

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Farmington Field Office
Bureau of Land Management

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

APR 12 2012

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

5 Lease Serial No
NM00295

6 Indian, Allottee or Tribe Name

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

8 Well Name and No.
FEDERAL 21-8-13 #4

9 API Well No.
30-045-34360

10 Field and Pool, or Exploratory Area
Basin Fruitland Coal

11 County or Parish, State
San Juan County, NM

1 Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator
SG INTERESTS I LTD, c/o Nika Energy Operating, LLC

3a Address
PO BOX 2677, DURANGO, CO 81302

3b Phone No. (include area code)
(970) 259-2701

4 Location of Well (Footage, Sec., T, R, M., or Survey Description)
Unit J: (NWSE) Sec13-T21N-R8W
1996' FSL, 1982' FEL

12. CHECK 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"/> 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 checked="" 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 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Form under which the work will be performed or provide the Form No on file with BLM/EA. Required subsequent reports shall 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 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.)

The subject well was scheduled to be Plug & Abandoned by April 1st, 2012. Prior to this date, a verbal agreement was made with the current leaseholder (R&R) to farm out the Fruitland Coal on this lease. BLM was notified and as of April 10th the Farmout Agreement was signed. This well has a frac date scheduled for April 26th and will be completed forthwith. We anticipate having the well completed and tested by mid May 2012.

RCVD APR 23 '12
OIL CON. DIV.
DIST. 3

File Comp Sunday, C-104, Comp. Report before producing

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

Name (Printed/Typed) William (Tripp) Schwab, III	Title Agent for SG Interests I Ltd
Signature <i>[Signature]</i>	Date April 11, 2012

THIS SPACE FOR FEDERAL OR STATE 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, 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.

(Instructions on reverse)

NMOCD

APR 16 2012

FARMINGTON FIELD OFFICE