

RECEIVED

FORM 3160-4
(July 1992)

SUBMIT IN DUPLICATE*

FORM APPROVED

SEP 12 2011 (See other instructions on reverse side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office

OMB NO 1004-0137

Expires: February 28, 1995

5 LEASE DESIGNATION AND SERIAL NO

NMNM99739

6 IF INDIAN, ALLOTTEE OR TRIBE NAME

7 UNIT AGREEMENT NAME

Report to Lease

8 FARM OR LEASE NAME, WELL NO

FEDERAL 21-7-27 #1

9 API WELL NO

30-043-21071-0051

10 FIELD AND POOL OR WILDCAT

Basin Fruitland Coal

11 SEC, T, R, M, OR BLOCK AND SURVEY OR AREA

Sec 27-T21N-R7W

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL
WELL ☐GAS
WELL ☒DRY ☐

Other

1b. TYPE OF WELL

NEW
WELL ☒WORK
OVER ☐DEEPEN ☐PLUG
BACK ☐DIFF
RESVR ☐

Other

2 NAME OF OPERATOR

SG INTERESTS I LTD, c/o Nika Energy Operating, LLC

3 ADDRESS AND TELEPHONE NO

PO Box 2677, Durango, CO 81302 (970) 259-2701

4 LOCATION OF WELL (Report locations clearly and in accordance with any State requirements *)

At Surface

A-Sec 27-T21N-R7W (NENE) 1200' FNL, 700' FEL

At top prod. Interval reported below

At total depth

Same

14 PERMIT NO

DATE ISSUED

7/16/09

12 COUNTY OR PARISH

Sandoval

13 STATE

NM

15 DATE SPUDDED

5/15/11

16 DATE T D REACHED

5/18/11

17 DATE COMPL. (Ready to prod.)

8/26/11

18 ELEVATIONS (DF, RKB, RT, GR, ETC) *

6772 GR

19 ELEV CASINGHEAD

--

20 TOTAL DEPTH, MD & TVD

MD

870'

TVD

21 PLUG, BACK T D, MD & TVD

MD

824'

TVD

22 IF MULTIPLE COMPL, HOW MANY *

1

23 INTERVALS DRILLED BY

----->

ROTARY TOOLS

0-870'

CABLE TOOLS

--

24 PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) *

Fruitland Coal 690-692' KB and 675-686' KB

25 WAS DIRECTIONAL SURVEY MADE

Yes

26 TYPE ELECTRIC AND OTHER LOGS RUN

Gr/Density 860' KB to surface, GR/CCL/CBL 822' KB to surface

27 WAS WELL CORED

No

23 CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB/FT	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J-55	24#	173' KB	12-1/4"	126 sx; Circ 15 Bbls to surf	
4-1/2" J-55	10.5#	866' KB	7-7/8"	233 sx; circ 3 Bbls to surf	

29 LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	742.48' KB	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL

SIZE

NUMBER

New Perfs:

690-692' & 675-686' 4 spf, 120 deg phasing, 52 total perfs

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
690-692' & 675-686'	500 gal 15% acid;
	26,356 gal 9 cp Delta 140 w/SW-ABC frac fluid; 541 sx
	20/40 Brady; 536 sx 20/40 Brady w/SW-ABC; 3,402 wtr
	frac G; 22,229 gal Delta 140

33.*

PRODUCTION

DATE FIRST PRODUCTION

PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)

Pumping

WELL STATUS (Producing or shut-in)

Shut in/WO Pipeline

DATE OF TEST

HOURS TESTED

CHOKE SIZE

PROD'N FOR TEST PERIOD

OIL--BBL

GAS--MCF

WATER--BBL

GAS-OIL RATIO

FLOW TUBING PRESS

CASING PRESSURE

CALCULATED 24-HOUR RATE

OIL--BBL

GAS--MCF

WATER--BBL

OIL GRAVITY-API (CORR)

34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc)

Gas will be sold as soon as connected to pipeline

TEST WITNESSED BY

35 LIST OF ATTACHMENTS

All electric logs were sent directly to the New Mexico Oil Conservation Division

ACCEPTED FOR RECORD

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE Agent for SG Interests I Ltd

SEP 13 2011 9/8/2011

*(See Instructions and Spaces for Additional Data on Reverse Side)

FARMINGTON FIELD OFFICE
BY *[Signature]*

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 statement or representation and any matter within its jurisdiction

NMOCDA

RECD SEP 20 11
OIL CONSV. DIV.
DIST. 2

37. SUMMARY OF POROUS ZONES (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries),				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	130		No cores were taken; no DST's were run.			
Kirtland Shale	305					
Fruitland Cole	642					
PC Sandstone	696					
Huerfanito Bentonite	842					
NDE = Not Deep Enough						