

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.



1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
SG Interests I, Ltd., c/o Nika Energy Operating, LLC

3a. Address
PO Box 2677, Durango, CO 81302

3b. Phone No. (include area code)
(970) 259-2701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
465' FSL, 1785' FEL (SWSE) Sec 3-T20N-R6W

5. Lease Serial No.

NM 53926

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

BOND MAR 13 '07
OIL CONS. DIV.
DIST. 3

8. Well Name and No.

CORRALES #1

9. API Well No.

30-031-20892

10. Field and Pool, or Exploratory Area

Pot Mesa/Corrales Field

11. County or Parish, State

McKinley County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input checked="" type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

(2/25/07) MIRU to P&A. BH 0#; TP 0#; CP 150#. Blow well down (5 min to 0#). POOH w/rods, pump, 2 7/8" tbg. PU 4-3/4" cone bit, 4 -3-1/8" DC; RIH w/2-7/8" tbg. Tag CIBP @ 764'; drill plug, circ well. RIH w/bit, 4-3/4" csg scraper, tbg; hit tight spot @ 950', could not work thru, POOH. PU 4-3/4" bit, 4-4-3/4" DC - RIH on 2-7/8" tbg; drill on plug, push to 1300', broke free. RIH to 2083' & circ clean w/fresh water. RU cementers; pmp 5 bbls (25 sx) 16# 'H' cem dis w/7 BW, POOH, WOC. RIH & tag TOC 1340' (ok). PU Baker cem retainer; RIH w/18 jts tbg; set @ 564'. Pressure annulus 4X (looking for surface leaks) to 500#, no test; 500# to 50# in 4 min. Hole in csg, or retainer not holding. Pump 30 sx 'H' cem thru retainer; pull out of retainer; pump 6 sx cem (50') displace to top of retainer, POOH. RIH w/open-end 2-7/8" tbg; tag TOC @ 441'; POOH to 375'; pressure test tbg/csg to 500 psi, test good. Mix & pump 65 sx 'H' cem from 375' to surface. LD tbg & NDBOP. Dig cellar & cut off WH. Mix & pmp 50 sx 'H' cem down surface csg. Top off 5-1/2" csg w/cement. RDMO, Released rig 3/4/07. Weld on P&A marker. (Ray Espinoza w/BLM on location). Reclaim location. Re-seeding will be done this Spring/early summer, 2007.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Marcia Stewart

Title

Agent for SG Interests I Ltd

Signature

Date

March 7, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

(Instructions on reverse)

ACCEPTED FOR RECORD

MAR 12 2007

FARMINGTON FIELD OFFICE

NMOCOD

B 3/13

SW