

KUKUI OPERATING COMPANY
HIGHLANDS "25" FEDERAL # 1
UNIT "G" SECTION 25
T19S-R21E EDDY CO. NM

9. Cementing and Setting Depth:

13 3/8"	Conductor	Set 40' of 13 3/8" H-40 48# ST&C conductor pipe cement to surface with Redi-mix.
9 5/8"	Surface	Set 1450' of 9 5/8" 36# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" cement + 1/4# Flocele/Sx. + 2% CaCl, circulate cement to surface.
5 1/2"	Production	Set 8150' of 5 1/2" 17# J-55 LT&C casing. Cement with 1200 Sx. of Halco Light cement + additives, tail in with 500 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 1200'.

10. Pressure Control Equipment: Exhibit "E". A 1500 Series 5000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nipped up on ~~13 3/8"~~ 9 5/8" casing and will be operated at least once each 24 Hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Visc.	Fluid Loss	Type Mud
40'-1450'	8.4-8.6	29-34	NC	Fresh water mud use paper to Control seepage and High viscosity sweeps to clean hole.
1450'-4500'	9.0-9.5	29-36	NC	Cut Brine using paper to control seepage and high viscosity sweeps to clean hole.
4500-8150'	9.9-9.5	32-38	10 cc or less	Same as above but use polymer to reduce water loss in order to run DST's, run logs and run casing.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, unexpected kicks. In order to run DST'S, open hole logs, and casing the viscosity and water loss may have to be adjusted to meet these needs.