

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. COC13484
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator SG INTERESTS I LTD		7. If Unit or CA Agreement, Name and No.
Contact: CATHERINE DICKERT E-Mail: cdickert@sginterests.com		8. Lease Name and Well No. FEDERAL 11-90-15 4
3a. Address 922 EAST SECOND AVENUE DURANGO, CO 81301	3b. Phone No. (include area code) Ph: 970-385-0696 Fx: 970-385-0636	9. API Well No. 05-051-06130
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW 597FSL 1505FWL 39.094390 N Lat, 107.437890 W Lon At proposed prod. zone SENE 1871FNL 663FEL 39.087670 N Lat, 107.426830 W Lon		10. Field and Pool, or Exploratory RAGGED MOUNTAIN
14. Distance in miles and direction from nearest town or post office* APPROX. 33 MILES NW OF PAONIA		11. Sec., T., R., M., or Blk. and Survey or Area Sec 15 T11S R90W Mer 6PM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 663' FROM BHL TO DRIG UNIT LINE	16. No. of Acres in Lease 540.00	12. County or Parish GUNNISON
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1990'	19. Proposed Depth 12907 MD 8500 TVD	13. State CO
21. Elevations (Show whether DF, KB, RT, GL, etc.) 7851 GL	22. Approximate date work will start 08/01/2015	17. Spacing Unit dedicated to this well
		20. BLM/BIA Bond No. on file B03278
		23. Estimated duration 30 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) CATHERINE DICKERT Ph: 970-385-0696	Date 04/13/2015
Title ENV & PERMITTING MANAGER		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify 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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #298000 verified by the BLM Well Information System
For SG INTERESTS I LTD, sent to the Durango

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional Operator Remarks:

This well is being permitted with the Federal 11-90-15 #2, and the Federal 11-90-15 #3 wells and will be located on the existing Federal 11-90-15 #1 well pad. This well will produce from two federal leases within the unit, COC013484 and COC068787. The lease and associated acreage listed on the APD is the first lease encountered at top of production. BLM Communitization Agreement is pending.