

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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED
FEB 26 2010

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

| | | |
|--|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM36590 |
| 2. Name of Operator SG INTERESTS I LTD, c/o SAGLE, SCHWAB & McLEAN ENERGY RESOURCES | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO BOX 2677, DURANGO, CO 81302 | 3b. Phone No. (include area code) (970) 259-2701 | 7. If Unit or CA/Agreement, Name and/or No. NMNM 104886 |
| 4. Location of Well (Footage, Sec, T., R., M., or Survey Description) 790' FNL, 1119' FEL (NENE) Sec 17-T26N-R13W | | 8. Well Name and No. WEST BISTI 26-13-17#1 |
| | | 9. API Well No. 30-045-29160 |
| | | 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 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"/> 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 checked="" 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 recompleat 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 recompleat 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.)

P&A well 2/18/10 as follows: TP 0 psi; CP 9 psi. MIRU Hurricane #14. ND WH, NU BOP, pulled donut. TOOH w/38 jts 2-3/8" tbg, SN, & tail Jt. TIH w/notched collar, 39-1/2 jts 2-3/8" tbg, tallying in; tbg had been landed @ 1227.55' KB. Tag top of cem @ 1276.10' KB. Circ csg for 1 hr; TOOH w/10 jts 2-3/8" tbg, put TIW valve on tbg; shut rams. Pumped 40 sks Type 5 cem from 1276' to 748'; TOOH w/28 jts 2-3/8" tbg. Allowed to set 1-1/2 hrs. Pumped 30 sks Type 5 cem w/2% Cacl from 395' to surf. TOOH w/11 jts 2-3/8" tbg. WOC. Put 50# sugar in clean-up steel pit. RD. BLM (Larry) on loc for cem job; NMOCD (Derek) on loc for last 1/4 of cem job. Dug bell hole; installed P&A hole marker - BLM (Larry) witnessed. Rig moved off loc 2/19/10.

Re-seeding and location recontouring will commence when weather allows and during the appropriate season.

RCVD MAR 2 '10
OIL CONS. DIV.
DIST. 3

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

| | |
|--|---------------------------------------|
| Name (Printed/Typed) Marcia Stewart | Title Agent for SG Interests I Ltd |
| Signature <i>Marcia Stewart</i> | Date February 25, 2010 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|---|-----------------------------------|---------------------|
| Approved by | Title | Date MAR 01 2010 |
| 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 FARMINGTON FIELD OFFICE | |

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.