

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised June 10, 2003

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-32387
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Kukui Operating Company		6. State Oil & Gas Lease No. SF - 077382
3. Address of Operator c/o Walsh Engr. & Prod. 7415 E. Main St., Farmington, NM 87402		7. Lease Name or Unit Agreement Name Angel Peak 16
4. Well Location Unit Letter <u>J</u> : <u>2600'</u> feet from the <u>South</u> line and <u>1975'</u> feet from the <u>East</u> line Section <u>16</u> Township <u>27N</u> Range <u>10W</u> NMPM County <u>San Juan</u>		8. Well Number #19S
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6028' GL		9. OGRID Number 149678
		10. Pool name or Wildcat Basin Fruitland Coal

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 5/11/05 the above well was Fraced per attached treatment reports.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paul C. Thompson TITLE Agent DATE 06/22/05

Type or print name: Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. 505-327-4892

(This space for State use)

APPROVED BY H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 58 DATE JUN 30 2005
Conditions of approval, if any:

FRACTURE TREATMENT REPORT

Operator: Kukui Operating Well Name: Angel Peak 16 #19S
Date: 11-May-05
Field: Basin Fruitland Coal Location: 16/27N/10W County: San Juan State: NM
Stimulation Company: Halliburton Supervisor: Paul Thompson

Stage #: 1/2 Lower Coal

Sand on location: Design: 5000# / 40,000# Weight ticket: 10,120# / 80,060 Size/type: 40/70 Az / 20/40 Brady

Fluid on location: No. of Tanks: 2 Strap: 20 Amount: 800 Usable: 720

Perforations: Depth: 1874 - 1886 Total Holes: 36 PBTD: 2005' KB
Shots per foot: 3 spf EHD: 0.36"

Breakdown: Acid: None Formation Broke at 1555 psi.
Balls: None
Pressure: Rate:

Stimulation: ATP: 2100 psi AIR: 19
MTP: 3500 psi MIR: 22.5

	Sand Stage	Pressure	Rate	BHTP	N ₂ Quality
	pad	2480	21.3	2701	69.0
	0.5 ppg 40/70	2500	21.4	2700	70.0
	1.0 ppg 40/70	2390	22.1	2603	71.7
	1.0 ppg 20/40	1941	17.6	2094	73.5
	2 ppg				
	3 ppg	982	17.3	1272	70.7

ISIP: Screen Out
5 min:
10 min:
15 min:

Job Complete at: 1015 hrs. Date: 5/11/2005 Start flow back: 1415 hrs with 950 psi

Total Fluid Pumped: 168 bbls

Total Sand Pumped: 5000# 40/70
6,692# 20/40
Total Sand on Formation: 10,050#

Total Nitrogen Pumped: 309,388 SCF

Notes:

All frac fluid was 2% KCl and Bloomfield City water with biocide and contained 20#/1000 gal guar gel, crosslinker, surfactant, enzyme and encapsulated breakers. All 20/40 sand was coated with Sand Wedge. Tried to drop the treating rate from 22 BPM to 17 BPM during the 1 ppg 20/40 stage due to a rapidly declining Nolte plot but Halliburton lost the nitrogen and the well screened out. The rate dropped to 13 BPM with a bottom hole sand concentration of 1.8 ppg.