

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

MAR 12 2018

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

5. Lease Serial No.

NMSF-077976

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or N

14-08-00018196

8. Well Name and No.

SE Cha Cha Unit #40

9. API Well No.

30-045-25317

10. Field and Pool, or Exploratory Area

SE Cha-Cha Gallup

11. County or Parish, State

San Juan County, NM

NMOC

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

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

3a. Address

P. O. 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 C: 700' FNL, 1980' FWL

Sec 17-T28N-R13W (NENW)

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

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

APR 23 2018

☐ Water Shut-Off
☐ Well Integrity
☒ Other Plug and Abandon

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.)

MIRU Hurricane Well Service Rig #2 on 2/26/2018. Held safety meeting, unseated pump. NU Mo-Te. Pumped 40 bbls fresh hotwater down tbq to kill well and clean rods and tbq. ND and released. TOO H w/polish rod, two 2', one 4', one 6', and one 8' pony rods, 63 7/8" guided rods, 56 3/4" guided rods, 61 3/4" plain rods, 39 3/4" guided rods, no tap tool, four 1-1/4" sinker bars, 2" X 1-1/2" X 14' RWAC-Z pump. On 2/27/2018 TIH w/1-1/2 jts 2-3/8" tbq to tag fill, tagged fill @ 5730.78' KB, show no fill. RU Tuboscope, TOO H w/175 jts of tbq, SN and tail jt, testing out of hole. On 2/28/2018, TIH w/4-3/4" used bit, 5-1/2" csg scraper, bit sub and 170 jts 2-3/8" tbq to depth of 5388.05' KB. TOO H w/170 jts 2-3/8" tbq, bit sub, csg scraper, and bit. TIH w/5-1/2" CIBP, setting tool, 170 jts 2-3/8" tbq to depth of 5370' KB, set CIBP. TOO H w/2 jts 2-3/8" tbq. Loaded csg w/fresh water, pressure tested csg and CIBP to 500# for 30 minutes, passed, witnessed by BLM Field Tech Derrick McCuller. NU Basin Well Logging, run CBL log. Emailed log to SG Interests, BLM and OCD. On 3/1/2018, TIH w/NC, tail jt SN, 169 jts 2-3/8" tbq, one 8' 2-3/8" pup jt. NUHalliburton, held safety meeting. (Please see additional sheet, attached)

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

Name (Printed/Typed)

William Schwab III

Title

Agent for SG Interests I Ltd.

Signature

Date

March 7, 2018

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

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)

NMOC

Sundry Subsequent to Plug & Abandon
SE Cha Cha Unit #40
API #30-045-25317
March 7, 2018

Pressure tested HES lines to 3200#. Pumped 3 bbls water, then pumped 20 sx cement, 19 bbls to balance plug. Shut down pumping. TOOH w/27 jts 2-3/8" tbg to 4503' KB. Pumped 25 bbls water To reverse circulate. Pumped 2 bbls water, then pumped 24 sx cement, 16 bbls to balance plug at depth of 4503-4339' KB and above. Shut down pumping. TOOH w/61 jts 2-3/8" tbg to 2579' KB, pumped 5 bbls of water, then pumped 24 sx cement, 19 bbls to balance plug at depth of 2579'-2436' KB and above. TOOH w/8 jts, pumped 25 bbls water to reverse circulate. BLM Tech Derrick McCuller witnessed job. Had Hydrovac haul off cement returns and water to land farm. On 3/2/2018 RU Basin Well Logging, run in, tagged top cement plug @ 2398' KB, pulled up. Perforated @ 2150'-2151'KB: 4 SPF, 120° phasing, 4 shots total. ND Basin. TIH w/cement retainer, 1 jt 2-3/8 tbg, SN, 66 jts 2-3/8" tbg, set retainer @ 2140' KB. NU HES, injection rate 2 BPM @ 1100 psi. 4 bbls water went to cement, squeezed 1 bbl of cement behind pipe. Pressured up to 175#, called it, BLM Tech Derrick McCuller agreed. Pulled out of retainer, then pumped 25 sx cement, 5 bbls to balance plug above retainer for 150' plug. ND HES. TOOH w/30 jts 2-3/8" tbg to 1630' KB. Pumped 12 bbls water to reverse circulate. TOOH w/50 jts 2-3/8" tbg, SN, 1 jt 2-3/8" tbg. RU Basin, run in hole, perforated @ 1650'-1651' KB: 4 spf, 120° phasing, 4 shots total. ND Basin. TIH w/cement retainer, 1 jt 2-3/8" tbg, SN, 50 jts 2-3/8" tbg, one 8' 2-3/8" pup jt. Set retainer @ 1640' KB. NU HES, started circulating, injection rate 3 BPM @ 750 psi, 8 bbls to cement pit (drilling mud), popped hole in surface csg @ ground level. Shut down HES. Called Welder. Used 2 patches to cover four holes. Started Injection again. Popped two more holes. Shut down HES, put another patch on. Started to inject, popped another hole. SD HES. BLM Tech Derrick McCuller ok'd a hydrovac to pull from bell hole that was dug for welder to do patches. Got two hydrovac trucks. HES started injecting at a rate of 2 BPM @ 356 psi, pumped 46 bbls fresh water, circulated, got fresh water at surface. Started pumping cement, pumped 38 sx cement w/ 25% excess displaced tbg. Shut down HES. ND Hes. Pulled tbg out of cement retainer. HES cleaned their equipment, then ND their equipment. Job complete. BLM Field tech Ok w/job (Derrick McCuller). Shut blind ram on BOP, SI csg, got hydrovac truck to haul off cement returns from job & cleaned out cement pit and hauled to land farm. On 3/5/2018 TIH w/51 jts 2-3/8" tbg, tagged @ 1624' KB. TOOH w/ 1 jt 2-3/8" tbg. NU Halliburton, tested their lines to 5000#. Circulated csg w/50 bbls fresh water, then pumped 190 sx cement, 38.9 bbl @ 100 psi. Displaced w/1 bbl fresh water from depth of 1624' KB to surface. ND HES. ND BOP. Cut off surface csg and 5-1/2" csg, squared off bell hole and made 6" deeper for a total depth of 3-1/2'. NU HES. Filled surface csg and 5-1/2" csg and bell hole. Took 4-1/2 bbls of cement to fill csqs and bell hole. Install P&A marker. RD rig. BLM field tech Derrick McCuller was present for all of plugging job.

This concludes the well work reporting. Surface reclamation in compliance with the Sundry of Reclamation approved January 17, 2018 is ongoing.