

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5 Lease Serial No

NM99718

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL 20-5-6#3

9. API Well No.

30-031-21102

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

McKinley, 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)

Lot 6: (NWSW) Sec 6-T20N-R5W
1865' FSL, 890' FWL

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Spud

Notice

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 recomple 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 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.)

Spudded well 8/24/07. Drilled 12-1/4" surface hole to 180'. Rn 4 jts (168.2') 8-5/8" 24# J-55 ST&C csg; set @ 173.2' KB w/150 sx Class 'G', plus 2% CaCl, 1/8#/sk Poly-E-Ance (new type of Celloflake). Circ 13 B/cem to surface. WOC. PT BOP (250 low, 2000 high) & csg, choke manifold (600 psi), good. Continued drilling new 7-7/8" hole to TD 1075'. Circ & cond hole. Ran open-hole log. Rn 27 jts (1052.72') 4-1/2" 10.5# J-55 ST&C csg; set @ 1057.72' KB w/320 sx Class 'A', plus 1/4#/sk Superflake, 3#/sk Gilsonite, 10 B/chem wash. Circ 2 B/cem to surface. RDMODR (8/28/07)

ACCEPTED FOR RECORD

SEP 07 2007

FARMINGTON FIELD OFFICE
BY T. Salyers

Report date reached TD & PT on prod.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Marcia Stewart

Title

Agent for SG Interests I Ltd

Signature

Date

August 30, 2007

RCVD SEP 10 '07
OIL CONS. DIV.

DIST. 3

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)

NMOC