

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.

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 #2

9. API Well No.

30-043-21057

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 C- 730' FNL, 1960' FWL (NENW)

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"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Csg Update</u>
	<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 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.)

Spudded well 7/9/08; drilled 12-1/4" surface hole to 221'. RIH w/5 jts 8-5/8" 24# J-55 csg w/guide shoe on btm; insert float on top of btm jt, 3 ea centralizers; set @ 215' KB. Pump 10 BW, mix 150 sx 'G' cem w/2% CaCl₂, 1/8#/sk Poly-E-Flake @ 15.6#/gal. Bumped plug @ 500 psi; circ 10 B/cem to pit. WOC. Test BOPE & csg 250 psi (low), 1500 psi (high), ok. Drill out hard cem 160' to 215'. Continue drlg 7-7/8" hole to 1040' TD (7/12/08). Circ & cond hole for logs. LD DP to 315'; hole got tight (Ojo Alamo). Work on getting bit past 315', no luck; circ remained good, continued to run sweeps. (no open hole logs run). RIH w/reamer on top of 7-7/8" bit, 2 ea DC's, 6 jts DP; ream from 274'-315', circ sweeps until clean & no drag, POOH. Work bit up/down thru 274'-315'; pull inside 8-5/8" csg. Wash 220' to btm, POOH w/DP, DC, & bit. RIH w/24 jts (+1 short 4-1/2" jt) 4-1/2" 10.5# J-55 csg; guide shoe on btm; float collar on top of 1st jt; 7 turbolizers; csg set @ 1037'; FC @ 994'; marker jt 552'-572'. Pmpd 10 B/FW; 20 B/mud flush; cem w/300 sx 'G' cem w/1/8#/sk Poly-E-Flake, 3# Gilsonite/sk, 15.5#/gal; displaced w/FW & bumped plug 500 psi over pmpg press; float held. Circ ± 12 B/cem to pit. RDMODR (7/15/08)

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@nikaenergy.com

Date

July 17, 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.

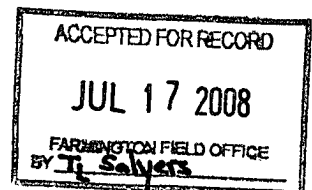
(Instructions on reverse)

REPORT PT ON 4 1/2" NEXT REPORT

RCVD JUL 18 '08
OIL CONS. DIV.
DIST. 3

JUL 17 2008

Bureau of Land Management
Farmington Field Office



NMOCD