

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

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

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

|  |   |   |
|--|---|---|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NMNM 013492                              |
| 2. Name of Operator<br>SG INTERESTS I LTD, c/o SAGLE, SCHWAB & McLEAN ENERGY RESOURCES   |   | 6. If Indian, Allottee or Tribe Name                            |
| 3a. Address<br>PO BOX 2677, DURANGO, CO 81302  | 3b. Phone No. (include area code)<br>(970) 259-2701 | 7. If Unit or CA/Agreement, Name and/or No.                     |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>2000' FSL, 1029' FWL (NWSW) Sec 20-T26N-R13W           |   | 8. Well Name and No.<br>IVEST BISTI 26-13-20 #2                 |
|  |   | 9. API Well No.<br>30-045-29041                                 |
|  |   | 10. Field and Pool, or Exploratory Area<br>Basin Fruitland Coal |
|  |   | 11. County or Parish, State<br>San Juan County, NM              |

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 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 checked="" type="checkbox"/> Other Continue |
|   | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Shut In Status    |
|   | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <input type="checkbox"/> (formerly Temp Aban)  |

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 3160-1 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 July, 2000 SG pressure tested the casing prior to attempting to complete the well; found and repaired casing leaks. However, the casing inspection log revealed severe casing damage due to corrosion, possibly a hole in the casing. A cathodic study was completed. Recently several wells in the surrounding area have been completed and put on production. SG is requesting a continuation of Shut In status (formerly Temporary Abandonment status) for at least 6 months until a full evaluation can be made (taking the surrounding wells into consideration also).

**THIS APPROVAL EXPIRES JUL 15 2001**

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

|  |                                       |
|--|---------------------------------------|
| Name (Printed/Typed)<br>Marcia Stewart | Title<br>Agent for SG Interests I Ltd |
| Signature<br><i>Marcia Stewart</i>     | Date<br>January 15, 2001              |

|   |       |                 |
|---|-------|-----------------|
| THIS SPACE FOR FEDERAL OR STATE USE   |       |                 |
| Approved by   | Title | Date<br>1/22/01 |
| 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)