

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

SUNDRY NOTICES AND REPORTS ON WELLS

JUL 31 2008

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

5. Lease Serial No.

NMNM99732

6. If Indian, Allottee or Tribe Name

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

RCVD AUG 4 '08
BUREAU OF LAND MANAGEMENT

DIST. 3

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)

Unit A: 770' FNL, 1125' FEL (NENE)

Sec 30-T21N-R6W

8. Well Name and No

FEDERAL 21-6-30 #1

9. API Well No.

30-043-21058

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

Sandoval County, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Csg

Update

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.)

Spud well 7/15/08. Drilled 12-1/4" hole to 217'. RIH w/5 jts 8-5/8" (210') 24# J-55 csg; guide shoe on btm; insert float on top of btm jt; set @ 215' KB. Mix & pmp 10 BW, 159 sx Class 'G' cem w/1/4#/sk CaCl, 1/8#/sk Poly-E-Flake, 15.6#/gal. Wood plug bumped 200 psi over displacement press; float held; circ 11 B/cem to surface. (Notified BLM/NMOCD of 8-5/8" cementing 7/16/08). Test BOPE, 8-5/8" csg (1500 psi for 30 min; 250 psi for 10 min, ok). BLM notified of BOPE tests 7/17/08. RIH w/7-7/8" bit, drld thru shoe, continue drlg to 1045' TD (reached TD 7/21/08, rig repair caused delay). Circ & cond hole. Rn open hole logs. RIH w/24 jts + 1 short jt of 4-1/2" 10.5# J-55 csg; cem w/20 B/mud flush, 350 sx Class 'G' w/1/8#/sk Polyflake, 3#/sk Gilsonte. WOC. Circ cem to surface. RDMODR 7/23/08.

16

4 1/2" casing point needed; bbls of cement to surface needed

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

Name (Printed/Typed)

Marcia Stewart

Signature

Marcia Stewart

Title

Agent for SG Interests I Ltd

Date

July 29, 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)

NMOCD

ACCEPTED FOR RECORD

AUG 01 2008

FARMINGTON FIELD OFFICE
BY T. S. SAVERS