

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-045-29076
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-9707
7. Lease Name or Unit Agreement Name West Bisti State 26-13-36
8. Well No. #2
9. Pool name or Wildcat Basin Fruitland Coal (71629)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator SG Interests I LTD.	
3. Address of Operator P.O. Box 338, Ignacio, Colorado 81137	
4. Well Location Unit Letter <u>M</u> : <u>1192</u> Feet From The <u>South</u> Line and <u>819</u> Feet From The <u>West</u> Line Section <u>36</u> Township <u>26N</u> Range <u>13W</u> NMPM <u>San Juan</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>GR 6199'</u>	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Well Status</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

SG Interests drilled the referenced well in November of 1994. In order to obtain gas sales, a pipeline will have to be constructed running approximately 1 mile. Negotiations with the Navajo Tribe have been slow. The Tribe is looking for a ten fold increase in surface damage costs as compared to previous settlements. SG Interests has recently agreed to right-of-way damages on an adjacent project with the Tribe, and will request a similar agreement for connecting the 36 #2 to sales. This well will be completed after a pipeline right-of-way has been successfully obtained. An extension of the non-completed / shut-in status for the Gallegos Federal 26-13-36 #2 is requested. We anticipate having an agreement with the Tribe in hopefully several months.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Dennis R. Reimers TITLE Engineering Manager DATE Sept. 2, 1997

TYPE OR PRINT NAME Dennis R. Reimers

TELEPHONE NO. (970) 563-4000

(This space for State Use)

APPROVED BY Shirley Robinson

TITLE DEPUTY OIL & GAS INSPECTOR DATE SEP

CONDITIONS OF APPROVAL, IF ANY: