

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.

RECEIVED

JAN 26 2017

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

5. Lease Serial No.

NMNM127452

6. If Indian, Allottee or Tribe Name

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

OIL CONS. DIV DIST. 3

8. Well Name and No.

FEDERAL 21-8-13 #4

9. API Well No.

30-045-34360

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

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 J: (NWSE) Sec13-T21N-R8W

1996' FSL, 1982' FEL

12. CHECK 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"/> Fracture Treat <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 type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Delay PT until
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <input type="checkbox"/> Spring 2017

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 recomplate 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 recompletion 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 reference to the phone conversation with William Tambekou in December 2016, SGI requests a delay for a production test on the subject well. This is a CBM well that is in the De-Watering phase and makes little to no gas with no existing pipelines for water takeaway. The well has to run initially on propane and the water has to be trucked to a disposal facility. Due to the remote location and existing rough winter conditions we request that the required production test for the subject well, (previously submitted for a "commercial shut-in gas well" determination), be postponed until road conditions permit a proper test without freezing potential and possible water spills and accompanying road damage. The test will be performed as soon as spring road conditions permit.

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

January 24, 2017

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

1/27/2017

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

FFD

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)

52 NMOCD Accepted For Record