

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, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address SG Interests I, Ltd c/o Nika Energy Operating, LLC PO Box 2677 Durango, CO 81302		² OGRID Number 20572
³ Property Code 30192	⁴ Property Name State 21-6-36	⁵ API Number 30-043-20999
⁹ Proposed Pool 1 Basin Fruitland Coal		¹⁰ Proposed Pool 2 3

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	21N	6W		662	South	724	West	Sandoval

⁸ 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

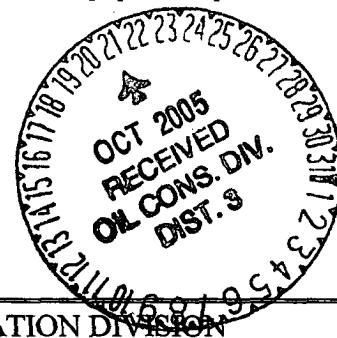
Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6886'
¹⁶ Multiple N	¹⁷ Proposed Depth 815'	¹⁸ Formation Basin Fruitland Coal	¹⁹ Contractor	²⁰ 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"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
Surface 12 1/4"	7"		150'		Surface
Production 6 1/4"	4 1/2"		815'		Surface

²² 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.



²³ 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 ☐.

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. 8

Approval Date:

OCT 21 2005

Expiration Date:

OCT 21 2006

Printed name: Tripp Schwab

Title: agent for SG Interests I, Ltd

E-mail Address: tripp@nikaenergy.com

Date: 18 October 2005

Phone: (970)259-2701

Conditions of Approval Attached ☐

District I
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-043-20999	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 35192	Property Name STATE 21-6-35	Well Number 3
UGRID No. 20572	Operator Name SG INTERESTS I, LTD.	Elevation 6886'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	2N	6W		662	SOUTH	724	WEST	SANDOVAL

11 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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

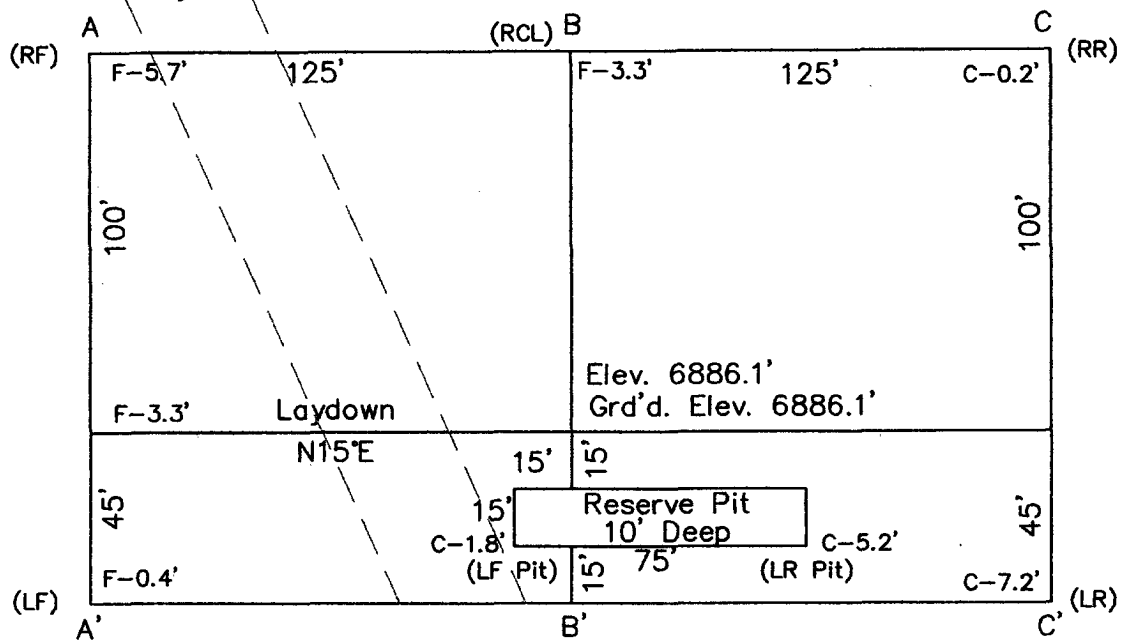
	N89°51'W	78.65 ch	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature William Schabert Printed Name t@pp@nikanewby.com Title and E-mail Address AGENT FOR SG INTERESTS Date 10/20/05
			18 SURVEYOR CERTIFICATION 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. Date of Survey October 11, 2005 Signature and Seal of Professional Surveyor BILL MAHNKE Certificate Number 8486
	LAT. 36.00126°N LONG. 107.42839°W		
	39.93 ch	N89°30'W	39.89 ch

SG INTERESTS I, LTD.

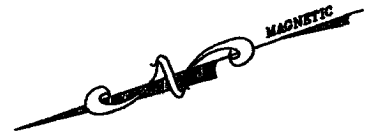
STATE 21-6-36 #3

662' FSL, 724' FWL SECTION 36, T21N, R6W, NMPM

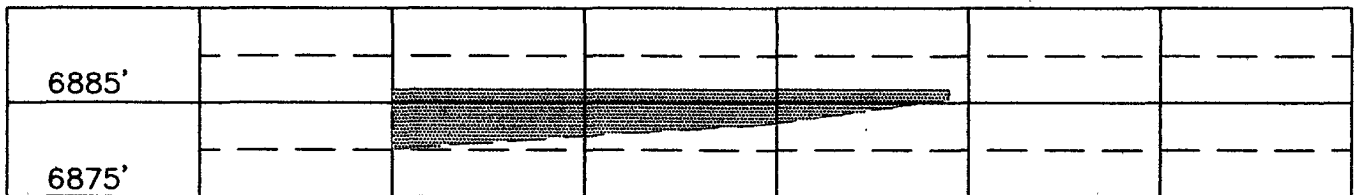
SANDOVAL COUNTY, N.M.



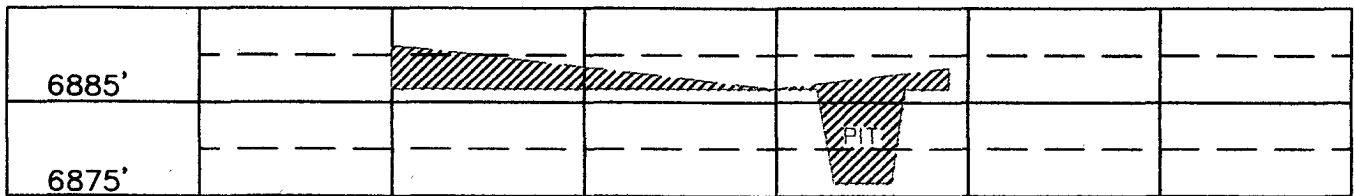
Scale: 1"=50'



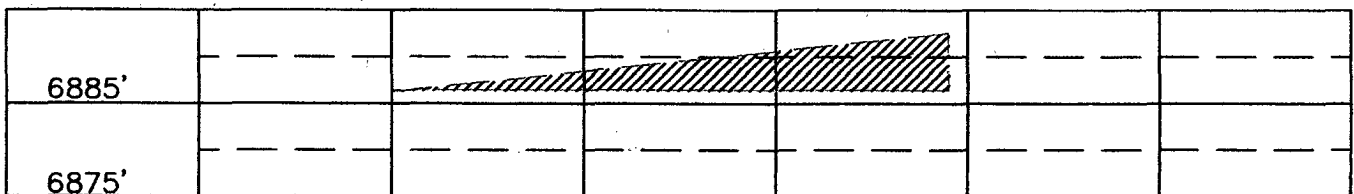
A-A' Vert.: 1"=20' Horiz.: 1"=50' C/L



B-B'



C-C'



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

New Well Permit Information

DATE: October 2005

WELL NAME: State 21-6-36 #3
FIELD NAME: Basin Fruitland Coal
LOCATION: SW Section 36-T21N-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"	815'

<u>Formation</u>	<u>Depth</u>
Ojo Alamo	105'
Kirtland	265'
Fruitland	440'
Coal Top	640'
PC	665'
Total Depth	815'

DATE: October 2005
WELL NAME: State 21-6-36 #3

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
Production	4-1/2", 10.5#, J-55, ST&C	815'	100 sx (118 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

