

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.

30-045-31441

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SANTA ROSA 4

1. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

2. Name of Operator

SG INTERESTS I, LTD c/o Sagle & Schwab Energy Resources

8. Well No.

#3

3. Address of Operator

PO Box 2677, Durango, CO 81302

(970) 259-2701

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter Lot 3 : 932 Feet From The North Line and 1380 Feet From The West Line

Section 4 Township 29N Range 9W NMPM San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5636' GR

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Drilling and Completion Update ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103.

MIRU. Spud well 10:00 pm 4/25/03. Drld 12-1/4" surface hole to 430'. Rn 8-5/8" sawtooth shoe, insert float, & 9 jts 8-5/8" 24# J-55 ST&C csg; set @ 419'. Cem w/275 sx Type III cem (58 bbls), 1/4#/sk Celloflake, 2% CaCl2; displace w/24.4 BW; circ 15 B/cem to surface. WOC (notified Charlie Perrin, NMOCD). Test BOPE rams, manifold, valves, csg to 2000 psi, ok. Continue drlg w/7-7/8" hole to TD 2383'. Circ & cond hole for logging. LTD 2382'. Rn 5-1/2" cem guide shoe, float collar, & total 74 jts 5-1/2" 17# J-55 LT&C csg; set @ 2367'; float collar set @ 2320'. Cem w/345 sx Prem Lite, 1/4#/sk Celloflake, .5# LCM-1, 6% BWOC Bentonite; tailed w/110 sx Type III cem, 1/4#/sk Celloflake, 2% BWOCFL-52, 5% BWOC A-I0, 3% CD-32. Displ w/54.1 BW; did not circ cem. (notified Charlie Perrin, NMOCD of cem operation). Full returns until 33 bbls into displacement; then 50% returns. WOC Rig released 10:00 pm 4/29/03. Rn Temp survey 2332' to surface; TOC 650'. SI Bradenhead 100 psi. RIH w/CBL, log PBTB (2327') to surf, TOC 720'. Log 1700' to surf.

MISU. Ck Bradenhead press (100#s), left SI. RIH w/4-3/4" bit & 5-1/2" csg scraper on 2-7/8" tbg; tag up @ 2326'. Press test csg, WH, & BOP to 3000#, ok. Press test 5-1/2" csg to 4500#, ok. Spot 200 gal 15% DI HCL acid @ 2228'. RU wireline unit (correlate CBL to open hole log). Perf coal zones w/DP charge, 4 SPF @ 120 deg phasing top down as follows: 2050'-61'; 2110'-23'; 2155'-59'; 2176'-83'; 2196'-2200'; 2204'-20'; 2224'-28' (all shots fired). RIH w/5-1/2" pkr & RBP. Brkdn & acidize coal zones w/2000 gal 15% DI HCL acid in 4 settings, TOOH w/pkr & BP. Flush csg w/45 BW. Spearhead frac job w/1000 gal 10% formic acid & frac down csg w/83,733 gal 70Q 20# Delta 140 foam frac fluid w/Sandwedge. Placed 180,065# 20/40 Brady sand in well w/max BH concentration of 6.88#/gal. Flow well to LD tank Clean out to PBTB (2320') w/N2 & circ. Rn total of 66 jts 2-3/8" tbg w/notched collar on bottom and seating nipple 1 jt up. Tbg landed @ 2148'; SN @ 2115'. Shut well in; WO pipeline.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Marcia Stewart

TITLE Agent for SG Interests

DATE 06/24/03

TYPE OR PRINT NAME Marcia Stewart

TELEPHONE NO. (970) 259-2701

(This space for State Use)

APPROVED BY Charles H. Stewart

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 10

DATE JUN 27 2003

CONDITIONS OF APPROVAL, IF ANY:

* Conduct Braden Head test & submit Before AUG 1 2003