

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. NMSF-077976

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator SG Interests I, Ltd. c/o Nika Energy Operating

3a. Address P. O. Box 2677, Durango, CO 81302

3b. Phone No. (include area code)
(970) 259-2701

7. If Unit of CA/Agreement, Name and/or No.
14-08-00018196

8. Well Name and No. SE Cha Cha Unit #40

9. API Well No. 30-045-25317

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit C: 700' FNL, 1980' FWL Section 17, T28N-R13W (NENW)

10. Field and Pool or Exploratory Area
SE Cha Cha Gallup

11. Country or Parish, State
San Juan County, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<input checked="" 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 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 Operation: 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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

At the time the P&A sundry was submitted in November of 2017, we did not realize that we would be required to submit a reclamation plan on this well that was drilled in 1982.

An on-site conference was conducted on January 10, 2018 with the BLM, BIA and NAPI in attendance. A reclamation plan was decided upon and is attached hereto.

SG Interests proposes to Plug & Abandon the subject well, and then reclaim the wellsite according to the attached reclamation plan.

OIL CONS. DIV DIST. 3
JAN 26 2018

RECEIVED

JAN 12 2018

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Agent for SG Interests I, Ltd.

Farmington Field Office
Bureau of Land Management

Signature

Date

01/12/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 and Title 43 U.S.C Section 1212, make 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 page 2)

NMOC D Accepted For Record

P&A Field Inspection Sheet

Date: 1/10/2018					Specialist: Tripp Schwab, SG Interests		
Operator: SG Interests I LTD					Well Name & Number: SE Cha Cha Unit #40		
API Number: 30-045-25317					Section: 17	Township: 28N	Range: 13W
Lease Number:					Footage: 700 FNL 1980 FWL		
					County: San Juan		State: NM
Surface:	BLM:	BOR	State	Other: Tribal	Twinned: NO		

Well Pad

Topography: Flat		Stockpile Topsoil	Yes	No x
Soil Type: Sandy				
Vegetation Community: Pinon / Juniper				
1				
2				
3				

Vegetation Cages: ☐ Yes ☒ No

Facilities on Location: ☐ Tanks ☐ Meter Runs ☐ Separators ☐ Compressor ☐ Day Tanks ☐ Pipeline riser

Gravel Present: ☒ Yes ☐ No Bury ☐ Yes ☒ No Main Road: road travels adjacent to the well pad and will be left upon completion of contouring of reclamation area.

Steel Pits: Below Grade: Where on Location: N/A

Cathodic Groundbed on location: ☐ Yes ☒ No

In Service: ☐ Yes ☐ No Abandoned: ☐ Yes ☐ No Plugged: ☐ Yes ☐ No

Remove Wire ☐ Remove Rectifier ☐

Trash on location: ☐ Yes ☒ No Power Poles: ☐ Yes ☒ No Remove Power Poles: ☐ Yes ☐ No

Construction Diversion Ditch: Above Below Around ☒ No diversion ditch needed

Side draining	Contaminated Soil: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Side draining	Remove: <input checked="" type="checkbox"/> Yes, where on location:

Construction Silt Trap(s): None

Re-Contour Disturbed Areas to Natural Terrain: ☒ Yes ☐ No

Special Features: Above ground Pipe running through location will be removed

Location & Access Barricade: ☐ Yes ☒ No / How: Due to the road being adjacent to the reclaim area a fence will be installed around all reclamation to protect from traffic.

Construction Comments / Concerns:

Access Road

Access Length: to remain Remediation Methods: ☐ Rip ☐ Disk ☐ Water Bars ☐ Re-establish Drainages

Other:

Access Condition: ☐ Below Grade ☐ Above Grade ☒ Other: At grade.

Culverts: ☐ Yes ☒ No Cattle Guard: ☐ Yes ☒ No Reconstruct Fence: ☐ Yes ☒ No Surface Material: ☐ Yes ☒ No

What to do with Material	All gravel and non-native materials will be removed from location and can be utilized on the main road.
Road Comments/Concerns	

Onsite Noxious Weed Form

If noxious weeds are found during the onsite, fill out and submit to FFO weed coordinator.

Operator: SG Interests I LTD Surveyor(s): Tripp Schwab, SG / Bertha Spencer

Well Name and Number SE Cha Cha Unit 40 Date: January 10, 2018

Location: Township 17 Range 28N Section 13W

Location of Project NAD 83 Decimal Degrees

Class A Noxious Weed – Check Box if Found

<input type="checkbox"/>	Alfombrilla	<input type="checkbox"/>	Diffuse knapweed	<input type="checkbox"/>	Hydrilla	<input type="checkbox"/>	Purple Starthistle	<input type="checkbox"/>	Yellow toadflax
<input type="checkbox"/>	Black henbane	<input type="checkbox"/>	Dyer's woad	<input type="checkbox"/>	Leafy spurge	<input type="checkbox"/>	Ravenna grass	<input type="checkbox"/>	
<input type="checkbox"/>	Camelthorn	<input type="checkbox"/>	Eurasian watermilfoil	<input type="checkbox"/>	Oxeye daisy	<input type="checkbox"/>	Scotch thistle	<input type="checkbox"/>	
<input type="checkbox"/>	Canada thistle	<input type="checkbox"/>	Giant salvinia	<input type="checkbox"/>	Parrotfeather	<input type="checkbox"/>	Spotted knapweed	<input type="checkbox"/>	
<input type="checkbox"/>	Dalmation toadflax	<input type="checkbox"/>	Hoary cress	<input type="checkbox"/>	Purple loosestrife	<input type="checkbox"/>	Yellow starthistle	<input type="checkbox"/>	

Class B Noxious Weed – Check Box if Found

<input type="checkbox"/>	African rue	<input type="checkbox"/>	Perennial pepperweed	<input type="checkbox"/>	Russian knapweed	<input type="checkbox"/>	Tree of heaven
<input type="checkbox"/>	Chicory	<input type="checkbox"/>	Musk thistle	<input type="checkbox"/>	Poison hemlock	<input type="checkbox"/>	
<input type="checkbox"/>	Halogeton	<input type="checkbox"/>	Malta starthistle	<input type="checkbox"/>	Teasel	<input type="checkbox"/>	

☐ No noxious weeds identified at time of on site

Comments:

FFO Representative: _____
Sign and date

Operator Representative: Tripp Schwab 1/10/18
Sign and date



SURFACE USE PLAN OF OPERATIONS WEED MANAGEMENT

During the onsite inspection, the FFO and operator's representative(s) will survey the proposed action area for noxious weeds listed on the New Mexico Department of Agriculture's A and B list (attached). If no weeds on the A or B list were observed, the FFO will indicate on the standard onsite check list form that no noxious weeds were observed within the proposed project site. If noxious weeds are found, the FFO will fill out the Onsite Noxious Weed form (attached). The FFO representative and the operator's representative will sign the form, and the FFO representative will submit the completed form to the FFO weed coordinator.

The FFO weed coordinator will review the form and analyze the noxious weed issues. The FFO weed coordinator will electronically submit to the operator within 30 days of the onsite, specific requirements and instructions for weed treatments. The requirements and instructions will include the time frame of treatment, approved herbicides that may be used, required documentation to be submitted to the FFO after treatment, and any other site specific instructions that may be applicable. Due to the seasonal nature of effective weed treatment techniques, the operator may be required to treat before ground disturbance, or may be required to treat the area after ground disturbance to avoid unreasonable delays to the operator's drilling program.

Class A species are currently not present in New Mexico, or have limited distribution. Preventing new infestations of these species and eradicating existing infestations is the highest priority.

Common Name	Scientific Name
Alfombrilla	<i>Drymaria arenariodes</i>
Black henbane	<i>Hyoscyamus niger</i>
Camelthorn	<i>Alhagi psuedalhagi</i>
Canada thistle	<i>Cirsium arvense</i>
Dalmation toadflax	<i>Linaria dalmatica</i>
Diffuse knapweed	<i>Centaurea diffusa</i>
Dyer's woad	<i>Isatis tinctoria</i>
Eurasian watermilfoil	<i>Myriophyllum spicatum</i>
Giant salvinia	<i>Salvinia molesta</i>
Hoary cress	<i>Cardaria spp.</i>
Hydrilla	<i>Hydrilla verticillata</i>
Leafy spurge	<i>Euphorbia esula</i>
Oxeye daisy	<i>Leucanthemum vulgare</i>
Parrotfeather	<i>Myriophyllum aquaticum</i>
Purple loosestrife	<i>Lythrum salicaria</i>
Purple starthistle	<i>Centaurea calcitrapa</i>
Ravenna grass	<i>Saccharum ravennae</i>
Scotch thistle	<i>Onopordum acanthium</i>
Spotted knapweed	<i>Centaurea biebersteinii</i>
Yellow starthistle	<i>Centaurea solstitialis</i>
Yellow toadflax	<i>Linaria vulgaris</i>

Class B species are limited to portions of the state. In areas with severe infestations, management should be designed to contain the infestation and stop any further spread.

Common Name	Scientific Name
African rue	<i>Peganum harmala</i>
Chicory	<i>Cichorium intybus</i>
Halogeton	<i>Halogeton glomeratus</i>
Malta starthistle	<i>Centaurea melitensis</i>
Musk thistle	<i>Carduus nutans</i>
Perennial pepperweed	<i>Lepidium latifolium</i>
Russian knapweed	<i>Acroptilon repens</i>
Poison hemlock	<i>Conium maculatum</i>
Teasel	<i>Dipsacus fullonum</i>
Tree of heaven	<i>Ailanthus altissima</i>

Onsite Noxious Weed Form

If noxious weeds are found during the onsite, fill out form and submit to FFO weed coordinator

Operator SG Interests I LTD Surveyor(s) Tripp Schwab SG / Bertha Spencer, BIA

Well Name and Number SE Cha Cha Unit 40 Date 1/10/18

Location: Township, Range, Section Section 17 / Township 28N / Range 13W

Location of Project NAD 83 Decimal Degrees _____

Class A Noxious Weed – Check Box if Found

<input type="checkbox"/>	Alfombrilla	<input type="checkbox"/>	Diffuse knapweed	<input type="checkbox"/>	Hydrilla	<input type="checkbox"/>	Purple starthistle	<input type="checkbox"/>	Yellow toadflax
<input type="checkbox"/>	Black henbane	<input type="checkbox"/>	Dyer's woad	<input type="checkbox"/>	Leafy spurge	<input type="checkbox"/>	Ravenna grass	<input type="checkbox"/>	
<input type="checkbox"/>	Camelthorn	<input type="checkbox"/>	Eurasian watermilfoil	<input type="checkbox"/>	Oxeye daisy	<input type="checkbox"/>	Scotch thistle	<input type="checkbox"/>	
<input type="checkbox"/>	Canada thistle	<input type="checkbox"/>	Giant salvinia	<input type="checkbox"/>	Parrotfeather	<input type="checkbox"/>	Spotted knapweed	<input type="checkbox"/>	
<input type="checkbox"/>	Dalmation toadflax	<input type="checkbox"/>	Hoary cress	<input type="checkbox"/>	Purple loosestrife	<input type="checkbox"/>	Yellow starthistle	<input type="checkbox"/>	

Class B Noxious Weed – Check Box if Found

<input type="checkbox"/>	African rue	<input type="checkbox"/>	Perennial pepperweed	<input type="checkbox"/>	Russian knapweed	<input type="checkbox"/>	Tree of heaven
<input type="checkbox"/>	Chicory	<input type="checkbox"/>	Musk thistle	<input type="checkbox"/>	Poison hemlock	<input type="checkbox"/>	
<input type="checkbox"/>	Halogeton	<input type="checkbox"/>	Malta starthistle	<input type="checkbox"/>	Teasel	<input type="checkbox"/>	

Comments:

☒ No Noxious Weeds identified during site inspection.

FFO Representative:

sign and date

Operator Representative

sign and date

W. Schwab 1/10/2018
William Schwab

Well name and no: SE Cha Cha Unit 40
API No. 30-045-25317

Plugging & Abandonment Surface Reclamation Plan

Operator:	SG Interests I LTD	Location:	Sec. 17, Twn: 28N, Range 13W
Well name & No:	SE Cha Cha Unit 40	County, State:	San Juan County, NM
API No:	30-045-25317	Revision:	0
Surface:	Tribal		
Date:	1/10/18		

This document outlines the final reclamation plan for the SE Cha Cha Unit 40 well site, API 30-045-25317, based on the BLM/SG/BIA on-site inspection conducted on 1/10/18 and in accordance with Onshore Order No. 1 and the FFO Bare Soil Reclamation Procedures C (dated 2/2013).

PROPOSED VEGETATION RECLAMATION PLAN

General Notes:

- SG will comply with the requirements in accordance with the approved Sundry Notice associated with this submittal.
- SG will notify the BLM forty-eight (48) hours prior to commencing earthwork.
- SG will notify the Authorized Officer forty-eight (48) hours prior to commencing with seed application.
- All underground production piping on the well site will be removed
- SG power poles, rectifier and/or radio equipment will be removed from the site. NO Power poles on the SE Cha Cha Unit 40 identified during site visit.
- All rig anchors found on location will be removed.
- Disturbance will be limited to the well site, pipeline right of way to edge of slope crest and edge of well pad and access road boundaries.
- All surface equipment identified on location at time of P&A will be removed from location.
- All trash, if any, will be removed from location.
- The P&A marker will be permanent and comply with all NMOCD regulations.

Well Site Reclamation:

(Note: some steps may occur in a different sequence than listed below)

- For future reference, pre-construction conditions are documented in the attached Inspection Form and shown in the included photos.
- Temporary and / or permanent storm water and erosion control BMP's will be employed at appropriate locations around the pad portion containing the pump jack as dictated by local drainage patterns and expected areas of disturbance, slopes. BMP's selection will be determined by local factors and will be a combination of sediment and erosion controls that are deemed effective and low maintenance. Straw wattles, diversion ditches, mulch, soil blankets, and/or other suitable BMP's may be used in various combinations, as appropriate, during and after construction activities. Any temporary means to control storm water will be removed when final reclamation is achieved.

Well name and no: SE Cha Cha Unit 40
API No. 30-045-25317

- Vegetation and approximately 6 inches of soil will be stripped and stockpiled to use after grading operations to facilitate re-vegetation.
- Gravel on the well site surface will be removed from location
- Fill material on the location will be used to reclaim the site to near original and natural topography as is practical. The pad will be ripped and will just be disc 4-6 inches to break any clods and prepare the location for seeding. This location will be re-contoured to blend in with the surrounding area.
- Mature, healthy vegetation on the site perimeter will be left intact to the extent possible to achieve contour.
- Natural drainage patterns will be established when possible and practical. Additional means for ensuring proper drainage, such as water bars or diversion ditches, may be employed. The natural drainage patterns already in existence will be maintained and enhanced with the fill material on site.
- Disturbed areas will be prepared for seeding.
- A seed drill will be utilized to create a firm bed.
- After the site has been prepared, the location will be seeded using appropriate equipment.
- All disturbed areas will be seeded in accordance with the FFO Bare Soil Reclamation Procedure C.
- A field fence constructed of either woven wire or two strands of wire as needed will be installed to allow for re-vegetation of the reclaimed well pad area.

Access Road Reclamation:

This well pad is adjacent to a main road servicing other wells, therefore only the entrances to the pad will be reclaimed.

The main lease road will be left as is and will not be reclaimed. The main lease road is used by allottees whom have a grazing lease right. This was approved by Bertha Spencer, BIA and Gary Smith, BLM.

Re-vegetation:

The planned, initial seed mixture and application rates for the Pinon/Juniper Community identified during the site visit will be as follows. The seed application rates may be adjusted according the based upon method of application.

Species of seed	Pound/Acre (PLS)
Fourwing saltbush (<i>Atriplex canescens</i>)	4.0
Scarlet Globemallow (<i>Sphaeralcea coccinea</i>)	0.5
Winterfat (<i>Krascheninnikovia lanata</i>)	1.0
Sand dropseed (<i>Sporobolus cryptandrus</i>)	0.5
Western wheatgrass (<i>Pascopyrum smithii</i>)	2.0
Indian ricegrass (<i>Achnatherum hymenoides</i>)	3.5
Blue grama (<i>Bouteloua gracilis</i>)	2.0
Sage	2.0

Well name and no: SE Cha Cha Unit 40
API No. 30-045-25317

Antelope bitterbrush (<i>Purshia tridentata</i>)
--

2.0

Seed mixtures will be certified weed-free and the seeding records (bag labels) or other official documentation will be available to the Authorized Officer prior to seeding upon request.

Seeding will occur as soon as reasonably possible following completion of earthwork activities and timed for successful germination.

To prepare the site for seeding, only the seed drill will be necessary to create a firm bed. The seed mix is designed to be applied at 60 Total PLS per square foot which will ensure adequate stand density and diversity. Seeding will be completed using a no-till drill or Brillion drill seeder, this method allows for the handling of a wide variety of seed types and sizes in addition to establishing good seed to soil contact without undo disruption of the soil surface. Using a no till or Brillion drill also provides proper seed planting depth which will be approximately 1/8 inch.

Weed Management:

SG's objective is to implement an integrated weed management program to control weed populations and establish desirable vegetation. No noxious weeds were noted during the onsite visit.

Weed management and control will be performed by a properly licensed contractor and within full compliance of all federal and state laws and regulations.

Weed management and control will be performed in an environmental conscious manner using BMP's.

Monitoring:

SG will submit a Sundry Notice informing the BLM/BIA the earthwork and seeding is completed and requesting a joint inspection to examine the site.

SG will submit a Sundry Notice (FAN) requesting approval of the reclaimed well location.

Any fencing installed to assist with re-vegetation will be removed once there is agreement from the BLM/BIA that the vegetation percent cover standard has been attained.

Attachments:

- Reference photos of location taken on 12/5/17.
- P&A Field Inspection Sheet performed on 1/10/18.
- Aerial of location with short description of reclamation plan.

Well name and no: SE Cha Cha Unit 40
API No. 30-045-25317