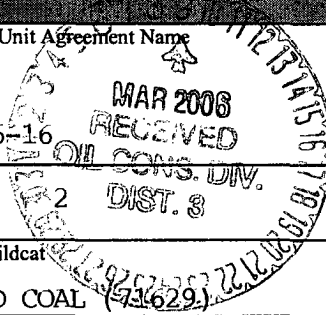
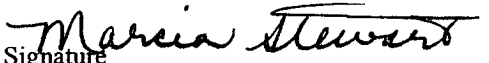


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico 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. 30-043-21000 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" 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. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name STATE 20-6-16 
2. Name of Operator SG INTERESTS I, LTD c/o Nika Energy Operating, LLC		8. Well No.
3. Address of Operator PO Box 2677, Durango, CO 81302		9. Pool name or Wildcat FRUITLAND COAL (431629)
4. Well Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>16</u> Township <u>20N</u> Range <u>6W</u> NMPM <u>McKinley</u> County		
10. Date Spudded 12/26/05	11. Date T.D. Reached 12/29/05	12. Date Compl. (Ready to Prod.) 2/15/06
13. Elevations (DF& RKB, RT, GR, etc.) 6843' GR		14. Elev. Casinghead ---
15. Total Depth 630'	16. Plug Back T.D. 609'	17. If Multiple Compl. How Many Zones? 1
18. Intervals Drilled By Rotary Tools 0'-630'		19. Producing Interval(s), of this completion - Top, Bottom, Name Fruitland Coal (431'-441')
20. Was Directional Survey Made Yes		21. Type Electric and Other Logs Run SDL/DSN/HRI; GR/CCL/CBL (csg to surface)
22. Was Well Cored No		23. CASING RECORD (Report all strings set in well)
CASING SIZE 8-5/8"	WEIGHT LB/FT. 24#	DEPTH SET 174' KB
HOLE SIZE 12-1/4"	CEMENTING RECORD 150 sx - Curc	AMOUNT PULLED 15 Bbls to surf
4-1/2"	10.5#	614' KB
7-7/8"	230 sx - Circ	15 Bbls to surf
24. LINER RECORD		
SIZE	TOP	BOTTOM
SACKS CEMENT	SCREEN	25. TUBING RECORD
SIZE	DEPTH SET	PACKER SET
2-3/8"	504'	---
26. Perforation record (interval, size, and number) 431'-441' (10') 4 spf, 120 deg phasing, 3-1/8" csg gun Total 40 shots - all shots fired		
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 431'-441' AMOUNT AND KIND MATERIAL USED 500 gal 15% DI HCl FE acid Overflush 10 B/2% KCl; Frac w/19,710 gal Silverstim; 40,000#		
28 PRODUCTION		
Date First Production WO Prod Equipment		Production Method (Flowing, gas lift, pumping - Size and type pump) 2" x 1-1/4" x 6'x7'x10' RHACZ insert pmp
Well Status (Prod. or Shut-in) Shut in/WO equipment		20/40 Brady Sd w/Sandwedge
Date of Test	Hours Tested	Choke Size
Prod'n For Test Period	Oil - Bbl	Gas - MCF
Water - Bbl.	Gas - Oil Ratio	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 as soon as on line		
30. List Attachments All electric logs were sent directly to NMOCD.		
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 Agent for SG Interests
E-mail Address marcia@nikaenergy.com		Date March 7, 2006

INSTRUCTIONS

State 90-6-16#2

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 274'	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs 446'	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.				