

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

State of New Mexico
Energy, Minerals & Natural Resources

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

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|---|
| ¹ Operator name and Address SG INTERESTS I, LTD c/o Nika Energy Operating, LLC PO Box 2677 Durango, CO 81302 | | ² OGRID Number 020572 |
| | | ³ Reason for Filing Code/ Effective Date NW |
| ⁴ API Number 30 - 031-21069 | ⁵ Pool Name Fruitland Coal | ⁶ Pool Code 71629 |
| ⁷ Property Code 34980 | ⁸ Property Name FEDERAL 20-6-3 | ⁹ Well Number 3 |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|-------------|---------|----------------------|---------------------|----------------------|------------------------|--------------------|
| UL or lot no. M | Section 3 | Township 20N | Range 6W | Lot.Idn | Feet from the 660 | No/So Line SOUTH | Feet from the 850 | East/West line WEST | County McKinley |
|--------------------|--------------|-----------------|-------------|---------|----------------------|---------------------|----------------------|------------------------|--------------------|

¹¹ Bottom Hole Location

| | | | | | | | | | |
|-----------------------------|---|--------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township SAME | Range AS | Lot Idn | Feet from the ABOVE | North/South line | Feet from the | East/West line | County |
| ¹² Lse Code F | ¹³ Producing Method Code P | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| | | | | |
|------------------------------------|---|-------------------|-------------------|---|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
| 8503 | PNM Gas Services | | G | M-Sec 3-T20N-R6W |
| | Alvarado Square 2608 Albuquerque, NM 87208 | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description M-Sec 3-T20N-R6W |
|-------------------|--|

V. Well Completion Data

| | | | | | |
|-------------------------------------|--------------------------------------|--------------------------|-------------------------------|---|-----------------------|
| ²⁵ Spud Date 10/29/05 | ²⁶ Ready Date 11/23/05 | ²⁷ TD 860' | ²⁸ PBTD 809' | ²⁹ Perforations 603'-690' | ³⁰ DHC, MC |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | ³⁴ Sacks Cement | | |
| 12-1/4" | 7" | 177' | 175 sx; 15 B/cem circ to surf | | |
| 6-1/4" | 4-1/2" | 851' | 150 sx; 2 B/cem circ to surf | | |
| | | | | | |
| | 2-3/8" | 752' | | | |

VI. Well Test Data

| | | | | | |
|------------------------------------|---|-------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| ³⁵ Date New Oil n/a | ³⁶ Gas Delivery Date Est 4/6/06 | ³⁷ Test Date 11/30/05 | ³⁸ Test Length 24 hrs | ³⁹ Tbg. Pressure 48# | ⁴⁰ Csg. Pressure 48# |
| ⁴¹ Choke Size 48/64" | ⁴² Oil 0 | ⁴³ Water 54 | ⁴⁴ Gas 405 | ⁴⁵ AOF | ⁴⁶ Test Method Pumping |

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Marcia Stewart*

Printed name:
Marcia Stewart

Title:
Agent for SG Interests

E-mail Address:
marcia@nikaenergy.com

Date:
3/27/06

Phone:
(970) 259-2701

OIL CONSERVATION DIVISION

Approved by:

H. Villanueva

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. 63

Approval Date:

MAR 28 2006