

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. ☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
SG Interests I, Ltd. c/o Sagle & Schwab Energy Resources

3a. Address PO Box 2677, Durango, CO 81302-2677
3b. Phone No. (include area code) (970) 259-2701

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

SW 1/4 of Sec 28, T21N, R06W - 660' FSL & 660' FWL

5. Lease Serial No.

NMNM-113429

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or N

SWD

8. Well Name and No.

Federal 21-6-28 SWD #33

9. API Well No.

30-043-21054

10. Field and Pool, or Exploratory Area

SWD, Morrison, Bluff, Entrada

11. County or Parish, State

Sandoval Co, 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 checked="" 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 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.)

SG Interests has found the DV tool(4988' KB)in the subject well to have developed a leak. SGI intends to set a retrievable bridge plug + 2 sx sand at approx 5020' KB. SG will then attempt to squeeze the leak with 100 sx Class B cement with Halad 9 additive. SG will then CO to the RBP and perform a pressure test. If the pressure test is successful then the BP will be retrieved and the well will be profiled as before. An MIT will then be scheduled and sucessfully performed before placing the well back in service.

RCVD NOV 9 '09
OIL CONS. DIV.
DIST. 3

NOTIFY NMOCD AZTEC 24HRS PRIOR TO CONDUCTING MIT

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

Name (Printed/Typed)

Tripp Schwab

Title

Operations Manager/Agent for SG Interests I, Ltd.

Signature

Date

November 4, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Original Signed: Stephen Mason

Title

Date

NOV 05 2009

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