

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

RECEIVED

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

JUL 11 2008

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

Bureau of Land Management
Farmington Field Office

5. Lease Serial No.
NMNM99732

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No
FEDERAL 21-6-29 #1

9. API Well No
30-043-21056

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

Sandoval County, NM

RCVD JUL 17 08
OIL CONS. DIV.
DIST. 3

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 A: 935' FNL, 980' FEL (NENE)
Sec 29-T21N-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 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"/> Recombine <input checked="" type="checkbox"/> Other Csg Info
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<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 recompleteness 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 recompleteness 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 6/30/08; drilled 12-1/4" surface hole to 215'. RIH w/5 jts 8-5/8" 29# J-55 csg; guide shoe on btm; insert float on top of 1st jt; landed @ 210' KB. Pump 10 B/FW; cem w/160 sx 'G' w/1/4#/sk Flocele; displaced plug but did not bump (cem company could not continuously mix cem); circ 12 b/cem to surface. Let cem set overnight. Attempt BOPE & csg test to 1500 psi, no test. No apparent leak @ surface; suspect cem at shoe not holding (BLM on loc to witness test, would not pass). RIH w/pkr, perform low (200 psi) & high (1000 psi) BOPE test plus 28' csg test. Did not find small bleed off; BLM accepted BOPE test. RIH w/7-7/8" bit & drilled cem 135'-210'. Continued drlg to 1045'; circ & cond hole. Rn log from TD to surface csg. RIH w/24 jts 4-1/2" 10.5# J-55 csg + marker jt. Cem csg w/10 BW, 20 B/mud flush, 180 sx Class 'B' cem w/1/4#/sk Flocele, 4#/sk Gilsonte. Bumped plug 250# over displacing press; float held; circ 10 B/cem to surface. RDMO WO Completion

Report PT next report; Rig Release date

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

Name (Printed/Typed) Marcia Stewart	Title Agent for SG Interests I Ltd
Signature <i>Marcia Stewart</i>	Date July 10, 2008

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.

ACCEPTED FOR RECORD

(Instructions on reverse)

JUL 14 2008

NMOCD

FARMINGTON FIELD OFFICE
BY *[Signature]*