N.M. Oil Cons. DIV-Diet, 2

Form 3160-5 (August 1999)

UNITED STAILS DEPARTMENT OF THE INTERIOR

1301 W. Grand Averue Form Approved OMB No. 1004-0135

CIST

Artesia, NM 88210 Expires November 30, 2000 **BUREAU OF LAND MANAGEMENT** Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NM 104611 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reversely 7. If Unit or CA/Agreement, Name and/or No. Type of Well Oil Well X Gas Well Other Well Name and No. 2. Name of Operator Sargent Canyon "31" Fed. #2 RECEIVED **KUKUI Operating Company** OCD - ARTESIA API Well No. 3a. Address 30-015-32277 203 W. Wall Street, Suite 810 Midland, TX 79701 10. Field and Pool, or Exploratory Area 4. Location of Well (footage, Sec., T., R., M., or Survey Description **Undesignated Morrow** 11. County or Parish, State 1775' FNL & 965' FEL Sec 31-T19S-R21E Eddy, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casino Fracture Treat Reclamation Well Integrity Casing Repair **New Construction** Recomplete Other Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Convert to Injection Plug Back Water Disposal Final Abandonment Notice 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 recomplete honzontally, 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 recompletion 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.) 08/15/02 Operator request to Plug and Abandon dry hole as follows: APPROVED 1.) Set 100' plug in 8-3/4" open hole @ 6,000' with 35 sks. Class C. 2.) Set 100' plug in 8-3/4" open hole @ 3,000' with 35 sks. Class C. Set 200' plug (100' inside / 100' below) at 9-5/8" shoe @ 1,395' with 70 sks. Class CAUG 2 2 2002 3.) Set 50' plug @ surface inside 9-5/8" casing. 4.) **GARY GOURLEY** PETROLEUM ENGINEER I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry K. Strider Western District Manager Signature Date 08/15/02 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Date Conditions of approval, if any, are attached. Approval of this neace does not warrant or certifity that the applicant holds legal or equitable title to the rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

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.