

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 -0108-1496

6. If Indian, Allottee or Tribe Name

Allottee No. 17101710

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

RCVD FEB14'07  
OIL CONS. DIV.  
DIST. 3

8. Well Name and No.

Navajo 21-6-20 #4

9. API Well No.

30-043-21039

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

Sandoval 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 O: Sec 20-T21N-R6W  
1266' FSL, 1931' FEL (SWSE)

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 checked="" 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 Drilling & Completion |
|   | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Update                         |
|   | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal   |

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 recompletion 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 11/18/06. Drilled 12-1/4" surface hole to 182'. Rn 4 jts 8-5/8" 24# J-55 ST&C csg (161'); set @ 170' KB w/170 sx Class '5' plus 3% CaCl, 1/4#/sk Celloflake. Circ 8 B/cem to surface. PT BOP & csg (800# high, 250# low), good. Tag cem at 120'. Continued drilling new 7-7/8" hole to TD 1130'. Circ hole clean. Ran open-hole log. Rn 26 jts 4-1/2" 10.5# J-55 ST&C csg; set @ 1112' KB (float collar @ 1073' KB) w/265 sx Class '5', plus 1/4#/sk Celloflake, 3#/sk Gilsonite, 2% Cacl. Circ 15 B/cem to surface. RDMODR (11/28/06) (12/8/06) MIRUSU PU 3-7/8" bit/scraper, 2 ea. 3-1/8" DC's, X-over, & RIH on 2-3/8" tbg work string. CO to PBTD (1072') & circ hole clean w/2% KCl wtr, POOH. Load hole to surf w/2% KCl wtr. RU & rn GR/CCL/CBL from PBTD (1072') to surface. PT csg & wellhead to 3000 psi, ok. Pert Fruitland Coal w/3-1/8" csg gun, 4 spt, 120 deg phasing, 880'-892' (12', 48 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

Marcia Stewart

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 TS  
per M. S. 11/26/06

NMOCD

ACCEPTED FOR RECORD

FEB 09 2007

FARM BUREAU OFFICE  
J. L. Salvo

SUNDRY NOTICE – FORM 3160-5

Dated February 5, 2007

Page 2

SG INTERESTS I, LTD

API No. 30-043-21039

NAVAJO 21-6-20 #4

(SWSE) O-Sec 20-T21N-R6W

SANDOVAL COUNTY, NM

PU 2-3/8" NC, 1 jt 2-3/8" tbg, SN, & RIH on 19 jts 2-3/8" tbg; landed w/2-3/8" x 6' pup jt w/collar under rams closed and locked & NC @ 880'. BD w/2% KCl 626 psi, 5.5 bpm; pmpd 500 gal 15% HCl DI+iron protection into perfs @ 880 psi, 6.2 bpm. RU swabbing equipment. Swabbed well. RD swab. Remove 4-1/2" WH; PU 4-1/2" LJ w/closed valve in top & MU on 4-1/2" csg; remove 8-5/8" cap from BH & hang off on elevators. Pull 10K on 4-1/2" csg, removing 8-5/8" slips. Ran 50' 1" pipe down annulus & CO w/backhoe air compressor. Mixed 15 cu ft class 'B' cem @ 15#/gal & placed in annulus w/top of cem @ btm of 8-5/8" WH. W/4-1/2" in 10K tension, dropped slips & packed off making up cap; installed 4-1/2" WH. WOC. RIH w/2-3/8" tbg, NC on btm @ 940'; SN @ 909'. RU & swabbed well. RD swabbing equipment. Land 30 jts 2-3/8" 4.7# J-55 tbg w/NC on btm @ 941'; SN @ 909'. PU 2" x 1-1/2" x 12' RHACZ insert pump, bucket test, & RIH on 2 ea 1-1/2" sinker bars, 32 ea 3/4" rods + 1 ea 8', 6', & 4' 3/4" pony rods. Land, seat w/polish rod. Load tbg w/2% KCl wtr. Ck pump action to 500 psi w/rig, ok. RDSUMO (12/18/06).

1/2/07 RU & pull tbg, rods, bars, & pump. Press test lines. Pumped 500 gal 15% HCl, 4970 gal pad; 16,285 gal Dynafrac containing 50,060# 20/40 Brady Sand; 574 gal flush. Avrg press 800 psi @ 25 bpm. PU 2-3/8" NC, 1 jt 2-3/8" tbg, SN, & RIH. CO to PBTD (1072') & circ clean w/2% KCl wtr. Pull above perfs, install swab tee & SI. Swabbed well. RD swab. Land 31 jts 2-3/8" 4.7# J-55 tbg @ 973' w/NC on btm; SN top of btm jt @ 940'. PU 2" x 1-1/2" x 12' RHACZ insert pump, bucket test, & RIH on 2 ea 1-1/2" sinker bars, 35 ea 3/4" rods. Land & seat w/polish rod. Load tbg w/2% KCl wtr; ck pmp action to 600 psi w/rig, ok. RDSUMO (1/8/07)