

SUBMIT IN DUPLICATE*
(See other in-
structions on
reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
NMNM/99732

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL ☐ GAS ☒ DRY ☐ Other

1b. TYPE OF WELL

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR. ☐ Other

2. NAME OF OPERATOR

SG INTERESTS LTD, c/o Nika Energy Operating, LLC

3. ADDRESS AND TELEPHONE NO.

PO Box 2677, Durango, CO 81302 (970) 259-2701

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

1240' FNL, 713' FEL (NENE) Unit A: Sec 31-T21N-R7W

At top prod. Interval reported below

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

RECEIVED

7. UNIT AGREEMENT NAME

070 FARMINGTON NM

8. FARM OR LEASE NAME, WELL NO.

FEDERAL 21-6-31 #1

9. API WELL NO.

30-043-21029

10. FIELD AND POOL OR WILDCAT

Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 31-T21N-R6W

At total depth

Same

14. PERMIT NO.

DATE ISSUED

7/7/06

12. COUNTY OR PARISH

Sandoval

13. STATE

NM

15. DATE SPUDDED

7/12/06

16. DATE T.D. REACHED

7/14/06

17. DATE COMPL. (Ready to prod.)

8/16/06

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

6750' GR

19. ELEV. CASINGHEAD

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20. TOTAL DEPTH, MD & TVD

MD 870' TVD

21. PLUG, BACK T.D., MD & TVD

MD 810' TVD

22. IF MULTIPLE COMPL., HOW MANY*

1

23. INTERVALS DRILLED BY

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ROTARY TOOLS

0-870'

CABLE TOOLS

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24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

Fruitland Coal 634'-654'

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR/Density; CBL/CCL/GR PBTD (810') to Surface

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J-55	24#	183' KB	12-1/4"	180 sx; circ 10 B/cem to surf	
4-1/2" J-55	10.5#	852' KB	7-7/8"	240 sx; circ 15 B/cem to surf	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	715'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL
New Perfs:
634' - 654' (20') 4 spf

SIZE
3-1/8" csg gun

Total 80 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
634'-654'	1000 gal 15% HCl acid; 34,464gal SilverStim LT w/SWNT
	781 sx 20/40 Brady Sand w/max BH
	sand concentration of 5.30#/gal

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)
		Shut in/WO Pipeline

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBLs.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Will be sold as soon as connected to pipeline

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

All electric logs were sent directly to the New Mexico Oil Conservation Division

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Marcel Stewart

TITLE Agent for SG Interests I Ltd

DATE 8/17/2006

*(See Instructions and Spaces for Additional Data on Reverse Side)

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.

NMCCD

ACCEPTED FOR RECORD

AUG 22 2006

FARMINGTON RECORDS

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	200'		No cores were taken; no DST's were run.			
Kirtland Shale	328'					
PC Sandstone	696'					
Huerfano Bentonite	NDE					