

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form Approved
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON OIL AND GAS WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KUKUI Operating Company

3a. Address

203 W. Wall Street, Suite 810
Midland, TX 79701

3b. Phone No. (include area code)

915-687-6200

4. Location of Well (footage, Sec., T., R., M., or Survey Description)

1900' FNL & 1980' FEL Sec 25-T19S-R21E

5. Lease Serial No.

NM 103571

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Highlands "25" Federal #1

9. API Well No.

30-015-31944

10. Field and Pool, or Exploratory Area

Huapache Basin (Wildcat)

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BLA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

08/12/02 MIRU workover rig for recomplate. Procedure attached.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Larry K. Strider

Title Western District Manager

Signature

Larry K. Strider

Date August 12, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) JOE G. LARA

Title

Petroleum Engineer

Date

8/14/02

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

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.

7/16/2002

KUKUI OPERATING COMPANY

HIGHLANDS 25 FEDERAL #1 (NM - 103571)
SEC. 25 - T 19S - R21E , EDDY COUNTY, NM

RECOMPLETION PROCEDURES - ATOKA

- 1.) MIRU workover rig & pump truck.
Load tubing with ~ 40 bbls. 2% KCL water to kill well.

ND 2 9/16" 5M tree. NU BOPE. Release 5 1/2" Baker 45 A-4 Model R Double Grip packer.

POH w/ 2 7/8" tbg. string & packer assembly. Lay down 12 joints tbg.
Stand remaining 228 jts. tbg. Send packer to Baker (Hobbs) to re-dress.
- 2.) MIRU Schlumberger wireline unit (Roswell). GIH with 5 1/2" CIBP and set @ 7,750'. Note: Marker joint 6,489' - 6,511' (CBL)

Dump bail 35' cement on plug. Record fluid level in wellbore.

GIH w/ tbg. to recorded fluid level depth. Circulate 2% KCL w/ annulus inhibitor to surface. Test CIBP to 4,000 psi. POH & stand tbg.

GIH w/ 4" expendable carrier guns & perforate Atoka Sands.

7,470' - 7,478'	2 spf	.40" dia.	(Dens./ Neu. depths)
7,384' - 7,392'	2 spf	.40" dia.	"
7,330' - 7,338'	2 spf	.40" dia.	"

Release wireline equipment.
- 3.) GIH w/ re-dressed Baker A4 Model R double-grip packer & 2 7/8" tbg.
Set packer @ ~ 7,300'. ND BOPE. NU 2 9/16" 5M wellhead.
Test packer to 2,000 psi.
- 4.) RU flowline to tank. Swab tbg. & flow well. Evaluate well for stimulation.
RDMO workover rig.
- 5.) MIRU frac equipment. Install wellhead isolation tool (TSI).

Test lines to 7,000 psi. Place 1,000 psi on annulus & monitor during treatment.

Acidize w/ 1,000 gals. 15% HCL diverted w/ 75 ea. 7/8" 1.3 sg balls at max. rate possible not to exceed 6,000 psi. Surge balls & allow to fall into rathole.

Frac formation with 70% N2 foam & 50,000 lbs. 20/40 Ottawa sand at 12 bpm. Displace w/ N2 foam. Record ISIP, 5, 10, & 15 min. SITP.

Max. WHTP - 6,500 psi
Base Fluid - 40 lbs./1000 gals. gel w/ 4 gals/1000 foamer & 10% methanol.
Pad - 40%
Rate - 12 bpm or as pressure will allow
Prop - 50,000 lbs. 20/40 Ottawa sand @ 1 - 4 ppg concentration

RDMO frac equipment.
- 6.) MIRU choke manifold. Flow back treatment to tank until clean.
Tie well into sales line and produce well. Conduct flow tests as required.