District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144 June 1, 2004

Pit or Below-Grade Tank Registration or Closure
Is pit or below-grade tank covered by a "general plan"? Yes No X

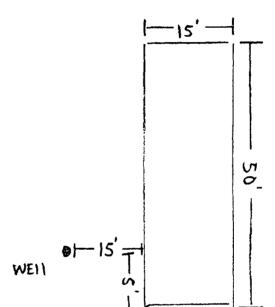
Type of action: Registration of a pit or below-grade tank [] Closure of a pit or below-grade tank X		
Operator. SG Interests I, Ltd. Telephone: 970-259-2701 e-mail address. tripp@nikaenergy.com		
Address: PO Box 2677, Durango, Colorado 81302		
Facility or well name. State 20-6-2 #3 API #. 30-031-21077 21073 U/L or Qtr/Qtr M Sec 2 T 20N R 6W		
County: McKinley Latitude 35 98850*N Longitude 107 44844*W		
Surface Owner Federal State X Private Indian		
Pit Below-grade tank		
Type: Drilling Production Disposal	Volume:bbl Type of fluid:	
Workover X Emergency	Construction material:	
Lined X Unlined	Volume:bbl Type of fluid:	
	Double-walled, with leak decedions 163 11 in order particular and the second se	
Liner type: Synthetic X Thickness 12 mil Clay		
Pit Volume 1000 bbl	Less than 50 feet	[(20 points) 22 (2 03 b) 22
Depth to ground water (vertical distance from bottom of pit to seasonal		(20 points) X
high water elevation of ground water.)	50 feet or more, but less than 100 feet	` ' '
	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points)
water source, or less than 1000 feet from all other water sources.)	No	(0 points) X
	Less than 200 feet	(20 points)
Distance to surface water (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points) X
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(0 points)
	Baltim Seem (Total Reints)	20 Points
,	Ranking Score (Total Points)	
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if		
your are burying in place) onsite X offsite I foffsite, name of facility (3) Attach a general description of remedial action taken including		
remediation start date and end date (4) Groundwater encountered: No X Yes 🔲 If yes, show depth below ground surfaceft and attach sample results		
(5) Attach soil sample results and a diagram of sample locations and excavations.		
Additional Comments		
Pulled free water from pit. When dry the liner was cut at mud line and pit was backfilled with soil removed from original excavation. Pit location drawing on reverse side		
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan		
Date: 04/02/2006		
Date: 04/03/2006		
Printed Name/Title William Schwab III Agent for SG Interests Signature		
Your certification and NMOCD approval of this application/closure does not relieve the operator of hability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Approval.		
APR U 5 (IIII)		
Printed Name/Title Superior Cas as the superior lease, the superior lease, the superior lease su		

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