

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT *30-045-29098*

5. LEASE DESIGNATION AND SERIAL NO.
SF080917

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Hart Canyon 5 13920

9. WELL NO.
8-1.

10. FIELD AND POOL, OR WILDCAT
Basin Fruitland Coal 71629

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
4 Sec. 5-T30N-R10W ✓

12. COUNTY OR PARISH
San Juan, N. M.

13. STATE

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
20572 SG Interests (303) 563-4000

3. ADDRESS OF OPERATOR
P. O. Box 338, Ignacio, Colorado 81137

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1515' FNL, 1055' FEL Sec. 5-T30N-R10W
At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
9 miles

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1515'

16. NO. OF ACRES IN LEASE
2538.18

17. NO. OF ACRES ASSIGNED TO THIS WELL
322-11 ✓

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
500'

19. PROPOSED DEPTH
3051'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6207'

22. APPROX. DATE WORK WILL START*
Upon BLM Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24	300	200 Sx Class B plus 2% CaCl2
7-7/8"	5-1/2"	15.5	TD	466 Sx Class B

Maralex Resources, Inc. 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.

An archaeological survey will be conducted to determine any potential sites.

All of the access road for this well is located on this lease, so no right-of-way application is required.

RECEIVED
MARI 1, 1994
OIL CON. DIV.
DIST. 3

RECEIVED
BLM
91, JAN 10 AM 8:03
070 FARMINGTON, NM

18. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 blowout preventer program, if any.

24. SIGNED *A. R. Reimers* TITLE Engineering Manager DATE 1/8/94
Agent for SG Interests

PERMIT NO. _____ APPROVAL DATE _____
APPROVED AS AMENDED

APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY: _____

34852 OK
NMOC DISTRICT MANAGER
1/14/94
*See Instructions On Reverse Side

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
RECEIVED
 BLM

OIL CONSERVATION DIVISION

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

94 JAN 10 AM 8:03

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

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

070 FARMINGTON, NM

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

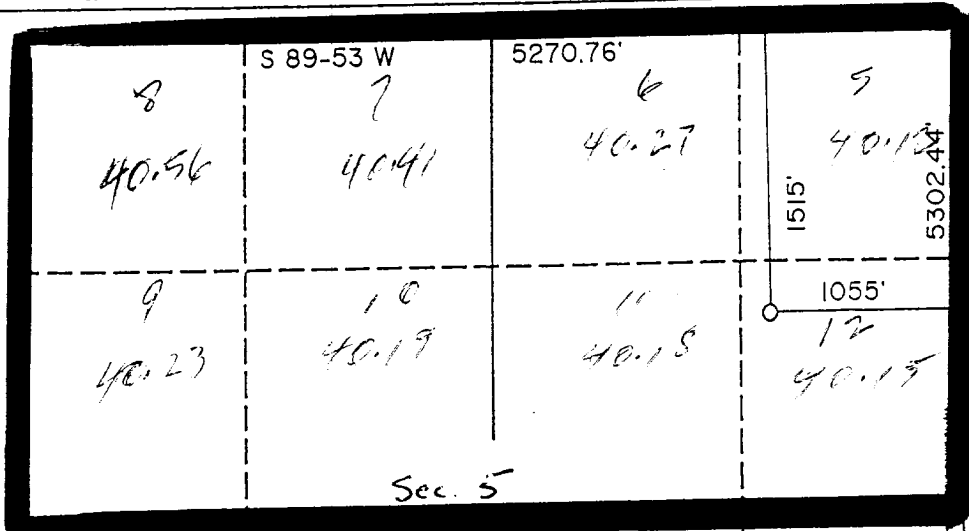
Operator SG Interests		Lease HART CANYON 5		Well No. 8-1
Unit Letter H	Section 5	Township 30 NORTH	Range 10 WEST	County SAN JUAN
Actual Footage Location of Well: 1515 feet from the NORTH line and 1055 feet from the EAST line				
Ground level Elev. 6207	Producing Formation	Pool Basin flat	Dedicated Acreage: 322.11 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.



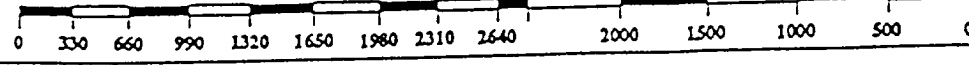
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

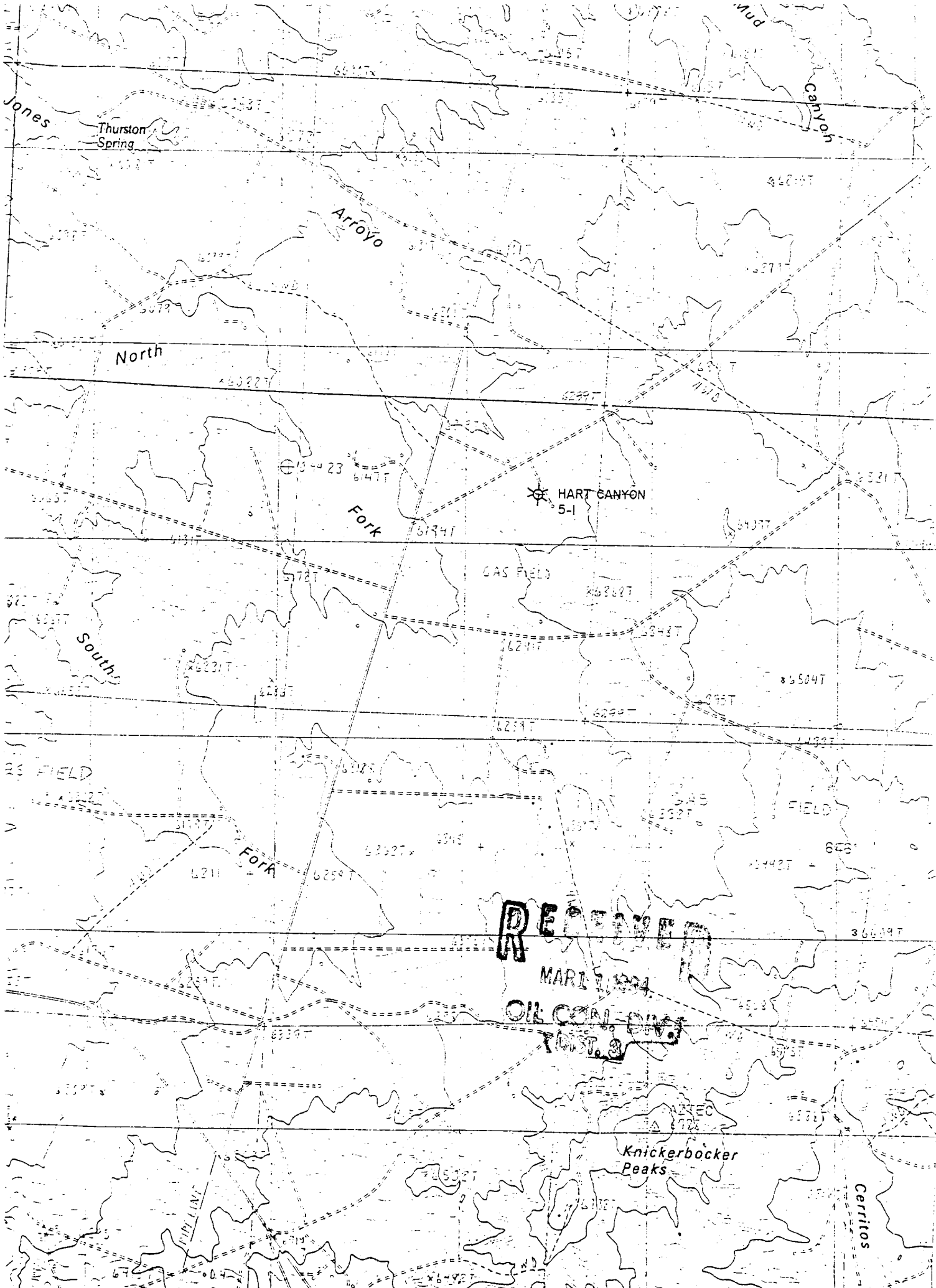
Signature: *Dennis R. Reimers*
 Printed Name: **Dennis R. Reimers**
 Position: **AGENT for**
 Company: **SG Interests**
 Date: **1/8/94**

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: **DECEMBER 1, 1993**
 Signature & Seal of Professional Surveyor: *Roy A. Rush*
 Certificate No. **PROFESSIONAL LAND SURVEYOR 8884**

RECEIVED
MAR 1 1994
OIL CON. DIV.
DIST. 3





Jones
Thurston
Spring

Mud
Canyon

Arroyo

North

Fork

HART CANYON
5-1

GAS FIELD

South

RS FIELD

Fork

GAS

FIELD

RECEIVED
MAY 1 1954
OIL & COAL DIV.
DIST. 3

Knickerbocker
Peaks

Cerritos

PIPE LINE