

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.

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		070 FARMINGTON NM	
2. Name of Operator SG Interests I, Ltd.		8. Well Name and No. CORRALES #1	
3a. Address c/o Sagle & Schwab - PO Box 2677		9. API Well No. 30-031-20892	
3b. Phone No. (include area code) (970) 259-2701		10. Field and Pool, or Exploratory Area Pot Mesa/Corrales Field	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 465' FSL, 1785' FEL (SWSE) Sec 3-T20N-R6W		11. County or Parish, State McKinley County, NM	

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 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"/> Drilling/Completion
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <input type="checkbox"/> 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 recompleate 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 recompleation 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.)

MIRUSU 4/9/04. TOOH & LD rods & pump. TIH w/4-3/4" bit & scraper to 2200', TOOH. Set CIBP @ 2150' w/4 sx cem on top. Circ hole w/2% KCl. Press test csg - no test. Found csg leaks between 724' & 756'. Set sq pkr @ 640'. Cem w/100 sx Cl 'B' + 2% CaCl. Sq over 60 min to 2000 psi w/800 psi on annulus. TOOH w/tbg & pkr, drill cem from 640'-750', good cem. Drill cem 750'-756'; circ hole clean to 800'. Press test csg - no test. Found csg leaks between 752'-817'. Set sq pkr @ 664'; sqz w/75 sx Cl 'B' + 2% CaCl to 2000 psi w/800 psi on annulus. TOOH w/tbg & pkr; drill cem from 664'-796'. Circ hole clean to 1000'. Press test csg - no test. Found csg leaks between 769'-796'. Rn CBL/CCL/GR from 817' to surface. Perf 703'-709' & 720'-726', 4 spf, 120 deg phase. Set CIBP @ 764'. TIH w/pkr; press test CIBP to 2000 psi, ok. Acidize perf w/600 gal 15% HCl/Fe acid. Frac w/307 BW & 15,360# sd. Avrg 15.1 BPM & 646 psi. Flow well, CO to 764'. TIH w/23 jts 2-7/8" tbg w/NC @ 734'; SN @ 703'. Ran 1-1/4" pump on 27 - 3/4" rods & one 4' - 3/4" pony rod & PR. RDMO 4/23/04.

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

6/11  
May 18, 2004

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

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)

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ACCEPTED FOR RECORD

JUN 30 2004

FARMINGTON FIELD OFFICE  
BY Shm