

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMNM99718

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE8. Well Name and No.
FEDERAL 20-5-6 32. Name of Operator
SG INTERESTS I LTDContact: WILLIAM SCHWAB
E-Mail: tripp@nikaenergy.com9. API Well No.
30-031-21102-00-S13a. Address
286 SAWYER DRIVE STE A
DURANGO, CO 813023b. Phone No. (include area code)
Ph: 970-259-2701 Ext: 14
Fx: 970-385-159810. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 6 T20N R5W NWSW 1865FSL 890FWL
35.990500 N Lat, 107.412670 W Lon

11. County or Parish, State

MCKINLEY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

SG Interests intends to plug, abandon, and reclaim, subject well per BLM regulatory guidelines.
Subject well was previously Temporarily Abandoned 04/22/2019.

A P&A onsite was held with a BLM Representative 03/31/2020.

See attached P&A Procedure and the Reclamation Procedure.

Notify NMOCD 24hrs
Prior to beginning
operations

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #513557 verified by the BLM Well Information System
For SG INTERESTS I LTD, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 05/04/2020 (20JK0298SE)

Name (Printed/Typed) WILLIAM SCHWAB

Title AGENT FOR SGI

Signature (Electronic Submission)

Date 04/30/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 07/22/2020

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Farmington

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.

(Instructions on page 2)

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

AV

SG Interests I, Ltd.

Federal 20-5-6 #3

NWSW, Sec. 6, T20N-R5W
Lat 35.99050° N, -107.41267° W

McKinley County, NM

API # 30-031-21102

April 2020

Plug & Abandon

TS

GL:	6787'
TD:	1075' KB
PBTD:	1015' KB
KB:	5'
CSG:	1058' KB, 27 jts, 4-1/2", 10.5#, J-55
Perforations:	608'-626' gross interval
Rathole:	389'
Tbg:	No tubing in well
Pump & Rods:	No pump in well
Current Production:	0 MCFD, 0 BWPD
Expected Production:	0 MCFD, 0 BWPD

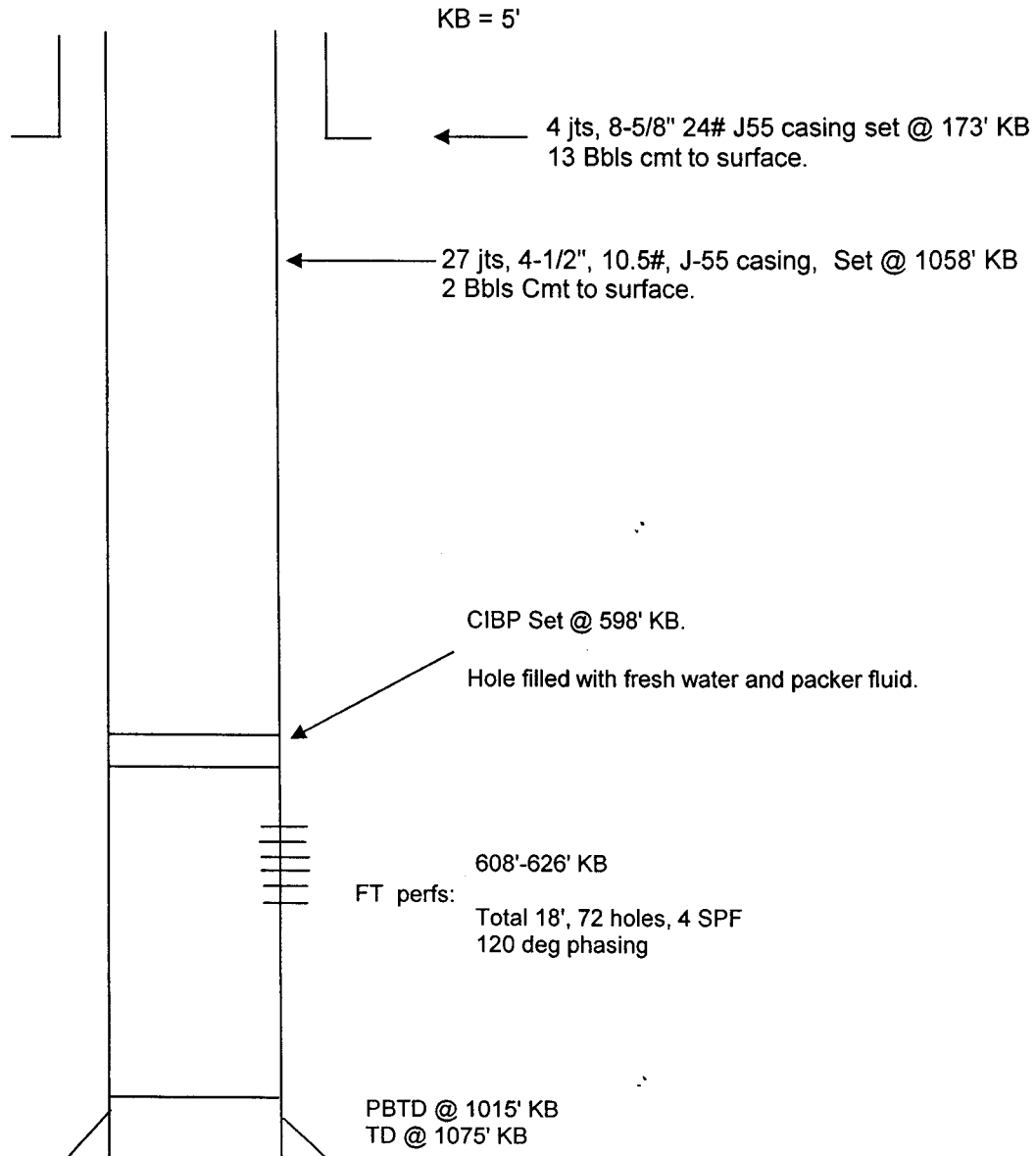
Well History:	7/09 Initial Completion
	4/19 TA

Directions:

From Counselor Trading Post on US Hwy. 550, travel south on US 550 ± 0.1 miles, turn right on dirt road with sign "Star Lake Compressor-26 miles". This is the 0 miles point for this description. Follow dirt road south.

- 4.3 miles – turn left at "Ojo Encino" sign,
- 11.0 miles – Transition to pavement with sign "N 474",
- 15.4 miles – Turn right off pavement through cattle guard onto dirt road,
- 16.6 miles – Turn left off road immediately after cattle guard onto and follow access road east, and south,
- 17.7 miles – Turn left and follow flagged access road east ± 550 feet to location.

Wellbore Diagram:



Procedure:

Note 1) Cell Phone service is nonexistent to limited on location.

Note 2) Comply with all safety and environmental requirements.

All P&A fluids (rig pits, flow back tanks, frac tanks)

Will be hauled to nearest available legal disposal site.

Note 3) BLM & NMOCD must be Notified 24 hrs in advance of any cementing

Note 4) This is a Rig-less P&A. Well was previously TA'd. Rig pit will be "salted" with 5-7 sx of sugar to keep cement from setting in pit.

- 1) Hold Safety meeting. MIRU Drake Cementing Unit, rig pit, cementing WH spool and poly-pipe spool. Record bradenhead, casing and tubing pressures. Report any problem pressures. Blow down casing gently in case of thermal expansion pressure.
- 2) Connect pressure pump to WH. Pressure test casing to 500 psi for 10 minutes. Record test on rig report.
- 3) NDWH & NU spool for circulation to rig pit. RU poly spooling unit.
- 4) RIH with 2" poly-pipe to PBTD $\pm 598'$ KB. Connect poly-pipe to cementing unit.
- 5) Establish circulation with fresh water and circulate hole with 47 sx, Class "G" cement, displacing water to rig pit.
- 6) When cement is circulated to surface, shut down, Cleanout pump and piping to pit. RD Drake Cementing Unit.
- 7) Cut poly off at surface. Top off casing and after BLM approval, install P&A marker.
- 8) RDMO Drake Cementing.
- 9) MIRU Keystone and start surface remediation.

Cementing Program:

Interval	Size, Wt, Grade, Thread	Depth	Cement
Production	4-1/2", 10.5#, J-55, ST&C	598' less KB	47 sx Class G
Cement & Additives	Water Requirements	Weight/Yield	
Class G	5.0 gals/sx	15.8 ppg / 1.15 cu.ft/sx	

Important Numbers:

Notification Schedule:

Entity	Phone Number	Comments
<u>Regulatory</u>		
BLM	505-564-7750	Rig Hotline
BLM	505-564-7771 505-801-5678 dmcculler@blm.gov	Derrick McCuller Field Engineering Tech
NMOCD	505-334-6178 ext 116 505-320-0200 brandon.powell@state.nm.us	Brandon Powell Supervisor

WO Issues:

Tripp Schwab	970-259-2701 970-769-3589 970-769-3589	Office Mobile Home
Brad McKinney	970-749-2163	Mobile
Levi Casaus	970-426-1272	Mobile
RJ McKinney	480-694-6519	Mobile

Vendor List

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>	
Dirt Contractor	Bridge Dozer Robert Bridge	Home	505-289-4048
		Cell	505-249-6942
Pit Liner	see Dirt Contractor		
Anchors & Hot Oil	Mote	Off	505-325-9711
		Off	505-325-1666
Cement	TBD	Off	
Fracturing	Halliburton	Off	505-324-3500
Wellhead Equipment	WSI Isaac Ortiz	Off	505-326-0308
		Cell	505-258-2347
Logging / Perforating	Basin Perforating Dana McGarrah	Off	505-327-5244
Water Hauling	Overright Trucking Mike Overright	Off	505-215-3035
	CNJ Trucking Craig Nelson	Cell	505-320-8345
Frac Tank & Heavy Hauling	CNJ Trucking Craig Nelson	Cell	505-320-8345
Light Trucking / Hotshot	Double S Hotshot Larry Slavin	Cell	505-334-3850
Porta Johns	Cabannas Hal Stone	Off	505-325-5835
		Cell	505-330-7566
Roustabout	Keystone Randy Schreffler Brian Schreffler	Off	505-326-7979
		Cell	505-334-8642
		Cell	505-801-8002
BOP Rental	Call		
BOP Testing	Wilson		

Vendor List Cont.

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>
Down hole Rod Pump	Drake Pump Shop	
Down hole PC Pump	Black Arrow Solutions David Cox	Off 505-632-6789 Cell 505-320-8158
Slickline Services	Phoenix Services Jeff	Off 505-325-1125
Tubulars	Cave Enterprises Jim Cave	Off 505-325-3401
Workover Rig	Drake Well Service Drake McCulloch	Off 505-327-7301 Cell 505-320-1180
Packer/Bridge Plug/CIBP	TBD	
Drywatch	Double S Hotshot Larry Slavin	Cell 505-334-3850

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Federal 20-5-6 3

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

BLM FLUID MINERALS Geologic Report

Date Completed: 6/2/20

Well No.	Federal 20 5 6 # 3	Location	1865'	FSL	&	890'	FWL
Lease No.	NMNM99718	Sec. 6	T20N			R5W	
Operator	SG Interests 1 LTD	County	McKinley		State	New Mexico	
Total Depth	1075'	PBTD 1015'	Formation Basin Fruitland Coal				
Elevation (GL) 6787'			Elevation (KB) 6799' (est.)				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm	Surface	20'			
Ojo Alamo Ss	20'			223'	Aquifer (fresh water)
Kirtland Shale			223'	642'	
Fruitland Fm			642'		Coal/Gas/Possible water
Pictured Cliffs Ss					Gas
Lewis Shale					
Chacra					Probable water or dry
Cliff House Ss (main)					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					Source rock
Gallup					O&G/Water
Dakota					O&G/Water

Remarks:

P & A

- Please ensure that the top of the Fruitland formation as well as the entire Ojo Alamo aquifer, identified in this report, are isolated by proper placement of cement plugs. This will protect the freshwater sands in this well bore.

Reference Well:

1) SG Interests 1 LLC Fm. Tops
Same

Prepared by: Walter Gage