

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2005 AUG 9 AM 11 38 FORM APPROVED

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

RECEIVED

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.

070 FARMINGTON

5. Lease Serial No. ~~SE-077384~~ **079596**
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

NM 84043

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Kukui Operating Company

3a. Address
7415 East Main St. Farmington, NM 87402

3b. Phone No. (include area code)
(505) 327-4892

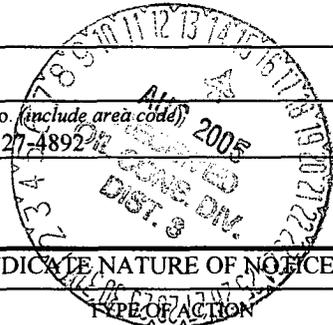
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2525' FSL & 1975' FEL Sec. 15, T27N, R10W

8. Well Name and No.
C.M. Morris #5S

9. API Well No.
30-045-32446

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

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 recompleat 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 recompleat 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.)

02/28/05 Spud surface hole (8-3/4", Varel, L116-RR). Drilled to 145' and ran 3jts (133.26") of 7", 20#, ST&C casing and set at 142"KB. Cemented with 46 sx (57 cu.ft.) of type III with 3% CaC12 and 1/4 #/ sk celloflake. Circulated 5.0 bbls of good cement to surface. Hole was staying full.

03/02/05 Nipped up the BOP and pressure tested the casing and BOP to 600 psi.

03/04/05 TD well at 2422" KB (6-1/4", Varel I126, tooth bit).

03/05/05 Ran 60 jts (2386.41) of 4-1/2", 10.5#, J-55, ST&C new casing and landed at 2391' KB. The insert float is at 2371"KB. Cemented with 275 sx (140 cu.ft.) of Type III with 2% SMS, 1/4 # sk celloflake and 5# sk gilsonite, followed by 100 sx (140) cu.ft.) of Type III with 2% CaC12, 1/4 #/ sk celloflake and 5#/sk gilsonite. Bumped plug to 1700 psi. Good circulation throughout job and circulated 40 bbls of good cement to surface.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Gwen Brozzo
Title Production Clerk

Signature *[Signature]*
Date March 30, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by _____ Title _____ Date AUG 12 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 *[Signature]*

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.