

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

RECEIVED

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

MAY 04 2009

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

Bureau of Land Management  
Farmington Field Office

## 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 G: 1860' FNL, 1970' FEL  
Sec 26-T21N-R7W (SWNE)

## 5. Lease Serial No

NMNM99739

## 6. If Indian, Allottee or Tribe Name

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

## 8. Well Name and No

FEDERAL 21-7-26 #1

## 9. API Well No.

30-043-21062

## 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☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☒ Subsequent Report☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Final Abandonment Notice☐ Casing Repair☐ New Construction☐ Recomplete☒ Other Change☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon

Dedicated Acreage

☐ Convert to Injection☐ Plug Back☐ 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 recomplate 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 recomplate 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 drilled in August, 2008 and completed in October, 2008. In the approved APD for this well, we showed dedicated acreage as the E/2 of Section 26 (well is in the NE/4 of Sec 26). This well has not yet produced any oil or gas to sales. SG is requesting approval to change the dedicated acreage to the N/2 of Section 26. SG has submitted an APD to BLM for a new well in the NW/4 of Sec 26 (Federal 21-7-26 #2), and both the 26 #1 and the new well will be on the same lease in the N/2 of Sec 26.



## 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

April 29, 2009

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Monica Tilden

Title

LIE

Date

MAY - 5 2009

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

PRO

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

District I  
1625 N. French Dr, Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

Bureau of Land Management  
Farmington Field Office  
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 71629		<sup>3</sup> Pool Name Basin Fruitland Coal	
<sup>4</sup> Property Code		<sup>5</sup> Property Name FEDERAL 21-7-26			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 20572		<sup>8</sup> Operator Name SG INTERESTS I, LTD.			<sup>9</sup> Elevation 6681

<sup>10</sup> Surface Location

UL or Lot No G	Section 26	Township 21 N	Range 7 W	Lot Idn.	Feet from the 1860	North/South Line North	Feet from the 1970	East/West Line East	County Sandoval
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or Lot No	Section	Township	Range	Lot Idn.	Feet from the	North/South Line	Feet from the	East/West Line	County
<sup>12</sup> Dedicated Acres N/2 320 Ac.		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> N 89°43' W 80°65' Ch. 1860' Lat. 36.02433° N Long. 107.54419° W Sec. 26 N 0°05' W N 89°44' W 79.90 Ch.	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>William Schwarz</i> Date: 4/29/2009 Printed Name: William Schwarz JES	
	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: 05 Dec 2007 Signature and Seal of Professional Surveyor: <i>William E. Mahnke II</i> #8466 Certificate Number: 8466	
	Re-issued 29 Apr 2009 Date of Survey: 05 Dec 2007 Signature and Seal of Professional Surveyor: <i>William E. Mahnke II</i> #8466 Certificate Number: 8466	
	William E. Mahnke II State of New Mexico Professional Surveyor #8466	