

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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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.*

Farmington Field Office  
Bureau of Land Management

5. Lease Serial No. NM 077968

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. 14-08-00018196
2. Name of Operator SG Interests I, Ltd. c/o Nika Energy Operating, LLC		8. Well Name and No. SE Cha-Cha Unit #36
3a. Address P. O. Box 2677, Durango, CO 81302	3b. Phone No. (include area code) (970) 259-2701	9. API Well No. 30-045-24159
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit 2: 1665' FSL, 2060' FEL      Sec 8-T28N-R13W (NWSE)		10. Field and Pool or Exploratory Area SE Cha-Cha Gallup
		11. Country or Parish, State San Juan County, New Mexico

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 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 checked="" 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 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 must 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 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 detennined that the site is ready for final inspection.)

SG Interests I, Ltd proposes to re-perforate the subject well. Currently the well is completed in the Gallup "A" Zone (Tocito) with 1 shot per foot from 5626' KB to 5636' KB, 10 shots total. SG Interests I, Ltd. proposes to re-perforate the 10' zone with 4 shots per foot, 120 degree phasing, adding an additional 2' from 5624' KB to 5626' KB also perforated with 4 shots per foot, 120 degree phasing. This will bring the total zone perforated to 12', and 48 shots.

SG Interests I, Ltd. then proposes a 1500 gallon, 15% DI, HCl acid breakdown under a packer. The packer will be pulled, the well swabbed clean, and a new pump run before placing the well back on production.

The well is currently down for pump problems related to scale and will need an acid job and pump change regardless. SG Interests I, Ltd would like to use this opportunity to re-perforate this zone.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

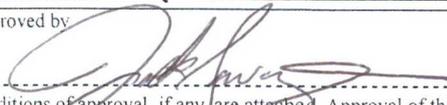
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AGENT'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
William Schwab III      Title Agent for SG Interests I, Ltd.  
Signature       Date 11/13/2018

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by       Title PE      Date 11/28/18  
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 FFO

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)

If perforations are above or below existing perfs please file: c-104 and Completion Report to include new perfs before returning to production

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