

APPLICATION TO DRILL

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

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 1900' FNL & 1980' FEL SEC. 25 T19S-R21E EDDY CO. NM
2. Elevation above Sea Level: 4169' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. Proposed drilling depth: 8150'
6. Estimated tops of geological markers:

San Andres	1500'	Cisco	5770'	Morrow Clastics	7630'
Tubb	2770'	Canyon	6480'	Barnett Shale	7790'
Abo	3410'	Strawn	6900'	Chester	7900'
Wolfcamp	4620'	Atoka Clast.	7290'		
7. Possible mineral bearing formations:

Wolfcamp	Gas	Strawn	Gas	Chester	Gas
Cisco	Gas	Atoka	Gas		
Canyon	Gas	Morrow	Gas		
8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
17½"	0-40'	13 3/8"	48#	8-R	ST&C	H-40
12¼"	0-1450'	9 5/8"	36#	8-R	ST&C	J-55
8 3/4"	0-8150'	5½"	17#	8-R	LT&C	J-55