

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.

NMNM99732

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

FEDERAL 21-6-32 #3

9. API WELL NO.

30-043-21028

10. FIELD AND POOL OR WILDCAT

Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 32-T21N-R6W

12. COUNTY OR PARISH

Sandoval

13. STATE

NM

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

2266' FSL, 1520' FWL (NESW) Unit K: Sec 32-T21N-R6W

At top prod. Interval reported below

At total depth

Same

14. PERMIT NO.

DATE ISSUED

7/10/06

15. DATE SPUDDED

7/16/06

16. DATE T.D. REACHED

7/19/06

17. DATE COMPL. (Ready to prod.)

8/14/06

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

6819' GR

19. ELEV. CASINGHEAD

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20. TOTAL DEPTH, MD & TVD

MD 930'

TVD

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

MD 878'

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 688'-709'

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR/Density; CBL/CCL/GR PBTD (878') 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"	150 sx; circ 10 B/cem to surf	
4-1/2" J-55	10.5#	920' KB	7-7/8"	240 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"	788'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL

New Perfs:

688'-709' (21')

4 spf

SIZE

NUMBER

3-1/8" csg gun

Total 84 holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
688'-709'	1000 gal acid; 37,429 gal SilverStim LT w/SWNT
	832 sx 20/40 Brady Sand w/max BH
	sand concentration of 5.12#/gal

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)				WELL STATUS (Producing or shut-in)	
						Shut in/NO 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

DATE

8/16/2006

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

NMOC

ACCEPTED FOR RECORD

8/16/2006

AUG 22 2006

NEW MEXICO OIL CONSERVATION DIVISION

NEW MEXICO OIL CONSERVATION DIVISION

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 21-6-32 #3 38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	282'		No cores were taken; no DST's were run.			
Kirtland Shale	718'					
PC Sandstone	NDE					
Huerfanito Bentonite						