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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
L2986	

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.  
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

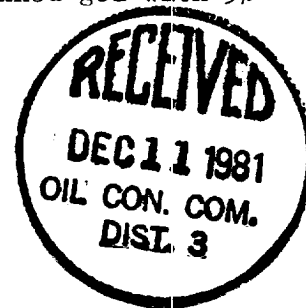
1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-		7. Unit Agreement Name
2. Name of Operator Kenai Oil and Gas Inc.		8. Farm or Lease Name State of New Mexico
3. Address of Operator 717 17th St., Suite 2000, Denver, Colorado 80202		9. Well No. 36-12
4. Location of Well UNIT LETTER <u>E</u> . <u>1850</u> FEET FROM THE <u>North</u> LINE AND <u>1120</u> FEET FROM THE <u>West</u> LINE, SECTION <u>36</u> TOWNSHIP <u>24N</u> RANGE <u>8W</u> NMPM.		10. Field and Pool, or Wildcat Lybrook, Gallup
15. Elevation (Show whether DF, RT, GR, etc.) 6856' GR		12. County San Juan

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Complete Well</u> <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

We will complete the Gallup formation as follows:  
Perforate: 5630-40', 2 shots; 5601-06', 5590-95', 5561-64', 5542-46', 5513-16', 5498-5502', 5472-74', 5464-58', 5448-52', each with one shot per zone. Will frac with 60,000# 20-40, 50,000 gals 30# crosslinked with 5% hydrocarbon and 400 SCF/Bbl. Co<sub>2</sub>.  
Perforate: 5392-5400' with ispf. Frac with 28,000# 20/40, 20,000 gals 30# crosslinked gel with 5% Hydrocarbon and 400 SCF/Bbl. Co<sub>2</sub>.  
Perforate: 5359-65', 2 shots; 5330-36', 5310-5312, 1 shot; 5274-84', 5264-70', 2 shots; 5234-5239', 1 shot. Frac with 42,000# 20/40, 36,000 gals. 30# crosslinked gel with 5% Hydrocarbon, 400 SCF/Bbl. Co<sub>2</sub>.



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [Signature] TITLE Mgr. of Operations DATE December 8, 1981  
Original Signed by **FRANK T. CHAVEZ** SUPERVISOR DISTRICT # 3 **DEC 11 1981**  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY: