

SUBMIT IN DUPLICATE*

FORM APPROVED

(See other instructions on reverse side)

OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NMN99739

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 AUG 22 801 11

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL
WELL ☐

GAS
WELL ☒

DRY ☐

Other ☐

1b. TYPE OF WELL

NEW
WELL ☒

WORK
OVER ☐

DEEPEN ☐

PLUG
BACK ☐

DIFF
RESVR. ☐

Other ☐

2. NAME OF OPERATOR

SG INTERESTS I LTD, c/o Nika Energy Operating, LLC

3. ADDRESS AND TELEPHONE NO.

PO Box 2677, Durango, CO 81302 (970) 259-2701

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

1740' FSL, 980' FWL (NWSW) Sec 25-T21N-R7W

At top prod. Interval reported below

At total depth

Same

14. PERMIT NO.

DATE ISSUED

5/31/06

12. COUNTY OR PARISH

Sandoval

13. STATE

NM

15. DATE SPUNDED

6/13/06

16. DATE T.D. REACHED

6/16/06

17. DATE COMPL. (Ready to prod.)

8/1/06

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

6685' GR

19. ELEV. CASINGHEAD

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20. TOTAL DEPTH, MD & TVD

MD

820'

TVD

21. PLUG, BACK T.D., MD & TVD

MD

762'

TVD

22. IF MULTIPLE COMPL., HOW MANY*

1

23. INTERVALS DRILLED BY

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ROTARY TOOLS

0-820'

CABLE TOOLS

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24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

Fruitland Coal 584'-604"

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR/DSN; CBL/CCL/DCL 762' to Surface

25. WAS DIRECTIONAL SURVEY MADE

Yes

27. WAS WELL CORED

No

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

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J-55	24#	172' KB	12-1/4"	155 sx Circ 10 Bbls to surf	
4-1/2" J-55	10.5#	804' KB	7-7/8"	175 sx ; circ 10 Bbls to surf	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	674'; SN @ 639'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL SIZE NUMBER
New Perfs:
584'-604' 4 spf 3-1/8" csg gun

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
584'-604'	500 gal HCl DI FE acid
	500 gal acid; 38,047 gal Silverstim LT w/SWNT
	792 sx 20/40 Brady Sd w/max BHC of 5.18#/gal

33.* PRODUCTION

20# Delta 140 frac fluid w/sandwedge; 122,255# 20/40 Brady Sand.

DATE FIRST PRODUCTION

PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)

WELL STATUS (Producing or shut-in)

Shut in/WO Pipeline

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.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Will be sold as soon as connected to pipeline

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

All electric logs were sent directly to the New Mexico Oil Conservation Division

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Marcea Stewart

TITLE Agent for SG Interests I Ltd

ACCEPTED FOR RECORD
DATE 8/15/2006

(See Instructions and Spaces for Additional Data on Reverse Side)

AUG 23 2006

NMOC

FARMINGTON FIELD OFFICE

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS		
FORMATION		TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	TOP	
					NAME	MEAS. DEPTH
					TRUE VERT. DEPTH	
Ojo Alamo	50'			No cores were taken; no DST's were run.		
Kirtland Shale	301'					
PC Sandstone	608'					
Huerfanito Bentonite	NDE					