

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

NM99718

6 If Indian, Allottee or Tribe Name

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

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

SEP 18 2009

Bureau of Land Management

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

Completion

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.)

(See Sundry Notice dated August 30, 2007). MIRUSU 7/23/09. PU 3-3/4" bit, scraper, 2 ea 3-1/8" DC's & RIH on 2-3/8" tbg work string to PBTD (1015' KB). Roll hole w/2% KCl, POOH. Rn 3000 psi test on csg, wellhead, & BOP for 30 min, ok. Rn CCL/CBL/GR from PBTD (1015') to surface. Perf FT coal w/3-1/8" csg gun, 4 spf, 120 deg phasing from 608'-626' (18'), 72 holes, all shots fired, RD. PU new NC, 1 jt 2-3/8" tbg, SN, & RIH to top of perfs. Swabbed well. PU & land 22 jts 2-3/8" tbg (723.15') w/NC set @ 728'; SN @ 692'. PU 2' x 1-1/2" x 8' RWAC-DV insert pump & bucket test; RIH on no tag tool, 2 ea 1-1/4" sinker bars, 25 ea 3/4" guided rods, 1 ea 8' pony rod, land/space out w/polish rod. Load tbg w/wtr & ck pump action to 500 psi, ok. RDSU Move rig off loc 7/29/09.

22 JTS, 2 3/8", 4.7#, J-SS TBG SET @ 728'

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

August 26, 2009

RCVD SEP 24 '09
OIL CONS. DIV.

DIST. 3

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

SEP 21 2009

NMOCD

FARMINGTON FIELD OFFICE