

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: October 31, 2014

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Farmington Field Office
Bureau of Land ManagementLease Serial No.
NO-G-1001-1767 & NO-G-1001-1768

| | | | | | | | | | |
|--|----------------------------|--|---------------------|----------------|-----------------------|--------------------------------|--------------------------|---------------------|-------------------|
| 1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name | | | | | | | |
| b. Type of Completion: <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other: _____ | | 7. Unit or CA Agreement Name and No. NMNM-133815 | | | | | | | |
| 2. Name of Operator SG Interests I, Ltd c/o Nika Energy Operating | | 8. Lease Name and Well No. Navajo 21-7-25 #4 | | | | | | | |
| 3. Address P. O. Box 2677 Durango, CO 81302 | | 9. API Well No. 30-043-21239 | | | | | | | |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)* Unit I (NESE) 1605' FSL & 960' FEL At surface Same At top prod. interval reported below At total depth | | 10. Field and Pool or Exploratory Basin Fruitland Coal 11. Sec., T., R., M., on Block and Survey or Area Section 25, T21N-R7W 12. County or Parish Sandoval County 13. State NM | | | | | | | |
| 14. Date Spudded 01/17/2015 | | 15. Date T.D. Reached 01/20/2015 | | | | | | | |
| 16. Date Completed 05/19/2015 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. | | 17. Elevations (DF, RKB, RT, GL)* 6756' | | | | | | | |
| 18. Total Depth: MD TVD 846' | | 19. Plug Back T.D.: MD TVD 766' | | | | | | | |
| 20. Depth Bridge Plug Set: MD TVD 686.23' | | 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR Density 842' to surface; GR/CCL/CBL PBTD 766' to surface | | | | | | | |
| 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy) | | | | | | | | | |
| 23. Casing and Liner Record (Report all strings set in well) | | | | | | | | | |
| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cement Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
| 12-1/4" | 8-5/8" J-55 | 24# | Surface | 219' KB | | 112 sx Type 3 | 7 bbls | Surface | |
| 7-7/8" | 4-1/2" | 11.6# | Surface | 40.05' KB | 840.05 | 156 sx Type 3 | 12 bbls | Surface | |
| 24. Tubing Record | | | | | | | | | |
| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | |
| 2-3/8" | 695.21' | | | | | | | | |
| 25. Producing Intervals | | | | | | | | | |
| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status | | | |
| A) Basin Fruitland Coal | 673' | 691' | 674' - 691' KB | 3-1/8" | 68 | | | | |
| B) | | | | | | | | | |
| C) | | | | | | | | | |
| D) | | | | | | | | | |
| 26. Perforation Record | | | | | | | | | |
| 27. Acid, Fracture, Treatment, Cement Squeeze, etc. | | | | | | | | | |
| Depth Interval | | Amount and Type of Material | | | | | | | |
| 674' - 691' KB | | 500 gallons of 15% HCL Acid, 27,439 gallons of Delta Frac 140 20# 459 gallons of Water Frac G 20# 68,140 pounds of 20/40 | | | | | | | |
| 28. Production - Interval A | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| | | | → | | | | | | Pumping |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | Shut in/WO Pipeline | |
| 28a. Production - Interval B | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD

NMOCDV

FARMINGTON FIELD OFFICE
BY: William Tambekou

28b. Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

28c. Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|----------------------|------|--------|------------------------------|------|-------------|
| | | | | | Meas. Depth |
| Ojo Alamo | 23' | | | | |
| Kirtland Shale | 226' | | | | |
| Upper Bentonite | 497' | | | | |
| Basin Fruitland Coal | 673' | 691' | | | |
| Pictured Cliffs | 694' | | | | |
| Lewis | 863' | | | | |

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) William (Tripp) Schwab, IIITitle Agent for SG Interests I, Ltd.Signature Date 06/06/2015

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.

(Continued on page 3)

(Form 3160-4, page 2)