

9.) **Operations:**

An approved drilling permit for an 8,500' Bone Spring test was granted on June 19, 2001. KUKUI is respectfully submitting a revised well plan to deepen this well to test the Morrow formation. The anticipated spud date is mid August, 2001. Estimated drilling time is approximately 50 days.

The Goodnight '35' Federal #1 well is in the Potash Mining Area. Order No. R-111-P rules and regulations will be followed in addition to all BLM and OCD requirements.

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