

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.

NM 53926

6. If Indian, Allottee or Tribe Name

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

SEP 20 PM 1 23

RECEIVED

8. Well Name and No.

CORRALES #2

9. API Well No.

30-031-20898

10. Field and Pool, or Exploratory Area

Pot Mesa/Corrales Field

11. County or Parish, State

McKinley 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)

465' FSL, 2300' FWL (SESW) Sec 3-T20N-R6W

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" 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 type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input checked="" 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 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.)

See Sundry Notice dated May 12, 2005.

LD rods & pump. RIH w/bit, scraper, SN, on 2-7/8" tbg to 1730'. With SV, PT to 2000 psi, ok; retrieve SV. POOH w/scraper, SN, tbg. RIH w/ 5-1/2" CIBP on 2-7/8" tbg to 1725'; set same & RU HES. Spot 36 sx Class 'B' cem, 15.6#/gal from 1724' to 1418'. Pull 10 jts 2-7/8" tbg. Rev out w/25 B/fresh wtr containing 4 gal pkr fluid inhibitor; csg full of wtr. Press up to 550 psi; bled off to 380 psi in 30 min. Found valve leaking on csg valve; repaired & press up to 550 psi. Press held at 540 psi for 30 min. RIH w/55 jts 2-7/8" 6.5# J-55 tbg; tag top of cem plug @ 1420'. RIH w/2 jts 2-7/8" 6.5# J-55 tbg; landing tbg hanger w/bottom of tbg open ended @ 136'. Well Temporarily abandoned (hauled rods & pump to SG stock).

THIS APPROVAL EXPIRES 10/1/06

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

September 19, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

SEP 22 2005

Conditions of approval, if any, are attached. Approval of this notice does not warrant Office 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.

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