

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

5. Lease Serial No.

NM-53926

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Corrales #1

9. API Well No.

30-031-20892

10. Field and Pool, or Exploratory Area

Pot Mesa Fruitland

11. County or Parish, State

McKinley County, New Mexico

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
SG Interests I, Ltd. c/o Sagle & Schwab Energy Resources

3a. Address  
PO Box 2677, Durango, CO 81302-2677

3b. Phone No. (include area code)  
(970) 259-2701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Section 3, T20N, R6W  
465' FSL & 1785 FEL  
SW/SE 1/4

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 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 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.)

SG Interests I, Ltd. proposes to plug and abandon the subject well according to the attached procedure. This well was recompleat in the Fruitland. The well was tested and will not produce hydrocarbons in paying quantities.

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

Name (Printed/Typed)

Tripp Schwab

Title

Operations Manager/Agent for SG Interests I, Ltd.

Signature

*Tripp Schwab*

Date

January 31, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

FEB 01 2007

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)

NMOCB

b 2/9/07

SG Interests I, Ltd.  
Corrales #1  
SWSE Sec 3-T20N-R6W  
McKinley County, NM  
P&A Procedure  
January 2007  
WS

Elevations: GL: 6912'  
KB: 8'  
TD: 3223' KB  
PBTD: 2980' KB  
Casing: 8-5/8", 23#, J-55, SA 108', cemented to surface w/95 cf  
5-1/2", 14#, J-55, SA 3197', cemented to surface w/624 cf  
(380 sx)  
Marker Jt: Unknown

Current Wellbore Status:

Perforations: Menefee: 2196' - 2748' (gross interval)  
Fruitland: 703'-706' (gross interval)  
Tubing: 23 joints 2-7/8", Landed @ 734', SN @ 703'  
Rods & Pump: 27 3/4" rods w/ guides + 1 3/4" pony + polish rod  
Current Production: Not Productive  
Workover History: 3/86 - Pull tbg, swab test lowest perfs, cmt sq w/25 sx.  
Set CIBP at 2450'. Frac upper perfs.  
4/86 - Pull tbg, bailout sand.  
1/90 - Pull tbg, CO fill and drill out CIBP, new PBTD 2980'  
10/90 thru 11/97 - Multiple rod jobs, pump changes,  
holes in tbg.  
5/04 - Squeeze holes @ 724'-756', perforate and frac  
Fruitland 703'-726', set CIBP @ 764', ran tubing,  
rods, and pump. Tested well.

Objective: Plug and abandon wellbore.

Procedure:

Note Stipulations and notification requirements and comply with all safety and environmental regulations.

- 1) Test rig anchors, dig working pit, etc. MIRUSU. Record bradenhead, casing and tubing pressures. Blow down and kill well as necessary.
- 2) TOOH and LD rods & pump. NDWH & NUBOP. TOOH and LD tubing. Note condition of rods, pump and tubing and report same. Depending on condition of tbg, it may be used for P&A work. (Will need an additional 26 jts 2-7/8" tubing for work string).
- 3) PU 4-3/4" bit, scraper, and 2-7/8" workstring and TIH to CIBP @ 764'. Circulate hole. Drill up CIBP, then CO to 2116' TOC (above CIBP set @ 2150'). Circulate casing clean with water. TOOH, LD bit and scraper.
- 4) TIH w/ tubing + notched collar to 1531'. Mix 17 sx Class H cmt (146') and spot a balanced plug to cover LaVantana top. (LaVantana 1531'-1431'). POOH.
- 5) TIH and set cement retainer @ <sup>678'</sup>~~578'~~. Mix 30 sx Class H cmt and pump thru retainer to cover Pictured Cliffs & Fruitland tops. (PC & Fruitland 810'-578'). Pull out of retainer after displacing 27 sx (233') below retainer displace remaining cmt to cover retainer with 3 sx (26')cmt. PUH to 392' and circulate hole with water.
- 6) Mix 46 sx (395') Class H cmt and spot plug from 392' to surface.
- 7) NDBOP and cut casing off below surface. Install P&A marker with cement to comply with regulations. RDMOSU.
- 8) Reclaim location per APD & P&A stipulations.
- 9) Haul tubing to Cave for inspection. Haul rods to M&R Trucking yard and take pump to Energy pump to rebuild for stock.