

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-045-29076

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
E-9707

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS)

7. Lease Name or Unit Agreement Name

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
WEST BISTI STATE 26-13-36 #2

2. Name of Operator
SG INTERESSETS LTD, c/o SAGLE, SCHWAB & McLEAN ENERGY RES

3. Address of Operator
PO BOX 2677, DURANGO, CO 81302 (970) 259-2701

9. Pool name or Wildcat
Basin Fruitland Coal

4. Well Location
Unit Letter M 1192 feet From The South Line and 819 feet From The West Line
Section 36 Township 26N Range 13W NMPM San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
6199' GR

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING
OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
CASING TEST AND CEMENT JO
OTHER: Status report

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

This well was completed in May, 1998 as required by NMOCD. The pipeline right-of-way to connect to a sales line was finally approved by the Navajo Nation (surface owner) in October, 1999. SG connected this well to an El Paso sales line in July, 2000. Gas is being produced but not in sufficient quantities to exceed El Paso's high line pressure. Enough gas is being made to run the pumping unit but not enough to run the compressor in order to buck the line pressure. Valves are open, and approximately 130 BWPD is being produced. It is SG's intent to continue producing water until the well can build up enough gas pressure to produce into the sales line.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Marcia Stewart TITLE Agent for SG Interests DATE 10/11/00
TYPE OR PRINT NAME Marcia Stewart TELEPHONE NO (970) 259-2701

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: