

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. COC42314	
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 S G 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 11-90-9-4	
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.	
4. Location of Well <i>(Report location clearly and in accordance with any State requirements. *)</i> At surface SWNW 1754FNL 1016FWL 39.116870 N Lat, 107.458290 W Lon At proposed prod. zone SWNE 1445FNL 2529FEL 39.103200 N Lat, 107.452120 W Lon		10. Field and Pool, or Exploratory WILDCAT	
14. Distance in miles and direction from nearest town or post office* 34 MILES NW OF PAONIA		11. Sec., T., R., M., or Blk. and Survey or Area Sec 9 T11S R90W Mer 6PM SME: USFS	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1450' FROM BHL TO LEASE LINE WITHIN DRIG UNIT	16. No. of Acres in Lease 61.86	12. County or Parish GUNNISON	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1245'	19. Proposed Depth 13955 MD 8831 TVD	13. State CO	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 7680 GL	22. Approximate date work will start 08/01/2015	17. Spacing Unit dedicated to this well	
		20. BLM/BIA Bond No. on file CO1003	
		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.
2. A Drilling Plan.
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). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer. |
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25. Signature (Electronic Submission)	Name (Printed/Typed) CATHERINE DICKERT Ph: 970-385-0696	Date 04/13/2015
Title MANAGER		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) KARL MENDONCA	Date 05/17/2016
Title FIELD MANAGER		
Office Durango		

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 #297976 verified by the BLM Well Information System
For S G INTERESTS I LTD, sent to the Durango
Committed to AFMSS for processing by BARBARA TELECKY on 04/16/2015 (15BDT0122AE)**

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional Operator Remarks:

The Federal 11-90-9 #4 well is being permitted with the Federal 11-90-9 #3 and Federal 11-90-9 #5 wells. All three wells will be located on the same pad. This well will produce from two federal leases within the unit, COC042314 and COC013483. The lease and associated acreage listed on the APD is the first lease encountered at the estimated top of production. BLM Communitization Agreement is pending.