

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., 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-105 Revised June 10, 2003 WELL API NO. 30-043-20999 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.
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WELL COMPLETION OR RECOMPLETION REPORT AND LOGS

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name STATE 21-6-36 Well No. 3			
2. Name of Operator SG INTERESTS I, LTD c/o NIKA ENERGY OPERATING, LLC				
3. Address of Operator PO Box 2677, Durango, CO 81302 (970) 259-2701				
4. Well Location Unit Letter <u>M</u> : <u>662</u> Feet From The <u>South</u> Line and <u>724</u> Feet From The <u>West</u> Line Section <u>36</u> Township <u>21N</u> Range <u>6W</u> NMPM <u>Sandoval</u> County				
10. Date Spudded 11/10/05	11. Date T.D. Reached 11/12/05	12. Date Compl. (Ready to Prod.) 12/7/05	13. Elevations (DF& RKB, RT, GR, etc.) 6886'	14. Elev. Casinghead ---
15. Total Depth 950'	16. Plug Back T.D. 890'	17. If Multiple Compl. How Many Zones? 1	18. Intervals Drilled By 0'-950'	Rotary Tools ---
19. Producing Interval(s), of this completion - Top, Bottom, Name Fruitland Coal 730'-784'				20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run SDL/DSN/HRI Log; CBL/GR/CCL				22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	20#	164' KB	12-1/4"	170 sx Circ 10	Bbls to surf
4.5"	10.5#	933' KB	6-1/4"	165 sx Circ 14	Bbls to surf

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8"	843'	

26. Perforation record (interval, size, and number)
 730'-731' 4 spf, 120 deg phasing
 773'-777' .380 size
 780'-784' Total 36 holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
730-784	500 gal 15% DI Fe acid; 500 gal 15% FE acid; 12,000 gal Silverstim
	35,300# Prem 20/40 Brady Sd

28. PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping 2" x 1-1/4" x 6' x 7' x 10' RHAZ		Well Status (Prod. or Shut-in) Shut in/WO Pipeline	
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.
			Oil Gravity - API - (Corr.)		

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Will be sold when on line

30. List Attachments
 All electric logs were sent directly to NMOC, Aztec, NM

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature

Printed Name
 Marcia Stewart

Title
 Engineering Asst/Agent

Date
 1/27/06

E-mail Address marcia@nikaenergy.com

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo 232'	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland 715'	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs 795'	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinbry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
			No Cores or DST's were run.				