

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

NMNM24964

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA/Agreement Name, and/or No.

8. Well Name and No.

FEDERAL 20-6-10 #1

9. API Well No.

30-031-21071

10. Field and Pool, or Exploratory Area

Fruitland Coal

11. County or Parish, State

McKinley County, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

SG Interests I, Ltd., c/o Nika Energy Operating, LLC

3a. Address

PO Box 2677, Durango, CO 81302

3b. Phone No. (include area code)

(970) 259-2704

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1905' FNL, 1960' FEL (SWNE) G-Sec 10-T20N-R6W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Drilling/Completion
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <input type="checkbox"/> Update

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

(11/2/05) Spud & drill 12-1/4" hole to 185' KB. Circ & cond hole. RIH w/4 jts 7" 20# J-55 ST&C csg; set @ 182' KB w/170 sx Class 'B' cem w/2% CaCl₂ & 1/4#/sk Flocele. Circ 14 B/cem to surface. Test BOP & csg, ok. Drill cem plug & shoe. Continue drilling with 6-1/4" hole to TD 910'. Circ & cond hole. Logged well. RIH w/22 jts 4-1/2" 10.5# J-55 ST&C csg; set @ 888' KB w/150 sx Class 'B', 1/4#/sk Flocele, & 5#/sk Gilsonite. Circ 2 B/cem to surface.
(11/14/05) PU 3-7/8" bit, scraper, & RIH on 2-3/8" tbq; circ hole clean w/2% KCl wtr. Press test csg to 3000 psi, ok. Rn GR/CBL/CCL log from PBTD (851') to surface. Perfed 730'-738' (8') w/4 spf, 120 deg phasing, 3-1/8" csg gun; total 32 holes, all shots fired. PU SPIT tool, 15' spacing, & RIH. BD & pump 349 gal 15% HCl dbl inhibited FE acid. Pumped 1000 gal pad; frac w/16,000 gal Silverstim w/Sandwedge & 30,000# 20/40 Brady Sand; flush w/422 gal. CO to PBTD w/2% KCl; swab well. Land 25 jts 2-3/8" 4.7# J-55 tbq w/NC @ 818' & SN top of btm jt @ 784'. RIH w/insert pump, 2 ea 1-1/2" sinker bars, 28 ea 3/4" rods, 1 ea 8', 6', & 4' pony rods. Ck pump action to 600 psi, ok. Shut well in; WOPL.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Marcia Stewart

Title

Agent for SG Interests I Ltd

Signature

Date

January 9, 2006

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

JAN 12 2006

FARMINGTON FIELD OFFICE
BY

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD