

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

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

Santa Fe, New Mexico 87504-2088

NOV 19 1992

OIL CON. DIV.

(Dist. 3)

API NO. (assigned by OCD on New Wells)

30-645-28852

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Otte 31-11-31

2. Name of Operator

SG Interests I, Ltd.

Attn: A. M. O'Hare

8. Well No.

#1

3. Address of Operator

PO Box 421, Blanco NM 87412-0421

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter A : 1245 Feet From The North Line and 1150 Feet From The East Line

Section 31 Township 31 N Range 11 W NMPM San Juan County

10. Proposed Depth

2450'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

5825' GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

unknown

16. Approx. Date Work will start

as soon as permitted

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#, J-55	250'	200 class B	surface
				w/2% CaCl <sub>2</sub>	
7-7/8"	5-1/2"	15.5#, J-55	2450'	257 65/35 <sup>2</sup>	surface

Pozmix w/6% gel  
& 100 sx Class B  
tail.

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 to TD. A double ram type BOP and choke assembly will be used to maintain well control at all times during drilling. A description of the BOP and choke assembly, as well as schematic sketches of this equipment 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 in separate single stage cement jobs. A high strength cement will be placed across the pay zones and at least five hundred feet above the bottom of the hole. A minimum of six centralizers will be used to optimize placement of the cement around the pipe on the long 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

Dana M. Hyde

TITLE Agent

DATE 11-18-92

(505) 325-5599

TELEPHONE NO.

TYPE OR PRINT NAME

Dana M. Hyde

(This space for State Use)

APPROVED BY

Erica Busch

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

11-20-92  
NOV 20 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 5-20-93  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

Submit to Appropriate  
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Fee Lease - 3 copies

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Form C-102  
Revised 1-1-89

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Santa Fe, New Mexico 87504-2088

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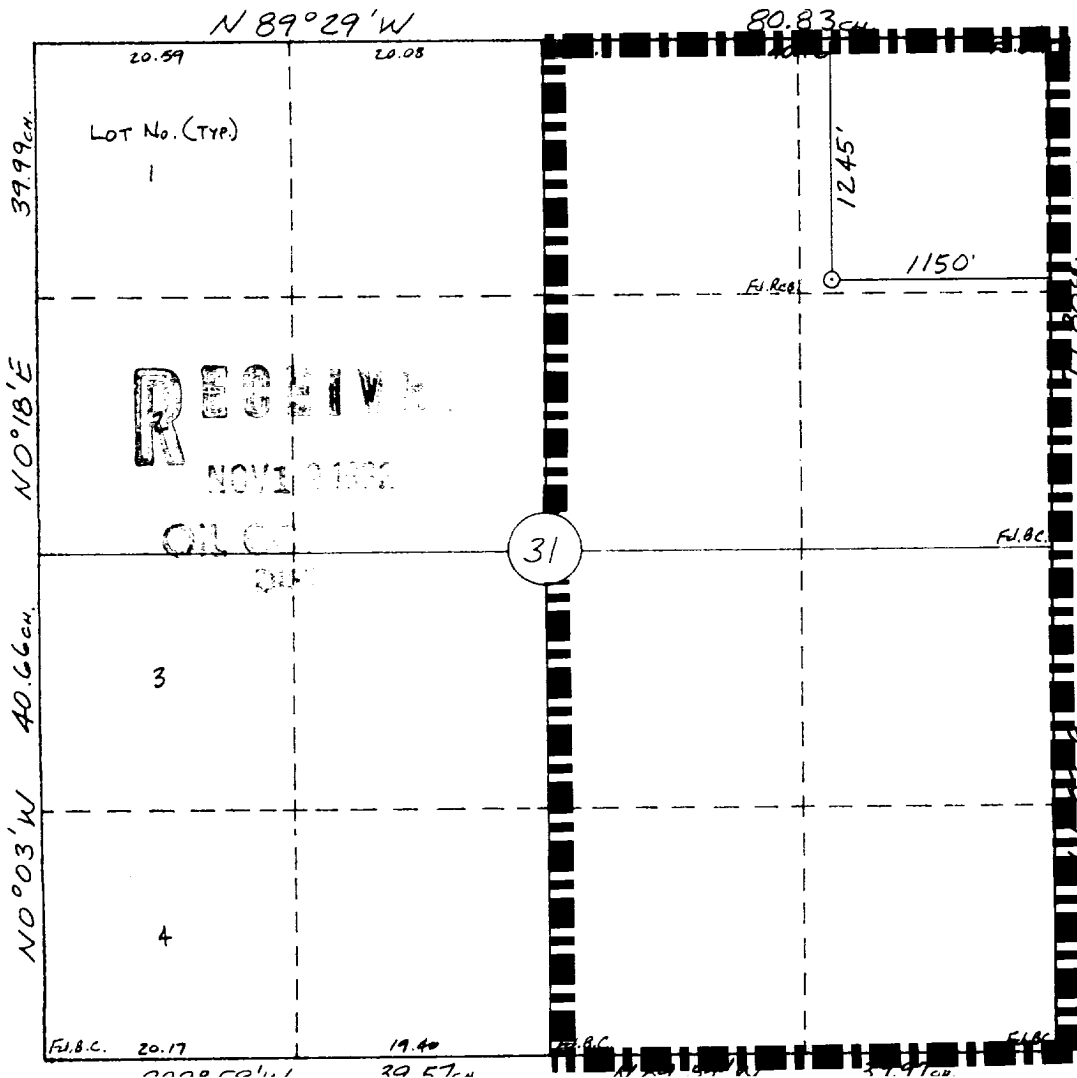
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>S G INTERESTS I, LTD.</b>			Lease <b>Otte 31-11-31</b>		Well No. <b>#1</b>
Unit Letter <b>A</b>	Section <b>31</b>	Township <b>31 N</b>	Range <b>11 W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1245</b> feet from the <b>North</b> line and <b>1150</b> feet from the <b>East</b> line					
Ground level Elev. <b>5825</b>	Producing Formation <b>Fruitland Coal</b>		Pool <b>Basin Fruitland Coal</b>	Dedicated Acreage <b>320</b> 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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



OPERATOR CERTIFICATION

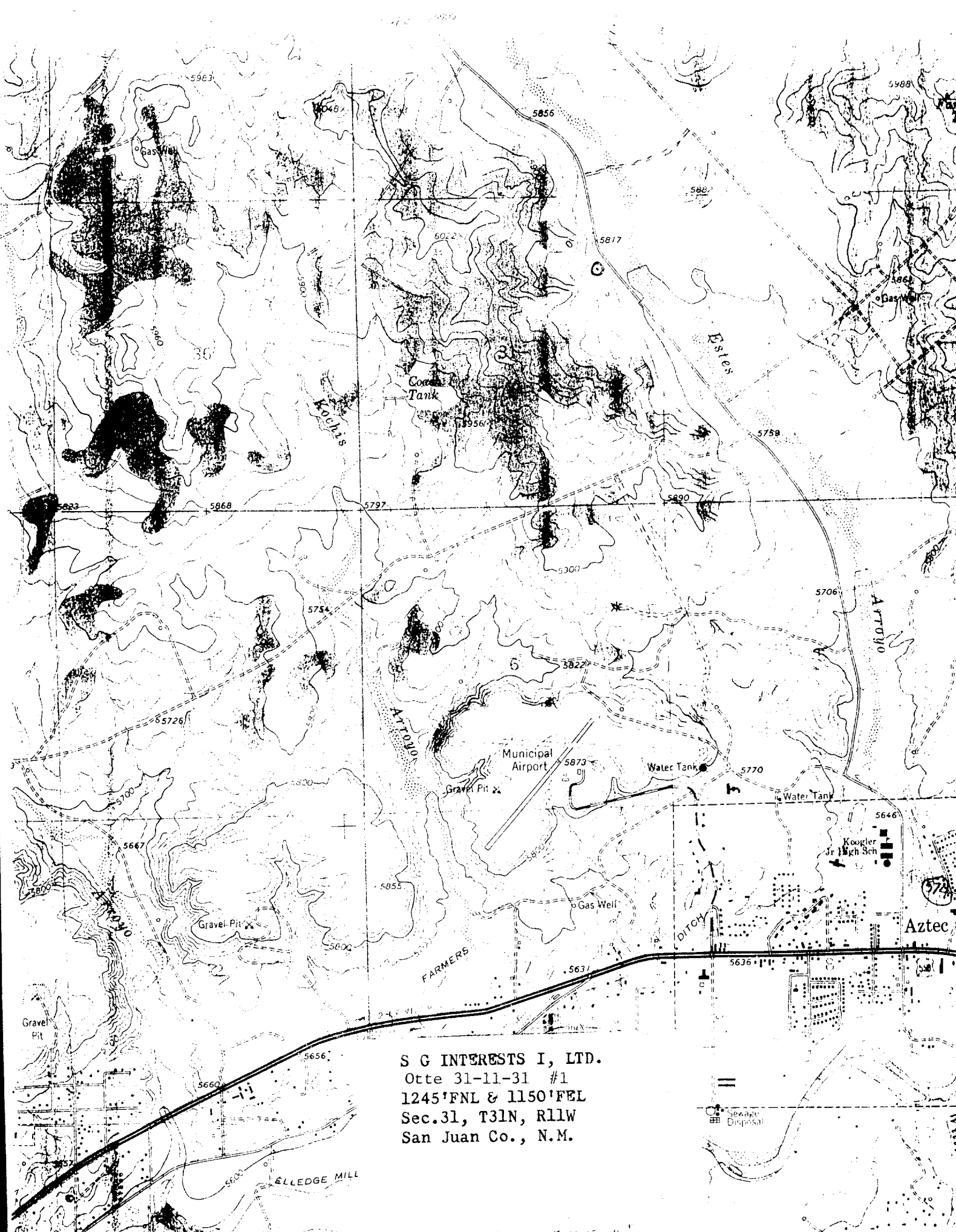
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *A. M. O'Hare*  
Printed Name **A. M. O'Hare**  
Position **Agent/President**  
Company **Maralex Resources SG Interests I, Ltd.**  
Date **11/17/92**

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 **11-16-92**  
Signature of Surveyor **William E. Mahnke II**  
Professional Surveyor  
#8466  
Certificate No. **8466**



S G INTERESTS I, LTD.  
Otte 31-11-31 #1  
1245'FNL & 1150'FEL  
Sec.31, T31N, R11W  
San Juan Co., N.M.

Exhibit #1  
BOP Stack Arrangement

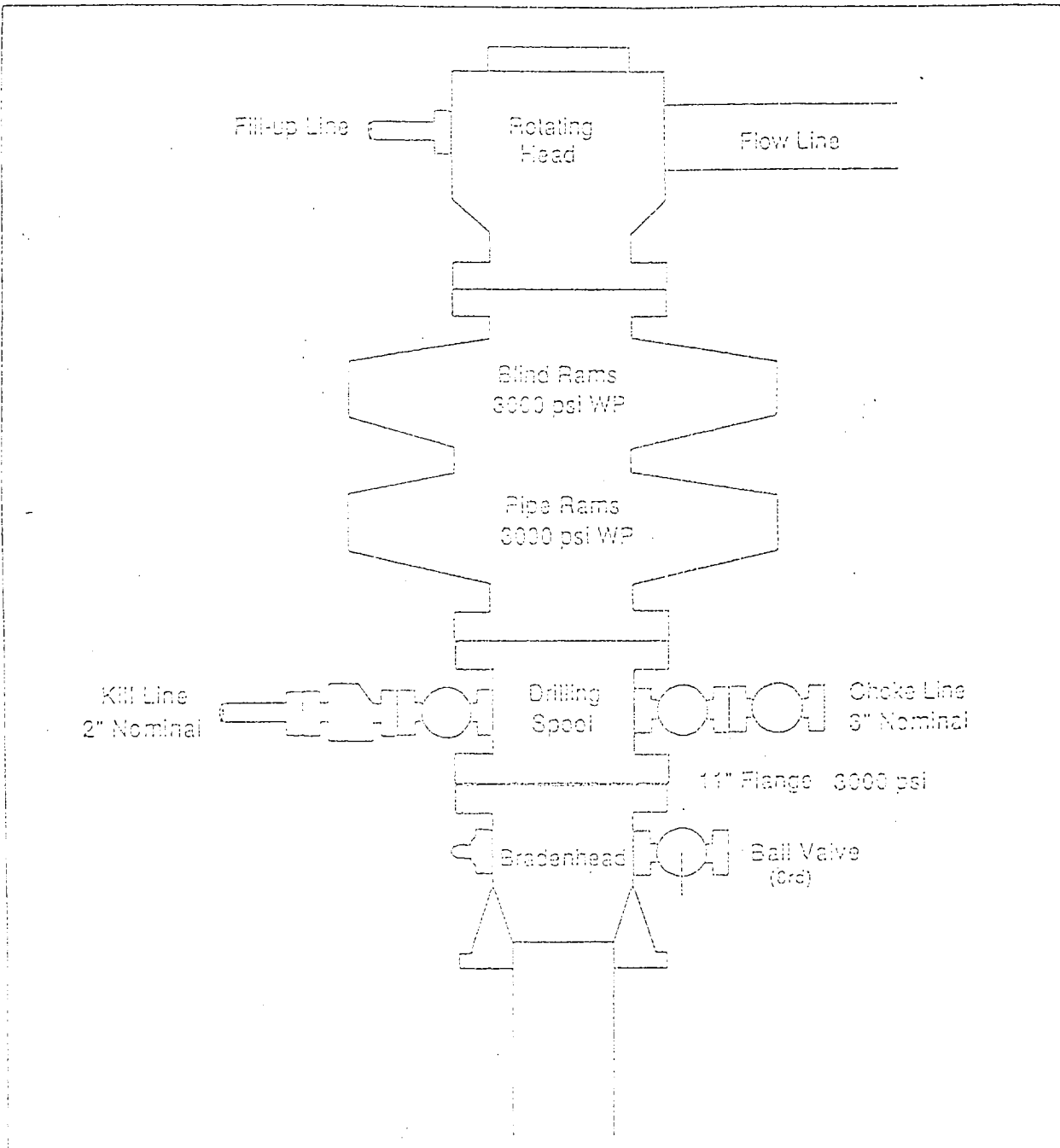


Exhibit #2  
*Choke Manifold & Accumulator Schematic*

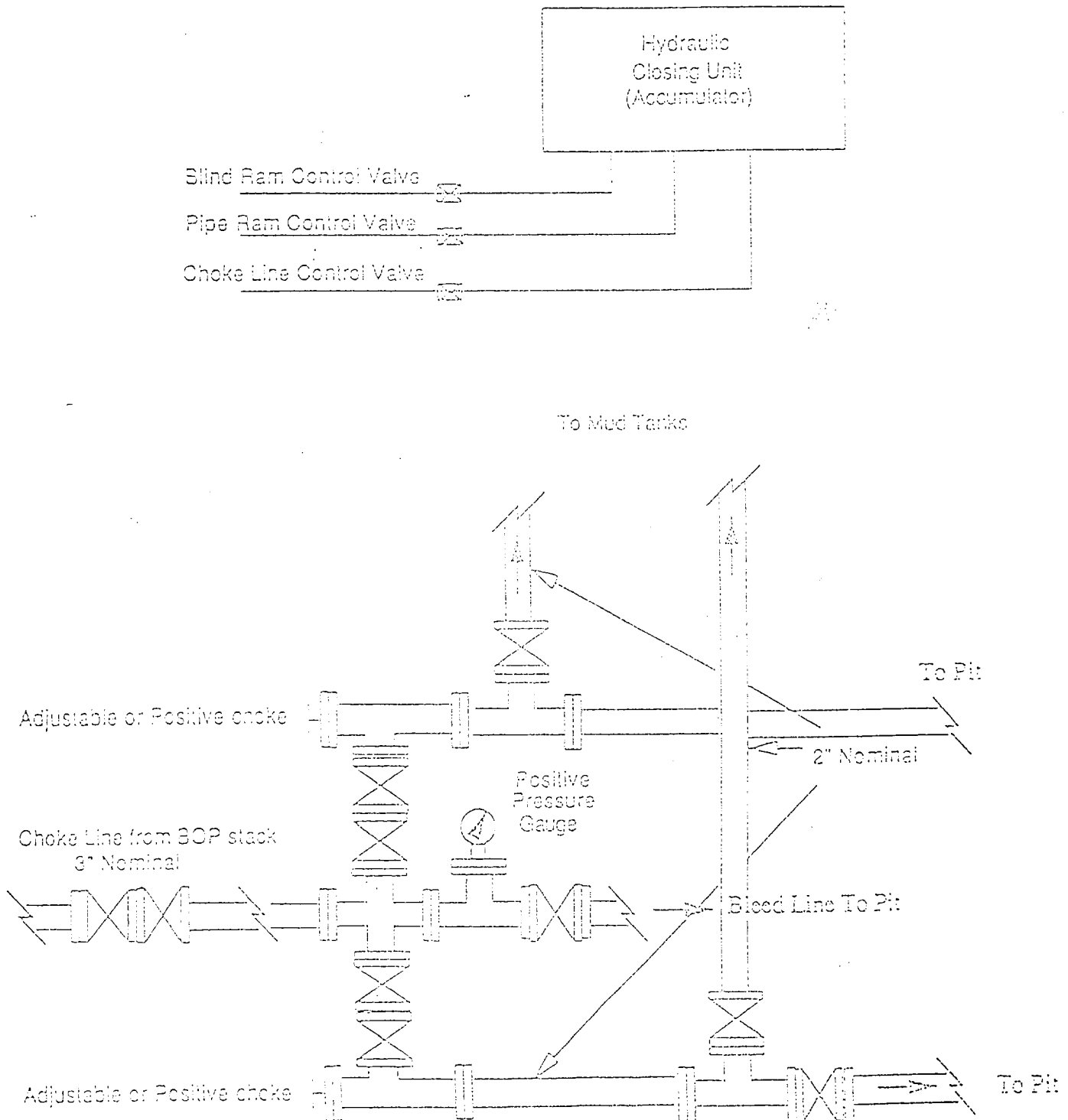


Exhibit #3  
Blowout Prevention Equipment Specifications

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.