

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-031-21080
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STATE 20-6-16
8. Well No. 1
9. Pool name or Wildcat Fruitland Coal (71629)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6862' GR
2. Name of Operator SG INTERSETS I LTD, c/o Nika Energy Operating	
3. Address of Operator PO BOX 2677, DURANGO, CO 81302 (970) 259-2701	
4. Well Location Unit Letter <u>A</u> : <u>660</u> Feet From The <u>NORTH</u> Line and <u>1100</u> Feet From The <u>EAST</u> Line Section <u>16</u> Township <u>20N</u> Range <u>6W</u> NMPM McKinley County	

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

11. NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <u>Change proposed plans on APD</u> <input checked="" type="checkbox"/>

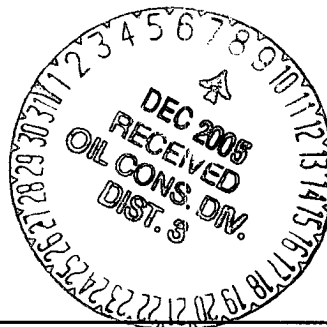
12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103.

SG is requesting approval to change the drilling hole size and casing plans on the approved APD as follows:

Surface hole size will still be 12-1/4" hole w/8-5/8" casing

New Production hole size will be 7-7/8" hole w/4-1/2" casing

All other details of the APD remain the same.



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

SIGNATURE Marcia Stewart TITLE Agent for SG Interests DATE 12/07/05
TYPE OR PRINT NAME Marcia Stewart TELEPHONE NO. (970) 259-2701

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE DEC 08 2005
CONDITIONS OF APPROVAL, IF ANY: