

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

NM 53926

6. If Indian, Allottee or Tribe Name

RCVD MAR 24 '08

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

OIL CONS. DIV.

DIST. 3

8. Well Name and No.

CORRALES #2

9. API Well No.

30-031-20898

10. Field and Pool, or Exploratory Area

Pot Mesa/Corrales Field

11. County or Parish, State

McKinley County, NM

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, 2300' FWL (SESW) Sec 3-T20N-R6W

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 type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" 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 type="checkbox"/> Change Plans <input checked="" 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 recompleat 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 recompleat 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.)

MIRUSU NDWH & RU BOP. Pull 3 jts 2-7/8" tbgr. PU DC's & 2-7/8" tbgr from float & stand in derrick. PU 4-3/4" bit/scraper & RIH to top of cem plug @ 1418'; circ hole clean. RIH w/2-7/8" tbgr to 764' to spot 30 sx plug. RU HES & spot 30 sx Type 5 cem from 764'-500', POOH. RU wireline & RIH; tagged top of cem plug @ 505'. PU & shot 3 holes @ 362'. Closed blind rams & circ dn 5-1/2" csg & up 8-5/8" csg, full returns. RD wireline. RU HES & circ 200 sx cem down 5-1/2" & up 8-5/8" csg. Returns to surface. RD & washed to pit. RDSU @ 1400 hrs 3/12/08. Reclaimed location. (BLM rep on location during P&A).

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 19, 2008

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 21 2008

NMOCD

FARMINGTON FIELD OFFICE