(July 1992)

SUBMIT IN DUPLICATE* FORM APPROVED FORM 3160-4 OMB NO. 1004-0137 (See other in-THE RESERVE THE PROPERTY OF THE PARTY OF THE Expires: February 28, 1995 UNITED STATES NOV 2. 0 20 Geverse side) LEASE DESIGNATION AND SERIAL NO DEPARTMENT OF THE INTERIOR NMNM24964 **BUREAU OF LAND MANAGEMENT** WELL COMPLETION OR RECOMPLETION REPORT AND EOG* 6 IF INDIAN, ALLOTTEE OR TRIBE NAME 7 UNIT AGREEMENT NAME OIL GAS Other P&A 1b. TYPE OF WELL 8. FARM OR LEASE NAME, WELL NO. WORK PLUG DIFF NEW DEEPEN FEDERAL 20-6-10 #3 Other WELL. 9. API WELL NO. 2 NAME OF OPERATOR SG INTERESTS I LTD. 30-031-21070 c/o Nika Energy Operating, LLC 10. FIELD AND POOL OR WILDCAT 3. ADDRESS AND TELEPHONE NO. PO Box 2677, Durango, CO 81302 (970) 259-2701 Fruitland Coal 11. SEC., T., R., M., OR BLOCK AND SURVEY 4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements *) At Surface OR AREA 1625' FSL, 1710' FWL (NESW) K-Sec 10-T20N-R6W (NESW) Sec 10-T20N-R6W At top prod. Interval reported below 14 PERMIT NO DATE ISSUED 12. COUNTY OR PARISH 13. STATE At total depth Same 7/22/05 McKinley NM 15. DATE SPUDDED 16 DATE T D REACHED 17. DATE COMPL. (Ready to prod.) ELEVATIONS (DF, RKB, RT, GR, ETC.) 19 ELEV CASINGHEAD 1/2/06 1/7/06 P&A 6863 GR 20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., 23. INTERVALS ROTARY TOOLS CABLE TOOLS DRILLED BY HOW MANY 0'-680' TVD MD 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) 25 WAS DIRECTIONAL SURVEY MADE Drilling did not penetrate Fruitland Coal objective Yes 26. TYPE ELECTRIC AND OTHER LOGS RUN 27 WAS WELL CORED GSL/GR/CBL/CCL PBTD to Surface No CASING RECORD (Report all strings set in well) CASING SIZE/GRADE WEIGHT, LB./FT DEPTH SET (MD) HOLE SIZE TOP OF CEMENT, CEMENTING RECORD AMOUNT PULLED 8-5/8" J-55 24# 12-1/4" 150 sx; 10 B/cem circ to surface 174' KB 4-1/2" J-55 10.5# 653' KB 7-7/8" 230 sx; 15 B/cem circ to surface LINER RECORD TUBING RECORD SIZE TOP (MD) BOTTOM (MD) SACKS CEMENT* SCREEN (MD) SIZE DEPTH SET (MD) PACKER SET (MD) ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. 31. PERFORATION RECORD (Interval, size and number) INTERVAL SIZE NUMBER DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED New Perfs: CASING WAS CEMENTED BUT NOT PERFORATED 33.*
DATE FIRST PRODUCTION 20# Delta 140 frac fluid w/sandwedge; 122,255# 20/40 Brady Sand WELL STATUS (Producing or shut-in) PRODUCTION PRODUCTION METHOD (Flowing, gas lift, p P&A 10/31/08 P&A DATE OF TEST GAS--MCF. WATER--BBL GAS-OIL RATIO PROD'N FOR OIL--BBLS. HOURS TESTED CHOKE SIZE TEST PERIOD n/a FLOW, TUBING PRESS OIL-BBL. GAS--MCF. WATER-BBL OIL GRAVITY-API (CORR.) CASING PRESSURE CALCULATED 24-HOUR RATE n/a TEST WITNESSED BY 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

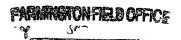
TITLE Agent for SG Interests I Ltd

*(See Instructions and Spaces for Additional Data on Reverse Side)

igly and willfully to make to any department or agency of the United States any false, fictitious or

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37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and 38. GEOLOGIC MARKERS recoveries); FORMATION TOP DESCRIPTION, CONTENTS, ETC. BOTTOM TOP NAME TRUE No cores were taken; no DST's were run. MEAS. DEPTH VERT. DEPTH Surface Nacimient Ojs Alans Kiroland Freidand 137' 256' 561'