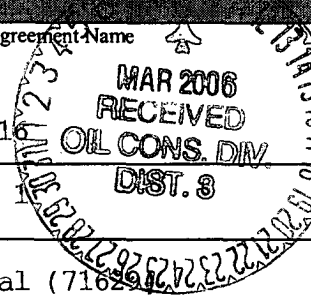


|   |   |  |   |  |                    |
|---|---|--|---|--|--------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br><b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br><b>District II</b><br>1301 W. Grand Avenue, Artesia, NM 88210<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br><b>District IV</b><br>1220 S. St. Francis Dr., Santa Fe, NM 87505                        | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br>1220 South St. Francis Dr.<br>Santa Fe, NM 87505 | <b>Form C-105</b><br>Revised June 10, 2003<br><br>WELL API NO.<br>30-031-21080<br><br>5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/><br>State Oil & Gas Lease No. |   |  |                    |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>   |   |  |   |  |                    |
| 1a. Type of Well:<br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____<br><br>b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF.<br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER |   |   |   |  |                    |
| 2. Name of Operator<br>SG INTERESTS I, LTD c/o Nika Energy Operating, LLC   |   |  |   |  |                    |
| 3. Address of Operator<br>PO Box 2677, Durango, CO 81302  |   |  |   |  |                    |
| 4. Well Location<br>Unit Letter <u>A</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1100</u> Feet From The <u>East</u> Line<br>Section <u>16</u> Township <u>20N</u> Range <u>6W</u> NMPM <u>McKinley</u> County   |   |  |   |  |                    |
| 10. Date Spudded<br>12/16/05  | 11. Date T.D. Reached<br>12/22/05   | 12. Date Compl. (Ready to Prod.)<br>2/10/06  | 13. Elevations (DF&K RKB, RT, GR, etc.)<br>6862' GR   | 14. Elev. Casinghead<br>---            |                    |
| 15. Total Depth<br>736'   | 16. Plug Back T.D.<br>614'  | 17. If Multiple Compl. How Many Zones?<br>1  | 18. Intervals Drilled By<br>Rotary Tools<br>0'-736'   | Cable Tools                            |                    |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>Fruitland Coal 460'-472'   |   |  |   | 20. Was Directional Survey Made<br>Yes |                    |
| 21. Type Electric and Other Logs Run<br>SDL/DSN/HRI; GR/CCL/CBL (614'-surface)  |   |  |   | 22. Was Well Cored<br>No               |                    |
| <b>23. CASING RECORD (Report all strings set in well)</b>   |   |  |   |  |                    |
| CASING SIZE   | WEIGHT LB./FT.  | DEPTH SET  | HOLE SIZE   | CEMENTING RECORD                       | AMOUNT PULLED      |
| 8-5/8"  | 24#   | 174' KB  | 12-1/4"   | 150 sx - Circ                          | 10 Bbls to surface |
| 4-1/2"  | 10.5#   | 653' KB  | 7-7/8"  | 230 sx - Circ                          | 14 Bbls to surf    |
| <b>24. LINER RECORD</b>   |   |  |   |  |                    |
| SIZE  | TOP   | BOTTOM   | SACKS CEMENT  | SCREEN                                 |                    |
|   |   |  |   |  |                    |
| <b>25. TUBING RECORD</b>  |   |  |   |  |                    |
| SIZE  | DEPTH SET   | PACKER SET   |   |  |                    |
| 2-3/8"  | 505'  |  |   |  |                    |
| 26. Perforation record (interval, size, and number)<br>460'-472' (12')<br>4 spf, 3-1/8" csg gun, 120 deg phasing<br>Total 48 holes - all shots fired  |   |  | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br>460'-472'      500 gal 15% FE acid; 10 B/KCl wtr;<br>22,200 gal Silserstim; 47,000#<br>20/40 Brown sd w/Sandwedge |  |                    |
| <b>28. PRODUCTION</b>   |   |  |   |  |                    |
| Date First Production   |   | Production Method (Flowing, gas lift, pumping - Size and type pump)  |   | Well Status (Prod. or Shut-in)         |                    |
| WO Prod Equipment   |   | 2" x 1-1/4" x 6'x7'x10' RHACZ insert pmp   |   | 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.       |
|   |   |  |   |  |                    |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br>Gas will be sold as soon as on line   |   |  |   |  | Test Witnessed By  |
| 30. List Attachments<br>All electric logs sent directly to NMOC Office.   |   |  |   |  |                    |
| 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 <u>Marcia Stewart</u>   |   | Printed Name <u>Marcia Stewart</u>   |   | Title <u>Agent for SG Interests</u>    |                    |
| E-mail Address <u>marcia@nikaenergy.com</u>   |   |  |   | Date <u>March 7, 2006</u>              |                    |

# 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 Surface       | T. Penn. "B"     |
| T. Salt                 | T. Strawn        | T. Kirtland-Fruitland 368' | T. Penn. "C"     |
| B. Salt                 | T. Atoka         | T. Pictured Cliffs 490'    | 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<br>In Feet | Lithology                   | From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------------------------|------|----|----------------------|-----------|
|      |    |                      | No cores or DST's were run. |      |    |                      |           |