

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 20 2011

FORM APPROVED  
OMB No 1004-0137  
Expires: July 31, 2010**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.**5. Lease Serial No  
NM36941

6 If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

## 1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

## 2. Name of Operator

SG Interests I, Ltd.

## 3a. Address

PO Box 2677 Durango, Colorado 81302

## 3b. Phone No (include area code)

970-259-2701

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

1100' FNL, 1120 FWL, Section 15, T21N, R06W

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

8 Well Name and No.

Alamos Canyon #1

9 API Well No.

30-043-20457

10. Field and Pool or Exploratory Area

Chacra

11. Country or Parish, State

Sandoval, NM

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

## TYPE OF SUBMISSION

## TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☒ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☒ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 determined that the site is ready for final inspection.)

BP

In response to NMNM-36941 (WC), 3162.3-2 (21110) SG Interests would like to propose to plug back the subject well to just below the Fruitland Coal. SGI then proposes to perform a casing integrity test. If the integrity test passes then SGI proposes to T&A the well until Pipeline ROW can be secured to tie the subject well into the existing SGI El Pintado gas and water gathering system. At that time SGI plans to complete the well in the Fruitland Coal and bring the well on production. The current Fruitland Production SGI has in the area is economic and SGI feels the subject well is in an area that will also be productive.

If the subject well bore does not pass the casing integrity test, above the proposed plug back top, SG will then submit a sundry and plan to Plug & Abandon the well.

TA - 5/1/12

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 03/16/2011

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

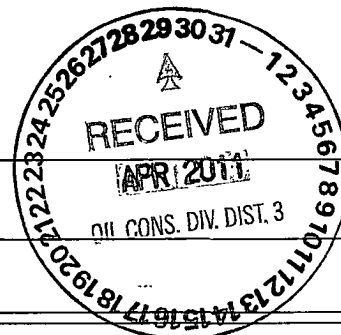
Title

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

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)



NMOCD 14

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

## NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

**SG Interests I, Ltd.**  
**Alamos Canyon #1**  
NWNW, Sec. 15, T21N-R6W  
Sandoval County, NM  
API # 30-043-20457  
March 2011  
Test casing, Plug back to Fruitland, TA  
TS

GL:	6839'
TD:	1615' KB
PBTD:	1480' KB
KB:	?
CSG:	1480' KB, 35 jts, 4-1/2", 10.5#, K-55
Perforations:	1355'-1403' gross interval
Rathole:	77'
Tbg:	Landed @ ?, 46 jts 2-3/8" tubing.
Pump & Rods:	? 3/4" guided rods

Current Production:	0 MCFD, 0 BWPD
Expected Production:	0 MCFD, 0 BWPD

Well History:	07/1980	Initial Completion
	06/2004	First Sales

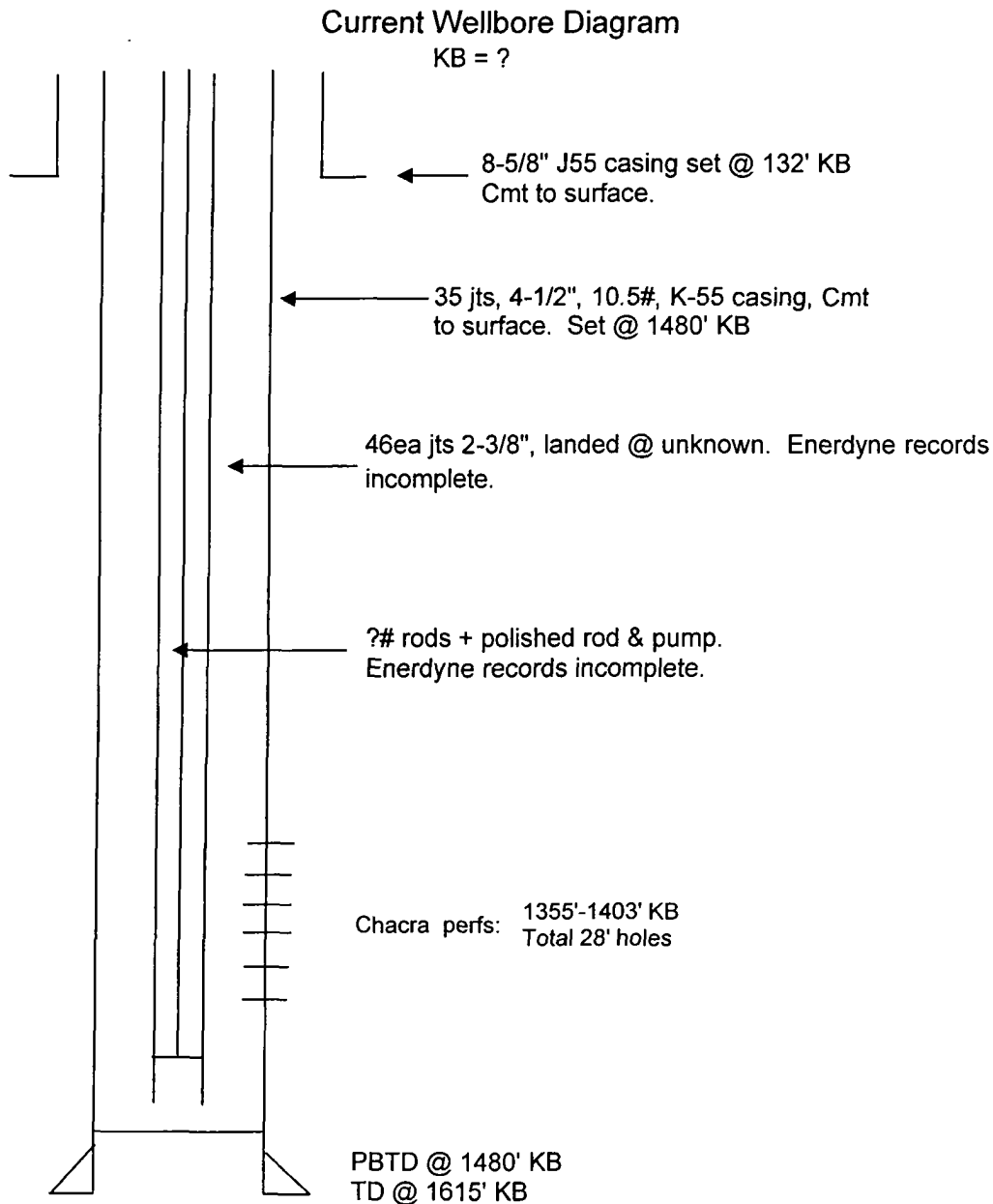
Directions: From Counselor Trading Post on US Hwy. 550, travel south  $\pm$  0.1 miles, turn right on dirt road with sign "Star Lake Compressor-26 miles". This is the 0 mile point for this description. Follow dirt road:

4.3 miles – Turn left at "Ojo Encino School" sign,  
11.0 miles – Transition to pavement with sign "N 474",  
12.0 miles – Turn left off onto dirt road,  
15.0 miles – Arrive location  
Directions are incomplete. Contact SG to lead in.

*Note: 1) Cell Phone service is nonexistent to limited on location.*

*2) Comply with all safety and environmental requirements.  
All workover fluids (rig pits, flowback tanks, frac tanks)  
Will be hauled to nearest available legal disposal site.*

*3) The well files for this well received from the previous  
Operators are pathetically incomplete. Use the best safe  
practices while working on this well. Expect anything!*



Procedure:

*Note 1) Take accurate tallies and counts of tbg, rods and setting depths.  
Report same.*

*Note 2) Inspect wellhead before commencing work so as to have necessary  
adapters for BOP.*

- 1) MIRUSU. Check & record bradenhead, tubing & casing pressures. Blow well down to rig pit. Kill if necessary.
- 2) TOO H w/ polished rod, rods and pump, laying down on float. Tally rods.
- 3) NDWH, NUBOP. Check for corrosion and operation of valves. Replace casing valves with full port valves. TOO H. TIH w/ SN and tubing. Pressure test. TOO H replace any bad tubing. TIH w/ SN, bit and scraper and check for fill and/or scale. Advise amount of fill. If significant CO with bailer. CO to bottom. POOH.
- 4) RU Blue Jet wireline, RIH with RBP Set at 1300'. POOH. PT casing to 500#. If holds, blow down. Run GR/CCL/CBL from PBTD to surface. If PT did not hold reset RBP @ 1000' and retest. If test is OK then run log. If not then advise for possible casing repair or P&A. Retrieve RBP. RD Blue Jet.
- 5) RIH with 2-3/8" tubing & Circulate hole clean with water. POOH. RIH with a CIBP, set at 1325'. Spot Type 5 cement from PBTD to 180' below bottom of Fruitland Coal as determined from Log. Pull one stand above TOC. SDFN.
- 6) Next Day - Check & record bradenhead, tubing & casing pressures. Blow well down to rig pit. Kill if necessary.
- 7) RIH to tag TOC, record. POOH. Circulate well with a packer fluid mix. Install wellhead with master valve.
- 8) Rig up recording pressure chart with a MAXIMUM 2 HOUR CLOCK AND 1000 PSI SPRING, and pressure test casing for a minimum of 30 minutes starting at 550 psi. If pressure leaks off more than 10% or 50 psi, re-test. NOTE: Pressure must remain above 500 psi and can have only a 10% drop. If wellbore fails test. BLM must witness this test. NMOCD may want to witness also.
- 9) RDMOSU. Install bull Plugs in all valves. Secure well.

Important Numbers:

<u>Entity</u>	<u>Phone Number</u>	<u>Comments</u>
BLM	505-599-8907	
BLM	505-334-1266 Jim Lovato	Emergency after normal business hours.
NMOCD	505-334-6178	No contact given
Tripp Schwab	970-259-2701 970-769-3589 970-769-3589	Office Mobile Home
Brad McKinney	970-749-2163 505-402-0705	Mobile Mobile
Ricky Toledo	505-402-0208	Mobile
Levi Casaus	505-402-0294	Mobile