

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

RECEIVED

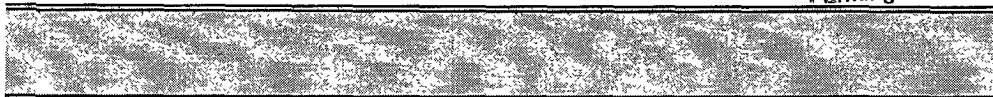
SEP 19 2008

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.

Lease Serial No.
NMNM36590
Bureau of Land Management
Farmington Field Office

ROUND SEP 24 2008
OIL CONS. DIV.
DIST. 3



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

7. If Unit or CA/Agreement, Name and/or No.
NMNM 104886

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

8. Well Name and No.
WEST BISTI 26-13-17#1

3a. Address
PO Box 2677, Durango, CO 81301

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

9. API Well No.
30-045-29160

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
790' FNL, 1119' FEL (NENE) Sec 17-T26N-R13W

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

11. County or Parish, State
San Juan, New Mexico

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 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bord under which the work will be performed or provide the Bord No. on file with BLM/BLM. 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.)

This well was spudded in Sept, 1994; completed in April, 1997 (TD 1770' KB; PBTD 1716' KB); TA status since August, 2007; cannot be economically productive. SG intends to plug and abandon this well as follows:

- 1) Drop standing valve & test tubing;
- 2) RIH w/3-7/8" bit, scraper, & workstring above CIBP + 8 sx cem @ 1314' (CIBP @ 1420').
- 3) Mix 40 sx Type 5 cem & spot plug from 1315' to 788' to cover Fruitland tops; POOH to 395' KB. WOC
- 4) Mix 30 sx Type 5 cem w/2% CaCl; spot cem to surface. WOC
- 5) Install P&A marker w/cem.
- 6) Reclaim location per APD & P&A stipulations. Reclaim pit to NMOCD stipulations.

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

September 18, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by
Original Signed: Stephen Mason

Title

Date

SEP 23 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

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