

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.
30-031-21072

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

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 ☐

GAS
WELL ☒

OTHER

2. Name of Operator

SG INTERESTS I LTD, c/o NIKA ENERGY OPERATING, LLC

3. Address of Operator

PO BOX 2677, DURANGO, CO 81302

(970) 259-2701

7. Lease Name or Unit Agreement Name

STATE 20-6-2

8. Well No.

3

9. Pool name or Wildcat

FRUITLAND COAL (71629)

4. Well Location

Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line

Section 2 Township 20N Range 6W NMPM McKinley County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

6926' GR

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

11. **NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Drilling & Completion Update ☒

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.

(10/25/05) Spud and drill 12-1/4" hole to 185' KB. RIH w/4 jts 7" 20# J-55 ST&C csg; set @ 178.44'. Cem w/175 sx Class 'B', 2% CaCl, & 1/4#/sk Flocele. Circ 15 B/cem to surface. Press test BOP & surf csg to 1500#, ok. Tag cem @ 125'; drill cement, float, & guide shoe to 190'. Continue drilling with 6-1/4" hole to TD 950'. RU & rn logs. RIH w/24 jts 4-1/2" 10.5# J-55 ST&C csg; set @ 935' KB. Cem w/165 sx Class 'B' w/5#/Gilsonite/sk, and 1/4#/sk Flocele. Circ 15 B/cem to surface. WOC.

(11/9/05) PU 3-7/8" bit, scraper, & RIH on 2-3/8" tbg. CO to PBTD (893'); roll hole w/2% KCl wtr, POOH. RU wireline & rn GR/CBL/CCL from PBTD to surface. Perf 4 spf 120 deg phasing using 4-1/2" csg gun from btm up as follows: 784'-782' (2'); 762'-758' (6'); 753'-750' (3'); all shots fired. Acidize perms w/500 gal 15% DBL inhibited FE acid w/avrg press 922 psi. Overflush w/10 B/KCl wtr. Frac perms (750'53'; 758'-62'; 782'-84') as follows: Pump 500 gal acid; 21,822 gal Silverstim fluid (Continued on Page 2 attached)

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 01/06/06

TYPE OR PRINT NAME Marcia Stewart

TELEPHONE NO. (970) 259-2701

(This space for State Use)

APPROVED BY H. Villanueva

DEPUTY OIL & GAS INSPECTOR, DIST. 3

TITLE

DATE FEB 14 2006

CONDITIONS OF APPROVAL, IF ANY:

SUNDRY NOTICE – FORM 3160-3
dated January 5, 2006

Page 2

SG INTERESTS I, LTD
STATE 20-6-2 #3
(SWSW) M-SEC 2-T20N-R6W
McKINLEY COUNTY, NM

w/30,000# 20/40 Brady Sand. CO frac sand to PBTD & circ hole clean. Swab well.
Land 25 jts 2-3/8" 4.7# J-55 tbg w/NC on bottom @ 807' & SN on top of btm jt @ 774'.
RIH w/insert pump, 2 ea 1-1/2" sinker bars, 28 ea 3/4" rods, & 1 ea 2', 6', 8' 3/4" pony
rods. Ck pump action to 600 psi, ok. Install pump jack; put well on test; WOPL