Form 3160-5 (November 1994)

## **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

## **SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.,

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Soil Well   Gas Well   Other   Soil Memory			
Name of Operator  SG Interests 1, Ltd, c/o NIKA Energy Operating, LLC  3a. Address PO Box 2677, Durango, CO 81302-2677  (970) 259-2701  4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  A. Location of Well (Footage, Sec., T., R., M., or Survey Description)  Pot Mesa #1  9. API Well No. 30-031-20882  10970) 259-2701  10. Field and Pool, or Exploratory Area Pot Mesa Mesaverde 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  Notice of Intent Acidize Deepen Reclamation Recomplete Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Recomplete Change Plans Plug Back Water Disposal  Describe Proposal or Completed Operation (dearly state all pertinent detas), including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to depen directionally or recomplete borrionally, give subserface locations and measured and true vertical depths of all pertinent markers and zones. Potential County of the Intell Abandomneut Notice: shall be filed only after all requirements, including redamation, have been completed, and the operator has determined that the site is reach for final Impecsion.)  SG Interests 1, Ltd. Proposes to Temporarily abandon the Pot Mesa #1 following all guidelines and rules of the B& State of New Mexico Oil & Gas Conservation Division. The tubing and rods will be pulled. A CIBP will be set above the current Mesaverde completeion (1826' - 1910'). CIBP to be set @ +/- 1775 + 4 sx crnt. MIT will be performed per BLM & NMOCD guidelines.  Levenzana Ply (507' - No?) Picture Ciths Ply 71 - (51') Fruire Ciths Ply 71 - (51') Fruire Ciths Ply 71 - (51')	I/or N		
Soil Well   Gas Well   Other			
Name of Operator  SG Interests 1, Ltd, c/o NIKA Energy Operating, LLC  In Address  In Phone No. (include area code)  In Field and Pool, or Exploratory Area  Pot Mesa #1  In Abandonment Notice  In Final Abandonment Notice  In Final Abandonment Notice  In Eroposed is to depen directionally or recomplete bords and the filed only after all requirements, including redamation, have been completed. Final Abandonment Notices shall be filed only after all requirements, including redamation, have been completed. A CIBP will be set above the current Mesaverde completion or Interest Mesaverde or Park A money and the operator has determined by the interest in the event the MIT fails, SGI, Ltd. proposes to P&A the Pot Mesa #1 per BLM & NMOCD guidelines. Leak are will be installed per BLM & NMOCD guidelines.  Leven Tana Play (02 - 50 - has)			
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Location of Well (Footage, Sec., T., R., M., or Survey Description)  Location of Well (Footage, Sec., T., R., M., or Survey Description)  Location of Well (Footage, Sec., T., R., M., or Survey Description)  Completed County, NM  2. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION  Notice of Intent  Acidize  Deepen  Recomplete  Casing Repair  New Construction  Recomplete  Change Plans  Plug and Abandon  Final Abandonment Notice  Convert to Injection  Plug Back  Water Disposal  If the proposal is to deepen directionally or recomplete horizonally, give substrate locations and measured, and province duration thereof.  If the proposal is to deepen directionally or recomplete horizonally, give substrate locations and measured, and province duration thereof.  If the proposal is to deepen directionally or recomplete horizonally, give substrate locations and measured, and province duration thereof.  If the proposal is to deepen directionally or recomplete horizonally, give substrates locations and measured, and province duration thereof.  If the proposal is to deepen directionally or recomplete horizonally, give substrates locations and measured, and province duration thereof.  If the proposal is to deepen directionally or recomplete horizonally, give substrates locations and measured, and province depths of all province and recompleted. The proposal is to deepen directionally or recomplete duration thereof.  If the proposal is to deepen directionally or recomplete horizonally or recomplete duration thereof.  If the proposal is to deepen directionally or recomplete horizonally or recomplete duration thereof.  If the proposal is to deepen directionally or recomplete horizonally duration and recomplete duration thereof.  If the proposal is to deepen directionally or recomplete duration thereof.  If the proposal is to deepen directionally or recomplete duration thereof.  If the proposal is to deepen duration thereof.  If the proposal is to deepen directionaly			
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Notice of Intent  Acidize  Deepen  Production (Start/Resume)  Alter Casing  Fracture Treat  Reclamation  Well Integrity  Other  Casing Repair  Plug and Abandon  Temporarily Abandon  Plug Back  Water Disposal  Convert to Injection  Plug Back  Water Disposal  Converting the Converting Coations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond Na on file with BIMBLA 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  Tessing has been completed. Final Abandomment 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 1, Ltd. Proposes to Temporarily abandon the Pot Mesa #1 following all guidelines and rules of the B&State of New Mexico Oil & Gas Conservation Division. The tubing and rods will be pulled. A CIBP will be performed be performed be completed to the performed be set @ +/- 1775 + 4 sx cmt. MIT will be performed be completed by the performed be com			
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3. Describe Proposed or Completed Operations (dearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 ones. 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 ones. Testing has been completed. Final Abandomment 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 1, Ltd. Proposes to Temporarily abandom the Pot Mesa #1 following all guidelines and rules of the B. &State of New Mexico Oil & Gas Conservation Division. The tubing and rods will be pulled. A CIBP will be set above the current Mesaverde completion (1826' - 1910'). CIBP to be set @ +/- 1775 + 4 sx cmt. MIT will be performed per BLM & NMOCD guidelines.  In the event the MIT fails, SGI, 1 Ltd. proposes to P&A the Pot Mesa #1 per BLM & NMOCD guidelines. Leak are will be determined & cement will be spotted 50' below leak to surface. Casing will be cut off 4' below surface and P&A marker will be installed per BLM & NMOCD guidelines.  Leventage Also 1507'-1407'  Pictured Cl/H3 Ply 781'-681'  Fruirland Bus 1507'-1407'  Fruirland Bus 2507'-1407'  Fruirland Bus 25			
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4. I pereny certify inglithe foregoing is true and correct			
Name (Printed/Typed)  Title			
William Schwab III Agent for SG Interests, Ltd			
Signature Date May 12, 2005			
THIS SPACE FOR FEDERAL OR STATE USE			
Original Signed: Stephen Mason  Title  Date  MAY 2 5	 5		
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.			

(Instructions on reverse)

fraudulent statements or representations as to any matter within its jurisdiction.