

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
Document Number: 401624470			
Date Received: 05/01/2018			

SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: 77330 Contact Name Amanda Blanchard
 Name of Operator: SG INTERESTS I LTD Phone: (970) 3850696
 Address: 100 WAUGH DR SUITE 400 Fax: ()
 City: HOUSTON State: TX Zip: 77007 Email: ablanchard@sginterests.com

Complete the Attachment
Checklist

OP OGCC

API Number : 05- 051 00 OGCC Facility ID Number: 324491
 Well/Facility Name: Federal 11-90-15 Well/Facility Number: 1
 Location QtrQtr: SESW Section: 15 Township: 11s Range: 90w Meridian: 6
 County: GUNNISON Field Name: RAGGED MOUNTAIN
 Federal, Indian or State Lease Number:

Survey Plat		
Directional Survey		
Srvc Eqpmt Diagram		
Technical Info Page		
Other		

CHANGE OF LOCATION OR AS BUILT GPS REPORT

☐ Change of Location * ☐ As-Built GPS Location Report ☐ As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude PDOP Reading Date of Measurement
 Longitude GPS Instrument Operator's Name

LOCATION CHANGE (all measurements in Feet)

Well will be: (Vertical, Directional, Horizontal)

Change of **Surface** Footage **From** Exterior Section Lines:

Change of **Surface** Footage **To** Exterior Section Lines:

Current **Surface** Location **From** QtrQtr SESW Sec 15

New **Surface** Location **To** QtrQtr Sec

Change of **Top of Productive Zone** Footage **From** Exterior Section Lines:

Change of **Top of Productive Zone** Footage **To** Exterior Section Lines:

Current **Top of Productive Zone** Location **From** Sec

New **Top of Productive Zone** Location **To** Sec

Change of **Bottomhole** Footage **From** Exterior Section Lines:

Change of **Bottomhole** Footage **To** Exterior Section Lines:

Current **Bottomhole** Location Sec Twp

New **Bottomhole** Location Sec Twp

Is location in High Density Area?

Distance, in feet, to nearest building , public road: , above ground utility: , railroad: ,

property line: , lease line: , well in same formation:

Ground Elevation feet Surface owner consultation date

FNL/FSL		FEL/FWL	
<u>549</u>	<u>FSL</u>	<u>1528</u>	<u>FWL</u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u>11s</u>	Range <u>90w</u>	Meridian <u>6</u>	
Twp <u></u>	Range <u></u>	Meridian <u></u>	
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u></u>	Range <u></u>		
Twp <u></u>	Range <u></u>		
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

**

**

** attach deviated drilling plan

OTHER CHANGES

☐ **REMOVE FROM SURFACE BOND** Signed surface use agreement is a required attachment

☐ **CHANGE OF WELL, FACILITY OR OIL & GAS LOCATION NAME OR NUMBER**

From: Name FEDERAL 11-90-15 Number 1 Effective Date: _____

To: Name _____ Number _____

☐ **ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.**

☐ WELL: Abandon Application for Permit-to-Drill (Form2) – Well API Number _____ has not been drilled.

☐ PIT: Abandon Earthen Pit Permit (Form 15) – COGCC Pit Facility ID Number _____ has not been constructed (Permitted and constructed pit requires closure per Rule 905)

☐ CENTRALIZED E&P WASTE MANAGEMENT FACILITY: Abandon Centralized E&P Waste Management Facility Permit (Form 28) – Facility ID Number _____ has not been constructed (Constructed facility requires closure per Rule 908)

OIL & GAS LOCATION ID Number: _____

☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.

☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.

Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.

☐ **REQUEST FOR CONFIDENTIAL STATUS**

☐ **DIGITAL WELL LOG UPLOAD**

☐ **DOCUMENTS SUBMITTED** Purpose of Submission: _____

RECLAMATION

INTERIM RECLAMATION

☐ Interim Reclamation will commence approximately _____

Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Interim reclamation complete, site ready for inspection.

Per Rule 1003.e(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

Field inspection will be conducted to document Rule 1003.e. compliance

FINAL RECLAMATION

☐ Final Reclamation will commence approximately _____

Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

Field inspection will be conducted to document Rule 1004.c. compliance

Comments:

ENGINEERING AND ENVIRONMENTAL WORK

☐ NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

☐ SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

☒ NOTICE OF INTENT Approximate Start Date 05/01/2018

☐ REPORT OF WORK DONE Date Work Completed _____

- | | | |
|--|--|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Mangement Plan |
| <input type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | <input checked="" type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases | |

COMMENTS:

Attached is a letter outlining the required information to request delayed interim reclamation due to delayed operations.

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million) Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____

COMMENTS:

--

Best Management Practices**No BMP/COA Type****Description**

--	--

Operator Comments:

Attached is a letter requesting a variance to delay interim reclamation on the Federal 11-90-15 #1 well pad due to delayed operations of drilling additional wells. The letter discusses the required information per the NTO Procedures for Delayed Operations released on January 5, 2017. Within the attached letter are appendices with the following: Surface owner's written consent, workover rig layout, map, third party cost estimate, and a signed tolling agreement.

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Amanda Blanchard
 Title: Env & Reg Manager Email: ablanchard@sginterests.com Date: 5/1/2018

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY:**COA Type****Description**

--	--

General Comments**User Group****Comment****Comment Date**

		Stamp Upon Approval
--	--	---------------------

Total: 0 comment(s)

Attachment Check List**Att Doc Num****Name**

401624470	FORM 4 SUBMITTED
401626803	VARIANCE REQUEST

Total Attach: 2 Files

May 1 2018

Director Julie Murphy
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: Interim Reclamation Variance Request Due to Delayed Operations
On the Federal 11-90-15 #1 Well Pad, Gunnison County, Colorado.

Dear Director Murphy,

According to the *Notice to Operators (NTO): Interim Reclamation Procedures for Delayed Operations* released on January 5, 2017, and under Rule 1003.b, an operator must commence interim reclamation within six months on non-cropland after the conclusion of operations unless additional operations are planned and commenced within 12 months, or unless the Director extends the time period. SG concluded drilling operations for the Federal 11-90-15 #3 and it went to production in October, 2017. SG is requesting a variance for an extension of up to 5 years to comply with Colorado Oil and Gas Conservation Commission (COGCC) Rules 1003.b. (commencement of reclamation), and Rule 1003.e. (restoration and revegetation) for this location. This extension would allow SG to drill and complete the additional planned wells on this location without unnecessarily, and repeatedly disturbing stored topsoil. The legal description is as follows:

Federal 11-90-15 #1 and #3:

SESW Section 15, Township 11 South, Range 90 West
39.09425, -107.43781
Location ID: 324491

This letter lists the required information per the *Notice to Operators: Interim Reclamation Procedures for Delayed Operations* (January 5, 2017) for your evaluation.



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1. SUBMITTED FORM 4

SG submitted a Form 4 Doc #401624470 on May 1, 2018 with this letter attachment. The 502b variance box was checked. See Appendix A for submitted Form 4.

2. DESCRIPTION OF THE NATURE AND REASON FOR REQUEST

SG has planned and permitted additional wells on this location to be drilled over the course of the next few years. SG used a site-stability model to construct this location to have the least amount of impact possible. In addition, rather than having one well on this pad, SG planed this location for multiple-wells to reduce impacts to the natural environment, public health, and safety by not creating more disturbance with constructing more well pads. SG proposes to use this previously disturbed and existing well pad to build additional wells without repeated disturbance.

In SG's experience, repeated reclamation, followed by additional repeated disturbance of the same area is not in the best interest of the surface owner; SG's costs associated with the repeated construction; or exposed soils in respect to revegetation potential. This location has nearly reached final stabilization as defined by CDPHE; in the interest of stormwater and erosion control, maintaining stabilized soils is a more responsible approach than repeated soil disturbance which creates more exposed soils over a longer timeframe. This approach maintains soil health by reducing the possibility of repeated mixing of soil horizons, reducing susceptibility of soils to wind and water erosion, reducing potential contamination of soils to petroleum products, thereby reducing loss of topsoil productivity, and overall organism and bacteria health as it relates to soil nutrient cycling and development. In addition, SG desires to have less exposed top soil and more stable, vegetated topsoil. By receiving a grant for this variance request, SG will be better able to control stormwater as it relates to wind and water erosion of exposed soils.

3. REQUESTED DURATION OF DELAY

SG requests an extension for up to 5 years to conduct interim reclamation on the Federal 11-90-15 #1 Well Pad.

4. COMPLIANCE WITH RULE 1002.F., RULE 1003.A., AND RULE 1003.F.

This section describes SG's compliance with COGCC Rules 1002.f., 1003.a, and 1003.f.

Rule 1002.f. Stormwater Management: Best Management Practices and Post-Construction Stormwater Program.

SG Interests applied for, and received a Certificate to Discharge under CDPS General Permit COR-030000, for stormwater discharges associated with construction. This certification number is COR039711, for activities beginning on May 1, 2006; this permit was administratively continued on June 21, 2012 and remains in effect under Section 104(7) of the Administrative Procedures Act, C.R.S. 1973, 24-4-101, et seq (1982 repl. Vol. 10) until the new permit/certification is issued and effective. A new permit issued by the Colorado Department of Public Health and Environment (CDPHE) is expected in 2018 (see Appendix A in the MSWMP for Renewal of Permit/Certification). SG maintains a Master Stormwater Management Plan (MSWMP) that identifies operating procedures associated with stormwater management for SG's natural gas field operations and development. These procedures comply with the requirements, set forth by CDPHE, Water Quality Control Division, for controlling stormwater discharges associated with construction activity. A copy of this plan is required by CDPHE to be stored on location from the date of project initiation to the date of expiration. Upon request, the MSWMP is to be provided to the Division, EPA, or any local agency affiliated with, or impacted by stormwater.

SG also maintains a Post Construction Stormwater Program to ensure compliance with the Colorado Oil and Gas Conservation Commission (COGCC) Rule 1002.f. This plan applies to all well pad and multi-well pit facilities in Gunnison and Delta counties that have achieved sufficient revegetation and stabilization such that they have been



removed from active construction stormwater permit coverage by the Colorado Department of Public Health and Environment (CDPHE) – SGI Common Plan of Development COR039711. The program described in the plan has been developed by a qualified person. Inspections and maintenance activities are conducted by staff that are qualified persons or supervised by qualified persons. All employees and contractors working on these facilities are trained to properly implement, maintain, and report on the maintenance and repair of these BMPs, if their job duties require it.

The Federal 11-90-15 #1 location and associated disturbance are currently managed under the CDPHE stormwater program, which also adheres to all COGCC stormwater rules. When this location reaches “final stabilization” as defined by CDPHE, and closed through the COR03000 permit, it will move into the COGCC Post-Construction Stormwater Program discussed above.

Rule 1003.a. Interim Reclamation

During routine stormwater inspections, SG staff ensures that debris and waste materials other than de minimis amounts, including, but not limited to concrete, sack bentonite, and other drilling mud activities, including sand plastic, pipe and cable, as well as equipment associated with drilling, re-entry, or completion operations are removed per Rule 1003.a. SG ensures all E&P waste is handled according to the 900 Series rules, and all drilling activities adhere to applicable rules.

Rule 1003.f. Weed Control

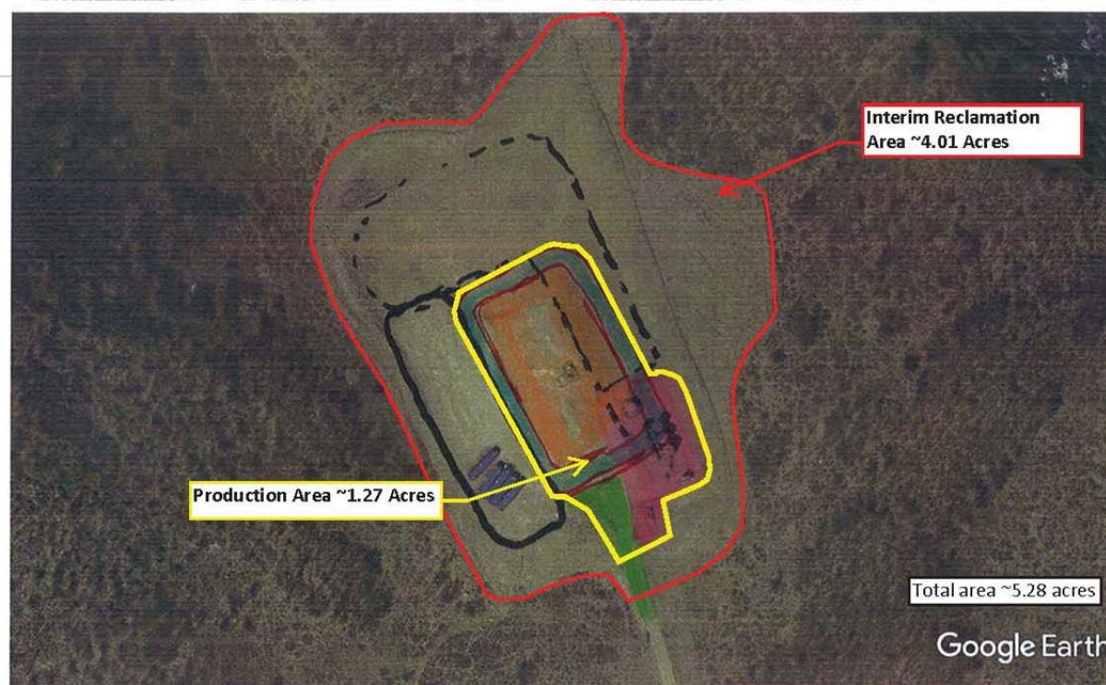
Invasive species are present in the Bull Mountain Unit. All SG locations are monitored and treated as necessary, most recently in August, 2017. The project area, including access roads, will continue to be monitored and treated for noxious weeds for the life of the pad. Specific discussion of noxious weed treatment, including details of all past treatments can be obtained from SG Interest’s Noxious Weed Management Plan. This plan ensures all locations conform to COGCC Rule 1003.f. COGCC inspections at this location have not identified the presence of weeds during inspections in 2017; however, weeds were treated in 2017 and will continue to be monitored for the presence of weeds.

5. SURFACE OWNER’S WRITTEN CONSENT TO THE EXTENSION

Appendix B contains letters with the surface owner’s written consent of the extension and the duration of the extension.

6. AERIAL MAP OR DRAWING OF LOCATION

The Interim Reclamation Map below shows the area of interim reclamation and production area, both areas are based on the area needed for production operations. SG used COGCC’s interpretation of “*Areas reasonably needed for production operations*” as clarified in the January 5, 2017 Notice to Operators. Included is a layout of necessary space needed for workover operations is included as Appendix C. This area is necessary for safe operations. The map also includes acreage estimates for the delayed interim reclamation area, the production area, and the entire project area (excluding access roads). Please note the approved Form 2A lists this location with 2.5 acres as size of location after interim reclamation, however SG is requesting to reduce this acreage to 1.27 acres, as reflected on the map. The entire location disturbance is approximately 5.28 acres, which would leave approximately 4.01 acres remaining for interim reclamation.



Google Earth

feet 600
meters 200



Federal 11-90-15 #1
Location ID: 324491

LEGEND

- "AREAS REASONABLY NEEDED FOR PRODUCTION OPERATIONS" (LOGIC NTD INTERIM REC. FOR DELAYED OPS, 4/5/2017)
- AREAS IMMEDIATELY AROUND PRESET CONDUITS, WELL HEAD EQUIP., PRIME INJECTS, PRODUCTION TANKS, SEPARATION EQUIP., APC + TREATMENT EQUIP., METER STATIONS, LACT UNITS,
 - 20' DRIVING LANE AROUND WORKOVER AREA
 - AREA NECESSARY TO SUPPORT WORKOVER RIG (230' X 130' w/ 20' DRIVING LANE)
 - SAFE ACCESS FOR TRUCKS ENTERING/EXITING LOCATION
 - ☐ INTERIM RECLAMATION ON LAND OTHER THAN "PRODUCTION AREAS"
*REQUIRES THE ESTABLISHMENT OF UNIFORM VEGETATION COVER
 - Interim Reclamation Area
 - Production Area

7. COST ESTIMATE FOR THIRD-PARTY CONTRACTOR TO PREFORM INTERIM RECLAMATION

This location has been evaluated for “*areas reasonably needed for production operations*” per COGCC staff’s interpretation (NTO January 5, 2017), including areas immediately around preset conductors, wellhead equipment, prime movers, production tanks, separate equipment, air pollution control and treatment equipment, meter stations, LACT units, lease roads, and safe access. This includes an area necessary to support a workover rig. Upon evaluation, SG confirmed with the contract drilling company that an area of 95 feet from the center of the well in both directions with 45 feet extended the opposite direction is required for the workover rig. The areas remaining are considered not need for ongoing operations and need to be reclaimed per COGCC 1003 rules. These areas have been evaluated for costs of a third-party contractor to conduct the interim reclamation. The table below represents these costs. Even though not a requirement, Appendix D contains an estimate from a third party contractor that also includes each task covered under the estimate. The estimate is from SG’s only dirt work contractor and therefore has ample experience in estimating costs at SG locations.

Location ID	Location Name	Estimated Cost
324491	Federal 11-90-15 #1	\$162,300.00

In addition, SG has a few Reclamation bonds with the BLM and the U.S. Forest Service. Bond #RLB0011933 is a Reclamation Bond covering \$46,000 and Bond #LPM9200241 is a Performance Bond also covering reclamation for \$235,000.

8. SCHEDULE OF PLANNED OPERATIONS

Development of the BMU is planned to occur over 6 years, under the BMU Environmental Impact Statement including planning, permitting, construction, and beginning production of new wells. SG recently received the ROD and is now able to plan and schedule operations on these locations. Drilling outside the BMU, as with this location depends on drilling within the BMU. Two additional wells are planned for drilling on this location; however additional wells or re-entries could occur over the 6-year MPD timeframe. However, SG is aware that COGCC will only grant this variance for no more than 5 years.

9. EXECUTED COGCC OPERATOR RULE 1003 TOLLING AGREEMENT

Appendix E of this document includes the signed Tolling Agreements.



APPENDIX A: SUBMITTED FORM 4



SG INTERESTS I, LTD.

FORM

4

Rev
04/13

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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OGCC Operator Number: 77330 Contact Name Amanda Blanchard
Name of Operator: SG INTERESTS I LTD Phone: (970) 3850696
Address: 100 WAUGH DR SUITE 400 Fax: ()
City: HOUSTON State: TX Zip: 77007 Email: ablanchard@sginterests.com

Complete the Attachment
Checklist

OP OGCC

API Number : 05- 051 00 OGCC Facility ID Number: 324491
Well/Facility Name: Federal 11-90-15 Well/Facility Number: 1
Location QtrQtr: SESW Section: 15 Township: 11s Range: 90w Meridian: 6
County: GUNNISON Field Name: RAGGED MOUNTAIN
Federal, Indian or State Lease Number:

Survey Plat		
Directional Survey		
Srvc Eqmpt Diagram		
Technical Info Page		
Other		

CHANGE OF LOCATION OR AS BUILT GPS REPORT

☐ Change of Location * ☐ As-Built GPS Location Report ☐ As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude PDOP Reading Date of Measurement
Longitude GPS Instrument Operator's Name

LOCATION CHANGE (all measurements in Feet)

Well will be: (Vertical, Directional, Horizontal)

Change of Surface Footage From Exterior Section Lines:

Change of Surface Footage To Exterior Section Lines:

Current Surface Location From QtrQtr SESW Sec 15

New Surface Location To QtrQtr Sec

Change of Top of Productive Zone Footage From Exterior Section Lines:

Change of Top of Productive Zone Footage To Exterior Section Lines:

Current Top of Productive Zone Location From Sec

New Top of Productive Zone Location To Sec

Change of Bottomhole Footage From Exterior Section Lines:

Change of Bottomhole Footage To Exterior Section Lines:

Current Bottomhole Location Sec Twp Range

New Bottomhole Location Sec Twp Range

Is location in High Density Area?

Distance, in feet, to nearest building , public road: , above ground utility: , railroad: ,

property line: , lease line: , well in same formation:

Ground Elevation feet Surface owner consultation date

FNL/FSL		FEL/FWL	
549	FSL	1528	FWL
Twp 11s	Range 90w	Meridian 6	
Twp	Range	Meridian	
			**
			**
			** attach deviated drilling plan

Date Run: 4/30/2018 Doc [#401624470]

Page 1 of 4

**OTHER CHANGES**

- ☐ **REMOVE FROM SURFACE BOND** Signed surface use agreement is a required attachment
- ☐ **CHANGE OF WELL, FACILITY OR OIL & GAS LOCATION NAME OR NUMBER**
- From: Name FEDERAL 11-90-15 Number 1 Effective Date: _____
- To: Name _____ Number _____
- ☐ **ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.**
- ☐ WELL: Abandon Application for Permit-to-Drill (Form 2) – Well API Number _____ has not been drilled.
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- OIL & GAS LOCATION ID Number: _____
- ☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.
- ☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.
- Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.**
- ☐ **REQUEST FOR CONFIDENTIAL STATUS**
- ☐ **DIGITAL WELL LOG UPLOAD**
- ☐ **DOCUMENTS SUBMITTED** Purpose of Submission: _____

RECLAMATION**INTERIM RECLAMATION**

- ☐ Interim Reclamation will commence approximately _____
- Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.
- ☐ Interim reclamation complete, site ready for inspection.
- Per Rule 1003.e.(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

Field inspection will be conducted to document Rule 1003.e. compliance

FINAL RECLAMATION

- ☐ Final Reclamation will commence approximately _____
- Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.
- ☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

Field inspection will be conducted to document Rule 1004.c. compliance

Comments:

**ENGINEERING AND ENVIRONMENTAL WORK**☐ NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

☐ SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

☒ NOTICE OF INTENT Approximate Start Date 05/01/2018

☐ REPORT OF WORK DONE Date Work Completed _____

- | | | |
|--|--|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Management Plan |
| <input type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | <input checked="" type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases | |

COMMENTS:

Attached is a letter outlining the required information to request delayed interim reclamation due to delayed operations.

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million) Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____



COMMENTS:

--

Best Management Practices**No BMP/COA Type****Description**

--	--

Operator Comments:

Attached is a letter requesting a variance to delay interim reclamation on the Federal 11-90-15 #1 well pad due to delayed operations of drilling additional wells. The letter discusses the required information per the NTO Procedures for Delayed Operations released on January 5, 2017. Within the attached letter are appendices with the following: Surface owner's written consent, workover rig layout, third party cost estimate, and a signed tolling agreement.

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____

Print Name: Amanda Blanchard

Title: Env & Reg Manager

Email: ablanchard@sginterests.com

Date: _____

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____

Date: _____

CONDITIONS OF APPROVAL, IF ANY:**COA Type****Description**

--	--

General Comments**User Group****Comment****Comment Date**

		Stamp Upon Approval
--	--	---------------------

Total: 0 comment(s)

Attachment Check List**Att Doc Num****Name**

--	--

Total Attach: 0 Files



APPENDIX B: SURFACE OWNER'S WRITTEN CONSENT

SG Interests I, Ltd.922 East 2nd Ave

Durango, CO 81301

April 19, 2018

Levi Broyles
District Ranger
Grand Mesa, Uncompahgre and Gunnison National Forests,
Paonia Ranger District
403 Rio Grand Ave
Paonia, CO 81428

**Subject: SG Interests I, Ltd. Interim Reclamation Variance Request due to Delayed Operations
on the Federal 11-90-15 #1 Well Pad.**

Dear Mr. Broyles,

On January 5, 2017 the Colorado Oil and Gas Conservation Commission (COGCC) released a Notice to Operators (NTO) of COGCC's staff's interpretation of Rule 1003, Interim Reclamation when delayed operations occur. The NTO discusses procedures to be followed in requesting interim reclamation variances due to delayed operations. One of the procedures is to obtain "the surface owner's written consent to the extension, including consent to the duration of the extension." Therefore, SG Interests I, Ltd. (SG) is writing to you to obtain such consent. Details of the proposed requested extension are as follows:

- The Federal 11-90-15 #1 well location currently supports two wells, the #1 and #3. However, this well pad was designed and constructed for 2 additional well heads. SG is requesting to delay interim reclamation until those wells are constructed to avoid unnecessary and repeated dirt work.
- The duration of this proposed extension to conduct interim reclamation is 5 years from the date of this letter.

Please contact me if you have questions.

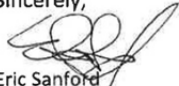
The USFS gives consent to SG Interests for the proposed extension, including the duration of the proposed extension.

Signed: 

Levi Broyles

, as District Ranger, Paonia RO
GMUG NFR

Sincerely,



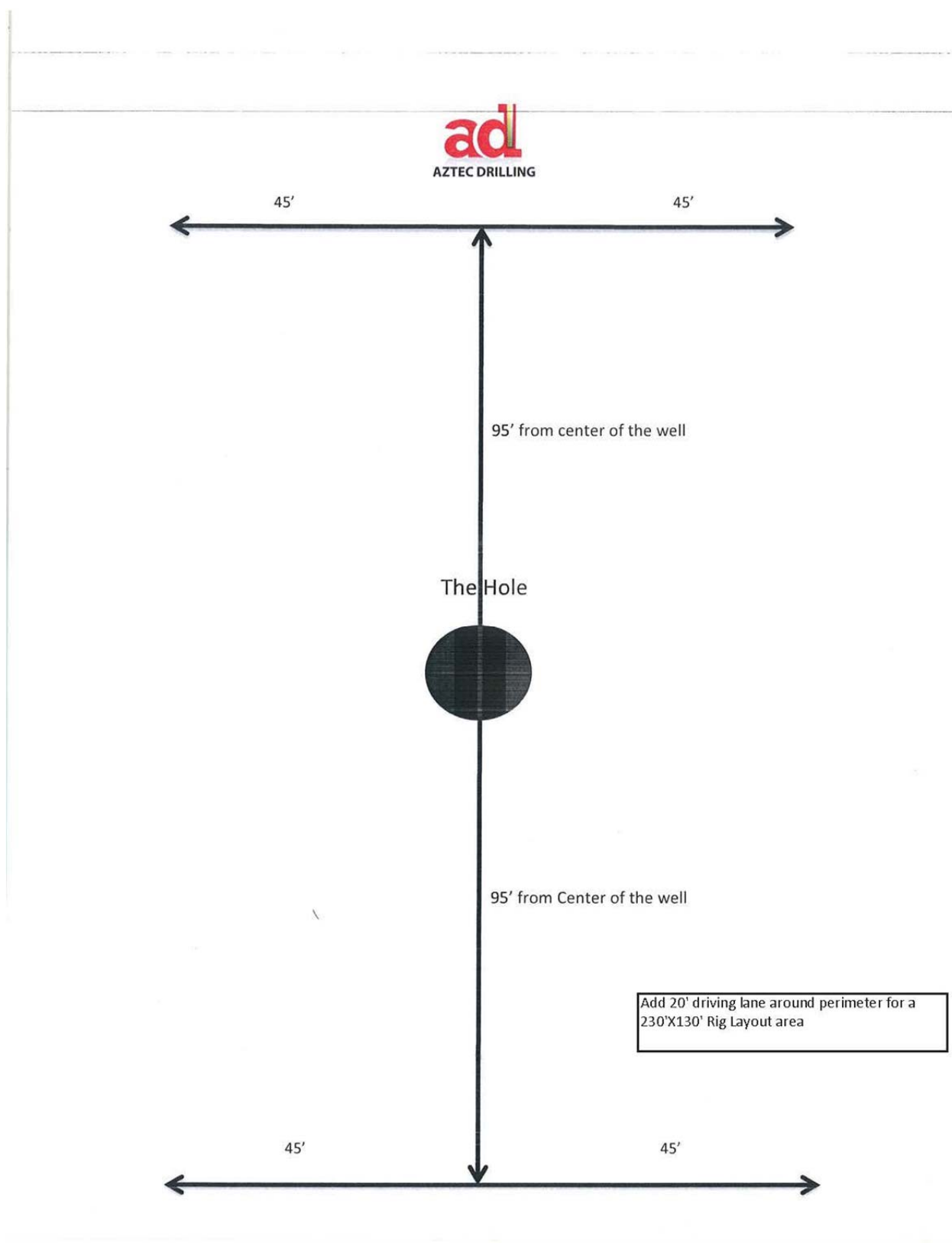
Eric Sanford
SG Interests I, Ltd
922 East 2nd Avenue
Durango, CO 81301
970.385.0696
esanford@sginterests.com

SG Interests I, Ltd., A Limited Partnership
(970) 385-0696 Fax: (970) 385-0636

Gordy Oil Company, General Partner



APPENDIX C: WORKOVER RIG LAYOUT



APPENDIX D: THIRD PARTY COST ESTIMATE

PITT CONSTRUCTION COMPANY
35793 BACK RIVER RD
HOTCHKISS CO

RECLAIM PROPOSAL FOR 15-1 LOCATION

I have figured this reclaim estimating it will take 15 working days to complete

We will be moving fill material from the fill slopes back into the cut slopes, rebuilding containment berms, top soil, reseeding, installing new storm water BMP's, and moving fence

Equipment to be used to reclaim this location will be D-8 cat dozer, D41 komatsu dozer, 300 John Deere haul truck, skid steer, tandem dump trucks, labor, and tractor and seed drill

Estimated time to reclaim 15 working days

Mobilization cost \$4000.00

Cost \$162300.00

**APPENDIX E: TOLLING AGREEMENT****COLORADO**
Oil & Gas Conservation
Commission

Department of Natural Resources

COGCC Operator Rule 1003 Tolling AgreementOperator Name and No. ("Operator"): SG Interests I, LtdInterim Reclamation Variance Request Doc. No.: 401624470Date of Submission of Interim Reclamation Variance Request: 5/1/2018Location Nos. Impacted by the Variance Request ("Impacted Locations"): 324491 - Federal 11-90-15 #1, #3

This Agreement is offered by COGCC so that the Operator has an opportunity to come into compliance in accordance with its Interim Reclamation Variance Request.

If the Interim Reclamation Variance Request referenced above is approved ("Approved Variance"), COGCC agrees not to issue a Notice of Alleged Violation ("NOAV") for a violation of Rule 1003 at the Impacted Locations before the expiration of the Approved Variance. In exchange, the Operator agrees to the following:

The Oil and Gas Conservation Act's statute of limitations, §34-60-115, C.R.S., is tolled for any existing or potential claims related to interim reclamation at the Impacted Locations from the submission date of the approved Variance until the Operator successfully completes interim reclamation in accordance with Rule 1003 or until the expiration of the Approved Variance, whichever occurs first.

COGCC reserves the right to issue an NOAV for a violation of Rule 1003 if the Operator does not comply with the Approved Variance or its conditions of approval.

AGREED TO AND ACCEPTED:

COGCC

Date: _____

Operator

Date: 5/1/2018

Signature _____

Signature of Authorized Operator
Representative

Print Signatory Name and Title _____

Amanda Blanchard

Print Signatory Name and Title

Environmental and Regulatory Manager