

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.

NOV 04

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

5. Lease Serial No

NMNM99739

6. Indian, Allottee or Tribe Name

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

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)

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 Completion 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 recomplete 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.)

(See Sundry Noticed dated 8/26/08. TD 855' KB was reached 8/7/08). MIRUSU (9/10/08). PU 3-7/8" bit, scraper, 2 ea 3-1/8" DC's on 2-3/8" work string & RIH to PBDT (806' KB). Rolled hole w/2% KCl wtr, POOH. PT 4-1/2" csg, WH, & BOPE to 3000 psi, ok. Rn GR/CBL/CCL from 803' to btm of surface csg. Perf 514'-520' (8'), 546'-548' (2'), 581'-600' (19') w/3-1/8" csg gun, 4 spt, 120 deg phasing; interval 27', total 108 holes - all shots fired. Frac well as follows (9/19/08): Pmp 12 B/15% HCl acid, pmp 191 B/DynaFrac pad; pmp 785 B/DynaFrac 20 w/87,000# 20/40 Brady Sand, pmp 8.2 B/flush. PU bailer & CO to PBDT (10/5/08). Swabbed well. Land 20 jts 2-3/8" 4.7# J-55 tbq w/2-3/8" NC on bottom @ 671' KB; SN on top of btm jt @ 636' KB. PU 2" x 1-1/2" x 8' insert pump, bucket test, ^ RIH on 25 ea. 3/4" rods; land w/polish rod (10/7/08). WOPL ✓

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

October 28, 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)

NMOC

11/12

ACCEPTED FOR RECORD

NOV 06 2008

FARMINGTON FIELD OFFICE  
BY J. S. SANCHEZ