

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

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

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

5. Lease Serial No.

NMNM113429

6. If Indian, Allottee or Tribe Name

RCVD JAN 16 '08

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

OIL CONS. DIV.

DIST. 3

8. Well Name and No.

FEDERAL 21-6-28 SWD #33

9. API Well No.

30-043-21054

10. Field and Pool, or Exploratory Area

Entrada/Morrison

Sandoval County, NM

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

Bureau of Land Management
Disposal/Welington Field Office

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)

Unit M: SEC 28-T21N-R6W
660' FSL, 660' FWL (SWSW)

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

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

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 recomple 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.)

Following verbal approval from Troy Salyers (1/8/08) of the Farmington BLM office, this is written notification of a change of plans in our approved APD for the subject well. SG's production string cementing will still be a 2 stage process. The DV tool will be placed at 5,000' +/- instead of 4000'.
1st Stage - Cem with Type 5 cem w/1/8#/sk Poly E Flake, 3#/sk Gilsonite, 1% CFR-3 dispersant rs, .05% Halad R-9.
2nd Stage - Lead cem will be 50/50 Pozmix, Type 5, 5#/sk Gilsonite, 1/8#/sk Poly E Flake; Tailed w/Type 5 cem, 1/8#/sk Poly E Flake, 3#/sk Gilsonite, 1% CRF-3 Dispersant, .05% Halad R-9.
Cement will be to surface w/caliper volume plus 50% excess as originally indicated in our APD.
Received verbal approval on location from Lester Jaramillo, BLM, to run new 23# N80 casing instead of 26# N80 as approved on the APD.
All other plans remain as previously approved.

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

Name (Printed/Typed)

William Schwab

Title

Agent for SG Interests I Ltd

Signature

Date

January 14, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Troy L Salyers

Title

PE

Date

1/15/2008

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

FFO

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)

NMOC