

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

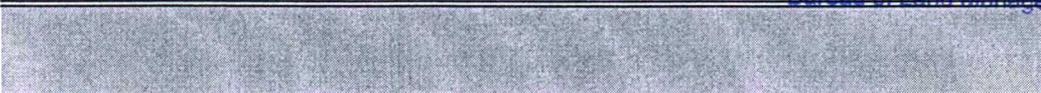
RECEIVED

FEB 13 2019

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

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Farmington Field Office
Bureau of Land Management



1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SG INTERESTS I LTD, c/o SAGLE, SCHWAB & McLEAN 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)
*Unit J: (NWSE) Sec13-T21N-R8W
1996' FSL, 1982' FEL*

5. Lease Serial No.
NM100295

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL 21-8-13 #4

9. API Well No.
30-045-34360

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

11. County or Parish, State
San Juan County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 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 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 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 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 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.)

SG intends to plug and abandon this well as per the P & A procedure.

This lease has expired and SG has been unsuccessful in negotiations with the current lease holder. It is uneconomical to run a pipeline to this well at this time.

SG requests an On-Site conference in order to prepare a Remediation Plan.

Notify NMOCD 24 hrs prior to beginning operations

DISTRRICT III
APR 11 2019
NMOCD

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) *William (Tripp) Schwab, III* Title *Agent for SG Interests I Ltd*
Signature *[Signature]* Date *February 11, 2019*

THIS SPACE FOR FEDERAL OR STATE USE

Approved by *Dave Mankiewicz* Title *AFM* Date *4/8/19*

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 *PFO*

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)

NMOCD/FV

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SG Interests I, Ltd.

Federal 21-8-13 #4

NWSE, Sec. 13, T21N-R8W

Lat 36.04986° N, -107.63303° W

San Juan County, NM

API # 30-045-34360

February 2019

P&A

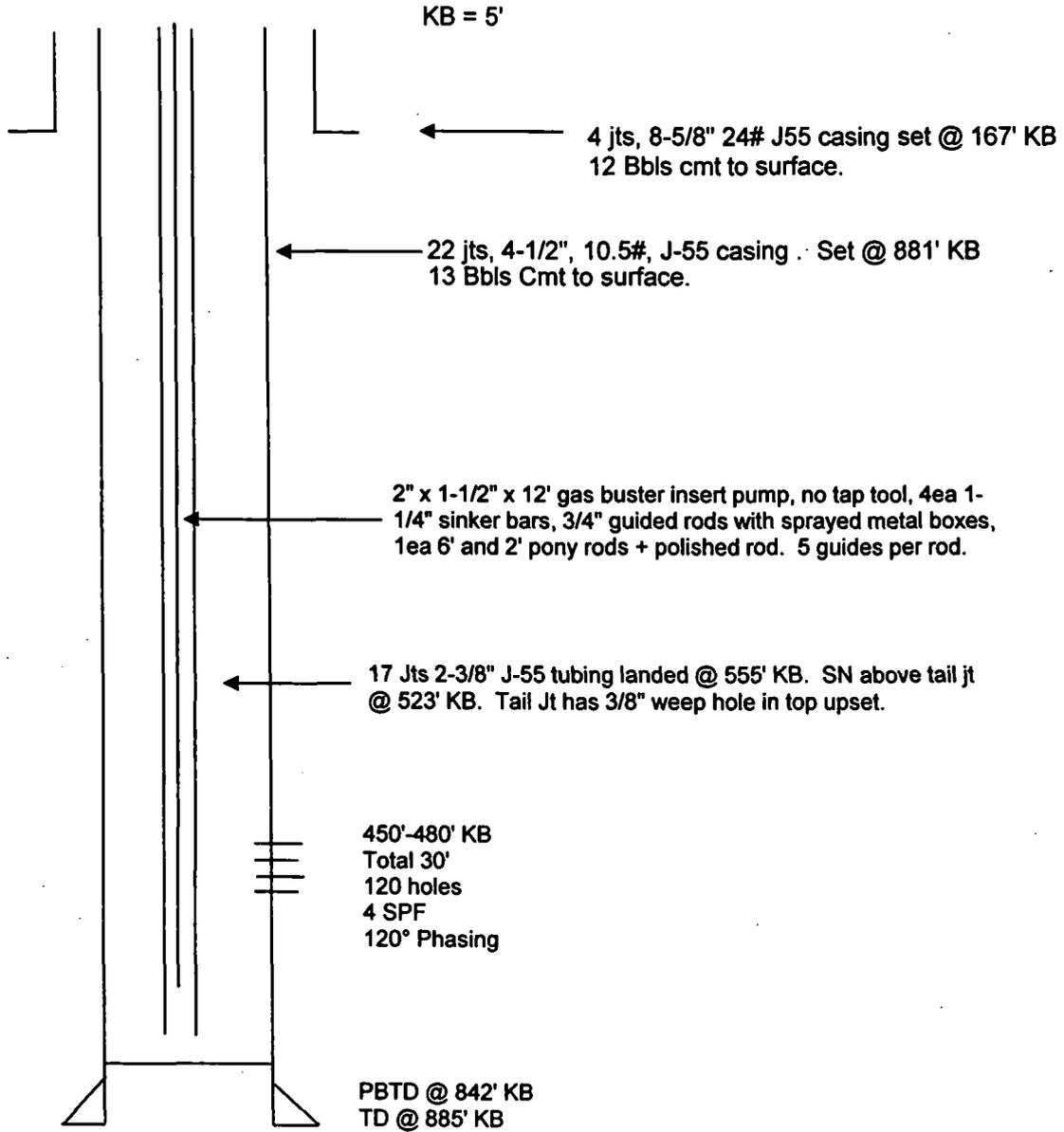
TS

GL: 6623'
TD: 885' KB
PBD: 842' KB
KB: 5'
CSG: 881' KB, 22 jts, 4-1/2", 10.5#, J-55
Perforations: 450'-480' gross interval
Rathole: 362'
Tbg: NC, 17 jts 2-3/8" 4.7#, J55 tubing Landed @ 555' KB,
SN on top of btm jt @ 523' KB. Tail jt has 3/8" weep hole.
Pump & Rods: 2 x 1-1/2" x 12' RHACZ insert pump, No Tap tool, 4ea
1-1/4" sinker bars, + 3/4" guided rods, 1ea 3/4" x 2' & 6'
pony rods. 5 guides per rod. Sprayed metal boxes.
Current Production: 0 MCFD, 0 BWPD
Expected Production: 0 MCFD, 0 BWPD
Well History: 8/07 Drilled, cased, cemented
4/12 Initial Completion
5/12 On Pump

Directions:

Turn South at the intersection of SJ County Rd 7900 & NM State Hwy 550.
Travel south on 7900 14.7 miles to the intersection of SJ County Rd 7900 and
Access Rd. Turn right at intersection and travel 0.8 miles to location.

Current Wellbore Diagram



Procedure:

- Note: 1) Take accurate tallies and counts of tbg, rods and setting depths.
Report same.*
- Note: 2) May have to replace tubing string if needed. Send tubing in to be inspected.*
- Note: 3) Cell Phone service is nonexistent to limited on location.*
- Note: 4) Comply with all safety and environmental requirements.
All workover fluids (rig pits, flow back tanks, frac tanks)
Will be hauled to nearest available legal disposal site.*
- Note: 5) BLM & NMOCD must be Notified 24 hrs in advance of
P&A cementing operations.*
- Note: 6) Will need 2 jts 2-3/8", J-55 for work string. Pull from SG Stock @
Cave.*
- Note: 7) PU 5-7 sacks of sugar to keep cmt from setting in rig pit.*

- 1) Test rig anchors if needed. Set surface working pit and fresh water tank. Use produced water from Pot Mesa #2 for kill water if needed. Fill fresh water tank with 160 Bbls fresh water.
- 2) MIRUSU. Record bradenhead, casing and tubing pressures. Report any problem pressures. Blow down and kill well as necessary.
- 3) POOH, with rods and pump, laying down on trailer. Send pump to Energy Pump and rods/sinker bars to M&R yard.
- 4) NDWH & NUBOP. RU Tuboscope. POOH, standing back good tubing. Laydown reject tubing. Pull yellow band from M&R stock or Cave for work string.
- 5) RIH with bit and scraper checking for scale and/or fill. If fill is 450' KB or below, do not CO. If fill is above 450' KB, TOOH, RU bailer and CO to 450' KB. TOOH, standing back tubing, lay bailer on bank.
- 6) RIH and set CIBP @ $\pm 440'$ KB. Pull up one jt & circulate hole with fresh water.
- 7) RU XXXX Testing & test/chart casing to 500#. RD XXXX. Blow down. If casing does not test look for leak & remediate. Additional instruction will be provided based on conditions.

- 8) RU swab & swab casing as dry as possible, (approximately 7 Bbls). TOOH to $\pm 150'$ KB, laying down tubing on float.
- 9) RU Halliburton, Mix 35 sx Class G cement and cement from CIBP to surface. POOH with remaining tubing and fill casing to surface. Allow to set overnight. Use open topped tank for flush and cleanup of the cementing equipment. Pour 5 sx of sugar into tank prior to cementing operations to prevent cement set up.
- 10) Next day inspect casing for cement to surface. If needed mix on surface and fill.
- 11) NDBOP and cut casing off below surface. Install P&A marker with cement to comply with regulations. Police location, removing all trash & equipment. RDMOSU.
- 12) Reclaim location per APD & BLM P&A stipulations.
- 13) Haul tubing to M&R yard.

Cementing Program:

<u>Interval</u>	<u>Size, Wt, Grade, Thread</u>	<u>Depth</u>	<u>Cement</u>
Production	4-1/2", 10.5#, J-55, ST&C	440' less KB	35 sx Class G

<u>Cement & Additives</u>	<u>Water Requirements</u>	<u>Weight/Yield</u>
Class G	5.0 gals/sx	15.8 ppg / 1.15 cu.ft/sx

Important Numbers:

Regulatory

BLM	505-564-7600	Main Switchboard
NMOCD	505-334-6178	Monica Kuehling

WO Issues:

Tripp Schwab	970-259-2701 970-769-3589 970-769-3589	Office Mobile Home
Brad McKinney	970-749-2163	Mobile
Levi Casaus	970-426-1272	Mobile
RJ McKinney	480-694-6519	Mobile

Vendor List

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>	
Dirt Contractor	Bridge Dozer Robert Bridge	Home	505-289-4048
		Cell	505-249-6942
Pit Liner	see Dirt Contractor		
Anchors	Mote	Off	505-325-9711
		Off	505-325-1666
Rod Pumps etc.	Energy Pump and Supply Gary Noyes	Off	505-564-2874
PC Pump	Weatherford ALS Dave Cox	Off	505-564-8381
Tubing Inspection	Tuboscope Bruce Hare	Off	505-333-2224
Tubing	Cave Jim Cave	Off	505-325-3401
Cement	Halliburton Josh Lynch	Off	505-210-2120
Wellhead Equipment	WSI Linda	Off	505-326-0308
Logging / Perforating	Basin Well Logging Dana McGarran	Off	505-327-5244
Water Hauling & Frac Tank	CNJ Trucking Craig Nelson	Off	505-320-8345
Frac Tank & Heavy Hauling	Lindrith Backhoe	Cell	505-320-5460
Light Trucking / Hotshot	Double S Hot Shot Debbie and Larry Slavin	Cell	505-334-3850
Rig Move	Lindrith Oilfield Service		

Vendor List Cont.

Porta Johns	Cabannas Hal Stone	Off Cell	505-325-5835 505-330-7566
Drywatch	Double S Hot Shot Debbie and Larry Slavin	Cell	505-334-3850
BOP Testing	TBD		
Roustabout	Keystone Randy Schreffler		505-334-8462
BOP Rental	TBD		
Rig	TBD		
Drywatch	Double S Hotshot Debbie & Larry Slavin	Cell	505-334-3850