

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Fmt. 2
1301 W. Grand Avenue
Artesia, NM 88210

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

CISE

SUNDRY NOTICES AND REPORTS ON 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)

1780' FWL & 860' FNL 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 #2

9. API Well No.

30-015-32311

10. Field and Pool, or Exploratory Area

Huapache Basin (Wildcat)

11. County or Parish, State

Eddy, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Report of Operations |
| | <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 recomplete 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 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.)

07/04/02 Completed RU of Nabors #347. Spud 12-1/4" hole @ 1030 CST 7/04/02.

7/04/02 -

7/06/02 Drill 12-1/4" hole to 1,456'.

07/07/02

Ran 33 jts of 9-5/8", 36.0 lbs./ft., K-55 casing to 1,456' RKB. Cement casing to surface with 700 sks Class C foam cement mixed @ 9.0 ppg / 2.41 cu.ft./sk and tail with 200 sks Class C mixed @ 14.8 ppg / 1.35 cu.ft./sk. Circulated 296 sks to reserve pit. WOC. NU BOPE.

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

Larry K. Strider

Title Western District Manager

Signature

L.K. Strider

Date 07/09/02

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

JUL 15 2002

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

KUKUI Operating Company

Highlands "25" Fed. #2

9-5/8" Casing

| | <u>#</u> | | | |
|---|--------------|-------------|-------------------------------------|---------------|
| | <u>Units</u> | <u>Size</u> | <u>Description</u> | <u># Feet</u> |
| Guide Shoe: | 1 | 9-5/8" | Weatherford Model 202 Guide Shoe | 1.00 |
| # Jts Casing: | 1 | 9-5/8" | 36.0 lbs./ft., K-55, LT&C (Caprock) | 40.18 |
| Float Collar: | 1 | 9-5/8" | Weatherford Model 402A Float Collar | 1.26 |
| # Jts Casing: | 33 | 9-5/8" | 36.0 lbs./ft., K-55, LT&C (Caprock) | 1,414.42 |
| # Jts Casing: | | | | |
| # Jts Casing: | | | | |
| Total casing run..... | | | | 1,456.86 |
| Casing cut off..... - | | | | 18.00 |
| Casing in hole (BGL)..... | | | | 1,438.86 |
| Distance RKB to casing head flange..... + | | | | 18.00 |
| Casing set at (RKB)..... | | | | 1,456.86 |

07/07/02

Rig up Schlumberger (Artesia).

Lead: Cement 9-5/8" surface casing w/700 sks Class C + 1/4 lb./sk D-29 + 4 lb./sk D-24 + 0.2 GPS foamer, mixed @ 14.8 ppg, 1.35 cu.ft./sk. and foamed with N₂ to 9.0 lbs./gal & 2.41 cu.ft./sk.

Tail: 200 sks Class C + 2% CaCl₂ + 1/4 lb./sk D-29 + 4 lb./sk D-24, mixed @ 14.8 ppg, 1.35 cu.ft./sk.

Drop plug, displace with 109 bbl fresh water, land plug w/1450 psi. Check float, ok. Wait on cement 8 hrs. Cut off casing, weld on 9-5/8"x11" 3M casing head. Plug down @ 0900 CDT 7/07/02. Circulated 296 sks cement to pit.

**KUKUI OPERATING COMPANY
OIL WELL PIPE RECORD**

| JOINTS | | WEIGHT | GRADE | COUPLING | Lease Name Highlands "25" Fed. | Lease No. NM-103571 | Well No. 2 |
|----------|----------|--------|--------|----------|-----------------------------------|--------------------------|-----------------------------|
| From No. | Thru No. | | | | | | |
| 1 | 34 | 36.0 | K-55 | LT&C | Kelly Dr. Bushing Elev. 4,199' | County/Parish Eddy | State New Mexico |
| | | | | | Casing Size 9-5/8" | O. D. of Hole 12-1/4" | Date Casing Run 07/07/02 |
| Jt.No. | FEET | Jt.No. | FEET | Jt.No. | FEET | Jt.No. | FEET |
| GS | 1 .00 | | | | | | |
| 1 | 40 .18 | | | | | | |
| FC | 1 .26 | | | | | | |
| 2 | 35 .11 | | | | | | |
| 3 | 45 .48 | | | | | | |
| 4 | 39 .53 | | | | | | |
| 5 | 45 .30 | | | | | | |
| 6 | 34 .30 | | | | | | |
| 7 | 45 .07 | | | | | | |
| 8 | 45 .60 | | | | | | |
| 9 | 44 .85 | | | | | | |
| 10 | 38 .85 | | | | | | |
| 11 | 42 .42 | | | | | | |
| 12 | 45 .17 | | | | | | |
| 13 | 45 .15 | | | | | | |
| 14 | 42 .14 | | | | | | |
| 15 | 46 .85 | | | | | | |
| 16 | 46 .85 | | | | | | |
| 17 | 39 .27 | | | | | | |
| 18 | 42 .15 | | | | | | |
| 19 | 42 .95 | | | | | | |
| 20 | 42 .95 | | | | | | |
| 21 | 36 .07 | | | | | | |
| 22 | 45 .92 | | | | | | |
| 23 | 45 .58 | | | | | | |
| 24 | 46 .74 | | | | | | |
| 25 | 44 .02 | | | | | | |
| 26 | 44 .05 | | | | | | |
| 27 | 43 .23 | | | | | | |
| 28 | 42 .52 | | | | | | |
| 29 | 42 .10 | | | | | | |
| 30 | 43 .13 | | | | | | |
| 31 | 44 .47 | | | | | | |
| 32 | 45 .92 | | | | | | |
| 33 | 42 .50 | | | | | | |
| 34 | 38 .18 | | | | | | |
| 35 | | | | | | | |
| 36 | | | | | | | |
| 37 | | | | | | | |
| 38 | | | | | | | |
| Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 |
| 1456.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | |
|--|--------------|-------------------|--------------------|---------------------------------|-------------------------|--|
| CEMENTING INFORMATION | | | | | JOINTS LEFT OVER | |
| No. Sacks | Type | Additives | Circulating Before | No. Joints | Footage | |
| Lead: 700 | Class C Foam | See Casing Report | Cementing 60 min. | None | N/A | |
| Tail: 200 | Class C | See Casing Report | Mud Wt. Air ppg | Weight | Grade | |
| | | | | N/A | N/A | |
| Circulating Displacing When Plug Hit Maximum psi psi 1450 psi psi | | | | CENTRALIZERS | | |
| Did Floats Hold? Mix & Pump Time Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> min. | | | | Total Centralizers Ran | | |
| Pipe Rotated Reciprocated Worked During ... and/or After Cementing | | | | Type | | |
| | | | | None | | |
| No. Plugs Used Returns % Cement Top Shoe Depth Collar Depth 1 100 Surface 1456' 1414' | | | | Placed on Couplings | | |
| | | | | N/A | | |
| Cementing Contractor String Weight Weight on Hanger Schlumberger (Artesia) | | | | SERVICE COMPANY SCHEDULE | | |
| Signature-Company Rep. James Baucom | | | | ARRIVAL | | |
| | | | | RELEASE | | |
| Date Time | | | | Date Time | | |
| Total 1456.86 | | | | | | |