

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**

<sup>1</sup> Operator name and Address SG INTERESTS I, LTD c/o Nika Energy Operating, LLC PO Box 2677 Durango, CO 81302		<sup>2</sup> OGRID Number 020572
		<sup>3</sup> Reason for Filing Code/ Effective Date NW
<sup>4</sup> API Number 30 - 031-21072	<sup>5</sup> Pool Name Fruitland Coal	<sup>6</sup> Pool Code 71629
<sup>7</sup> Property Code 34881	<sup>8</sup> Property Name STATE 20-6-2	<sup>9</sup> Well Number 3

**II. <sup>10</sup> Surface Location**

UL or lot no. M	Section 2	Township 20N	Range 6W	Lot.Idn	Feet from the 660'	No/So Line SOUTH	Feet from the 660'	East/West line WEST	County McKinley
--------------------	--------------	-----------------	-------------	---------	-----------------------	---------------------	-----------------------	------------------------	--------------------

**<sup>11</sup> 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
<sup>12</sup> Lse Code S	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date	<sup>15</sup> C-129 Permit Number		<sup>16</sup> C-129 Effective Date		<sup>17</sup> C-129 Expiration Date		

**III. Oil and Gas Transporters**

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
8503	PNM Gas Services  Alvarado Square 2608 Albuquerque, NM 87208		G	M-SEC2-T20N-R6W

**IV. Produced Water**

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description M-SEC 2-T20N-R6W
-------------------	--

**V. Well Completion Data**

<sup>25</sup> Spud Date 10/25/05	<sup>26</sup> Ready Date 11/29/05	<sup>27</sup> TD 950'	<sup>28</sup> PBSD 893'	<sup>29</sup> Perforations 750'-784'	<sup>30</sup> DHC, MC
<sup>31</sup> Hole Size	<sup>32</sup> Casing & Tubing Size	<sup>33</sup> Depth Set	<sup>34</sup> Sacks Cement		
12-1/4"	7"	178'	175 sx; 15 B/cem circ to surf		
6-1/4"	4-1/2"	935'	165 sx; 15 B/cem circ to surf		
	2-3/8"	807'			

**VI. Well Test Data**

<sup>35</sup> Date New Oil n/a	<sup>36</sup> Gas Delivery Date Est 4/6/06	<sup>37</sup> Test Date 12/1/05	<sup>38</sup> Test Length 24 hrs	<sup>39</sup> Tbg. Pressure 30#	<sup>40</sup> Csg. Pressure 30#
<sup>41</sup> Choke Size	<sup>42</sup> Oil 0	<sup>43</sup> Water 25	<sup>44</sup> Gas 20	<sup>45</sup> AOF	<sup>46</sup> Test Method

<sup>47</sup> 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. #

Approval Date:

MAR 28 2006