

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.

SF 076337

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

SANTA ROSA 29-9-9 #4

9. API Well No.

30-045-31855

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 c/o Sagle & Schwab Energy Resources

3a. Address

PO Box 2677, Durango, CO 81302

3b. Phone No. (include area code)

(970) 259-2701

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

1115' FSL, 1865' FEL
(SWSE) Sec 9-T29N-R9W

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 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 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 | Drilling/Completion |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | Update |

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 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 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.)

Spudded well 7:00 pm 3/8/04. Drld 12-1/4" surface hole to 337'. Rn 7 jts 8-5/8"24# J-55 ST&C csg; set @ 330'. Cem w/219 sx Std cem w/1/4# Flocele, 2% CaCl2. Circ 14 B/cem to surface. Continued drlg w/7-7/8" hole to TD 2419'. Rn 54 jts 5-1/2" 17# J-55 LT&C csg; set @ 2413' w/360 sx Lead 65/35/6 cem, 6% gel, 1/4# Flocele, 5# Gilsonite; tailed w/160 sx Std cem, 1/4# Flocele. Circ 40 B/cem to surface. MIRUSU RIH w/4-3/4" bit & 5-1/2" scraper to PBTD (2360'); tag up @ 2362'; circ hole w/2% KCL wtr. RIH w/5-1/2" pkr & press tst csg, WH, & BOP to 3000#, ok. Spot 50 gal 15% DI HCl acid @ 2262'. RU wireline & rn GR/CCL/CBL from PBTD (2360' WLM) to 1665'. Correlate to open hole log. Perf coal zones w/DP charge, 4 spf @ 120 deg phasing top down as follows: 2222'-25' & 2244'-62' (all shots fired), RD wireline. RIH w/5-1/2" SPIT tool; set below perfs & test to 3000#, ok. Brkdn & acidize coal zones w/1000 gal 15% DI HCl acid (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

Date

APR 13 2004 ACCEPTED FOR RECORD

Approved by

Title

Date 13 2004

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

ADMINISTRATIVE FIELD 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)

NWOCOD

SUNDRY NOTICE – continued
Dated 4/12/04

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SANTA ROSA 29-9-9 #4
API No. 30-045-31855
(SWSE) Sec 9-T29N-R9W
San Juan County, NM

in 2 settings. Overflush dn backside w/40 BW. TOH w/SPIT tool. NU isolation tool on BOP & RU frac equipment. Spearhead frac job w/500 gal 10% formic acid & frac down csg w/48,129 gal 25# & 20# Delta 140 frac fluid w/Sandwedge. Placed 105,797# 20/40 Brady Sand in well w/max BH concentration of 6.25#/gal. Flush w/1900 gal & SD.

RU WL & perf coal zones w/DP charge, 4 spf @ 120 deg phasing top down as follows: 2078'-83'; 2156'-70', & 2180'-94' (all shots fired), RD WL. RIH w/SPIT tool. Brkdn & acidize coal zones w/1500 gal 15% DI HCl acid in 3 settings. Pull tools above perfs & overflush dn backside w/40 BW, TOOH w/SPIT tool. RU frac equipment. Spearhead frac job w/500 gal 10% formic acid & frac well down csg w/67,127 gal 25# & 20# Delta 140 frac fluid w/Sandwedge. Placed 141,410# 20/40 Brady Sand in well w/max BH concentration of 6.6#/gal. Flush to top perf & SD. Flow well to pit. RU slickline unit; made gauge run to PBSD (2362'). Rn BH pressure survey. Rn tracer log, RD slickline unit. Unload hole & clean out to PBSD w/N2. Rn total of 67 jts 2-3/8" tbg w/notched collar on bottom & seating nipple 1 jt up. Tbg landed @ 2219' w/SN @ 2185'.

WO Pipeline Hookup.