

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
COC13484

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		8. Well Name and No. FEDERAL 11-90-15 3
2. Name of Operator SG INTERESTS Contact: TRACY ARNETT E-Mail: tarnett@sginterests.com		9. API Well No. 05-051-06129
3a. Address 922 EAST SECOND AVE DURANGO, CO 81301	3b. Phone No. (include area code) Ph: 970-385-0696	10. Field and Pool or Exploratory Area WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T11S R90W Mer 6PM SESW 575FSL 1516FWL 39.094320 N Lat, 107.437850 W Lon		11. County or Parish, State GUNNISON COUNTY, CO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input 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 Operation: 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

SG is proposing to change the drilling plan for the approved Federal 11-90-15 #3 well (API 05-051-06129). This well was originally proposed to be a horizontal mancos well. SG is proposing to drill a horizontal coal well and a sidetrack from that well (lateral 1). Attached are revised directional plans for the Federal 11-90-15 #3 wellbore and sidetrack (lateral 1), wellplot and drilling plan. The drilling plan also includes proposed casing and cementing program as outlined in the approved APD Drilling COA #1. The well surface location has not changed. SG is in the process of revising the bottom hole plats and will submit them to the BLM upon receipt.

On April 26, 2017, SG submitted and had had verbal conversations with Peter Cowan, Acting Branch Chief of Fluid Minerals regarding a 3rd revised Application to amend the depth and number of horizontal laterals in the first Test Well in the unit: "SG would like to drill two Cameo Coal Formation horizontal lateral wells utilizing the same location as the previously proposed Mancos

14. I hereby certify that the foregoing is true and correct. Electronic Submission #374656 verified by the BLM Well Information System For SG INTERESTS, sent to the Durango	
Name (Printed/Typed) TRACY ARNETT	Title PERMITTING
Signature (Electronic Submission)	Date 05/02/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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 _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #374656 that would not fit on the form

32. Additional remarks, continued

Horizontal well. The proposal is to drill a Cameo Coal horizontal lateral approximately 3000 feet in length and then sidetrack below the curve in the first well bore at an angle of 27 deg. and drill an additional 3000 foot horizontal lateral."