

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. 30-045-28828
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 26-13-9
8. Well Number 1
9. OGRID Number 020572
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6278' 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 H : 2250 feet from the North line and 790 feet from the East line Section 9 Township 26N Range 13W NMPM 6 County San Juan
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6278' GR

Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>
OTHER: Permit & Scheduled Replacement <input checked="" type="checkbox"/>	OTHER: <input 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 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  
Type or print name Marcia Stewart E-mail address: gas men@frontier.net Telephone No. (970) 259-2701

For State Use Only

APPROVED BY: Denny Zant TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 01 DATE FEB 14 2005  
Conditions of Approval (if any):