

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED

Budget Bureau No. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.
SF-077952 A
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|--|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. Angel Peak 24 #14S |
| 2. Name of Operator Kukui Operating Company | | 9. API Well No. 30-045-32434 |
| 3a. Address c/o Walsh Engineering & Prod. Corp. 7415 East Main St. Farmington, NM 87402 | 3b. Phone No. (include area code) (505) 327-4892 | 10. Field and Pool, or Exploratory Area Basin Fruitland Coal |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2000' FSL & 660' FEL Sec. 24, T27N, R10W | | 11. County or Parish, State San Juan, New Mexico |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" 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 SEE BELOW |
| | <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 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/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.)

03/15/05 Spud 8 3/4" surface hole. Drilled to 145' and ran 3jts (133.75') of 7", 20#, J-55, ST & C casing and set at 143'KB. Cemented with 68 sx (84 cu. ft.) of Type III with 3% CaCl₂ and 1/4 #/sk celloflake. Circulated 5.0 bbls of good cement to surface.

03/17/05 Nipped up the BOP and pressure tested the casing and BOP to 600 psi

03/21/05 TD 6 1/4" hole at 2633'KB

03/22/05 Ran 63 jts (2602.12') of 4 1/2", 10.5#, J-55, ST&C casing. Landed casing at 2607.12' KB. Insert float at 2584.50' KB. Cemented with 300 sx (699cu. Ft.) of Type III, 1/4 #/sk celloflake, and 5#/sk gilsonite, 2% sodium metasilicate, tailed with 100 sx (140 cu. ft.) of Type III, 1/4 # celloflake, 5#/sk gilsonite, 2% CaCl₂. Did not circulate cement to surface.

Please report TDC on the 4 1/2" casing.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title Agent

Signature

Paul C. Thompson

Date May 4, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

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 operation thereon.

Title

Office

Date MAY 13 2005

FARMINGTON FIELD OFFICE

Title 18 U.C.S. Section 1001 and Title 43 U.C.S. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC