

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-045- 28858
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name GALLEGOS FEDERAL 26-11-17
8. Well Number 2
9. OGRID Number 020572
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6147' GR

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
SG INTERESTS I, LTD c/o Nika Energy Operating, LLC

3. Address of Operator
PO Box 2677, Durango, CO 81302

4. Well Location
Unit Letter K : 2350 feet from the South line and 1650 feet from the West line
Section 17 Township 26N Range 11W NMPM 6 County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6147' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Depth to Groundwater 50-100' Distance from nearest fresh water well unknown Distance from nearest surface water 100'-200'

Pit Liner Thickness: None mil Below-Grade Tank: Volume 95 bbls; Construction Material Fiberglass

12. 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 ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Permit & Scheduled Replacement ☒

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This Sundry will serve as a Permit Application for a Below-Grade Tank. The Below-Grade Tank pertaining to the subject well is for production water.

Plans are in place to replace all fiberglass pit tanks with a 95-bbl steel, double wall, double bottom tank with leak detection. Tanks will have an expanded metal screen covering the entire diameter of the tank. The new tanks will be installed by the end of July, 2005

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Marcia Stewart TITLE Agent for SG Interests DATE Febr 8, 2005
Marcia Stewart gas men@frontier.net (970) 259-2701

Type or print name E-mail address: Telephone No.

For State Use Only

APPROVED BY: Denny Fout TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE FEB 14 2005

Conditions of Approval (if any):