Submit 3 Copies
to Appropriate
District Office

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies to Appropriate District Office *Energy, Minerals and Natural Resources	S Department Form C-103 Revised 1-1-89	
DISTRICT 1 P.O. Box 1980, Hobbs, NM 88240 OIL CONSERVATION DIVISION WELL API NO. 2040 Pacheco St. 4130-045-31697		
DISTRICT II Santa Fe NM 87505	2004 S-Indicate Type of Lease STATE FEE X	
DISTRICT III	6. State Oil & Gas Lease No.	
SUNDRY NOTICES AND REPORTS ON WEL (DO NOT USE THIS FORM FOR PORPOSALS TO DRILL OR TO DEEPEN OR PLUG DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS) 1. Type of Well:		
OIL GAS WELL ST. OTHER	DANTA KODA COM 10	
2. Name of Operator SG INTERESTS I, LTD c/o Sagle & Schwab Energy Resources 3. Address of Operator	8. Well No. 3 9. Pool name or Wildcat	
PO Box 2677, Durango, CO 81302	Basin Fruitland Coal	
4. Well Location Unit Letter J: 1475 Feet From The South Lin	ne and 2285 Feet From The East Line	
Section 18 Township 29N Range 9W	NMPM San Juan County	
10. Elevation (Show whether D. 5542' GR	V/////////////////////////////////////	
Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data		
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK PLUG AND ABANDON RE	MEDIAL WORK ALTERING CASING	
	DMMENCE DRILLING OPNS. PLUG AND ABANDONMENT	
	SING TEST AND CEMENT JOB THER: Drilling/Completion Update X	
12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103. MIRU rotary tools. Spudded well 3:15 pm 3/26/04. Drld 7-7/8" pilot hole to 75' (boulders). Drld 12-1/4" surface hole to 336'. Rn 7 jts 8-5/8" 24# J-55 ST&C csg; set @ 330'. Cem w/210 sx Std cem w/1/4#/sk Flocele, 2% CaCl2. Circ 20 bbls to pit. WOC. Continued drlg w/7-7/8" hole to TD 2094'. RU to log (LTD 2091'). Rn 47 jts 5-1/2" 17# J-55 LT&C csg; set @ 2092'. Cem w/350 sx Lead 65/35		
Poz cem w/6% gel, 1/4#/sk Flocele, 5#/sk Gilsonite; tailed w/130 sx Std cem w/1/4#/sk Flocele. Circ 28 B/cem. Rig released 12:00 pm 3/30/04.		
WO Completion.		
Effective August 1, 2004 Energen Resources Corp (2198 Bloomfield Highway, Farmington, NM 87401) will take over as Operator and will be completing this well.		
I hereby certify that the information above is true and complete to the best of my know SIGNATURE WWW SIGNATURE	oledge and belief. ITLE Agent for SG Interests I, Ltd DATE 07/26/04	
TYPE OR PRINT NAME Marcia Stewart	TELEPHONE NO. 970-259-2701	
(This space for State Use) APPROVED BY Charle 1	DEPUTY OIL & GAS INSPECTOR, DIST. & JUL 27 2004	