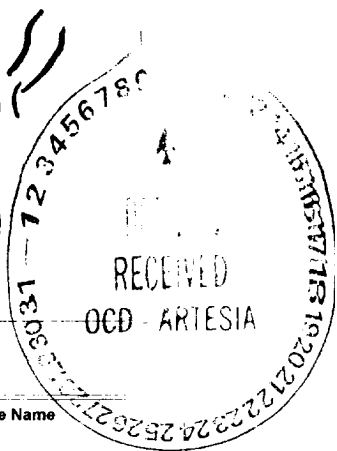


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons. AS
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
MB 88210-1037



WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Expires: November 30, 2000
5. Lease Serial No.
NMNM - 103604

1a. Type of Well ☐ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☐ New Well ☐ Work Over ☐ Deeper ☒ Plug Back ☐ Diff. Resvr.
Other
2. Name of Operator KUKUI Operating Company

6. If Indian, Allottee or Tribe Name
7. Unit or CA Agreement Name and No.

3. Address 203 W. 1st Street, Suite 200
Midland, TX 79701
3a. Phone No. (include area code)
(915) 687-6200
4. Location of Well (Report location clearly and in accordance with Federal requirements)
At Surface 2,180' FWL & 660' FSL Sec. 35 - T23S - R29E
At top prod. interval reported below

8. Lease Name and Well No.
Goodnight 35 Federal # 1
9. API Well No. 30 - 015 - 31096
10. Field and Pool or Exploratory
Sw Nash Draw Delaware
11. Sec., T., R., M., on Block and
Survey or Area Sec. 35 - 23S - 29E
12. County or Parish 13. State
Eddy New Mexico

At total depth
14. Date Spudded 4 / 28 / 2000 15. Date T.D. Reached 6 / 9 / 2000 16. Date Completed 11/27/2000
☐ D & A ☒ Ready to Prod.
17. Elevations (DF, RKB, RT, GL) 3,100' GL
18. Total Depth: MD 11,593' DPM 19. Plug Back TD: MD 6,720' 20. Depth Bridge Plug Set: MD 6,730'
TVD TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
IL & NGRL (Delaware) DLL - MSFL - GR & CNL - LDT - GR (Bone Spring)
SD - NL (Wolfcamp) CBL
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)				Stage Cement		No. of Sk. &		Slurry	
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Tool Depth	Type of Cement	(Bbls.)	Cement	Top* Amount Pulled
17 1/2"	13 3/8" J-55	54.50	surface	581'		470 sks. Class C	147	surface	
12 1/4"	9 5/8" K - 55	36.0	surface	3,150'		1,000 sks. Class C	354	surface	
8 3/4"	7" P - 110	26.0	surface	10,609'	7,197'	1,015 sks. Class H	242	5,350' (CBL)	
6 1/8"	4 1/2" P - 110	13.5	10,512'	11,571'		150 sks. Class H	25	10,512'	

24. Tubing Record							
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)
2 7/8"	6,618						

25. Producing Intervals				26. Perforation Record		
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wolfcamp	11,414' (CBL)	11,464' (CBL)	11,439' - 11,464' 2 spf	.28 "	50	Schlumberger - 8 / 10 / 2000
B) Bone Spring	7,966' (D/N)	8,242' (D/N)	7,966' - 8,242' 4 zones	.42"	128	Schlumberger - 11 / 16 / 2000
C) Lower Brushy "C"	6,740'	6,778'	6,740-6,778' 2 zones	.42"	64	Schlumberger - 8 / 08 / 2001
D) Lower Brushy - Herradura	6,580'	6,600'	6,580-6,600' 4 spf	.42"	80	Schlumberger - 8 / 14 / 2001

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.	
Depth Interval	Amount and Type of Material
10,512' - 10,609' +	Squeeze liner top with 50 sks. Class H (9 bbls.) Note: Volume included in section 23.
7,966' - 8,242' (gross int.)	Frac Bone Spring in 2 stages with 50,000 gals. WF 130 fluid and 1,389 sks. 20/40 Ottawa sand. 11/17/00
6,740' - 6,778'	Acidize w/1,800 gals 10% HCL 8/09/01.
6,580' - 6,600'	Frac Herradura w/17,700 gals YF130 fluid & 285 sacks 16/30 sand on 8/21/01.

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
8/11/2000	8 / 12 / 2000	4	→	10	281	0.4	58.5	0.665	Flowing
Choke Size	Tbg. Press.	Csg. Press.	24 Hr. Rate	Oil BBLs.	Gas MCF	Water BBLs.	Gas / Oil Ratio	Well Status	
variable - 10/64	SI	7,100	→	60	1,686	2.4	28.146	Flowing to sales	

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
2/01/01	2/24/01	24	→	45	96	320	41.6		Pumping / Flare gas
Choke Size	Tbg. Press.	Csg. Press.	24 Hr. Rate	Oil BBLs.	Gas MCF	Water BBLs.	Gas / Oil Ratio	Well Status	
open	SI	0	→	45	96	320	2.13	Installed pumping unit / Testing	

ACCEPTED FOR RECORD

OCT 4 2001

GARY GOURLEY
PETROLEUM ENGINEER

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
8/10/01	8/12/01	8	→	0	0	10	-	-	Swab Test
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBLS.	Gas MCF	Water BBLS.	Gas / Oil Ratio	Well Status	
Open	SI 0	0	→	0	0	10	0	Plugged back on 8/14/01	

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
8/30/01	9/11/01	24	→	15	0	217	-	-	Pumping
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBLS.	Gas MCF	Water BBLS.	Gas / Oil Ratio	Well Status	
Open	SI 140	200	→	15	0	217	0	Testing Herradura	

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

Shut in / fuel only

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
Delaware	5,714'	5,900'	Oil, Gas, and Water	Lamar	3,190'
	6,390'	6,790'		Delaware	3,250'
Bone Spring	7,960'	8,280'	Oil, Gas, and Water	Bone Spring	6,918'
	8,970'	9,074'		Wolfcamp	10,498'
Wolfcamp	11,414'	11,464'	Oil, Gas, and Water		

32. Additional remarks (include plugging procedure):

Like reports, logs, and attachments sent to NMOCD District 2 office.

Plugged back Bone Spring interval. Tested Lower Brushy "C" which tested 100% water. Plugged back Lower Brushy "C".

Presently testing "Herradura" with pumping unit.

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 revised wellbore schematic

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 Manager

Signature  Date 9/12/01

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.

KUKUI OPERATING COMPANY

Installation Diagram

County	State	Date
Eddy	NM	9/5/2001

Fld Wt	Company		Well Name		PBTD		TD	
	KUKUI Operating Co.		Goodnight 35 Fed. # 1		6720'			
Type	S35-T23S-R29E NMNM 103604				Tbg.	Csg.	Misc.	
	Perforations: 6580-6600' LOWER BRUSHY - HERRADURA				2 7/8"	7" 26#		
Item	Description				O.D.	I.D.	Length	Depth
				KBC			0.00	20.00
←	2 7/8" 8.7#	198 Joints	AB-IJ-3SS	Tubing			6463.06	6483.06
							0.00	6483.06
←	7" 26#	Casing					0.00	6483.06
							0.00	6483.06
							0.00	6483.06
							0.00	6483.06
							0.00	6483.06
							0.00	6483.06
							0.00	6483.06
							0.00	6483.06
←	2 7/8" AB-IJ-3SS	X 2 7/8" 8rd Eue	X-Over				0.60	6483.66
							0.00	6483.66
							0.00	6483.66
←	6485'	Tac					2.10	6485.76
							0.00	6485.76
							0.00	6485.76
							0.00	6485.76
							0.00	6485.76
←	2 7/8" 8rd Eue	X 2 7/8" AB-IJ-3SS	X-Over				0.60	6486.36
							0.00	6486.36
←	2 7/8" 8.7#	4 Joints	AB-IJ-3SS	Tubing			126.52	6612.88
							0.00	6612.88
							0.00	6612.88
	6580-6600'	Perforations					0.00	6612.88
							0.00	6612.88
←	2 7/8"	Seating Nipple	(Mechanical HD)		2 7/8"	1.750"	1.10	6613.98
							0.00	6613.98
←	2 7/8"	Perforated sub					4.10	6618.08
←	2 7/8"	Bulplug w/collar					0.50	6618.58
	(53' of fill on top of plug)							
	(10' Cement)							
	6720'	PBTD						
	6730'	CIBP						
	6740-48'							
←	6770-78'	Perforations						
	7177'	DV Tool						
	(20' Cement)							
	7880'	PBTD						
	7900'	CIBP						
	7966-72'	Perforations						
	(6' Cement)							
	8039'	PBTD						
	8045'	CIBP						
	8050-58'							
	8158-72'	Perforations						
	8220-42'							
	(400' Cement)							
	9916'	PBTD						
	10,316'	Retainer						

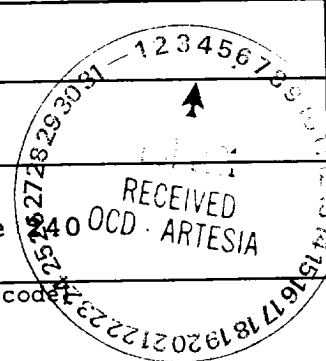
N.M. Oil Cons. Division *45F*
811 S. 1st Street
Artesia, NM 88210-2834

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBSTITUTE FORM 3160-5 (APPROVED June, 1992, revised May, 2000)

SUNDRY NOTICES AND REPORTS ON WELLS

1. TYPE OF WELL Oil Well <input checked="" type="checkbox"/> Gas Well	5. LEASE DESIGNATION AND SERIAL NO. NMNM 103604
2. NAME OF OPERATOR KUKUI Operating Company	6. IF INDIAN, ALL., OR TRIBE NAME
3a. ADDRESS 601 Vestavia Parkway, Suite Vestavia, Alabama 35216	7. IF UNIT OR CA, AGREEMENT DESIGN.
3b. Telephone Number (include area code) 205-823-2977	8. WELL NAME AND NO. Goodnight 35 Federal #1
4. LOCATION OF WELL (Footage, Sec. T. R. M., or Survey Description) 2180' FWL & 660' FSL Sec. 35-T23S-R29E	9. API WELL NO. 30-015-31096
10. FIELD & POOL, OR EXPLORATORY AREA Cedar Canyon-Morrow	11. COUNTY OR PARISH, STATE Eddy, New Mexico



12. FILL IN APPROPRIATE DESCRIPTION TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION:
Subsequent Report

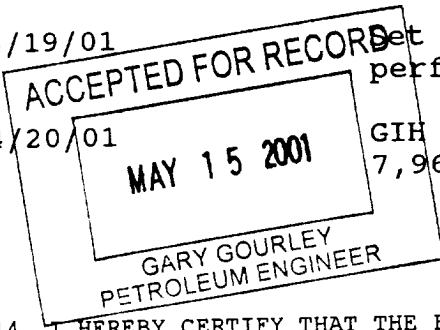
TYPE OF ACTION:
Report of Operations

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 recomple 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/BIA. 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.

4/10/01 - 4/18/01 MIRU workover rig. POH with pump, rods, & tubing.
 GIH w/R.B.P. and PKR. Isolate & swab test all 4 intervals
 of Bone Spring perforations.

4/19/01 Set 7" drillable CIBP at 8,045'. Isolate bottom 3 sets of
 perfs.

4/20/01 GIH w/tubing, rods, & pump. Presently testing interval at
 7,966' - 7,972'.



14. I HEREBY CERTIFY THAT THE FOREGOING IS TRUE AND CORRECT.

Name (Printed or Typed) Larry K. Strider TITLE District Operations Manager

SIGNED L.K. Strider DATE 4/25/01

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY ARE ATTACHED.

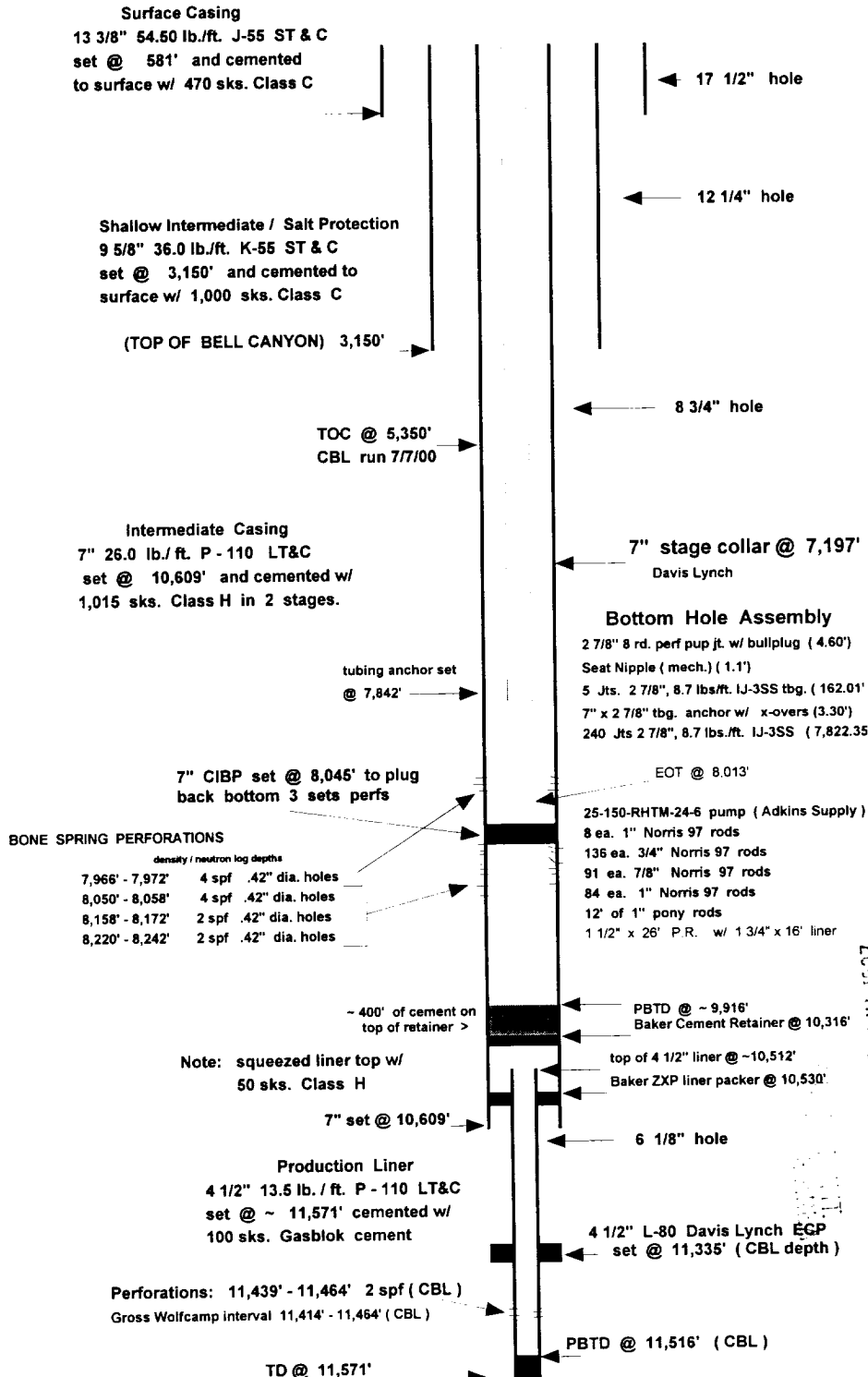
RECEIVED
2001 MAY -2 AM 10:26
BUREAU OF LAND MANAGEMENT
HOSPITAL C 1001

04/25/01

KUKUI Operating Company

GOODNIGHT '35' FEDERAL #1 (NMMN-103604)
SEC. 35 - T 23 S - R 29 E
EDDY COUNTY, NEW MEXICO

BONE SPRING COMPLETED WELLBORE SCHEMATIC AND PUMP SETTING



NOTE: The bottom 3 sets of Bone Spring perfs tested
wet. A drillable CIBP was set to isolate & test
the top set.

Larry K. Strider 4/25/01