N.M. Cons. DIV-Dist. 2 C/5 F **UNITED STATES** Form 3160-5 DEPARTMENT OF THE INTERIOR (August 1999) BUREAU OF LAND MANAGEMENT Lease Serial No. SUNDRY NOTICES AND REPORTS ON NM-103570 Do not use this form for proposals to drill or to re-enter and If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions of revel 7. If Unit or CA/Agreement, Name and/or No. 1. Type of Well Oil Well X Gas Well Well Name and No. Other Name of Operator Highlands "14" Federal #1Y **KUKUI Operating Company** API Well No. 3a. Address 3b. Phone No. (include area code) 30-015-32341 203 W. Wall Street, Suite 810 915-687-6200 Midland, TX 79701 10. Field and Pool, or Exploratory Area 4. Location of Well (footage, Sec., T., R., M., or Survey Description) Huapache Basin (Wildcat) 11. County or Parish, State 1980' FNL & 2000' FWL, Sec 14 - 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 X Notice of Intent Alter Casino Fracture Treat Well Integrity Reclamation 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 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.) Plug & Abandon Procedures MIRU workover rig. Release production packer & POH w/2-7/8" tbg. & BHA. GIH w/ open-ended tbg. and plug well as follows: Set 175' plug in 5-1/2" csg @ 7,300' w/35 sks. Class C. POH w/tbg. Cut 5-1/2" csg. @ free point to recover +/- 4,800' csg. Set plug 50' inside 5-1/2" csg. / 50' inside 8-3/4" open hole @ +/- 4,850' w/50 sks. Class C. WOC & tag plug. c.) Set 130' plug in 8-3/4" open hole @ 2,700' w/50 sks. Class C. Set 50' inside 9-5/8" / 50' inside 8-3/4" open hole w/EOT @ 1,445' w/50 sks. Class C. w/DC & tag Plug. **d**.) Set 100' cement plug inside 9-5/8" csg. @ 13-3/8" csg. shoe from 346' - 446' w/50 sks. Class C 2002 f.) Set 50' surface plug inside 9-5/8" csg. w/20 sks. Class C. 2.) Cut off csg. minimum 3' BGL. Install dry hole marker. See attached schematic 14. I hereby certify that the foregoing is true and correct LES BABYAK Name (Printed/Typed) PETROLEUM ENGINEER Larry K. Strider Western District Manager Signature Date 10/07/02 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certifiy 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

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.



