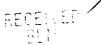
Form 3166-5

UNITED STATES



(June 1990) DEPARTME	NT OF THE INTERIOR LAND MANAGEMENT	Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No.				
Do not use this form for proposals to c	S AND REPORTS ON WELLS 25 25 irill or to deepen or reentry to a differen DR PERMIT—" for such proposals—	12: 52 NM 18328				
SUBMI	7. If Unit or CA, Agreement Designation					
1. Type of Well Oil Gas Well Other 2. Name of Operator Agen	t:	8. Well Name and No. Federal 29-4-32 #2				
S.G. Interests I, Ltd. (Sagle						
3. Address and Telephone No. P.O. Box 2677, Durango, CO 8	30-039-24552					
4. Location of Well (Footage, Sec., T., R., M., or Survey	10. Field and Pool, or Exploratory Area					
	Basin Fruitland Coal					
SWSW Sec 32-T29N - R4W	Rio Arriba, NM					
12. CHECK APPROPRIATE BOX	(s) TO INDICATE NATURE OF NOTI	CE, REPORT, OR OTHER DATA				
TYPE OF SUBMISSION	TYPE	TYPE OF ACTION				
Notice of Intent Subsequent Report	Abandonment Recompletion Plugging Back	Change of Plans New Construction				
Final Abandonment Notice	Casing Repair Altering Casing X Other MIT	Water Shut-Off Conversion to Injection				
13. Describe Proposed or Completed Operations (Clearly state	all pertinent details, and give pertinent dates, including estima	L. J. Dispuse Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log (orm.) led date of starting any proposed work. If well is directionally drilled,				

Request continued shut-in status & conduct test as per attached procedure.

THIS APPROVAL EXPIRES MAY 0 1 1997

give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

OIL CON. DIV.

Date 10-23-96			
APPROVED			
ÜCT 2 9 1993			

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 DISTANAGER statements or representations as to any matter within its jurisdiction.

FEDERAL 29-4-32 #2

Justification for Continued Shut-In Status

- 1) Well shows possible commercial production having tested 66 MCFD \pm 10 BWPD w/ 284 psi FTP & FCP.
- 2) S.G. has tried unsuccessfully to rod pump the well due primarily to severe paraffin plugging problems.
- 3) Shut-in status will allow evaluation of offset production as well as evaluation of the initial completion & techniques to solve the paraffin problem.

Anticipated Date for Mechanical Integrity Test

ASAP

Procedure attached.

FEDERAL 29-4-32 #2

- 1) Check anchors. MIRUSU. Conduct bradenhead test.
- 2) Blow well down to rig pit.
- 3) Attempt to POOH w/ rods & LD same. If necessary, unseat pump & hot oil well to clear paraffin.
- 4) NDWH. NUBOP. Circulate hot produced water down csg to remove paraffin. POOH w/ tbg & visually inspect.
- 5) RT bit & scraper to 4200'.
- 6) TIH w/ FB pkr on thg & set @ 4100° . Load B.S. & test csg to 1000# for 30 minutes.
- 7) Release pkr & POOH.
- 8) TIH w/ tbg & land @ 4250'.
- 9) NDBOP & NUWH. Secure well. Bull plug all disconnected lines.

WELL NAME Federal 29-4-32 #2						
LOCATION 1001' FSL, 1066' FWL	SECTION	32	T_	29N	R	4 W
CURRENT STATUS: Producing						
SURFACE CASING Hole size: 12'/4" Casing: 85/5", 24" Casing set @ 253' Cement top @ 502FACE 150 Sx cmt. FORMATION TOPS Fruitland 4132' Pictured Cliffs 4340'		210,00 210,00	0 # 17 1600 #	KB	L W/ Tr 151P	CD2 0 4 PPG
	TD 4481'BD 4448'	Tubing PERFORA	Set (®: <u>4</u> 3 S { ころし'	283'	

DATE: 6/18