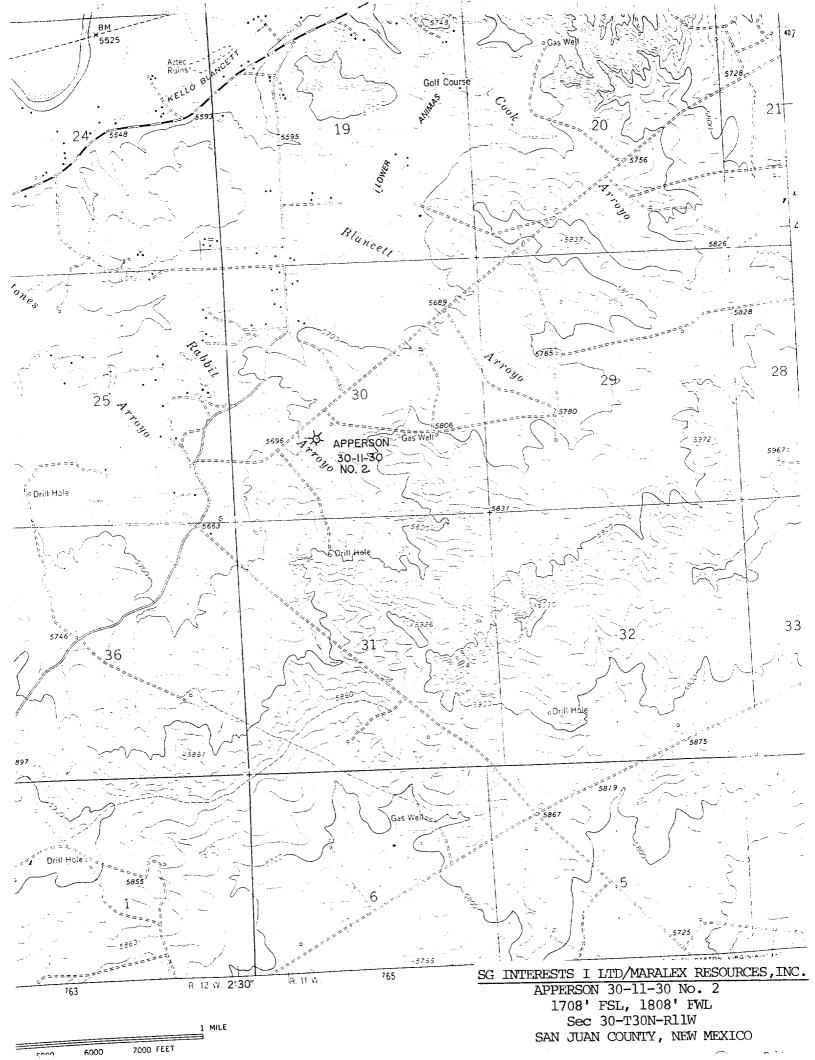
2000

1980 2310 2640

1650

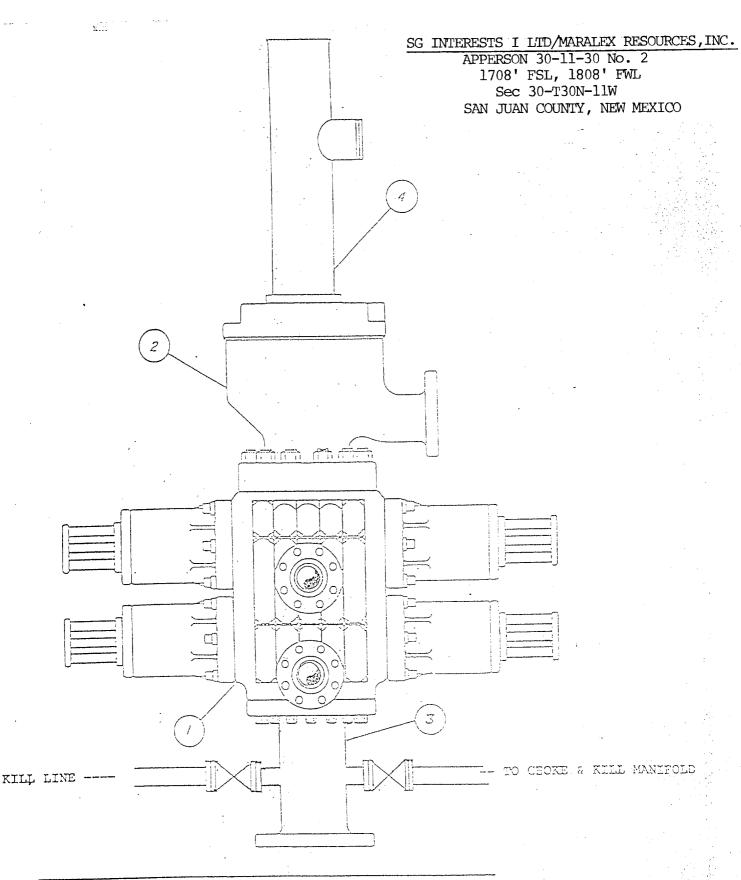
1320

990



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 bypass 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.



- j) DOUBLE RAM 3000 LB. MANUAL LOCK BLOWOUT PREVENTER
- 2 ROTATING HEAD IF AIR OR GAS DRILLING
- 3 SPOOL W/2" MINIMUM KILL LINE VALVE & KILL LINE
- 3. DRILLING FLOW NIPPLE

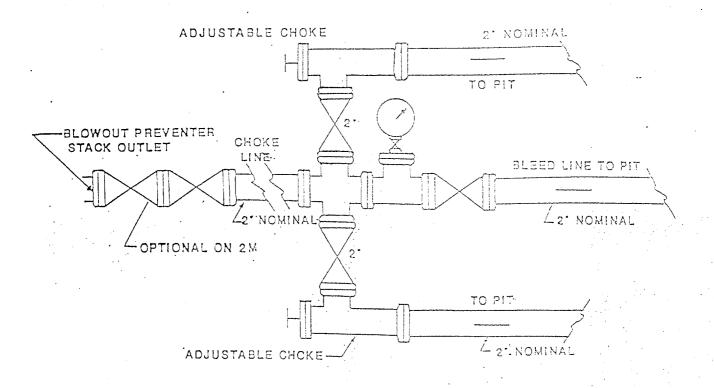
SG INTERESTS I LTD/MARALEX RESOURCES, INC.

APPERSON 30-11-30 No. 2

1708' FSL, 1808' FWL

Sec 30-T30N-R11W

SAN JUAN COUNTY, NEW MEXICO



FOR 2,000 AND 3,000 PSI RATED WORKING PRESSURE

UPPER KELLY COCK VALVE WITH HANDLE AVAILABLE

SAFETY VALVE AND SUBS TO FIT ALL DRILL STRINGS IN USE WILL BE AVAILABLE