

## District I

1625 N. French Dr., Hobbs, NM 88240

## District II

1301 W. Grand Avenue, Artesia, NM 88210

## District III

1000 Rio Brazos Road, Aztec, NM 87410

## District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

## Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101

May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

## APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address SG Interests I, Ltd c/o Nika Energy Operating, LLC PO Box 2677 Durango, CO 81302		<sup>2</sup> OGRID Number 20572
<sup>3</sup> Property Code 35193	<sup>4</sup> Property Name State 20-6-16	<sup>5</sup> API Number 30-043-21000
<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal		<sup>10</sup> Proposed Pool 2 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	16	20N	6W		660	North	1980	West	Sandoval

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

## Additional Well Information

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 6843'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 640'	<sup>18</sup> Formation Basin Fruitland Coal	<sup>19</sup> Contractor	<sup>20</sup> Spud Date as soon as permitted
Depth to Groundwater >1,000ft.		Distance from nearest fresh water well >1,000ft.		Distance from nearest surface water >1,000 ft.
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
Surface 12¼"	7"		150'		Surface
Production 6¼"	4½"		640'		Surface

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

## See attached Drilling Program and BOP

Drilling/Completion pit to be located approximately 15 feet from wellhead. Pit multi-use drilling and completion to avoid additional site disturbance and pit will be considered out of service once production tubing set. Pit to be 75 feet long by 15 feet wide by 10 feet deep. Pit to be constructed, operated and closed in accordance with NMOCD guidelines and SGI procedures.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: William Schwab III

Title: agent for SG Interests I, Ltd

E-mail Address: tripp@nikaenergy.com

Date: 21 October 2005

Phone: (970)259-2701

## OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL &amp; GAS INSPECTOR, DIST. 8

Approval Date: OCT 24 2005 Expiration Date: OCT 24 2006

Conditions of Approval Attached ☐

16   <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; text-align: right;">           WEST 660'         </div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 40px; font-weight: bold;">16</div> </div>	80.28 ch.   <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; text-align: right;">           LAT. 35.97038°N            LONG. 107.48075°W         </div> </div>	<div style="text-align: center; font-weight: bold; font-size: 1.2em;">17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">William Schwab</span> </div> <p><small>Signature</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">William Schwab</span> </div> <p><small>Printed Name</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">wswab@nwaenergy.com</span> </div> <p><small>Title and E-mail Address</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">AGENT FOR SE INTERESTS</span> </div> <p><small>Date</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">10/20/05</span> </div>
16   <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; text-align: right;">           WEST 660'         </div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 40px; font-weight: bold;">16</div> </div>	80.28 ch.   <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; text-align: right;">           LAT. 35.97038°N            LONG. 107.48075°W         </div> </div>	<div style="text-align: center; font-weight: bold; font-size: 1.2em;">18 SURVEYOR CERTIFICATION</div> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">October 11, 2005</span> </div> <p><small>Date of Survey</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">[Signature]</span> </div> <p><small>Signature and Seal of Professional Surveyor</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">[Signature]</span> </div> <p><small>Certificate Number</small></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-family: cursive; font-size: 1.2em;">8466</span> </div>

**660' FNL, 1980' FWL SECTION 16, T20N, R6W, NMPM  
McKINLEY COUNTY, N.M.**



6840'						
6830'						

6840'						
6830'						

6840'						
6830'						

NIKA ENERGY OPERATING, LLC  
SG INTERESTS I, INC.  
FRUITLAND DRILLING PROGRAM

New Well Permit Information

DATE: September 2005

WELL NAME: State 20-6-16 #2  
FIELD NAME: Basin Fruitland Coal  
LOCATION: NW Section 16-T20N-R6W  
Sandoval County, New Mexico  
UNIT Standup

DRILLING SKELETON:

<u>Interval</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Depth</u>
Surface	12-1/4"	7"	150'
Production	6-1/4"	4-1/2"	640'

<u>Formation</u>	<u>Depth</u>
Ojo Alamo	surface
Kirtland	65'
Fruitland	260'
Coal Top	465'
PC	490'
Total Depth	640'

DATE: September 2005  
 WELL NAME: State 20-6-16 #2

**CASING AND CEMENTING PROGRAM:**

<u>Interval</u>	<u>Size, Wt, Grade, Thread</u>	<u>Depth</u>	<u>Cement</u>	
Surface	7", 20#, J-55, ST&C	150'	140 sx (165 cu. ft) Class B w/2% CaCl 1/4#/sx celloflake	} Circulate cement
Production	4-1/2", 10.5#, J-55, ST&C	640'	80 sx (95 cu. ft) Class B. 1/4#/sx celloflake.	

Cement Slurry Designs and Notes

<u>Slurry</u>	<u>Water Requirements</u>	<u>Weight</u>	<u>Yield</u>
Surface	5.2 gals/sx	15.6 ppg	1.18 cu. ft/sk
Production	5.2 gals/sx	15.6 ppg	1.18 cu. ft/sk

# 2-M SYSTEM

