

APPLICATION TO DRILL

KUKUI OPERATING COMPANY
GOODNIGHT "35" FEDERAL # 3
UNIT "M" SECTION 35
T23S-R29E EDDY CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Run AIT, CNL, LDT, Gamma Ray, Caliper from TD to 3100'. Run Gamma Ray-Neutron from 3100' to surface.
- B. Mud logger will be rigged up on hole at 2950'± and remain on hole to TD.
- C. No DST's are planned at this time.
- D. Rotary Sidewall cores may be taken at intervals selected by the Geologist.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4150 PSI, estimated BHT 175°.

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 30 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Bone Spring pay will be perforated and stimulated. The well will be swab tested and potentialized as an oil well.