

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 to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

5. Lease Serial No. NM 99740 **OCT 16 2015**

6. If Indian, Allottee or Tribe Name

Farmington Field Office

Bureau of Land Management

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 c/o Nika Energy Operating

3a. Address P. O. Box 2677
Durango, CO 81302-2677

3b. Phone No. (include area code)
(970) 259-2701

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

8. Well Name and No. Chaco Slope 22-7-35 #1 H

9. API Well No. 30-043-21154

10. Field and Pool or Exploratory Area
Rusty Gallup

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
800' FNL, 250' FEL Section 35, T22N-R7W Unit A

11. Country or Parish, State
Sandoval County, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<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"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 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 must 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 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 detennined that the site is ready for final inspection.)

Continue drilling 12-1/4" hole from 305' to TD 515' on 10/10/2015. Circ & condition hole. On 10/10/2015, run in hole with 12 jts of 9-5/8" 40# J-55 csg (505'), landed @ 510' RB. On 10/10/2015 pump 10 bbls fresh wtr spacer, then 289 sx Class G cement w/2% CaCl & 1/4# Flocele; 30 bbls good cement to surface. RD Drilling Rig on 10/11/2015 @ 9:00 am, MO Drilling Rig on 10/12/2015 @ 8:00 am.

Operator intends to secure a larger drilling rig to complete drilling operations after the first of the year.

OIL CONS. DIV DIST. 3

OCT 21 2015

ACCEPTED FOR RECORD

OCT 16 2015

FARMINGTON FIELD OFFICE
BY: *[Signature]*

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

William Schwab III

Agent for SG Interests I, Ltd.

Title

Signature *[Signature]*

Date

10/14/2015

THE SPACE FOR FEDERAL OR STATE OFFICE USE

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 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

RV