

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-031-21080
5. Indicate Type of Lease
STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name
State 20-6-16
8. Well Number #1
9. OGRID Number
020572
10. Pool name or Wildcat
Basin Fruitland Coal (71629)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [] Gas Well [X] Other []
2. Name of Operator
SG Interests I, Ltd. c/o Nika Energy Operating, LLC.
3. Address of Operator
PO Box 2677, Durango, CO 81302 970-259-2701
4. Well Location
Unit Letter A : 660 feet from the North line and 1100 feet from the East line
Section 16 Township 20N Range 06W NMPM McKinley County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6862'GR

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON [X]
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SG Interests Intends to Plug & Abandon subject well per NMOCD Guidelines. See e Submission for Plugging Plan and Well bore diagrams.

Spud Date: []

Rig Release Date: []

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

SIGNATURE William Schwab III TITLE Agent for SG Interests DATE 08/20/2021

Type or print name William Schwab III E-mail address: tripp@nikaenergy.com PHONE: 970-769-3589

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

SG Interests I, Ltd.

State 20-6-16 #1

NENE, Sec. 16, T20N-R6W

Lat 35.97208° N, Long -107.47299° W

San Juan County, NM

API # 30-031-21080

July 2021

Pull rods, pump, & tubing, Set CIBP, test csg, P&A
TS

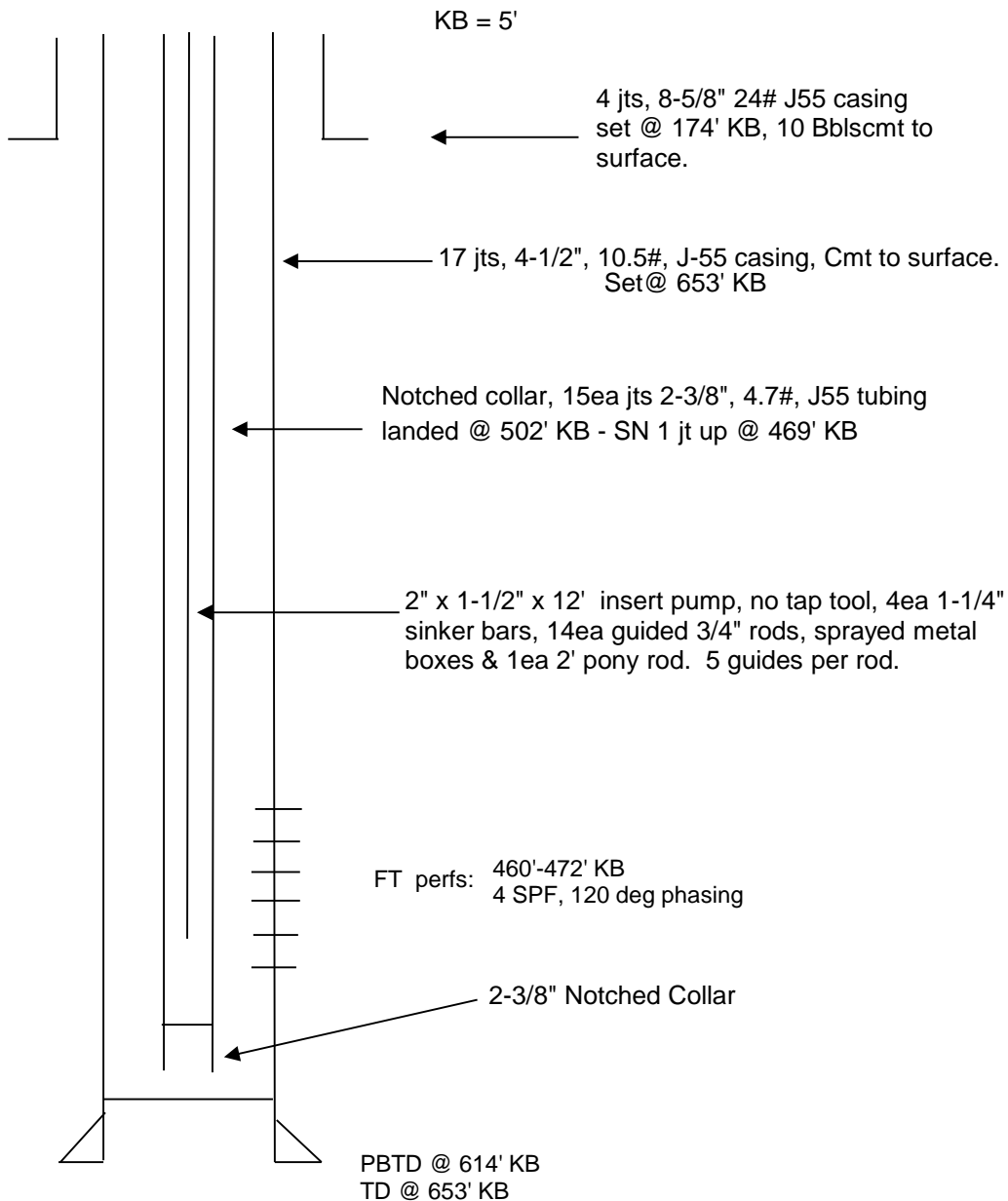
GL:	6862'
TD:	653' KB
PBTD:	614' KB
KB:	5'
CSG:	653' KB, 17 jts, 4-1/2", 10.5#, J-55
Perforations:	460'-472' gross interval
Rathole:	142'
Tbg:	NC, 15 jts 2-3/8" 4.7#, J55 tubing Landed @ 502' KB, SN on top of btm jt @ 469' KB
Pump & Rods:	2 x 1-1/4" x 12' insert pump, 4ea 1-1/4" sinker bars, + 14ea 3/4" rods, 1ea 3/4" x 2' pony rod.
Current Production:	0 MCFD, 0 BWPD
Expected Production:	10 MCFD, 10 + BWPD
Well History:	12/05 Initial Completion 3/07 First Sales 4/12 Replace pump, add 2 more sinker bars + rod guides

Directions: From Counselor Trading Post on US Hwy. 550, travel south \pm 0.1 miles, turn right on dirt road with sign "Star Lake Compressor-26 miles". This is the 0 mile point for this description. Follow dirt road:

AT: 4.3 miles - Turn left at "Ojo Encino School" sign,
 " 11.0 miles - Transition to pavement with sign "N 474",
 " 15.4 miles - Turn right off pavement through cattle guard onto dirt road,
 " 17.8 miles - Take right fork,
 " 18.4 miles - Take left road,
 " 19.3 miles – Proceed thru PM #2 SWD, El Pintado CDP, & abandoned well.
 " 20.1 miles – Take left fork to location.

Federal 20-6-16 #1

Current Wellbore Diagram:



Federal 20-6-16 #1

Procedure:

Note 1) Cell Phone service is nonexistent to limited on location.

Note 2) Comply with all safety and environmental requirements.

All P&A fluids (rig pits, flow back tanks, frac tanks)

Will be hauled to nearest available legal disposal site.

Note 3) BLM & NMOCD must be Notified 24 hrs in advance of any cementing

Note 4) This well will be TA'd with Rig. The P&A will be done Rig-less P&A.

Rig pit will be "salted" with 5-7 sx of sugar to keep cement from setting in pit.

- 1) Hold Safety Meeting. No rig anchors necessary and will already be pulled. Use water truck for fresh water tank.
- 2) MIRUSU. Check & record bradenhead, tubing & casing pressures. Record. Blow well down to rig pit.
- 2) POOH w rods & pump, laying down on trailer. Send Pump to Drake, rods/sinker bars, stuffing box, and ratigan to M&R yard.
- 3) NDWH, NUBOP. RU Tuboscope. POOH standing back good tubing. Lay down bad tubing. Keep separate. Check for corrosion and operation of valves. Replace valves and fittings as necessary. Replace bad tubing with yellow band for work-string and add for TD depth. TIH w/ bit, scraper, SN and tbg. Check for fill and/or scale. Report. If fill is below 460' KB do not CO. If fill is above 460' KB, RU bailer & CO until comfortably below 460' KB.
- 4) POOH w/ work string. RD Bailer. TIH w/ tubing and set CIBP, ± 440 " KB. Pull up 1 jt and circulate hole with fresh water.
- 5) RU Drake pump truck with electronic pressure recording equipment, plus vintage paper chart recorder per NMOCD regulations. Test casing to 500 PSI for 15 minutes or until regulators are satisfied with casing integrity.
- 6) If casing tests, POOH laying down tubing on trailer. NDWH. NUBOP.
- 7) Police location for trash, etc. RDMOSU.

Federal 20-6-16 #1

Procedure, Part Two:

- 1) Hold Safety meeting. MIRU Drake Cementing Unit, rig pit, cementing WH spool and poly-pipe spool. Record bradenhead, casing and tubing pressures. Report any problem pressures. Blow down casing gently in case of thermal expansion pressure.
- 2) Connect pressure pump to WH. Pressure test casing to 500 psi for 15 minutes. Record test on rig report. Use both electronic pressure recorders as well as a vintage chart recorder per NMOCD regulations.
- 3) NDWH & NU spool for circulation to rig pit. RU poly spooling unit.
- 4) RIH with 2" poly-pipe to PBTD ±440' KB. Connect poly-pipe to cementing unit.
- 5) Establish circulation with fresh water and circulate hole with 44 sx, Type III cement, displacing water/cement to sugar spiked rig pit. (10% excess capacity)
- 6) When cement is circulated to surface, shut down, Cleanout pump and piping to pit. RD Drake Cementing Unit.
- 7) Cut poly off at surface. Top off casing and after BLM approval, install P&A marker.
- 8) RDMO Drake Cementing.
- 9) MIRU Keystone and start surface remediation.

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' KB	44 sx Type III (10% xcess capacity)
<u>Cement & Additives</u>	<u>Water Requirements</u>	<u>Weight/Yield</u>	
Type III	6.68 gals/sx	14.6 ppg / 1.37 cu.ft/sx	

Federal 20-6-16 #1

Important Numbers:

Regulatory

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

WO Issues:

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

Federal 20-6-16 #1

Vendor List

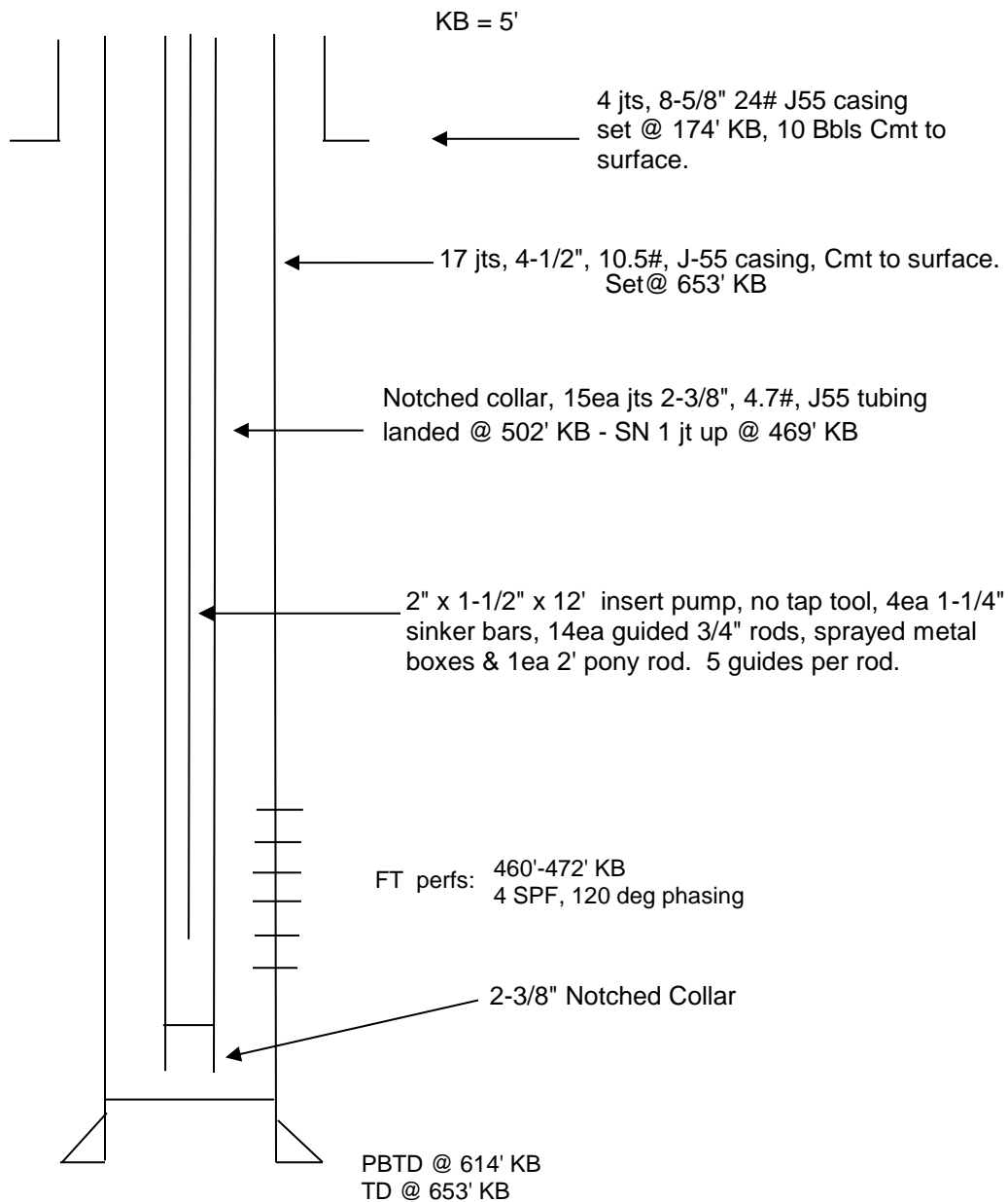
<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>	
Dirt Contractor	Keystone Randy Schreffler	Off	505-334-8462
Pit Liner	Ore Systems Zane Galloway		
Anchors	Mote	Off Off	505-325-9711 505-325-1666
Rod Pumps etc.	Drake Pump Service Drake McCulloch	Cell	505-320-1180
PC Pump	Black Arrow Solutions Dave Cox	Cell	505-320-8158
Tubing Inspection	Tuboscope	Off	505-333-2224
Tubing	Cave Jim Cave	Off	505-325-3401
Wellhead Equipment	WSI	Off	505-326-0308
Logging / Perforating	Basin Well Logging Dana McGarrah	Off	505-327-5244
Water Hauling	Overright Trucking Mike Overright	Off	505-215-3035
Frac Tank & Heavy Hauling	CNJ Trucking Craig Nelson	Cell	505-320-8345
Light Trucking / Hotshot	Double S Hot Shot Debbie and Larry Slavin	Cell	505-334-3850
Rig Move	Drake Well Service Drake McCulloch	Cell	505-320-1180

Vendor List Cont.

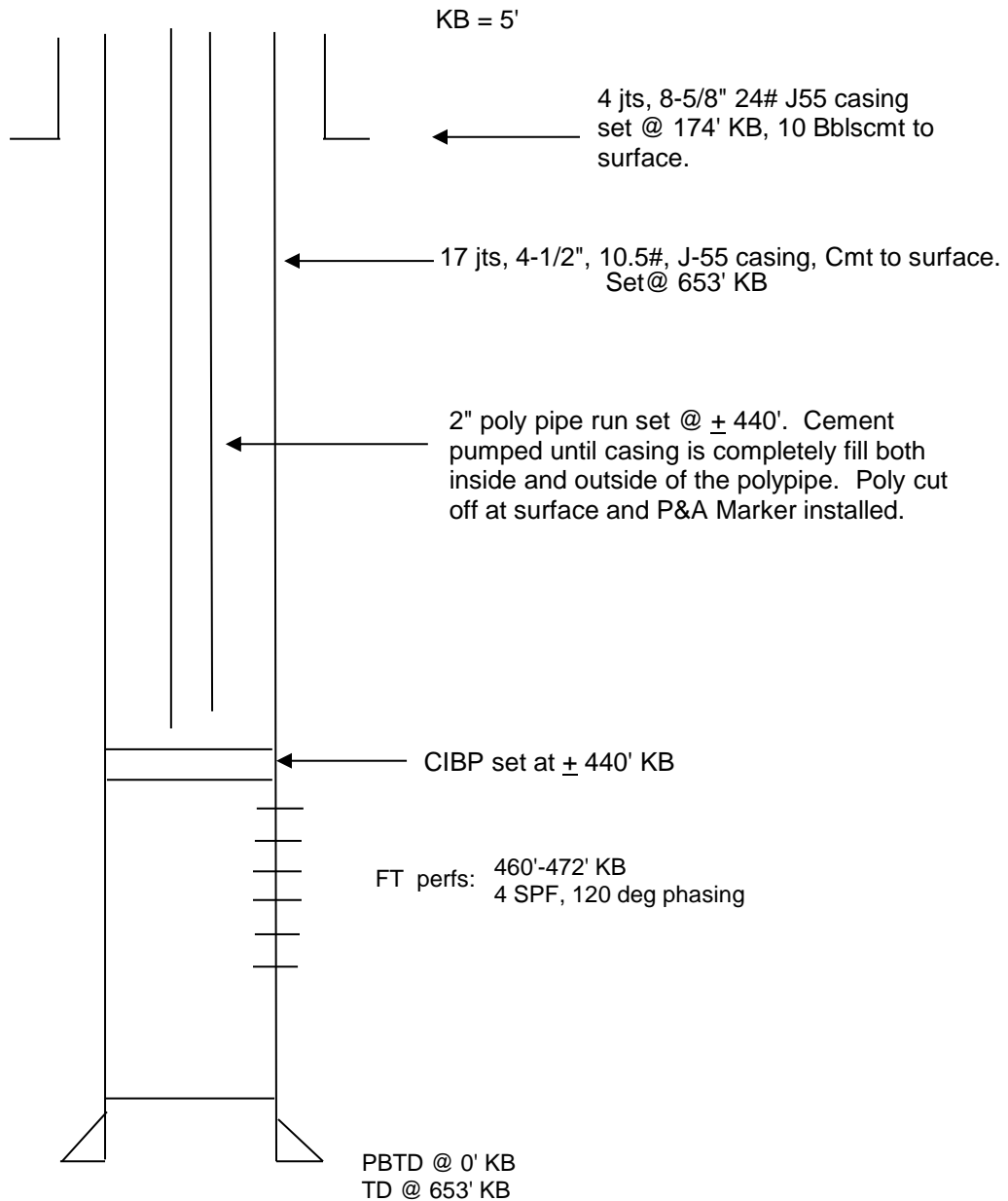
Federal 20-6-16 #1

<u>Service or Material</u>	<u>Company or Contact</u>	<u>Phone Number</u>	
Cementing	Drake Well Service Drake McCulloch	Cell	505-320-1180
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	Wilson & Co.	Off	505-334-3807
Roustabout	Keystone Randy Schreffler	Off	505-334-8462
BOP Rental	Drake Well Service Drake McCulloch	Cell	505-320-1180
Rig	Drake Well Service Drake McCulloch	Cell	505-320-1180

SG Interests, Ltd.
State 20-6-16 #1
Wellbore Drawing 06/2021



State 20-6-16 #1 Post Plugging Wellbore Diagram



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Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 41965

COMMENTS

Operator: SG INTERESTS I LTD Nika Energy Operating Durango, CO 81302	OGRID: 20572
	Action Number: 41965
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 8/26/2021	8/26/2021

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CONDITIONS
 Action 41965

CONDITIONS

Operator: SG INTERESTS I LTD Nika Energy Operating Durango, CO 81302	OGRID: 20572
	Action Number: 41965
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	8/26/2021