

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

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 checked="" 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 type="checkbox"/> Other
	<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 recomplate 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.)

On 5/24/05 ran CBL and found TOC at ^{400'}1190'. Fraced well per attached treatment reports.

↓
As shown by CBL



2005 JUN 13 PM 2 38
RECEIVED
OTO FARMINGTON NM

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 June 8, 2005

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

JUN 17 2005

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.

Office

FARMINGTON FIELD OFFICE
BY *AB*

Title 18 U.C.S. Section 1001 and Title 43 U.S.C. 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.

FRACTURE TREATMENT REPORT

Operator: Kukui Operating Well Name: Angel Peak 24 #14S
 Date: 25-May-05
 Field: Basin Fruitland Coal Location: 24/27N10W County: San Juan State: NM
 Stimulation Company: Halliburton Supervisor: Paul Thompson

Stage #: 1/2 Lower Coal

Sand on location: Design: 5000# / 51,000# Weight ticket: 10,160# / 116,800 Size/type: 40/70 Az / 20/40 Brady

Fluid on location: No. of Tanks: 2 Strap: 20 Amount: 800 Usable: 720

Perforations:
 Depth: 2344 - 54 & 2358 - 62 Total Holes: 42 PBTD: 2060'
 Shots per foot: 3 spf EHD: 0.36" Loggers TD

Breakdown:
 Acid: 1000 ga 15% HCl Formation Broke at 592 psi.
 Balls: None Acid on: 1525 psi @ 16.6 BPM
 End 1360 PSI @ 18.5 BPM
 Pressure: 647 psi Rate: 4.7 BPM

Stimulation:
 ATP: 1150 psi AIR: 19.5 BPM
 MTP: 1330 psi MIR: 23.0 BPM

	Sand Stage	Pressure	Rate	BHP	N ₂ Quality
	pad	1309	18.3	1753	69.0
ISIP: 539 psi	0.5 ppg 40/70	1305	20.7	1454	70.6
5 min: 463 psi	1.0 ppg 40/70	1188	19.8	1294	72.0
10 min: 421 psi	1.0 ppg 20/40	1171	19.6	1301	69.5
15 min: 394 psi	2 ppg	1083	20.0	1298	67.6
	3 ppg	1084	19.3	1339	69.1
	4 ppg	1048	19.8	1340	68.3

Job Complete at: 0950 hrs. Date: 5/25/2005 Start flow back: 1515 hrs with 1400 psi

Total Fluid Pumped: 346 bbls

Total Sand Pumped: 5000# 40/70 Total Sand on Formation: 56,000#
 51,000# 20/40

Total Nitrogen Pumped: 358,704

Notes:

All frac fluid was 2% KCl and Bloomfield City water with biocide and contained 20#/1000 gal guar gel, crosslinker, surfactant, enzyme and encapsulated breakers. All 20/40 sand was coated with Sand Wedge. There was a significant pressure drop when the acid passed through the perms. The Nolte plot was relatively flat through the sand stages. The frac gradient based on the ISIP was 0.67 psi/ft.

FRACTURE TREATMENT REPORT

Operator: Kukui Operating Well Name: Angel Peak 24 #14S
 Date: 25-May-05
 Field: Basin Fruitland Coal Location: 24/27N10W County: San Juan State: NM
 Stimulation Company: Halliburton Supervisor: Paul Thompson

Stage #: 2/2 Upper Coals

Sand on location: Design: 5000# / 65,000# Weight ticket: 10,160# / 116,800 Size/type: 40/70 Az / 20/40 Brady

Fluid on location: No. of Tanks: 2 Strap: Amount: Usable: 357

Perforations:
 Depth: 2236-48, 52-54, 58-60, 84-87 Total Holes: 57 PBTB: Frac plug at 2315' KB
 Shots per foot: 3 spf EHD: 0.36"

Breakdown:
 Acid: 1000 gal of 15% HCL The formation broke at 801 psi
 Balls: None
 Pressure: 650 psi Rate: 4.6 BPM

Stimulation:
 ATP: 1300 psi AIR: 20 BPM
 MTP: 1600 psi MIR: 22.7 BPM

	Sand Stage	Pressure	Rate	BHP	N ₂ Quality
	pad	1464	21.3	1824	69.6
ISIP: 1577 psi	0.5 ppg 40/70	1402	18.8	1537	72.6
5 min: 1557 psi	1.0 ppg 40/70	1380	18.4	1545	71.4
10 min: 1552 psi	1.0 ppg 20/40	1409	18.9	1513	71.0
15 min: 1556 psi	2 ppg	1325	18.8	1537	72.5
	3 ppg	1360	19.7	1634	70.1
	4 ppg	1530	19.6	1917	68.7

Job Complete at: 1330 hrs. Date: 5/25/2005 Start flow back: 1515 hrs with 1400 psi
 Total Fluid Pumped: 360 bbls
 Total Sand Pumped: 5000# 40/70 Total Sand on Formation: 70,000#
 65,000# 20/40
 Total Nitrogen Pumped: 425,097 SCF

Notes:
 All frac fluid was 2% KCL and Bloomfield City water with biocide and contained 20#/1000 gal guar gel, crosslinker, surfactant, enzyme and encapsulated breakers. All 20/40 sand was coated with Sand Wedge. Nolte plot was positive through the sand stages.