

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 09 2018

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018SUNDRY 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2		5. Lease Serial No. NM 09979
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name Navajo Tribal Trust
2. Name of Operator SG Interests I, Ltd., c/o Nika Energy Operating		7. If Unit of CA/Agreement, Name and/or No. SE Cha Cha
3a. Address P. O. Bo 2677 Durango, CO 81302		8. Well Name and No. SE Cha Cha #37
3b. Phone No. (include area code) (970) 259-2701		9. API Well No. 30-045-24160
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 550' FSL & 2100' FEL, Section 15, T28N-R13W		10. Field and Pool or Exploratory Area Cha Cha Gallup
		11. Country or Parish, State San Juan County, New Mexico

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

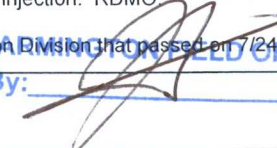
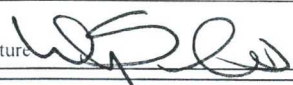
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input checked="" 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"/> 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 recompleate 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 recompleation 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.)

On June 20, 2018 during routine bradenhead test, the casing was found to have pressure. Attempted to blow casing down; failed indicating a tubing or packer failure.

MIRU 7/10/2018. Held pre-job safety meeting. Removed 8-5/8" Larkin wellhead and installed 8-5/8" X7-1/16" companion flange & NU 3k Dbl-BOP loaded with 2-3/8" Pipe Rams/Blind Rams without incident. Function test BOP - ok. SDFN. On 7/11/2018 held pre-job safety meeting. Equalize tubing & casing. RU 2.5 Pwr Swivel, tied on to tbg string & released 5.5 Prod Pkr, applying 1k psi RH torque. Pkr unset with no issues. TOOH w/171 jts 2-3/8" lines tbg & 5.5" Prod Pkr, laying down and marking bad joints. RIH with 5.5 Csg Scraper, 1 jt 2.375 IPC Tbg, 1-2.375 x 1.780 Seating Nipple (Mrkr Jt) & 127 Jts 2.375 IPC Tbg. SDFN. On 7/12/2018 Held pre-job safety meeting. Finish RIH with tbg & scraper to 5785', pumping 22bbls down tbg making sure tbg clear. Well circulated. Tag & taking weight. Tie on to tbg & pump 20 bbls to clear tbg. LD tag jts. RU Tuboscdope. Pull & scan tbg & scraper for a total of 169 jts 2.375 4.7# IPC tbg. Tally & ran scanned bit & 96 jts YB & BB used tbg. Tally & ran 9 new jts 2-3/8" 4.7# J-55 R-2 new API seamless tbg w/Permiun 1505 internal plastic coating. On 7/13/2018 finish running tbg to 5773' KB. Circulate clean to PBD 5840'. POOH w/tbg & bit. Tally & ran 2-3/8" WLRG, 2-3/8"X1.43" "R" Profile Nipple w/1.39 NOGO, 6"X2-3/8" J-55 pup jt, 5-1/2"X2-3/8" Arrowset 1X Production Pkr, 5-1/2"X2-3/8" On Off Tool w/150' E Seat Nipple, & 167 jts 2-3/8" J-55 w/1505 IPC tbg. Packer set @ 5419.19' KB, EOP 5430.51' KB. Load tbg @ 2780' & set slips. On 7/14/2018 load tbg & set pkr. PT csg to 300 psi; held 30 min. Pull off pkr & pump 13 gal concentrate pkr fluid. Latch on to pkr. ND BOP, NU Wellhead, PT to 300 psi, held 20 min. Secure well for weekend. On Monday, 7/16/2018 load tbg to work out all bubbles. Monica Kuehling of the New Mexico Oil Conservation Division arrived on LOC to perform MIT. MIT passed. (See copy of MIT and chart attached). Pump out plug, return well to injection. RDMO

Scheduled and completed repeat bradenhead test with Monica Kuehling of the New Mexico Oil Conservation Division that passed on 7/24/2018

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.	By: 
Signature 	Date 07/27/2018	

THE SPACE FOR FEDERAL OR STATE OFFICE 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 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)

NMOCD

SEP 04 2018

DISTRICT III

3



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

NMOCD

MECHANICAL INTEGRITY TEST REPORT

(TA OR UIC)

Date of Test 7-16-18 Operator SEI/Intends API # 30-0 45 2460

Property Name SEI/Chacha Well # 37 Location: Unit 15 Twn 2S Rge 13

Land Type:

State
Federal
Private
Indian

Well Type:

Water Injection
Salt Water Disposal
Gas Injection
Producing Oil/Gas
Pressure observation

Temporarily Abandoned Well (Y/N): TA Expires:

Casing Pres. 0 Tbg. SI Pres. Max. Inj. Pres.
Bradenhead Pres. 0 Tbg. Inj. Pres.
Tubing Pres. 0
Int. Casing Pres. N/A

Pressured annulus up to 359 psi. for 43 mins. Test passed/failed

REMARKS:

Packer set 5499
-topping 5492
fell to 320 last 15 min 10 minutes
Schedule bradenhead with test in 30 days

By Bobby Espinosa Witness Marcia Kuehling
(Operator Representative) (NMOCD)

(Position)

Revised 02-11-02

Bobby Espinoza

7-16-18
Nelson
Nelson
Nelson

NMOCO

DISTRICT III

#3
SOP
SOP

Highland

W-7

W-10

W-15 H-4 H-5

PRESSURE TEST CHART ANNOTATION	
DATE	7-16-18
WELL NAME	Chalona H 31
RIG NAME	DRACKA 33
WHAT IS BEING TESTED	CUSINS
LP START TIME AND PRESSURE	
LP END TIME AND PRESSURE	
LP PASS OR FAIL	
HP START TIME AND PRESSURE	11:15
HP END TIME AND PRESSURE	11:45
HP PASS OR FAIL	PASS
HP EQUIP CALIBRATION DATE	
TEST COMPANY	
TESTER NAME/SIGNATURE	Adan Reyes
RIG OP NAME/SIGNATURE	
WSL NAME/SIGNATURE	
COMMENTS	

-25

1-24-18

HIGH TECH RENTAL TOOLS
CHANGE

350 PSI
325 PSI