

KUKUI OPERATING COMPANY  
GOODNIGHT "35" FEDERAL # 3  
UNIT "M" SECTION 35  
T23S-R29E EDDY CO. NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1. Location: 660' FWL & <sup>440'</sup>~~660'~~ FSL SEC. 35 T23S-R29E EDDY CO. NM  
*per BWH*
2. Elevation above sea level: 3092' GR.
3. Geologic name of surface formation: Quaternary deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
5. Proposed drilling depth: 8500'
6. Estimated tops of geological markers:

|               |       |                        |       |
|---------------|-------|------------------------|-------|
| Salado        | 600'  | Brushy Canyon          | 5655' |
| Lamar         | 3185' | Lower Brushy Canyon Sh | 6635' |
| Bell Canyon   | 3235' | Bone Spring            | 6905' |
| Cherry Canyon | 4185' | First Bone Spring Sd.  | 7935' |
7. Possible mineral bearing formation:

|               |     |
|---------------|-----|
| Brushy Canyon | Oil |
| Bone Spring   | Oil |
8. Casing program:

| <u>Hole size</u> | <u>Interval</u>                    | <u>OD casing</u> | <u>Weight</u> | <u>Thread</u> | <u>Collar</u> | <u>Grade</u> |
|------------------|------------------------------------|------------------|---------------|---------------|---------------|--------------|
| 24"              | 0-40'                              | 20"              | NA            | NA            | NA            | Conductor    |
| 17½"             | 0- <sup>400'</sup> <del>350'</del> | 13 3/8"          | 48#           | 8-R           | ST&C          | H-40         |
| 12½"             | 0-3100'                            | 8 5/8"           | 24#           | 8-R           | ST&C          | J-55         |
| 7 7/8"           | 0-8500'                            | 5½"              | 17#           | 8-R           | LT&C          | J-55         |