

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

RECEIVED

5. Lease Serial No.

NMNM 0702

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

FEDERAL 29-10-31 #2

9. API Well No.

30-045-28802

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

SG Interests I, Ltd.

3a. Address

c/o Sagle & Schwab - PO Box 2677

3b. Phone No. (include area code)

(970) 259-2701

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

870' FSL, 1725' FWL (SESW) Sec 31-T29N-R10W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 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 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 recomplate 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 recompletion 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.)

(Reference Sundry Notice dated 7/16/2003).

Attempted to put well on line 8/19/03. Well would not produce.

8/25/03 MIRUSU. Blow well dn. RIH w/4-3/4" blade bit & 5-1/2" csg scraper. T0H w/tbg. Spot 315 gal 15% DI HCl acid @ 1863'. RIH w/5-1/2" RBP; set BP @ 1580'. RIH w/5-1/2" pkr 1 jt below WH. Load hole w/2% KCL wtr & press test csg, BP, WH, & BOP (2000#, ok). Set pkr & press test 5-1/2" csg (3500#, ok). T0H w/pkr & BP. RIH w/4-1/2" blade bit & 5-1/2" csg scraper. Lost approx 75 BW to formation in 2.5 hrs, T00H. Spot 420 gal 15% DI HCl acid at 1825' (btm perf at 1822'). Continued on Page 2

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

Name (Printed/Typed)

Marcia Stewart

Title

Agent for SG Interests I Ltd

Signature

Marcia Stewart

Date

September 18, 2003

THIS SPACE FOR FEDERAL OR STATE 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

FOR RECOR

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

SEP 25 2003
NATION FIELD OFFICE

SUNDRY NOTICE, Form 3160-5

Dated September 18, 2003 - continued

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FEDERAL 29-10-31 #2

(SESW) Sec 31-T29N-R10W

San Juan County, NM

API No. 30-045-28802

RIH w/bit & scraper; rev circ & drill scale. Drill cem (soft) 1905'-20', circ (lost approx 60 BW to formation cleaning out from 1661' to 1920'), TOO. RU wireline; RIH w/4" csg gun w/DP charge, 4 spf @ 120 deg phasing. Tag PBTD (1920' WLM). Perf coal zones as follows: 1747'-51', 1718'-21', 1707'-11', 1673'-77', 1614'-18', 1608'-12' (all shots fired). RIH w/5-1/2" SPIT tool; tool stopped @ 1669' ("sticky"), POOH. Pump 1500 gal 15% DI HCl acid w/350, 7/8" 1.1 Sp Gr balls. Saw "ball action" of approx 1100# (from 900#-2000#). Flush to bottom perf. RIH w/bit & scraper, rev circ, & clean out to PBTD (lost approx 40 BW to formation while cleaning out to PBTD). RIH w/bit & scraper & work thru perfs, POOH. Rn CCL/Pkr/RBP for 5-1/2" csg, could not get tools below 1669'. Set pkr @ 1625'; acidized perfs 1602'-05'; 1608'-12'; 1614'-18'; 1652'-61'; 1673'-77'; 1679'-84'; 1673'-77'; 1679'-84'; 1707'-11'; 1712'-15'; 1718'-21'; 1747'-51'; 1816'-22' w/300 gal 15% DI HCl/iron control followed by 15 bbls produced wtr. Rel pkr, pull up & set RBP @ 1625'; set pkr @ 1592'. Acidized perfs 1602'-05'; 1608'-12'; 1614'-18' w/200 gal 15% DI HCl/iron control, followed by 15 B/produced wtr. POOH w/pkr & RBP. NU stinger isolation tool on BOP & frac equipment. Spearhead frac job w/1000 gal 10% formic acid & frac dn csg w/74,082 gal N2 foamed (avg 63Q) 25# & 20# Delta 140 frac fluid w/sandwedge. Placed 122,255# 20/40 Brady Sand w/max BH concentration of 4.3#/gal. Flush to top perf & SD. Rev circ & clean out to 1852' (lost approx 100 B/fluid to formation). RU & clean out to PBTD w/N2. Flow well. Swabbed well.

Note: 55 jts 2-3/8" tbg set @ 1712'; SN @ 1679'.

Well on line 9/11/03. See additional Sundry Notice for First Delivery information.