

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.

NOG-0103-1459

6. If Indian, Allottee or Tribe Name

Allottee-No. 01031459

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

RCVD FEB 14 '07
OIL CONS. DIV.
DIST. 3

8. Well Name and No.

NAVAJO 20-6-6 #1

9. API Well No.

30-031-21096

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

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) 259-2701

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

Unit H: 1156' FNL, 1200' FEL (SENE)

Sec 6-T20N-R6W

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Drilling & Completion

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 recompleate 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 recompleation 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.)

Spudded well 11/30/06. Drilled 12-1/4" surface hole to 185'. Rn 4 jts 8-5/8" 24# J-55 ST&C csg (170.87'); set @ 180' KB w/125 sx Class '5' plus 3% CaCl, 1/4#/sk Celloflake. Circ 8 B/cem to surface. PT BOP & csg (1500# high, 250# low), good. Continued drilling new 7-7/8" hole to TD 830'. Circ & cond hole. Ran open-hole log. Rn 21 jts 4-1/2" 10.5# J-55 ST&C csg; set @ 808' KB (float collar @ 770' KB) w/225 sx Class '5', plus 1/4#/sk Celloflake, 3#/sk Gilsonite, 2% Cacl. Circ 10 B/cem to surface. RDMODR (12/0506). (12/19/06) MIRUSU PU 3-7/8" bit/scraper, 2 ea. 3-1/8" DC & RIH on 2-3/8" tbg work string. CO to PBTD (770') & roll hole w/2% KCl wtr, POOH. RU & rn GR/CCL/CBL from PBTD (770') to surface, good cem. PT csg/wellhead to 3000 psi, ok. Pert Fruitland Coal w/3-1/8" csg gun, 4 spf, 120 deg phasing, 612'-638' (26', 104 holes) - all shots fired.

Continued on Page 2 Attached

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

February 5, 2007

THIS SPACE FOR FEDERAL OR STATE USE

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.

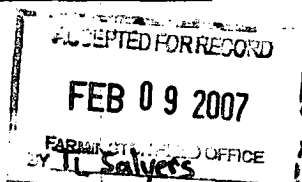
Office

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)

Report date reached TD
per M.S. 12/3/06

NMOCD



SUNDRY NOTICE – FORM 3160-5

Dated February 5, 2007

Page 2

SG INTERESTS I, LTD

API No. 30-031-21096

NAVAJO 20-6-6 #1

(SENE) H-Sec 6-T20N-R6W

McKINLEY COUNTY, NM

PU 2-3/8" NC, 1 jt 2-3/8" tbg, SN, & RIH on 18 jts 2-3/8" tbg; landed w/2-3/8" x 6' pup jt NC on btm @ 614'. Acidized perfs (12/20/06) 5 bbls 2% KCl wtr ahead; 1000 gal 15% HCl DI+iron surfactant; followed w/13 B/2% KCl wtr. Flow back & swab well. Frac well (1/4/07) as follows: Pumped 1000 gal 15% HCl acid; 10,770 gal pad; 35,270 gal Dynafrac containing 105,880# 20/40 Brady Sand; 400 gal flush. Clean out to PBTD (770') & circ clean w/2% KCl wtr. Pull up above perfs & RU swab. Swabbed well. Land 21 jts 2-3/8" 4.7# J-55 tbg: NC @ 681'; SN @ 648'. PU 2' x 1-1/2" x 12' RHACZ insert pump, bucket test, & RIH on 2 ea 1-1/2" sinker bars, 24 - 3/4" rods, 1 ea. 4' 6', & 8' - 3/4" pony rods; seat w/polish rod. Load tbg w/KCl wtr & ck pmp action to 600 psi, ok. RDSU (1/10/07).