

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0135
Expires July 31, 1996

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FEB 10 2012

Lease Serial No.

NM100295

If Indian, Allottee or Tribe Name

Unit or CA/Agreement, Name and/or No
agreement.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

SG INTERESTS I LTD, c/o SAGLE, SCHWAB & McLEAN ENERGY RESOURCES

3a. Address

PO BOX 2677, DURANGO, CO 81302

3b. Phone No (include area code)

(970) 259-2701

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)

Unit J: (NWSE) Sec13-T21N-R8W

1996' FSL, 1982' FEL

8. Well Name and No

FEDERAL 21-8-13 #4

9. API Well No.

30-045-34360

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input checked="" type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This well was spudded in August 2007, (TD 885' KB; PBTD 842' KB. This well has not been completed. SG intends to plug and abandon this well as per the P & A procedure attached as soon as weather and consultant availability allows. We anticipate having all work completd by April 1, 2012, if not before.

Notify NMOCD 24 hrs
prior to beginning
operations

RCVD FEB 16 '12
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

William (Tripp) Schwab, III

Title

Agent for SG Interests I Ltd

Signature

Date

February 9, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

FEB 13 2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD

SG Interests I, Ltd.

Federal 21-8-13 #4

SE ¼ Sec 13-T21N-R8W

San Juan County, NM

P&A Procedure

February 2012

WS

Elevations:	GL: 6681'
KB:	5'
TD:	885' KB
PBTD:	842' KB
Casing:	4-1/2", 10.5#, J-55, SA 881', cemented to surface
Tubing:	none
Pump & Rods:	none
Marker Jt:	451' KB to 471' KB
Current Production:	Not Completed

Well History: 8/07 - Spud Well

Objective: Plug and abandon wellbore.

Directions: Turn South at the intersection of SJ County Rd 7900 & NM State Hwy 550. Travel South on 7900 14.7 miles to the intersection of SJ County Rd 7900 and Access Rd. Turn Right at intersection and travel 0.8 miles to location.

Procedure:

BLM & NMOCD must be Notified 24 hrs in advance of P&A cementing operations.

Note Stipulations and notification requirements and comply with all safety and environmental regulations.

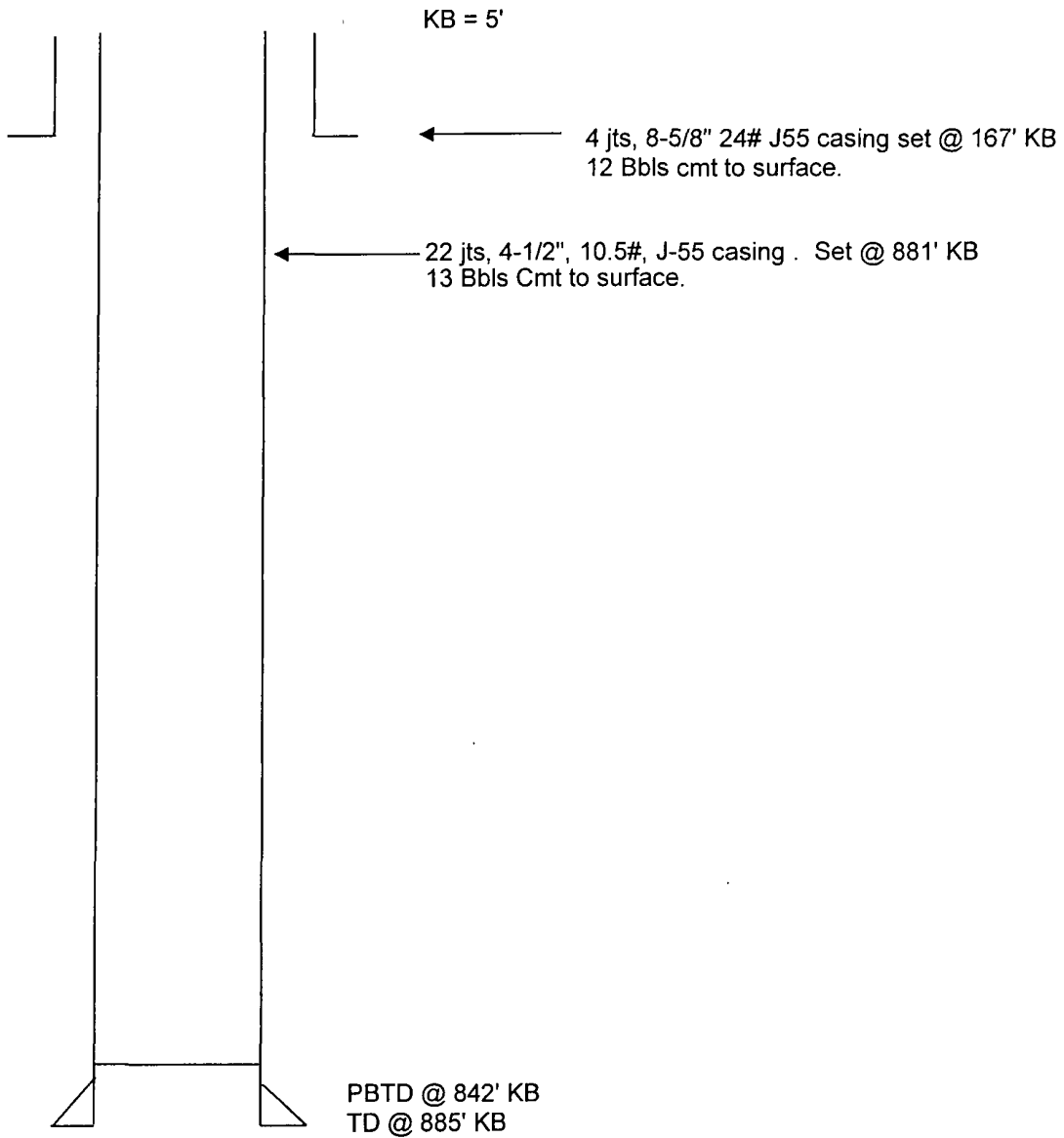
Do not dig cement pit. Use ½ tank from Lindrith Backhoe Service. Use sugar to keep waste cement from setting up. Set 400 Bbl Frac tank with fresh water.

**Will need 29 jts 2-3/8" J-55 tubing for work string.
Pull from SG Stock @ Cave.**

There are no Anchors on location. If the rig needs anchors then they will need to be set.

- 1) Set working pit. MIRUSU. Record bradenhead, and casing. Report any problem pressures. Blow down and kill well as necessary.
- 2) RIH with notched collar, SN and work string. Drop Standing Valve and test tubing. Retrieve SV. POOH.
- 3) NDWH & NUBOP
- 4) PU 3-7/8" bit, scraper, and 2-3/8" workstring. TIH & CO to TOC or CO to 842' KB. Circulate casing clean with water. TOO, LD bit and scraper.
- 5) TIH to PBTD. Mix 29 sx (40 cu ft) Type III cmt and spot plug from PBTD to 215' KB to cover Fruitland Goal (480' KB to 448' KB). POOH to 200' KB. Allow cmt to set. *forming gels* **217'**
- 6) Mix 29 sx (40 cu ft) Type III cmt w 2% CaCl. Spot Cmt to surface. Allow cmt to harden. LD tubing.
- 7) NDBOP and cut casing off below surface. Install P&A marker with cement to comply with regulations. RDMOSU.
- 8) Haul tubing to Cave for inspection.

Current Wellbore Diagram



Notification Schedule

<u>Agency</u>	<u>Phone Number</u>	<u>Comments</u>
BLM	505-599-8907	
BLM	505-899-8900	Changes or questions Regarding approved plans or completion ops.
BLM	505-326-1248 505-334-1266 Adrienne Brumley Jim Lovato	Emergency program changes after normal business hours. Notify 24 hrs before Cmt.
NMOCD	505-334-6178 Monica Kuehling	Notify 24hrs before Cmt

Vendor List:

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>
Dirt Contractor	Bridge Dozer Robert Bridge	Home 505-289-4048 Cell 505-249-6942
Pit Liner	see Dirt Contractor	
Anchors	Mote	Off 505-325-9711 Off 505-325-1666
Fracturing	Halliburton Randy Schneider	Off 505-324-3500
Cementing	Baker Harry Mitchell	Off 505-327-6222 Cell 505-330-0001
Wellhead Equipment	WSI Linda	Off 505-326-0308
Logging / Perforating	Blue Jet Danny Seip	Off 505-325-5584
Water Hauling	B&B Vac Dustin Bridge	Home 505-289-4048 Cell 505-320-1211
Frac Tank & Heavy Hauling Trash basket	Lindrith Backhoe Doyle Post	Cell 505-320-5460
Light Trucking / Hotshot	Lindrith Backhoe Doyle Post	Cell 505-320-5460
Porta Johns	Cabannas Hal Stone	Off 505-325-5835 Cell 505-330-7566
Roustabout	Lindrith Backhoe Doyle Post	Cell 505-320-5460
BOP Rental	TBD	
BOP Testing	Four Corners Testing Glen Davis	Off 505-360-2108

Vendor List Continued:

Down hole Rod Pump	Energy Pump & Supply Leo Noyes	Off	505-564-2874
Down hole PC Pump	Weatherford ALS Cris Wulfert Noel Rogers	Off Cell Cell	505-564-8381 505-634-8447 505-486-5870
Slickline Services	Phoenix Services Jeff	Off	505-325-1125
Tubulars	Cave Enterprises Jim Cave	Off	505-325-3401
Completion Rig	JC Services		
Drywatch	Lindrith Backhoe Doyle Post	Cell	505-320-5460
	D&D Services Glen Davis	Cell	505-215-4600

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 4 Federal 21-8-13

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Bring the top of the Fruitland plug to 275'.
 - b) Place the Surface plug from 217' to surface.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.