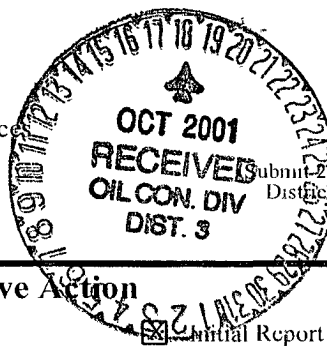


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised March 17, 1999
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

API No. 30-045-28885

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company SG INTERESTS I LTD c/o SAgile, Schwab & McLean Energy Res.	Contact Tripp Schwab/Travis Olbert
Address PO Box 2677, Durango, CO 81302	Telephone No. (970) 259-2701
Facility Name FEDERAL 28-8-36 #1	Facility Type Producing gas well

Surface Owner	Mineral Owner Bureau of Land Management	Lease No. NM012201
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	36	28N	8W	790	North	1330	East	San Juan, NM

NATURE OF RELEASE

Type of Release Natural Gas	Volume of Release Less Than 50 MCF	Volume Recovered None
Source of Release Broken Pipeline	Date and Hour of Occurrence 10/15/01 10:00 am	Date and Hour of Discovery 10/15/01 12:00 noon
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Denny Foust/New Mexico Oil Conservation Dept.	
By Whom? Travis Olbert/Tripp Schwab	Date and Hour 2:00 pm 10/15/01	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. n/a	

If a Watercourse was Impacted, Describe Fully.*

n/a

Describe Cause of Problem and Remedial Action Taken.*

Unidentified person or persons ran over riser on inlet of meter run. Piping broke, discharging natural gas from well. Shut well in. *Repair meter run, return to production. 10/17*

Describe Area Affected and Cleanup Action Taken.*

None and none

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOC marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOC acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Tripp Schwab</i>	OIL CONSERVATION DIVISION	
Printed Name: Tripp Schwab	Approved by District Supervisor: <i>Denny Foust</i>	for Frank Chavez
Title: V. Agent for SG Interests	Approval Date: 10/18/01	Expiration Date:
Date: 10/16/01 Phone: (970) 259-2701	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

NDGF0129049761