

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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.)		WELL API NO. 30-031-20888
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Salt Water Disposal		5. Indicate Type of Lease STATE <input type="checkbox"/> FEDERAL <input checked="" type="checkbox"/>
2. Name of Operator SG Interests I Ltd. c/o Nika Energy Operating, LLC		6. State Oil & Gas Lease No. NM24964
3. Address of Operator PO Box 2677, Durango, CO 81302		7. Lease Name or Unit Agreement Name Pot Mesa
4. Well Location Unit Letter <u>G</u> : <u>1785</u> feet from the <u>North</u> line and <u>2175</u> feet from the <u>East</u> line Section <u>10</u> Township <u>20N</u> Range <u>06W</u> NMPM County <u>McKinley</u>		8. Well Number #2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6891'		9. OGRID Number 020572
10. Pool name or Wildcat SWD Mesa Verde		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Mechanical Integrity Test <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On March 17th, 2022 SG Interests conducted an MIT on the subject well per previously submitted Sundry Notice. Well passed test and was witnessed by NMOCD Inspector John Durham.

Spud Date:

Rig Release Date:

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

SIGNATURE Wm Schwab III TITLE Agent for SG Interests I, Ltd. DATE 3/23/2022

Type or print name William Schwab III E-mail address: tripp@nikaenergy.com PHONE: 970-259-2701

For State Use Only

APPROVED BY: Monica Kushling TITLE Deputy Oil and Gas Inspector DATE 6/10/2022

Conditions of Approval (if any):

SG Interests I, Ltd.**Pot Mesa #2 SWD**

UL G, NE 1/4, Sec. 10, T20N-R6W
 Lat 35.981667 °N, Long -107.45889 °W
 McKinley Co, NM

API # 30-031-20888

March 2022

Perform MIT with NMOCD Witness
 TS

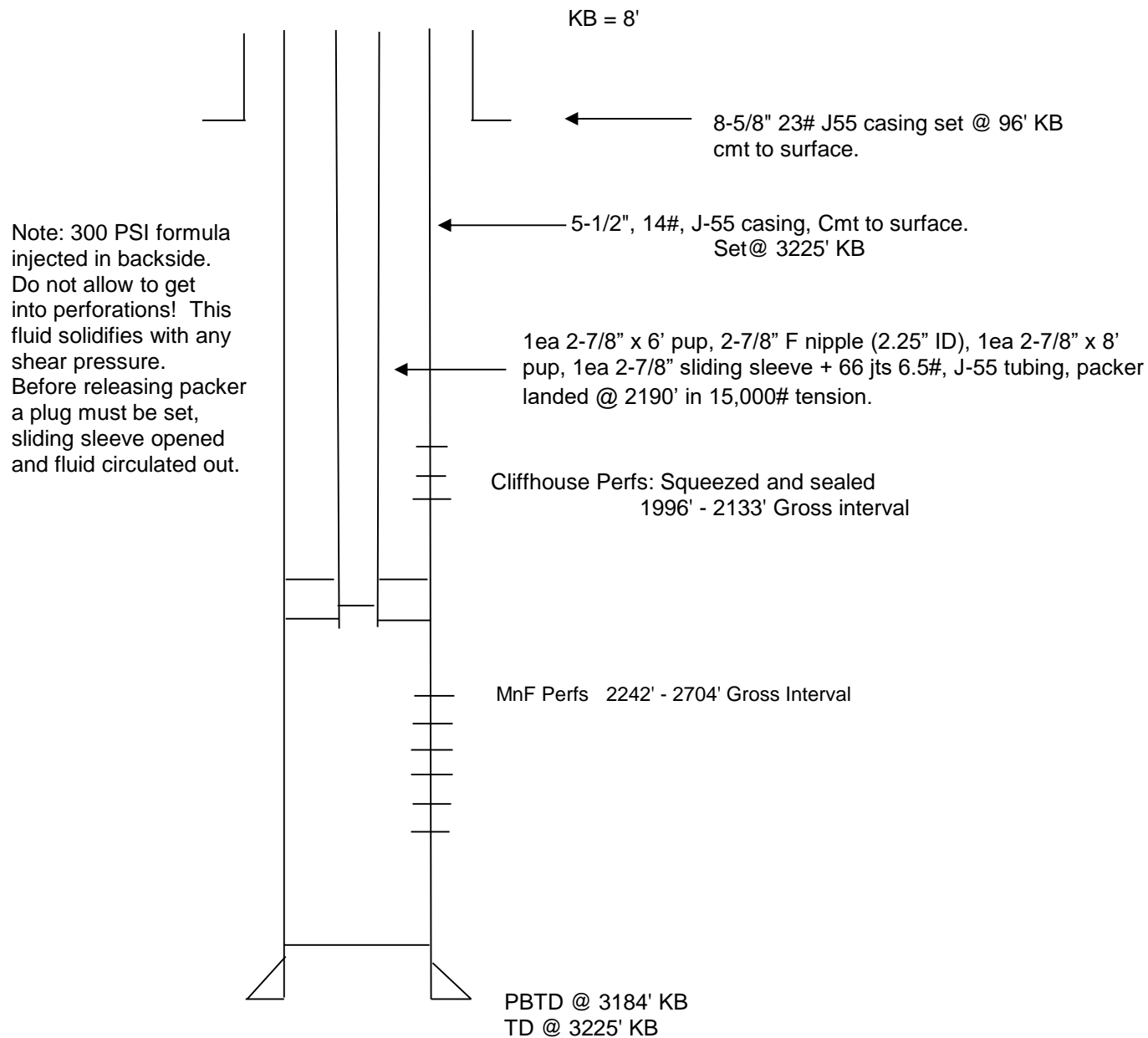
GL:	6891'
TD:	3225' KB
PBTD:	3184' KB
KB:	
CSG:	5-1/2", 14#, J-55 (govt. reports say 15.5#)
Perforations:	2242'-2704' gross interval
Rathole:	480'
Tbg:	1ea 2-7/8" x 6' pup, 2-7/8" F nipple (2.25" ID), 1ea 2-7/8" x 8' pup, 1ea 2-7/8" sliding sleeve + 66 jts 6.5#, J-55 tubing, packer landed @ 2190' in 15,000# tension.
Current Production:	average 50 BWPD injected @ 400 psi.
Well History:	11/85 Initial Completion, perf & acidize Menefee
	3/86 Abandon Menefee, complete in Cliffhouse as SWD
	2/06 Squeeze Cliffhouse, Re-open Menefee as SWD
	3/07 Acidize Menefee w/ coil tbg jet
	7/08 Acidize Menefee
	6/09 Acidize Menefee
	10/09 MIT Test
	9/10 Acidize Menefee
	3/11 Acidize Menefee
	5/13 Acidize 24 Bbls and MIT Test
	11/13 Acidize 24 Bbls
	6/14 Acidize 24 Bbls
	11/14 Acidize 21 Bbls
	8/15 MIT & Acid
	8/16 Acidize
	4/20 Acidize

DIRECTIONS: From Counselor Trading Post on US Hwy 550, travel south on Hwy 550 +/- 0.1 miles, turn right on dirt road with sign: "Star Lake Compressor-26 miles". This is the 0 miles point for this description. Follow dirt road:

- AT: 4.3 miles – Turn left at "Ojo Encino School" sign,
- " 11.0 miles – Transition to pavement with sign N 474,
- " 14.5 miles – Turn right off pavement through cattle guard onto dirt road,
- " 17.8 miles – Turn right off main road and follow existing North El Pintado Compressor sight access road to Compressor site,
- " 18.5 miles – Travel NE through Compressor site to NE Corner of site,
- " 18.6 miles – Location is NE ± 70'.

Pot Mesa #2 SWD
March 2022 MIT Procedure

Current Wellbore Diagram



Pot Mesa #2 SWD
March 2022 MIT Procedure

Procedure:

- Note: 1) Have Well Tender on Location to Kill Injection Pump and Restart after test is done.*
- 2) Make sure test chart recorder company has current calibration with backup.*
- 3) Cell Phone service is nonexistent to limited on location.*
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- 1) Safety Meeting. Check & record bradenhead, tubing & casing pressures. Perform Braden head test with OCD personnel.
 - 2) MIRU Drake Test Pump Truck. Have Well Tender Shut in Injection Pump last thing the night before, or first thing in the morning. If first thing in the morning, allow tubing pressure to stabilize a minimum of 30 min. Record Pressures again.
 - 3) MIRU Wilson Pressure Test Recorder Company. Chart recorder must have a 1000# spring, with a 1 hour clock, with a chart matching the spring range and clock rate.
 - 4) Connect test pump to casing. Pressure test lines w/ water. If lines test OK pressure up casing to 350 psi. Chart pressure for 30 minutes in front of NMOCD witness. Record all pressures at end of test.
 - 5) Blow down lines. RDMO Test Pump Truck, and Test Recorder Company.
 - 6) Well Tender will start onsite injection pump and set at previous rates.

Pot Mesa #2 SWD
March 2022 MIT Procedure

Important Numbers:**Regulatory**

BLM	505-564-7600	Main Switchboard
NMOCD	505-334-6178	

WO Issues:

Tripp Schwab	970-259-2701 970-769-3589 970-769-3589	Office Mobile Home
Brad McKinney	970-749-2163	Mobile
Levi Casaus	970-426-1272	Mobile
RJ McKinney	480-694-6519	Mobile

Pot Mesa #2 SWD
March 2022 MIT Procedure

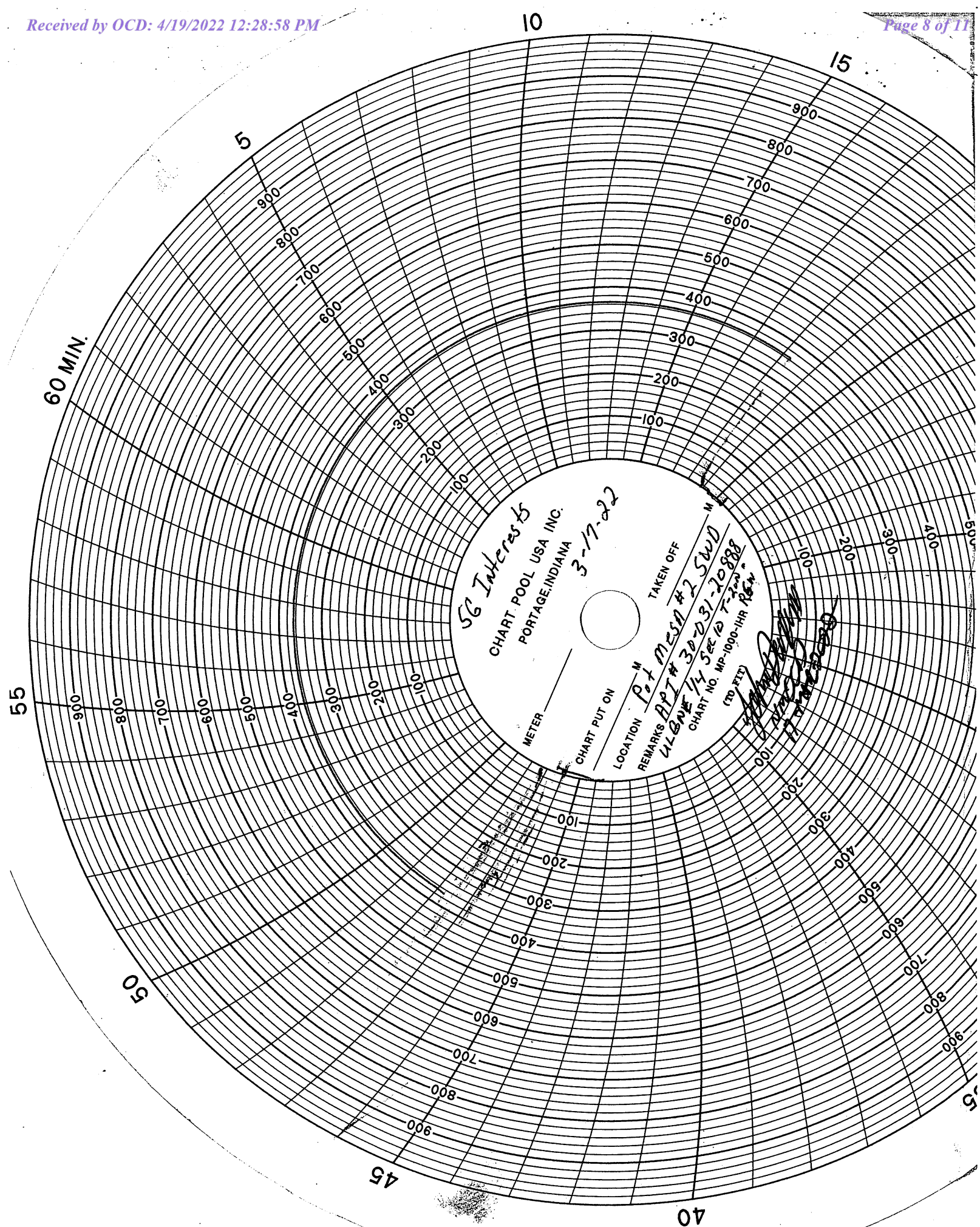
Vendor List:

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>	
Dirt Contractor	Keystone Randy Schreffler	Off	505-334-8462
Pit Liner	Ore Systems Zane Galloway		
Anchors	Mote	Off Off	505-325-9711 505-325-1666
Rod Pumps etc.	Drake Pump Service Drake McCulloch	Cell	505-320-1180
PC Pump	Black Arrow Solutions Dave Cox	Cell	505-320-8158
Tubing Inspection	Tuboscope	Off	505-333-2224
Tubing	Cave Jim Cave	Off	505-325-3401
Wellhead Equipment	WSI	Off	505-326-0308
Logging / Perforating	Basin Well Logging Dana McGarrah	Off	505-327-5244
Water Hauling	Overright Trucking Mike Overright	Off	505-215-3035
Frac Tank & Heavy Hauling	CNJ Trucking Craig Nelson	Cell	505-320-8345
Light Trucking / Hotshot	Double S Hot Shot Debbie and Larry Slavin	Cell	505-334-3850
Rig Move	Drake Well Service Drake McCulloch	Cell	505-320-1180

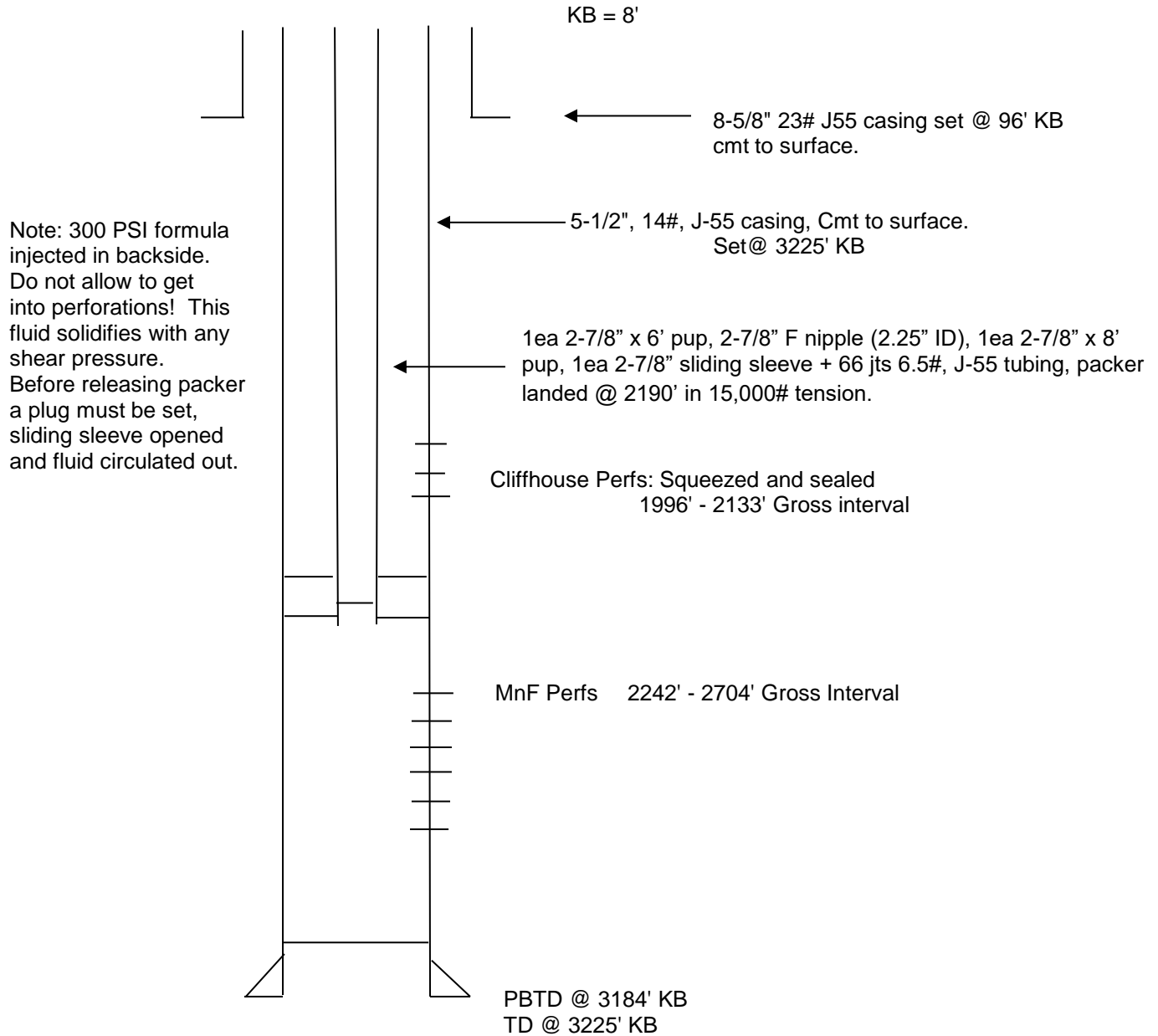
Pot Mesa #2 SWD
March 2022 MIT Procedure

Vendor List Cont.

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>	
Cementing	Drake Well Service Drake McCulloch	Cell	505-320-1180
Porta Johns	Cabannas	Off	505-325-5835
	Hal Stone	Cell	505-330-7566
Drywatch	Double S Hot Shot Debbie and Larry Slavin	Cell	505-334-3850
BOP & MIT Testing	Wilson & Co.	Off	505-334-3807
Roustabout	Keystone Randy Schreffler	Off	505-334-8462
BOP Rental	Drake Well Service Drake McCulloch	Cell	505-320-1180
Pressure Test Truck & Rig	Drake Well Service Drake McCulloch	Cell	505-320-1180



SG Interests, Ltd.
Pot Mesa #2
Wellbore Drawing
03/2022



**SG Interests, Ltd.
Pot Mesa #2
Wellbore Drawing
03/2022**

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Phone:(505) 476-3470 Fax:(505) 476-3462

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Santa Fe, NM 87505

CONDITIONS

Action 99797

CONDITIONS

Operator: SG INTERESTS I LTD Nika Energy Operating Durango, CO 81302	OGRID: 20572
	Action Number: 99797
	Action Type: [C-103] Sub. Temporary Abandonment (C-103U)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	5 year approval - Next test required on or before March 17, 2027	6/10/2022