

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

RECEIVED

FEB 29 2016

Albuquerque Field Office
Bureau of Land Management

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

SG Interests I, Ltd., c/o Nika Energy Operating, LLC

3a. Address

PO Box 2677, Durango, CO 81302

3b. Phone No. (include area code)

(970) 259-2701

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

Unit D: (NWNW)

Sec 18-T20N-R5W

485' FNL, 330' FWL

5. Lease Serial No.

NM 109381

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

CISCO 20-5-18 #2

9. API Well No.

30-031-21113

10. Field and Pool, or Exploratory Area

Franciscan Lakes MV

McKinley County, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☒ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operations (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 shall 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 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In response to the demand letter NMNM 109381 (WC), 3162.3-2 (21110), SG Interests proposes to TA the subject well. SG Interests is in the process of evaluating the subject well for up hole potential as well as possibly turning the subject well into a water injection well for enhanced recovery. The well is currently uneconomical. Temporary Abandonment will consist of pulling the existing rods, pump & tubing from the well, setting a retrievable bidge plug just above the perforations, loading the casing with water and testing to 500 psig with a recorder charting the test. If the test is successful, the hole will be circulated with a water and corrosion inhibitor mix then shut in at surface. Work will commence as soon as possible after approval.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

*TA status approved until 4/1/2017

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

Name (Printed/Typed)

William (Tripp) Schwab III

Title

Agent for SG Interests I Ltd

Signature

Date

February 25, 2016

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

PE

Date

3/4/16

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

FFO

Title 18 U.S.C. Section 1001, makes 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 reverse)

Notify NMOCD 24 hrs
prior to beginning
operations

MK

NMOCD AV

OIL CONS. DIV DIST. 3

MAR 09 2016