

OIL CONSERVATION DIVISION
RECEIVED

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November 6, 1992

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

NSL-3208

REF: Non-Standard Location
SG Interests I, Ltd.
Federal 28-8-30 #1
1610'FNL, 760'FEL
Section 30, T28N, R8W
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request on behalf of SG Interests I, Ltd. for administrative approval of the above referred to unorthodox location.

I have outlined the legal spacing areas in the northeast quarter of Section 30 on the attached topographic map. As you can see, all standard locations in this area are comprised of steep cliffs or are already occupied by existing wells. The proposed location, also shown on the topographic map, is as close as possible to an offsetting well without infringing on their surface facilities.

In addition to the topo map, I have attached a copy of the Application for Permit to Drill, a location plat, and a location layout diagram which highlights some of the obstacles with this location.

Also attached is a plat indicating the offset Fruitland Coal operators and a list of offset operators and their addresses.

The offset Fruitland Coal operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed.

Page No. 2
William J. LeMay
Non-Standard Location
Federal 28-8-30 #1

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

A. M. O'Hare, President
Maralex Resources, Inc.

cc: SG Interests I, Ltd.

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SG Interests I, Ltd.

Attn: A. M. O'Hare

3. ADDRESS AND TELEPHONE NO.

P. O. Box 421 Blanco, N.M. 87412-0421 (505) 325-5599

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1610'FNL 760'FEL

At proposed prod. zone

Same

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

8 Miles Southeast of Blanco, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

760'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

170'

19. PROPOSED DEPTH

2366'

20. ROTARY OR CABLE TOOLS

Rotary

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

5940'GR

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	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24# J-55	250'	236 ft ³ Class B w/2% CaCl
7-7/8"	5-1/2"	15.5# J-55	2366'	477 ft ³ 65/35 Pozmix w/6% Gel
				118 ft ³ Class B Neat Tail

SB 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 an application to obtain BLM road Right-of-Way. The right-of-way will be an extension of Largo Canyon Road 0.9 miles in length and 30 feet in width. The proposed right-of-way crosses NE/SW, NW/SW and the SW/SW of Section 20, and the E2/NE of Section 30, all of T28N, R8W San Juan County, N.M.

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 blowout preventer program, if any.

24.

SIGNED A. M. O'Hare

TITLE Agent SG Interests I, Ltd. DATE 11/6/92

(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

TITLE

DATE

*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

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

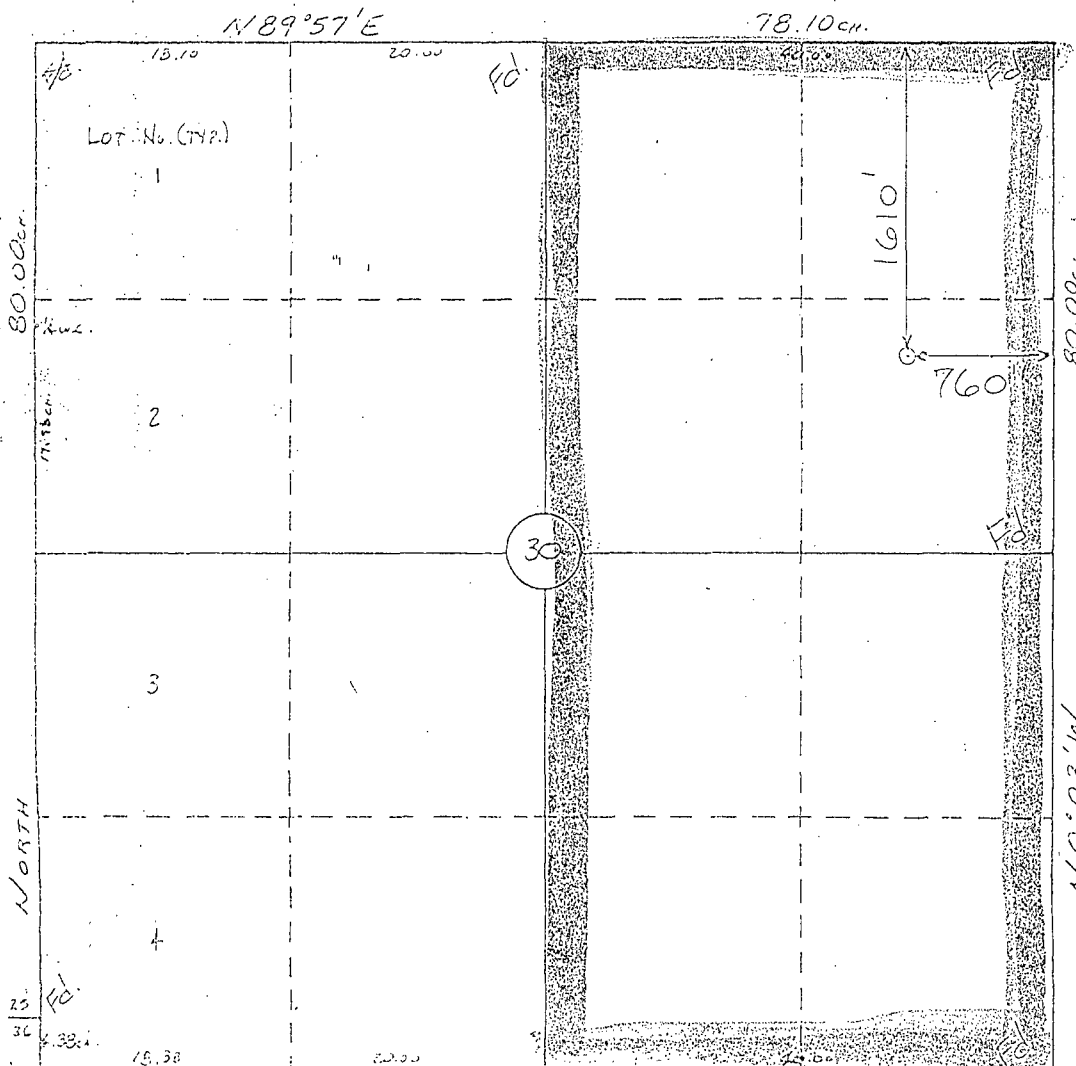
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator S. G. INTERESTS I, LTD.			Lease FEDERAL 28-8-30		Well No. 1
Unit Letter H	Section 30	Township 28 N	Range 8 W	County San Juan	
Actual Footage Location of Well: 1610 feet from the North line and 760 feet from the East line					
Ground level Elev. 5940	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320.0 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.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



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
11/6/92

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.

10-7-92

Date Surveyed
Signature & Seal of
Professional Surveyor
WILLIAM E. MAHNKE II
#8466
REGISTERED PROFESSIONAL LAND SURVEYOR
Certificate #8466

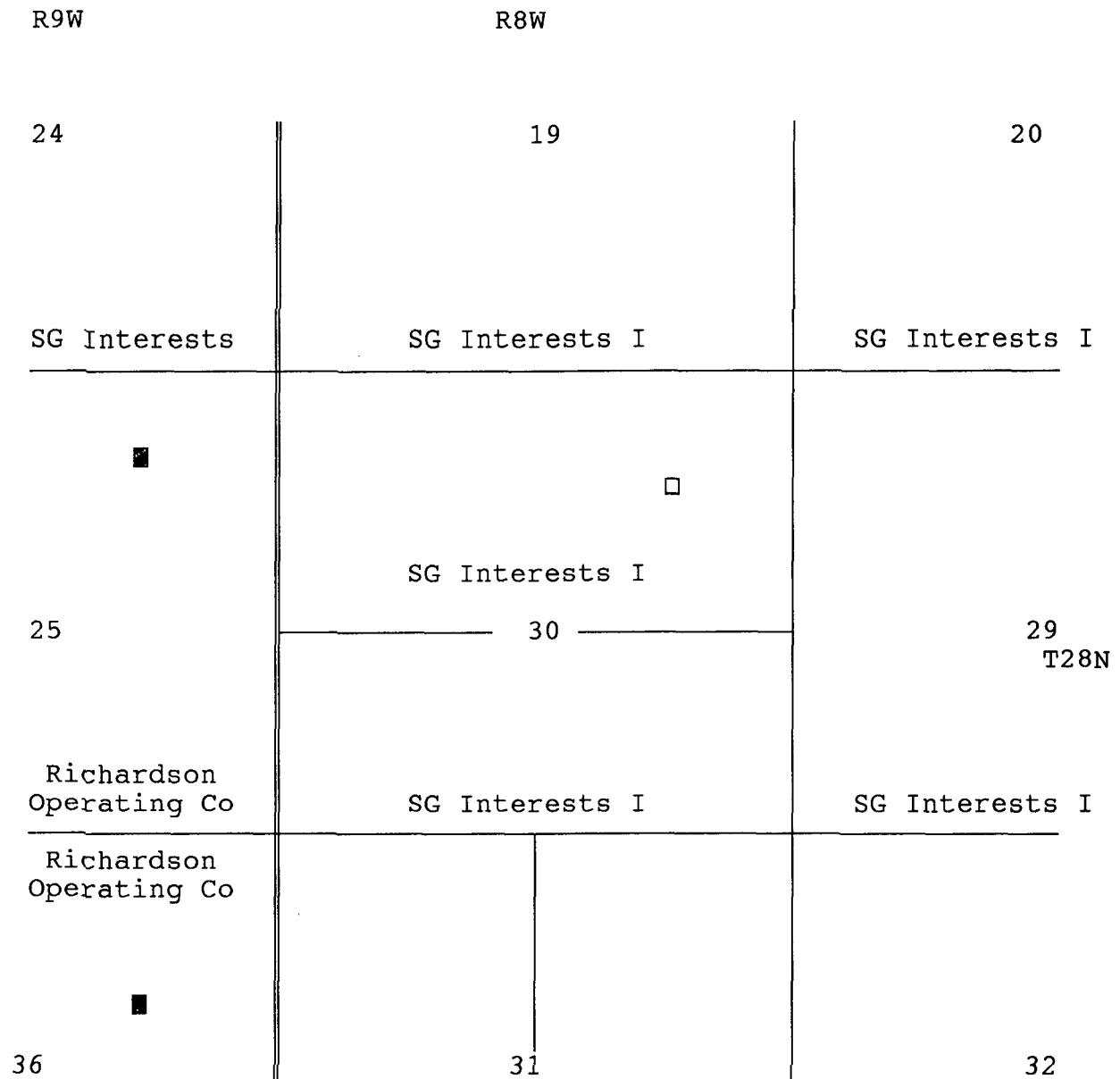
S G INTERESTS I, LTD.
FEDERAL 28-8-30 #1
1610'FNL & 760'FEL
Sec.30, T28N, R8W
San Juan Co., N.M.
PLAT NO. 1

Blanco

SECTION 30, T28N, R8W

42° 31' 58"

SG interests I, Ltd.
 Offset Operators to
 Federal 28-8-30 #1
 1610' FNL, 760' FEL, Section 30, T28N R8W
 San Juan County, New Mexico



■ Existing Fruitland Coal Wells

SG Interests I, Ltd.
Offset Operators to
Federal 28-8-30 #1
1610' FNL, 760' FEL, Section 30, T28N R8W
San Juan County, New Mexico

OFFSET OPERATORS

Mr. David Richardson
President
Richardson Operating Company
P.O. Box 9808
Denver, Colorado 80209

CERTIFIED- RETURN RECEIPT

November 6, 1992

Mr. David Richardson
President, Richardson Operating Co.
P.O. Box 9808
Denver, Colorado 80209

Re: Application for Unorthodox Location
SG Interests I, Ltd.
Federal 28-8-30 #1
1610' FNL, 760' FEL, Section 30, T28N R8W
San Juan County, New Mexico
Basin Fruitland Coal

Dear Mr. Richardson,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A copy of any remarks to the undersigned would be appreciated.

SG Interests wishes to drill this well before the end of the year. If you have no objection to this application, please sign the waiver on the space provided below and send a copy to Mr. Lemay in Santa Fe.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

A. M. O'Hare
President, Maralex Resources

Richardson Operating Co., as an offset operator in the Fruitland Coal formation, has no objection to the proposed location of the above described well.

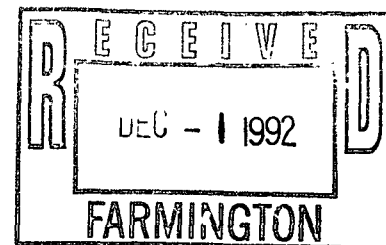
By: _____ Date: _____

CERTIFIED- RETURN RECEIPT

November 6, 1992 DEC 4 AM 9 09

Mr. David Richardson
President, Richardson Operating Co.
P.O. Box 9808
Denver, Colorado 80209

Re: Application for Unorthodox Location
SG Interests I, Ltd.
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Sincerely,

A. M. O'Hare
President, Maralex Resources

Richardson Operating Co., as an offset operator in the Fruitland Coal formation, has no objection to the proposed location of the above described well.

By: _____

Date: 11/24/92

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

3. Article Addressed to:

David Richardson
P.O. Box 9808
DENVER, CO 80209

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number

P 337 987871

4b. Service Type

- ☐ Registered
- ☒ Certified
- ☐ Express Mail
- ☐ Insured
- ☐ COD
- ☐ Return Receipt for Merchandise

7. Date of Delivery

11-21-92

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Sender)

David Richardson

PS Form 3811, November 1990 *U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT