

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.

AUG 05 2008

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

5. Lease Serial No
NM99718

6. If Indian, Allottee or Tribe Name
RCVD AUG 7 '08

7. If Unit or CA/Agreement, Name and/or No.
**OIL CONS. DIV.
DIST. 3**

8. Well Name and No.
FEDERAL 20-5-6#3

9. API Well No.
30-031-21102

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

McKinley, 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)
**Lot 6: (NWSW) Sec 6-T20N-R5W
1865' FSL, 890' FWL**

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 checked="" type="checkbox"/> Other Reply to BLM letter dated 7/11/08
	<input 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)

(BLM approval to extend lease until 9/30/09.....See Sundry Notice dated 9/25/07). Spudded well 8/24/07. Drilled to TD 1075'. Set 4-1/2" csg @ 1057.72' KB & released rig 8/28/07. Well is not yet completed. SG intends to lay a pipeline to this well before completing. Anticipated date of first production: July, 2009

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Marcia Stewart

Title
Agent for SG Interests I Ltd

Signature
Marcia Stewart

Date
July 30, 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

AUG 05 2008

NMOCD

FARMINGTON FIELD OFFICE