

(July 1992)

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NMNM99733

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL

WELL

☐

GAS

WELL

☒

DRY

☐

RECEIVED

Other

1b. TYPE OF WELL

NEW

WELL

☒

WORK

OVER

☐

DEEPEN

WELL

☐

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

Unit N: 990' FSL, 1920' FWL (SESW) Sec 34-T21N-R6W

At top prod. Interval reported below

At total depth

Same

14. PERMIT NO.

DATE ISSUED

6/27/06

12. COUNTY OR PARISH

Sandoval

13. STATE

NM

15. DATE SPUDDED

7/1/06

16. DATE T.D. REACHED

7/6/06

17. DATE COMPL. (Ready to prod.)

8/10/06

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

6781' GR

19. ELEV. CASINGHEAD

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20. TOTAL DEPTH, MD & TVD

MD

930'

TVD

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

MD

873'

TVD

22. IF MULTIPLE COMPL., HOW MANY*

1

23. INTERVALS DRILLED BY

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ROTARY TOOLS

0-930'

CABLE TOOLS

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

Fruitland Coal 644'-658'

26. TYPE ELECTRIC AND OTHER LOGS RUN

Density/Caliper to 915'; GR/Neutron to 652' (bridge); CBL/CCL/DCL PBTD (873') 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# | 181 KB | 12-1/4" | 135 sx; circ 10 B/cem to surf | |
| 4-1/2" J-55 | 10.5# | 911' KB | 7-7/8" | 200 sx; circ 15 B/cem 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" | 726'; SN @ 692' | |
| | | |

31. PERFORATION RECORD (Interval, size and number)

INTERVAL

New Perfs:

644'-658' (14')

4 spf

SIZE

NUMBER

3-1/8" csg gun

Total 56 holes

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

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|---|
| 644'-658' | 1000 gal 15% HCl acid; Pumped 24,800 gal Dynafrac |
| | +220 gal Aquavis; 57,000# 20/40 sand |
| | |
| | |

33.* PRODUCTION

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

Marcia Stewart

TITLE

Agent for SG Interests I Ltd

DATE

8/15/2006

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

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

ACCEPTED FOR RECORD
AUG 22 2006
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); | | | | Federal 21-6-34 #3 38. GEOLOGIC MARKERS | | |
|---|------|--------|---|--|-------------|------------------|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
| | | | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| Ojo Alamo | 194' | | No cores were taken; no DST's were run. | | | |
| Kirtland Shale | 297' | | | | | |
| PC Sandstone | 672' | | | | | |
| Huerfanito Bentonite | NDE | | | | | |