

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

AUG 28 2008

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

Lease Serial No
NMNM99739
Indian, Allottee or Tribe Name
Office

RCVD SEP 5 '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 G: 1860' FNL, 1970' FEL
Sec 26-T21N-R7W (SWNE)

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

8. Well Name and No.

FEDERAL 21-7-26 #1

9. API Well No.

30-043-21062

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

Sandoval County, NM

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 Casing Update
	<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 recomplate 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 8/4/08; drilled 12-1/4" surface hole to 220'. RIH w/5 jts 8-5/8" 24# J-55 8 rd csg; set @ 217' KB w/170 sx Type 5 cem w/2% CaCl, 1/4#/sk Celloflake. Circ 10 B/good cem to pit. Bumped plug @ 1340 psi, float held. (notified BLM/NMOCD of cem job). Tested BOPE & csg (1500# high, 250# low), ok. Drill thru cem float & shoe and continue drlg 7-7/8" hole to TD 855'. RU JetWest & log well. RIH w/21 jts 4-1/2" 10.5# J-55 csg (843.35'); set @ 850' KB (guide shoe on btm; float collar @ 806') w/15 B/fresh wtr flush, 252 sx Class 'G' w/1/4#/sk Celloflake, 5#/sk Gilsonite. Circ 10 B/good cem to pit. Bumped plug 500# ovr displacement press; float held ok. WO Completion.

Date TD was reached

Pt 4 1/2" Csg NEXT REPORT

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

Marcia Stewart

Date

August 26, 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)

NMOCD

ACCEPTED FOR RECORD

SEP 03 2008

FARMINGTON FIELD OFFICE
BY J. Salyers