

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137

Expires: November 30, 2000

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
NM-103571

- 1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
- b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.  
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator KUKUI Operating Company

8. Lease Name and Well No.

3. Address 203 West Wall St., Suite 810  
Midland, Texas 797013a. Phone No. (include area code)  
(915) 687 - 6200

Highlands 25 Federal #1

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At Surface 1900' FNL &amp; 1980' FEL, Sec 25 - T19S - R21E

At top prod. interval reported below

At total depth

14. Date Spudded  
10/15/0115. Date T.D. Reached  
11/3/0116. Date Completed 12/7/01  
☐ D & A ☒ Ready to Prod17. Elevations (DF, RKB, RT, GL)\*  
4,169' GL18. Total Depth: MD 8,000'  
TVD19. Plug Back TD: MD 7,940'  
TVD20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric &amp; Other Mechanical Logs Run (Submit copy of each)

1.) Density / Neutron / GR 3.) CBL

2.) DLL / GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)Was DST run? ☒ No ☐ Yes (Submit report)Directional Survey? ☒ No ☐ Yes (Submit Copy)

23. Casing and Liner Record (Report all strings in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Tool Depth	No. of Sks. & Type of Cement	Slurry (Bbls.)	Cement Top*	Amount Pulled
20"	14"	Structural	surface	40'		Ready Mix		surface	
12-1/4"	9-5/8" J-55	36.0	surface	1,512'		1,140 sx Class C	264	surface	
8-3/4"	5-1/2" N-80	17.0	surface	8,000'		930 sx 50/50 Poz C	234	4,900'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	7,702'	7,707'	5-1/2"					

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Morrow	7,761'	7,774'	7,761' - 7,774'	0.41	44	Computalog - 11/21/01
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7,761' - 7,774'	Acidize with 1000 gals 15% HCl diverted with 60 ea. 1.3 sg ball sealers on 11/27/01
7,761' - 7,774'	Frac with 70% N2 foam & 50,000 lb 20/40 sand on 12/1/01

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBLs.	Gas MCF	Water BBLs.	Oil Gravity Corr. API	Gas Gravity	Production Method
12/06/2001	12/7/01	4	→	0.25	138	0	54	0.622	Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBLs.	Gas MCF	Water BBLs.	Gas / Oil Ratio	Well Status	
13/64	1,060	1,710	→	1.5	733	0	488	Shut-in - wait on pipeline.	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBLs.	Gas MCF	Water BBLs.	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBLs.	Gas MCF	Water BBLs.	Gas / Oil Ratio	Well Status	
			→						

LES BABYAK  
PETROLEUM ENGINEERRECEIVED  
2001 DEC 18 PM 1:17  
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CONFIDENTIAL

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## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBLs.	Gas MCF	Water BBLs.	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBLs.	Gas MCF	Water BBLs.	Gas / Oil Ratio	Well Status	

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBLs.	Gas MCF	Water BBLs.	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBLs.	Gas MCF	Water BBLs.	Gas / Oil Ratio	Well Status	

## 29. Disposition of Gas ( Sold, used for fuel, vented, etc. )

Vented / Flared

## 30. Summary of Porous Zones ( Include Aquifers ) :

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests. Including depth interval tested, cushion used, time tool opened, flowing and shut-in pressures and recoveries.

## 31. Formation ( Log ) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Morrow	7,761'	7,774'	Oil, Gas, and Water		
Atoka	7,330'	7,478'	Oil, Gas, and Water	Abo	3,320'
Strawn	7,138'	7,145'	Oil, Gas, and Water	Wolfcamp	4,400'
				Cisco	5,620'
				Strawn	6,880'

## 32. Additional remarks ( include plugging procedure ):

## 33. Circle enclosed attachments:

1. Electrical/Mechanical Logs ( 1 full set req'd )    2. Geologic Report    3. DST Report    4. Directional Survey  
 5. Sundry Notice for plugging and cement verification    6. Core Analysis    7. Other Wellbore Schematic  
 Deviation Surveys - Nabors Drilling

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records ( see attached instructions )

Name ( please print ) Larry K. Strider Title Western District ManagerSignature  Date December 13, 2001

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LOCATION Highlands 25 Feb. #1  
Sec. 25, T19S, R21E Eddy County, New Mexico  
LEASE & WELL (Give Unit, Section, Township and Range)  
OPERATOR Kukui Operating Company, 203 W. Wall Suite # 810, Midland, Texas 79701  
DRILLING CONTRACTOR NABORS DRILLING USA, LP

The Undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

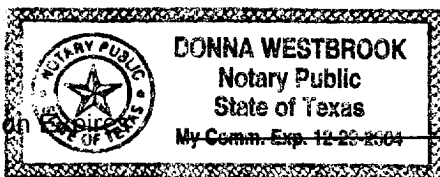
DEGREES @ DEPTH		DEGREES @ DEPTH		DEGREES @ DEPTH		DEGREES @ DEPTH	
1	259	2	7134				
1	565	1 1/2	7645				
3/4	1007	1 1/2	8000				
1/2	1480						
1/2	1783						
1/4	2288						
1/2	2730						
1/4	3203						
3/4	3700						
1/4	4158						
1/2	4683						
3/4	5155						
1 1/2	5627						
1 3/4	6162						
1 1/2	6664						

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Drilling Contractor Nabors Drilling USA, LP  
By B. Sanders  
Brent Sanders, Manager-Contracts & Marketing

Subscribed and sworn to before me this 17<sup>th</sup> day of December, 2001



Donna Westbrook  
Notary Public

My Commission Expires 12-25-2004 MIDLAND County TEXAS

11/07/01

# KUKUI Operating Company

## HIGHLANDS "25" Fed. #1

Sec 25, T19S, R21E

NM - 103571

Wildcat - Huapache Basin

Eddy County, NM

### Current Wellbore Schematic

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