

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address SG Interests I, Ltd c/o Nika Energy Operating, LLC PO Box 2677 Durango, CO 81302		² OGRID Number 20572
³ Property Code 33193	⁴ Property Name State 20-6-16	⁵ API Number 30-031-21080
⁹ Proposed Pool 1 Basin Fruitland Coal		⁶ Well No. 1
⁹ Proposed Pool 1		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	20N	6W		660	North	1100	East	McKinley

8 Proposed 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6862'
¹⁶ Multiple N	¹⁷ Proposed Depth 680'	¹⁸ Formation Basin Fruitland Coal	¹⁹ Contractor	²⁰ Spud Date as soon as permitted
Depth to Groundwater >1,000ft.		Distance from nearest fresh water well >1,000ft.		Distance from nearest surface water 200 ft. to 1,000 ft.
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 1000_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
Surface 12¼"	7"		150'		Surface
Production 6¼"	4½"		680'		Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Tripp Schwab		Approved by:	
Title: agent for SG Interests I, Ltd		Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3	
E-mail Address: tripp@nikaenergy.com		Approval Date: OCT 21 2005 Expiration Date: OCT 21 2008	
Date: 20 October 2005	Phone: (970)259-2701	Conditions of Approval Attached <input type="checkbox"/>	

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

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-031-21080	'Pool Code 71629	'Pool Name Basin Fruitland Coal
'Property Code 36193	'Property Name STATE 20-6-18	'Well Number 1
'OGRID No. 20572	'Operator Name SG INTERESTS, LTD.	'Elevation 6882'

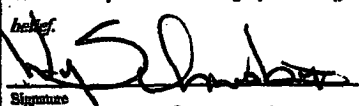
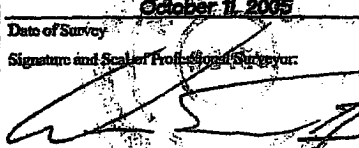
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	20N	6W		680	NORTH	100	EAST	McKINLEY

11 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
'Dedicated Acres 3.20	'Joint or Infill	'Consolidation Code	'Order No.						

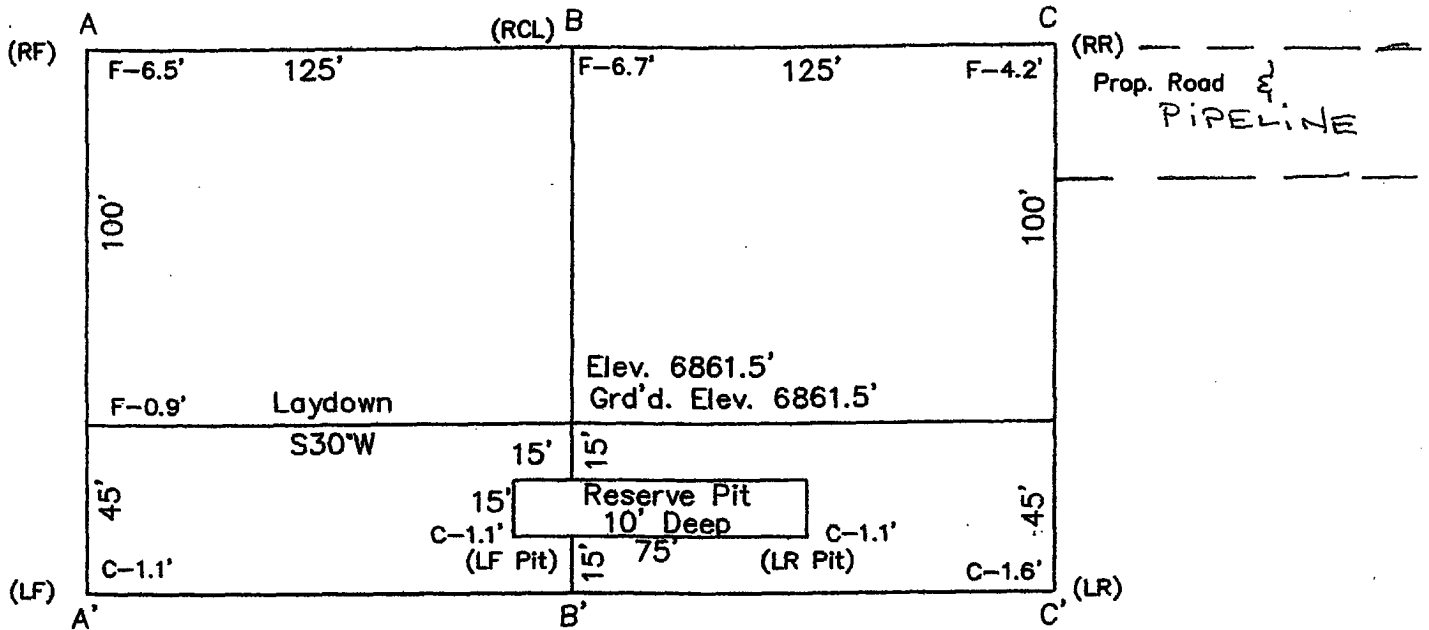
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div style="writing-mode: vertical-rl; transform: rotate(180deg);">80.00 ch.</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">N 70.00 W</div>	16	WEST	80.28 ch.	<div style="writing-mode: vertical-rl; transform: rotate(180deg);">80.00 ch.</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">N 70.00 W</div>	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature William Schnab Printed Name AGENT FOR SG INTERESTS Title and E-mail Address tepp@NIKAenergy.com pkob Date
					18 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. October 11, 2005 Date of Survey  Signature and Seal of Professional Surveyor
					Certificate Number 8486
			LAT. 35.97208°N LONG. 107.47299°W		
			1100'		
			80.27 ch.		
			N 89°56'W		

SG INTERESTS I, LTD.

STATE 20-6-16 #1

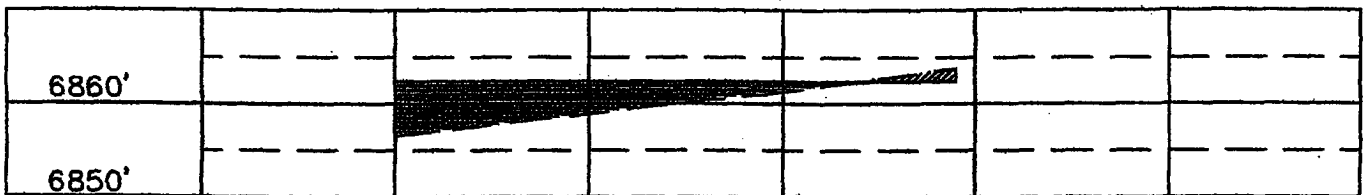
660' FNL, 1100' FEL SECTION 16, T20N, R6W
McKINLEY COUNTY, N.M.



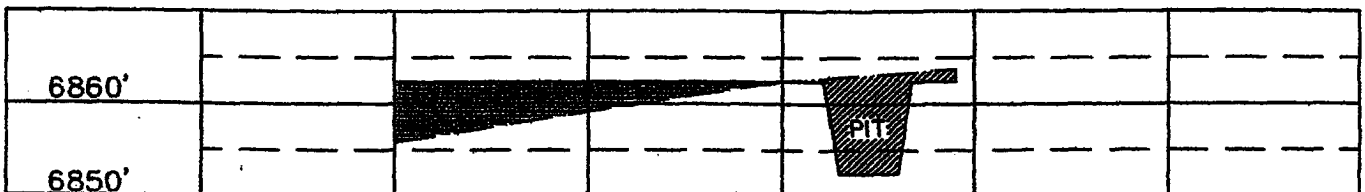
Scale: 1"=50'



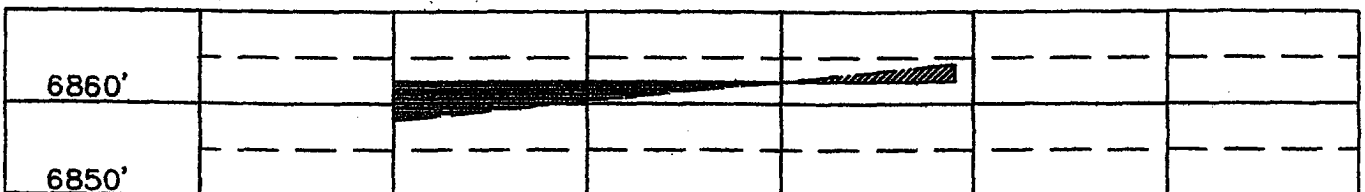
A-A' Vert.: 1"=20' Horiz.: 1"=50' C/L



B-B'



C-C'



NIKA ENERGY OPERATING, LLC
SG INTERESTS I, INC.
FRUITLAND DRILLING PROGRAM

New Well Permit Information

DATE: October 2005

WELL NAME: State 20-6-16 #1
FIELD NAME: Basin Fruitland Coal
LOCATION: NW Section 16-T20N-R6W
Sandoval County, New Mexico
UNIT Standup

DRILLING SKELETON:

<u>Interval</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Depth</u>
Surface	12-1/4"	7"	150'
Production	6-1/4"	4-1/2"	680'

<u>Formation</u>	<u>Depth</u>
Ojo Alamo	surface +
Kirtland	110'
Fruitland	305'
Coal Top	505'
PC	530'
Total Depth	680'

DATE: October 2005
WELL NAME: State 20-6-16 #1

CASING AND CEMENTING PROGRAM:

<u>Interval</u>	<u>Size, Wt, Grade, Thread</u>	<u>Depth</u>	<u>Cement</u>
Surface	7", 20#, J-55, ST&C	150'	140 sx (165 cu. ft) Class B w/2% CaCl 1/4#/sx celloflake
Production	4-1/2", 10.5#, J-55, ST&C	640'	80 sx (95 cu. ft) Class B. 1/4#/sx celloflake.

Cement Slurry Designs and Notes

<u>Slurry</u>	<u>Water Requirements</u>	<u>Weight</u>	<u>Yield</u>
Surface	5.2 gals/sx	15.6 ppg	1.18 cu. ft/sk
Production	5.2 gals/sx	15.6 ppg	1.18 cu. ft/sk

2-M SYSTEM

