

DATE IN 12/21/09	SUSPENSE	ENGINEER E. Z...	LOGGED IN 12/21/09	TYPE CTD	PTGW APP NO. 0935550541
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

*[Handwritten scribbles]*

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners  
 [B]  Offset Operators, Leaseholders or Surface Owner  
 [C]  Application is One Which Requires Published Legal Notice  
 [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F]  Waivers are Attached

*CTB-587B*

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

William Schwab III Print or Type Name	<i>[Signature]</i> Signature	Agent for SG Interests Title	12/18/09 Date
		tripp@nikaenergy.com e-mail Address	

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

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.**



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*

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*

**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 checked="" type="checkbox"/> Other <u>Add well to El Pintado CDP Gathering System</u> <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <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 recompleat 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 recompleat 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.)

SG Interests is requesting approval to add this well to their El Pintado CDP Gathering System (Order No. CTB-587, approved Febr 27, 2008 & Amended Order No. CTB-587 A, approved June 11, 2009) in the NW/4 of Sec 10-T20N-R6W, McKinley County, NM. This well will produce from the Basin Fruitland Coal Formation, as are all other wells going thru the CDP; there will be a gas allocation meter on this wellsite, and production charts will be integrated by R&L Chart Service; well will be maintained and production allocated per Order as all other wells going thru the CDP, Produced water will be trucked to our Federal 21-6-28 SWD #33 disposal well during the de-watering stage and until a pipeline can be built from the well to the disposal well. We are preparing an Application to NMOCD for same. Please see attached map.

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

Name (Printed/Typed) <i>Marcia Stewart</i>	Title <i>Agent for SG Interests I Ltd</i>
Signature <i>Marcia Stewart</i>	Date <i>December 8, 2009</i>

**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.

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

~~REVISED~~  
~~SRUD~~  
~~NOTICE~~

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

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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 4: (SWSW) SEC 19-T21N-R6W  
713' FSL, 743' FWL*

5. Lease Serial No.  
*NM99731*

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
*FEDERAL 21-6-19 #3*

9. API Well No.  
*30-043-21047*

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

*Sandoval County, NM*

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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 recompleat 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 recompleat 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.)

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Signature <i>Marcia Stewart</i>	Date <i>December 8, 2009</i>

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

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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 4: (SWSW) Sec 19-T21N-R7W  
759' FSL, 1202' FWL*

5. Lease Serial No.  
*NM99737*

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
*FEDERAL 21-7-19 #3*

9. API Well No.  
*30-043-21049*

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

*Sandoval County, NM*

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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"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Add Well to <input type="checkbox"/> Final Abandonment Notice <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <i>El Pintado CDP</i> <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <i>Gathering System</i>

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Office
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# Nika Energy Operating

RECEIVED

2009 DEC 21 PM 1 47

December 18, 2009

State of New Mexico  
Oil Conservation Division  
1220 So. St. Francis Drive  
Santa Fe, New Mexico 87505

Attn: Mr. Richard Ezeanyim

RE: Amending Order No. CTB-587 & CTB-587-A  
To include additional wells  
McKinley and Sandoval Counties, NM

Dear Mr. Ezeanyim:

Attached is an Application to amend our Order No. CTB-587 and CTB-587-A, adding 3 wells to our El Pintado CDP Gas Gathering System (off-lease measurement). Also enclosed are copies of a Sundry Notice for each well, submitted to BLM, Farmington, New Mexico, an Administrative Application Checklist, a copy of the amended CTB-587-A, a map of the Gathering System and its associated wells, proof of notification to all Revenue Interest Owners, and copies of the Publications for the Albuquerque Journal and the Gallup Independent. Following is a list of the wells to be added:

Federal 21-5-6 #3 - W/2 of Sec 6 API No. 30-031-21102 Lease No. NMNM99718  
Federal 21-6-19 #3 S/2 of Sec 19 API No. 30-043-21047 Lease No. NMNM99731  
Federal 21-7-19 #3 W/2 of Sec 19 API No. 30-043-21049 Lease No. NMNM99737

When added to the El Pintado CDP Gas Gathering System, all of the above wells will be treated, measured, and maintained exactly as the other 26 wells approved in Order No. CTB-587 and CTB-587-A.

Notification to all revenue owners of all wells in the Gathering System was sent by Certified Mail December 16, 2009. Notices (copies attached) will also be published in the Albuquerque Journal (Sandoval County) and in the Gallup Independent (McKinley County) newspapers as soon as possible.

Please let me know what additional information you might need. Thanks for your help.

Sincerely,

NIKA ENERGY OPERATING, LLC  
AGENT FOR SG INTERESTS

A handwritten signature in black ink that reads "Marcia Stewart". The signature is written in a cursive style with a horizontal line above the name.

Marcia Stewart  
Engineering Assistant

cc: NMOCD – Aztec, NM

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: SG INTERESTS I, LTD (c/o Nika Energy Operating, LLC)  
OPERATOR ADDRESS: PO Box 2677, DURANGO, CO 81302

APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. CTB 587-A \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code. FRITLAND COAL FORMATION 71629  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: William Schway III TITLE: AGENT FOR SG INTERESTS DATE: 12/11/09

TYPE OR PRINT NAME WILLIAM SCHWAY III (TRIPP) TELEPHONE NO.: 970-259-2701

E-MAIL ADDRESS: tripp@nikaenergy.com



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



Surface Commingling Order CTB-587-A

June 11, 2009

SG Interests I Ltd.  
C/o NIKA Energy Operating, LLC  
PO Box 2677  
Durango, CO 81303

Attention: Marcia Stewart:

By Surface Commingling Order No. CTB-587, the Division authorized SG Interests I Ltd. (OGRID 20572) to surface commingle gas production from the Basin-Fruitland Coal Gas Pool (71629) within the following-described area (hereinafter referred to as the El Pintado CDP Gas Gathering System Area), Sandoval and McKinley Counties, New Mexico:

**El Pintado CDP Gas Gathering System Area**

Township 21 North, Range 6 West, NMPM

Section 29: S/2

Section 30: All

Section 31: N/2

Section 32: W/2

Section 34: All

Section 36: W/2

Township 20 North, Range 6 West, NMPM

Section 2: S/2

Section 3: S/2

Section 10: N/2

Section 16: All



This area contains all or portions of Federal Leases No. NM-99732, NM-99733, and NM-24964, State Leases No. VA2322, VA2344, and VA2284. This area currently contains eighteen (18) wells that are completed in the Basin-Fruitland Coal Gas Pool. All wells within the area are currently operated by SG Interests I Ltd.

SG Interests I Ltd now seeks to add the following eight (8) wells producing from the Basin Fruitland Coal Gas Pool to the El Pintado CDP Gas Gathering System.

<b>Well Name and Number</b>	<b>API Number</b>	<b>Location</b>	<b>Lease Number</b>
Federal 21-6-28 Well No. 3	30-043-21010	Sec.28, T-21N, R-6W	NMNM113429
Federal 21-6-29 Well No. 1	30-043-21056	Sec. 29, T-21N, R-6W	NMNM99732
Federal 21-6-29 Well No. 2	30-043-21057	Sec. 29, T-21N, R-6W	NMNM99732
Federal 21-6-30 Well No. 1	30-043-21058	Sec. 30, T-21N, R-6W	NMNM99732
Federal 21-6-30 Well No. 2	30-043-21059	Sec. 30, T-21N, R-6W	NMNM99732
Federal 21-7-25 Well No. 3	30-043-21017	Sec. 25, T-21N, R-7W	NMNM99739
Federal 21-7-26 Well No. 1	30-043-21062	Sec. 26, T-21N, R-7W	NMNM99739
Federal 21-7-35 Well No. 1	30-043-21060	Sec. 35, T-21N, R-7W	NMNM99739

**IT IS THEREFORE ORDERED THAT:**

The Surface Commingling Order No. CTB-587 is hereby amended and the applicant, SG Interests I Ltd is hereby authorized to add the above referenced eight (8) wells to the El Pintado Gas Gathering System.

Production shall be allocated by metering the gas production from each of the wells within the El Pintado CDP Gas Gathering System utilizing individual allocation meters. Gas production shall then be commingled and transported to a Public Service of New Mexico (PNM) gas sales meter located within the NW/4 of Section 10, Township 20 North, Range 6 West. Production shall be allocated back to each well utilizing allocation and sales meter volume data, and shall be determined in accordance with the procedure outlined in the application.

All liquids (oil, condensate and water) shall be separated, stored, measured and sold at each individual well.

All meter calibration shall be in conformance with Division Rule No. 19.15.12.10. NMAC

June 12, 2009

Page 3

Additional existing or future drilled wells can be added to the commingling authority granted by this order without additional application or notice to interest owners provided that:

- a) the well(s) are located within the El Pintado CDP Gas Gathering System Area defined by this order;
- b) each new well is equipped with a gas allocation meter; and
- c) the well(s) produce from Basin-Fruitland Coal Gas Pool.

To obtain approval to add wells, SG Interests I Ltd. shall file Form C-103 (Sundry Notice) with the Santa Fe and Aztec Offices of the Division that describe the well(s) to be included. Additional notice may be required to the Bureau of Land Management and/or the State Land Office.

To add additional wells located **OUTSIDE** of the El Pintado CDP Gas Gathering System to the gathering system, SG Interests I Ltd. must apply for an additional order or to amend this order and (per Rule 19.15.12 NMAC) must notify all owners of revenue interests within the existing El Pintado CDP Gas Gathering System as well as all owners of revenue interests in the new wells to be added.

This Order supersedes the Surface Commingling Order No. CTB-587, issued on February 27, 2008.

**NOTE:** This installation shall be installed and operated in accordance with the applicable rules and regulations of the Division applicable to surface commingling. It is the responsibility of the producer to notify the transporter of this commingling authority.

**FURTHER:** The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

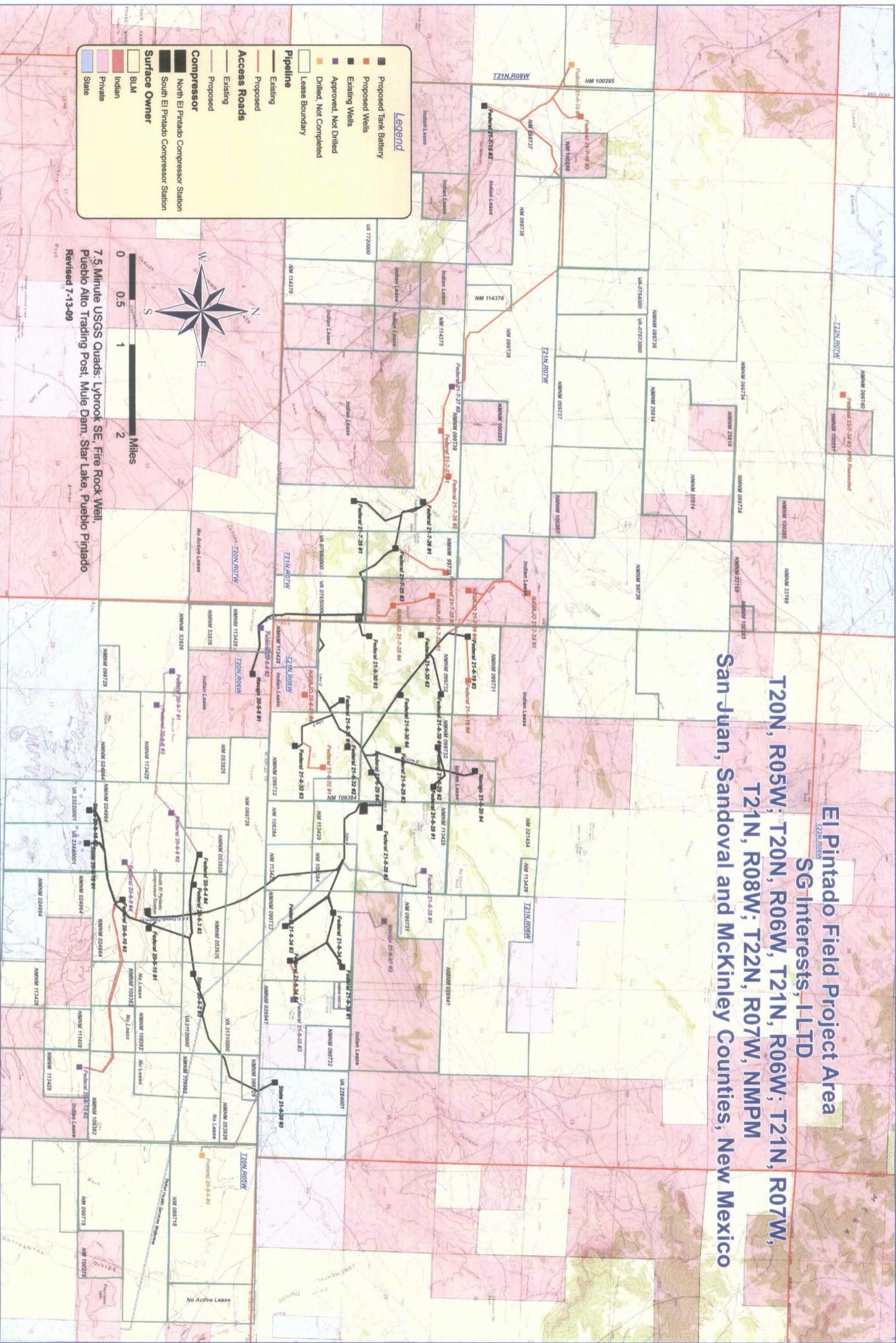


MARK E. FESMIRE, PE  
Director

MEF/re

cc: Oil Conservation Division – Aztec  
Bureau of Land Management – Farmington  
State Land Office – Oil, Gas, and Minerals Division

**El Pintado Field Project Area**  
**T20N, R05W; T20N, R06W, T21N, R06W; T21N, R07W,**  
**T22N, R08W; T22N, R07W, NMPM**  
**San Juan, Sandoval and McKinley Counties, New Mexico**



**Legend**

- Proposed Tank Battery
- Proposed Wells
- Existing Wells
- Approved, Not Drilled
- Drilled, Not Completed
- Lease Boundary

**Pipeline**

- Existing
- Proposed

**Access Roads**

- Existing
- Proposed

**Compressor**

- North El Pintado Compressor Station
- South El Pintado Compressor Station

**Surface Owner**

- BLM
- Indian
- Private
- State

0 0.5 1 2  
Miles

7.5 Minute USGS Quads: Lybrook SE, Fire Rock Well, Pueblo Alto Trading Post, Mule Dam, Star Lake, Pueblo Pintado  
 Revised 7-13-09

## REVENUE INTEREST OWNERS

Richard Dolecek  
330 Conifer Drive  
Evergreen, CO 80439

Advanced Tech O&G, Inc.  
11547 Riverview Way  
Houston, TX 77077

Penwell Employee Royalty Pool  
c/o Penwell Energy  
200 N. Loraine St.  
Midland, TX 79701

William R. Schoen  
5110 San Felipe #84-W  
Houston, NM 77056

Seel Development Co  
PO Box 2043  
Austin, TX 78768

Kerry Stein  
416 Crestwood  
Houston, TX 77007

Probe Resources, Inc.  
700 Louisiana, Suite 4250  
Houston, TX 77002

Rockhill Investments  
2312 Rice Blvd  
Houston, TX 77005

Comstock Oil & Gas, Inc.  
5300 Town & Country Blvd  
Suite 500  
Frisco, TX 75034

Cathead Investments, LLC  
1907 Yacht Haven Road 'B'  
Friday Harbor, WA 98250

Albert Haertlein  
432 Cowan  
Houston, TX 77007

Daniel Clark  
6010 Burning Tree Dr  
Houston, TX 77036

Douglas J. Kirn  
3640 W. Warren Ave  
Denver, CO 80210

Tenkay Resources Inc.  
24 Water Way, Suite 700  
The Woodlands, TX 77380

Bestwest Investments Ltd  
5900 Highway 290 East  
Brenham, TX 77833

United States of America  
Minerals Management Service  
PO Box 5810  
Denver, CO 80217

Pintado Oil & Gas  
100 Waugh Drive, Suite 400  
Houston, TX 77007

Snyergy Operating, LLC  
PO Box 5513  
Farmington, NM 87499

Mr. John T. Cook  
1610 Woodstead Court, Suite 180  
The Woodlands, TX 77380

Thomas J. Gill  
32043 Ponderosa Way  
Evergreen, CO 80439

AROX (TEXAS) Inc.  
110 Cypress Station  
Suite 220  
Houston, TX 77090

Merrion Oil & Gas Corp  
610 Reilly Avenue  
Farmington, Nm 87401-2634

Douglas A. Denton  
1501 Princeton Street  
Midland, Tx 79701

Ward K. & Jane C. Haas  
PO Box 2255  
Huntington, CT

Steven W. Weller  
415 Bayou Cove Court  
Houston, TX 77042

Scott C. Denison  
415 Barkers Landing RD #14  
Houston, TX 77079

State of New Mexico  
Commissioner of Public Lands  
PO Box 2308  
Santa Fe, NM 87499

7008 1300 0002 1275 7364

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here

Sent To: State of New Mexico  
 Commissioner of Public Lands  
 PO Box 2308  
 Santa Fe, NM 87499 *87505*

PS Form 3800, August 2006 See Reverse for Instructions

7008 1300 0002 1275 7391

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total	\$	

Postmark Here

Sent To: *Mr. Thomas Bill*  
 32043 Ponderosa Way  
 Evergreen, CO 80439

PS Form 3800, August 2006 See Reverse for Instructions

7008 1300 0002 1275 7377

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here

Sent To: Mr. Scott C. Denison  
 415 Barkers Landing RD #14  
 Houston, TX 77079

PS Form 3800, August 2006 See Reverse for Instructions

7008 1300 0002 1275 7353

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total	\$	

Postmark Here

Sent To: AROC (TEXAS) Inc.  
 110 Cypress Station, Suite 220  
 Houston, TX 77090

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7008 1300 0002 1275 7360

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**OFFICIAL USE**

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total	\$	

Postmark Here

Sent To: Mr. Steven W. Weller  
 415 Bayou Cove Court  
 Houston, TX 77042

PS Form 3800, August 2006 See Reverse for Instructions

7008 1300 0002 1275 7346

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total	\$	

Postmark Here

Sent To: Ward K. & Jane C. Haas  
 PO Box 2255  
 Huntington, CT

PS Form 3800, August 2006 See Reverse for Instructions

7008 1300 0002 1275 7711

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here

Sent To: Mr. Douglas A. Denton  
 1501 Princeton Street  
 Midland, TX 79701

PS Form 3800, August 2008 Instructions

7008 1300 0002 1275 7704

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here

Sent To: Mr. John T. Cook  
 1610 Woodstead Court, Suite 180  
 The Woodland, TX 77380

PS Form 3800, August 2008 Instructions

7008 1300 0002 1275 7696

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Postage	\$	\$2.00
Certified Fee		\$2.00
Return Receipt Fee (Endorsement Required)		\$2.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.00

Postmark Here

Sent To: Mr. Daniel Clark  
 6010 Burning Tree Dr.  
 Houston, TX 77036

PS Form 3800, August 2008 Instructions

7008 1300 0002 1275 7681

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Postage	\$	\$1.00
Certified Fee		\$1.00
Return Receipt Fee (Endorsement Required)		\$2.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.00

Postmark Here

Sent To: Mr. Albert Haertlein  
 432 Cowan  
 Houston, TX 77007

PS Form 3800, August 2008 Instructions

7008 1300 0002 1275 7674

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Postage	\$	\$1.00
Certified Fee		\$1.00
Return Receipt Fee (Endorsement Required)		\$2.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$4.00

Postmark Here

Sent To: Cathead Investments, LLC  
 1907 Yacht Haven Road 'B'  
 Friday Harbor, WA 98250

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7008 1300 0002 1275 7667

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Postage	\$	\$1.00
Certified Fee		\$2.00
Return Receipt Fee (Endorsement Required)		\$2.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.00

Postmark Here

Sent To: Comstock Oil & Gas Inc.  
 5300 Town & Country Blvd  
 Suite 500  
 Frisco, TX 75034

PS Form 3800, August 2008 Instructions

7006 1300 0002 1275 7650

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Postage	\$	0.00
Certified Fee		0.00
Return Receipt Fee (Endorsement Required)		0.00
Restricted Delivery Fee (Endorsement Required)		0.00
Total Postage & Fees	\$	0.00

Sent To: Mr. Richard Dolecek  
 330 Conifer Drive  
 Evergreen, CO 80439

Postmark Here: DURANGO CO 81301 DEC 16 2009

PS Form Instructions

7006 1300 0002 1275 7643

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Postage	\$	0.00
Certified Fee		0.00
Return Receipt Fee (Endorsement Required)		0.00
Restricted Delivery Fee (Endorsement Required)		0.00
Total Postage & Fees	\$	0.00

Sent To: Advanced tech O&G Inc.  
 11547 Riverview Way  
 Houston, TX 77077

Postmark Here: DURANGO CO 81301 DEC 16 2009

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7006 1300 0002 1275 7636

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Postage	\$	0.00
Certified Fee		0.00
Return Receipt Fee (Endorsement Required)		0.00
Restricted Delivery Fee (Endorsement Required)		0.00
Total Postage & Fees	\$	0.00

Sent To: Penwell Employee Royalty Pool  
 c/o Penwell Energy  
 200 N. Loraine St.  
 Midland, TX 79701

Postmark Here: DURANGO CO 81301 DEC 16 2009

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7006 1300 0002 1275 7629

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Postage	\$	0.00
Certified Fee		0.00
Return Receipt Fee (Endorsement Required)		0.00
Restricted Delivery Fee (Endorsement Required)		0.00
Total Postage & Fees	\$	0.00

Sent To: Mr. William R. Schoen  
 5110 San Felipe #84-W  
 Houston, TX 77056

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7006 1300 0002 1275 7612

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Postage	\$	0.00
Certified Fee		0.00
Return Receipt Fee (Endorsement Required)		0.00
Restricted Delivery Fee (Endorsement Required)		0.00
Total Postage & Fees	\$	0.00

Sent To: Seel Development Co  
 PO Box 2043  
 Austin, TX 78768

Postmark Here: DURANGO CO 81301 DEC 16 2009

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7006 1300 0002 1275 7605

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Postage	\$	0.00
Certified Fee		0.00
Return Receipt Fee (Endorsement Required)		0.00
Restricted Delivery Fee (Endorsement Required)		0.00
Total Postage & Fees	\$	0.00

Sent To: Mr. Kerry Stein  
 416 Crestwood  
 Houston, TX 77007

Postmark Here: DURANGO CO 81301 DEC 16 2009

PS Form Instructions

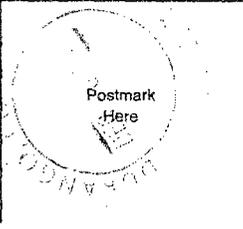
7008 1300 0002 1275 7554

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	



Sent To: Probe Resources, Inc.  
700 Louisiana, Suite 4250  
Houston, TX 77002

PS Form 3800, August 2004 See reverse for instructions

7008 1300 0002 1275 7582

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	



Sent To: Rockhill Investments  
2312 Rice Blvd  
Houston, TX 77005

PS Form 3800, August 2004 See reverse for instructions

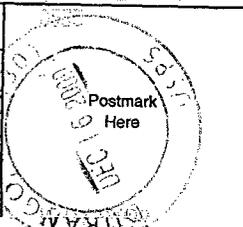
7008 1300 0002 1275 7575

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**OFFICIAL USE**

Postage	\$	\$0.31
Certified Fee		\$2.85
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.46



Sent To: Douglas J. Kirm  
3640 W. Warren Ave.  
Denver, CO 80210

PS Form 3800, August 2004 See reverse for instructions

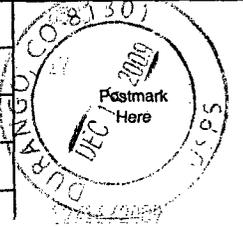
7008 1300 0002 1275 7568

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**OFFICIAL USE**

Postage	\$	\$1.00
Certified Fee		\$2.85
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.15



Sent To: Tenkay Resources Inc.  
24 Water Way, Suite 700  
The Woodlands, TX 77380

PS Form 3800, August 2004 See reverse for instructions

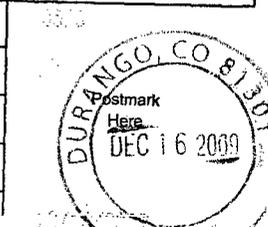
7008 1300 0002 1275 7551

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**OFFICIAL USE**

Postage	\$	\$0.30
Certified Fee		\$2.85
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.45



Sent To: Bestwest Investments Ltd  
5900 Highway 290 East  
Brenham, TX 77833

PS Form 3800, August 2004 See reverse for instructions

7008 1300 0002 1275 7544

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**OFFICIAL USE**

Postage	\$	\$1.00
Certified Fee		\$2.85
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.15



Sent To: United States of America  
Minerals Management Service  
PO Box 5810  
Denver, CO 80217

PS Form 3800, August 2004 See reverse for instructions

7008 1300 0002 1275 7537

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		

Postmark Here  
 DURANGO, CO 81301  
 DEC 16 2009

Sent To  
 Street or PO  
 City, State

Pintado Oil & Gas  
 100 Waugh Drive, Suite 400  
 Houston, TX 77007

PS Form 3800 August 2006 See Reverse for Instructions

7008 1300 0002 1275 7513

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		

Postmark Here  
 DURANGO, CO 81301  
 DEC 16 2009

Sent To  
 Street or PO  
 City, State

Synergy Operating, LLC  
 PO Box 5513  
 Farmington, NM 87499

PS Form 3800 August 2006 See Reverse for Instructions

7008 1300 0002 1275 7726

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Postage	\$	\$1.35
Certified Fee		\$3.00
Return Receipt Fee (Endorsement Required)		\$2.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.35

Postmark Here  
 DURANGO, CO 81301  
 DEC 16 2009

Sent To  
 Street or PO  
 City, State

Merrion Oil & Gas Corp  
 610 Reilly Avenue  
 Farmington, NM 87401-2634

PS Form 3800 August 2006 See Reverse for Instructions

7008 1300 0002 1275 7407

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**OFFICIAL USE**

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		

Postmark Here  
 DURANGO, CO 81301  
 DEC 16 2009

Sent To  
 Street or PO  
 City, State

Attn: Mr. Jim Loo at  
 BLM  
 1235 La Plata Highway  
 Farmington, NM 87401

PS Form 3800 August 2006 See Reverse for Instructions

FOR PUBLICATION IN THE ALBUQUERQUE JOURNAL  
ALBUQUERQUE, NEW MEXICO

On behalf of SG Interests I, Ltd, (100 Waugh Dr., Suite 400, Houston, TX 77007), Nika Energy Operating, LLC (PO Box 2677, Durango, CO 81302) is proposing to add 3 new Fruitland Coal wells to Off-Lease Gas Measurement & Commingling of Sales through SG Interests I, Ltd El Pintado CDP Gas Gathering System (Central Delivery Point – Sec 10-T20N-R6W, Sandoval County, NM).

SG Interests I, Ltd received approval from BLM and the State of New Mexico OCD IN 2008 for Off-Lease Measurement through the El Pintado CDP Gas Gathering System for gas wells drilled in Townships 20N and 21N, Range 6W, McKinley and Sandoval Counties, NM (Order CTB-587) and in 2009 for gas wells drilled in Townships 21N, Ranges 6W and 7W, Sandoval County, NM (Order CTB-587 A). The current request for approval includes Fruitland Coal wells drilled in Township 20N, Range 5W, McKinley County, NM and in Township 21N, Ranges 6W and 7W in Sandoval County, NM, located in the following leases:

Federal NM99718

Federal NM99731

Federal NM99737

The New Mexico Conservation Division requires that all Revenue Interest Owners be notified, and Interest Owners have 20 days to notify the New Mexico Conservation Division, 1220 S. St. Francis Drive, Santa Fe, NM 87505 **in writing** if they have any objection to this proposed project. Refer to Order CTB-587.

The Division may approve SG's application administratively, without hearing, if no Interest Owner has filed an objection within the 20-day period. If any objections are received, the application shall be set by the State Office for a hearing.

FOR PUBLICATION IN THE GALLUP INDEPENDENT  
GALLUP, NEW MEXICO

On behalf of SG Interests I, Ltd, (100 Waugh Dr., Suite 400, Houston, TX 77007), Nika Energy Operating, LLC (PO Box 2677, Durango, CO 81302) is proposing to add 3 new Fruitland Coal wells to Off-Lease Gas Measurement & Commingling of Sales through SG Interests I, Ltd El Pintado CDP Gas Gathering System (Central Delivery Point – Sec 10-T20N-R6W, Sandoval County, NM).

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Federal NM99718

Federal NM99731

Federal NM99737

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