

KUKUI Operating Company
 Goodnight '35' Federal #3 - NM-103604
 660' FWL, 440' FSL
 Sec. 35 - T 23S - R 29E
 Eddy County, New Mexico
 Proposed Total Depth: 14,300' TVD

DRILLING PROGRAM

1.) **Estimated Formation Tops:**

<u>Formation</u>	<u>Est. Depth</u>
Salado Salts	600'
Lamar	3185'
Bell Canyon	3235'
Cherry Canyon (Manzanita)	4200'
Brushy Canyon	5655'
Lower Brushy Canyon Shale	6635'
Bone Spring Formation	6900'
First Bone Spring Sand	7935'
Second Bone Spring Sand	8750'
Third Bone Spring Sand	9800'
Wolfcamp	10500'
Strawn	12150'
Atoka	12400'
Morrow	13350'
Lower Morrow	13850'
Barnett	13960'

2.) **Estimated Depths of Anticipated Minerals:**

- Fresh Water - Surface to 350'.
 - Operator plans to set 13 3/8" surface casing to 400' and cement to surface.
- Salt Section - 600' - 2,500'.
 Operator plans to set 9 5/8" salt protection string to 3,100' and cement to surface.
- Hydrocarbons - Atoka and Morrow formations with depths ranging from 12,800' to 14,200'.
 - Bone Spring and Delaware formations ranging from 4,000' to 8,200'.
 - Operator plans to set 7" intermediate/production casing to approx. 10,550' (100' into top of Wolfcamp). Top of cement will be dictated by geology and hydrocarbons encountered from Delaware to top of Wolfcamp.

3.) **Minimum Specifications for Pressure Control Equipment:**

<u>Interval</u>	<u>Depth</u>	<u>Hole Size</u>	<u>BOP's</u>
Surface	0'-400'	17 1/2"	Diverter head
Salt Protection	400'-3,100'	12 1/4"	3M-13 5/8 - A
Int./Production	3,100'-10,550'	8 3/4"	5M-11 - SRRAG
Production Liner	TD - 10,150'	6 1/8"	10M-7 1/16-SRRAG

The accumulator system will have three times the volume necessary to close everything on the BOP stack. A 10M choke manifold will be utilized with minimum 3" nominal diameter inlet line and 2" nominal diameter downstream lines. Manifold, lines, and BOP's will be tested as described in Onshore Order No. 2.