

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-105  
Revised March 25, 1999

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|                                                                                                     |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO.<br><b>30-025-35808</b>                                                                 |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No.<br><b>V-5099</b>                                                          |

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

|                                                                                                                                                                                                                                                            |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 1a. Type of Well:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____                                                                                                               | 7. Lease Name or Unit Agreement Name<br><b>DeGas "6" State Com.</b> |
| b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____ |                                                                     |
| 2. Name of Operator<br><b>KUKUI Operating Company</b>                                                                                                                                                                                                      | 8. Well No.<br><b>#1</b>                                            |
| 3. Address of Operator<br><b>203 W. Wall Street, Suite 810<br/>Midland, TX 79701</b>                                                                                                                                                                       | 9. Pool name or Wildcat<br><b>Townsend Atoka Gas</b>                |

4. Well Location  
Unit Letter **Lot 8** : **800** Feet From The **East** Line and **1980** Feet From The **North** Line  
Section **6** Township **16S** Range **35E** NMPM

|                                      |                                          |                                                    |                                                            |                                          |
|--------------------------------------|------------------------------------------|----------------------------------------------------|------------------------------------------------------------|------------------------------------------|
| 10. Date Spudded<br><b>04/10/02</b>  | 11. Date T.D. Reached<br><b>05/25/02</b> | 12. Date Compl (Ready to Prod.)<br><b>06/22/02</b> | 13. Elevations (DF& RKB, RT, GR, etc.)<br><b>4,055' GR</b> | 14. Elev. Casinghead<br><b>4,055' GR</b> |
| 15. Total Depth<br><b>13,120' MD</b> | 16. Plug Back T.D.<br><b>13,033' Log</b> | 17. If Multiple Compl How Many Zones?<br>_____     | 18. Intervals Drilled By<br><b>X</b>                       | Rotary Tools<br><b>X</b>                 |

|                                                                                                         |                                              |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------|
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br><b>12,572' - 12,592', Atoka</b>    | 20. Was Directional Survey Made<br><b>No</b> |
| 21. Type Electric and Other Logs Run<br><b>Density/Neutron, Digital Acoustic GR, Dual Laterlog, CBL</b> | 22. Was Well Cored<br><b>No</b>              |

23. **CASING RECORD** (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT.   | DEPTH SET   | HOLE SIZE | CEMENTING RECORD    | AMOUNT PULLED |
|-------------|------------------|-------------|-----------|---------------------|---------------|
| 20"         | Structural Steel | 40'         | 27"       | Ready-Mix           |               |
| 13-3/8"     | 48.00            | 449.10'     | 17-1/2"   | 500 sacks Class C   |               |
| 9-5/8"      | 40.00            | 4,565'      | 12-1/4"   | 1,700 sacks Class C |               |
| 5-1/2"      | 20.00            | 13,120' BGL | 8-3/4"    | 1,170 sacks Class H |               |

|                  |     |        |              |                   |        |           |            |
|------------------|-----|--------|--------------|-------------------|--------|-----------|------------|
| 24. LINER RECORD |     |        |              | 25. TUBING RECORD |        |           |            |
| SIZE             | TOP | BOTTOM | SACKS CEMENT | SCREEN            | SIZE   | DEPTH SET | PACKER SET |
|                  |     |        |              |                   | 2-7/8" | 12,476'   | 12,483'    |

|                                                                                                        |                                                                                                   |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 26. Perforation record (interval, size, and number)<br><b>12,572 - 12,592', 2 JSPF, 40 total shots</b> | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC<br>DEPTH INTERVAL<br>AMOUNT AND KIND MATERIAL USED |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|

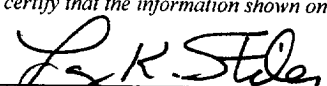
28. **PRODUCTION**

|                                          |                                                                                       |                                                                     |                         |                           |                           |                                            |                                |
|------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------|---------------------------|---------------------------|--------------------------------------------|--------------------------------|
| Date First Production<br><b>06/14/02</b> | Production Method (Flowing, gas lift, pumping - Size and type pump)<br><b>Flowing</b> | Well Status (Prod. or Shut-in)<br><b>Shut-in / Wait on pipeline</b> |                         |                           |                           |                                            |                                |
| Date of Test<br><b>06/15/02</b>          | Hours Tested<br><b>4</b>                                                              | Choke Size<br><b>15/64</b>                                          | Prod'n For Test Period  | Oil - Bbl<br><b>4.5</b>   | Gas - MCF<br><b>170</b>   | Water - Bbl.<br><b>7</b>                   | Gas - Oil Ratio<br><b>37.7</b> |
| Flow Tubing Press.<br><b>1,800</b>       | Casing Pressure<br><b>100</b>                                                         | Calculated 24-Hour Rate                                             | Oil - Bbl.<br><b>27</b> | Gas - MCF<br><b>1,020</b> | Water - Bbl.<br><b>42</b> | Oil Gravity - API - (Corr.)<br><b>48.9</b> |                                |

|                                                                             |                                                           |
|-----------------------------------------------------------------------------|-----------------------------------------------------------|
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br><b>Vented</b> | Test Witnessed By<br><b>Rudy Lopez - Pro Well Testing</b> |
|-----------------------------------------------------------------------------|-----------------------------------------------------------|

30. List Attachments  
**Deviation Survey, Oil & Gas Sample Analyses, Completion Schematic**

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

|                                                                                                  |                                         |                                          |                         |
|--------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|-------------------------|
| Signature<br> | Printed Name<br><b>Larry K. Strider</b> | Title<br><b>Western District Manager</b> | Date<br><b>07/10/02</b> |
|--------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|-------------------------|

## INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

## Southeastern New Mexico

## Northwestern New Mexico

|                    |        |
|--------------------|--------|
| T. Anhy            |        |
| T. Salt            |        |
| B. Salt            |        |
| T. Yates           | 2,985  |
| T. 7 Rivers        |        |
| T. Queen           |        |
| T. Grayburg        |        |
| T. San Andres      | 4,580  |
| T. Glorieta        | 6,495  |
| T. Paddock         |        |
| T. Blinebry        |        |
| T. Tubb            | 7,320  |
| T. Drinkard        | 7,444  |
| T. Abo             | 8,900  |
| T. Wolfcamp        | 9,860  |
| T. Penn            | 11,540 |
| T. Cisco (Bough C) |        |

|                  |        |
|------------------|--------|
| T. Canyon        |        |
| T. Strawn        | 12,190 |
| T. Atoka         | 12,400 |
| T. Miss          | 13,025 |
| T. Devonian      |        |
| T. Silurian      |        |
| T. Montoya       |        |
| T. Simpson       |        |
| T. McKee         |        |
| T. Ellenburger   |        |
| T. Gr. Wash      |        |
| T. Delaware Sand |        |
| T. Bone Springs  |        |
| T.               |        |
| T.               |        |
| T.               |        |
| T.               |        |

|                       |
|-----------------------|
| T. Ojo Alamo          |
| T. Kirtland-Fruitland |
| T. Pictured Cliffs    |
| T. Cliff House        |
| T. Menefee            |
| T. Point Lookout      |
| T. Mancos             |
| T. Gallup             |
| Base Greenhorn        |
| T. Dakota             |
| T. Morrison           |
| T. Todilto            |
| T. Entrada            |
| T. Wingate            |
| T. Chinle             |
| T. Permian            |
| T. Penn "A"           |

[illegible]

## OIL OR GAS SANDS OR ZONES

|             |               |    |               |
|-------------|---------------|----|---------------|
| No. 1, from | <u>12,840</u> | to | <u>12,980</u> |
| No. 2, from | <u>12,570</u> | to | <u>12,590</u> |

No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
No. 4, from \_\_\_\_\_ to \_\_\_\_\_

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet

**LITHOLOGY RECORD** (Attach additional sheet if necessary)

| From   | To     | Thickness<br>In Feet | Lithology               |
|--------|--------|----------------------|-------------------------|
| 3,000  | 9,800  |                      | Sand & Dolomite         |
| 9,800  | 12,400 |                      | Limestone & Shale       |
| 12,400 | 13,120 |                      | Sand, Limestone & Shale |

**Laboratory Services, Inc.**

4016 Fiesta Drive  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Pro Well Testing & Wireline  
P. O. Box 791  
Hobbs, New Mexico 88241

SAMPLE:  
IDENTIFICATION: Degas 6 Fed. Com. #1  
COMPANY: Kukui Operating  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED: 6/15/02  
ANALYSIS DATE: 6/17/02  
PRESSURE - PSIG  
SAMPLE TEMP. °F  
ATMOS. TEMP. °F

GAS (XX) LIQUID ( )  
SAMPLED BY: Rudy Lopez  
ANALYSIS BY: Vickie Biggs

REMARKS: Sample taken @ the stack pac.  
Crude Oil API Gravity @ 60° F = 48.9

**COMPONENT ANALYSIS**

ATOKA

| COMPONENT                            | MOL<br>PERCENT | GPM         |
|--------------------------------------|----------------|-------------|
| Hydrogen Sulfide (H <sub>2</sub> S)  |                |             |
| Nitrogen (N <sub>2</sub> )           | 1.715          |             |
| Carbon Dioxide (CO <sub>2</sub> )    | 0.354          |             |
| Methane (C <sub>1</sub> )            | 80.884         |             |
| Ethane (C <sub>2</sub> )             | 8.902          | 2.375       |
| Propane (C <sub>3</sub> )            | 4.204          | 1.156       |
| I-Butane (C <sub>4</sub> )           | 0.780          | 0.255       |
| N-Butane (NC <sub>4</sub> )          | 1.210          | 0.381       |
| I-Pentane (C <sub>5</sub> )          | 0.467          | 0.170       |
| N-Pentane (NC <sub>5</sub> )         | 0.344          | 0.124       |
| Hexane Plus (C <sub>6</sub> +) <hr/> | 1.140 <hr/>    | 0.495 <hr/> |
|                                      | 100.000        | 4.956       |
| BTU/CU.FT. - DRY                     | 1232           |             |
| AT 14.650 DRY                        | 1228           |             |
| AT 14.650 WET                        | 1207           |             |
| AT 14.73 DRY                         | 1235           |             |
| AT 14.73 WET                         | 1213           |             |
| SPECIFIC GRAVITY -                   |                |             |
| CALCULATED                           | 0.721          |             |
| MEASURED                             |                |             |

MOLECULAR WT. 20.9369

**Laboratory Services, Inc.**

4016 Fiesta Drive  
Hobbs, New Mexico 88240  
Telephone: (505) 397-3713

**ASTM DISTILLATION**

Pro Well Testing & Wireline  
P. O. Box 791  
Hobbs, New Mexico 88241

Sample Date: 6/15/02  
Sampled By: Rudy Lopez

Kukui Operating  
Degas 6 Fed. Com. #1

Percent DistilledTemperature

|     |     |
|-----|-----|
| IBP | 94  |
| 5   | 121 |
| 10  | 187 |
| 20  | 218 |
| 30  | 241 |
| 40  | 268 |
| 50  | 312 |
| 60  | 365 |
| 70  | 437 |
| 80  | 516 |
| 90  | 668 |
| EP  | 674 |

% Recovered = 93.0  
% Residue = 3.0  
% Loss = 4.0

API Gravity @ 60° F = 48.9  
Molecular Weight = 133

Rolland Perry

# KUKUI Operating Co.

## Installation Diagram

County

State

Date \_\_\_\_\_

Lea

NM

6/13/02

| Fld Wt | Company                 | Well Name                  | Tbg.   | Csg.     | PBTD     | TD       |
|--------|-------------------------|----------------------------|--------|----------|----------|----------|
|        | KUKUI Operating Company | Degas "6" State Com # 1    | 2 7/8" | 5 1/2"   | 13,033'  | 13,120'  |
| Type   |                         |                            | N-80   | 20# P110 |          | Misc.    |
| Item   | Description             |                            | O.D.   | I.D.     | Length   | Depth    |
|        | 1 joint                 | 2 7/8" N-80 Tubing         | 3.668  | 2.441    | 0.00     | 26.00    |
|        | 1 ea 6' & 10'           | 2 7/8" N-80 Space out subs | 3.668  | 2.441    | 32.66    | 58.66    |
|        |                         |                            |        |          | 16.01    | 74.67    |
|        | 382 joints              | 2 7/8" N-80 Tubing         | 3.668  | 2.441    | 0.00     | 74.67    |
|        |                         |                            |        |          | 12363.16 | 12437.83 |
|        |                         |                            |        |          | 0.00     | 12437.83 |
|        |                         |                            |        |          | 0.00     | 12437.83 |
|        | 1 joint                 | 2 7/8" N-80 Locator sub    | 3.668  | 2.441    | 4.16     | 12441.99 |
|        |                         | 2 7/8" N-80 Tubing         | 3.668  | 2.441    | 32.57    | 12474.56 |
|        |                         |                            |        |          | 0.00     | 12474.56 |
|        | On/Off tool             | w/2.313" Profile           | 4.5    | 2.313    | 0.00     | 12474.56 |
|        |                         |                            |        |          | 1.80     | 12476.36 |
|        |                         |                            |        |          | 0.00     | 12476.36 |
|        |                         |                            |        |          | 0.00     | 12476.36 |
|        |                         |                            |        |          | 0.00     | 12476.36 |
|        |                         |                            |        |          | 0.00     | 12476.36 |
|        |                         |                            |        |          | 0.00     | 12476.36 |
|        |                         |                            |        |          | 0.00     | 12476.36 |
|        | AS1-X B/Bore            | 10K Packer                 | 4.5    | 2.38     | 0.00     | 12476.36 |
|        |                         |                            |        |          | 6.89     | 12483.25 |
|        |                         |                            |        |          | 0.00     | 12483.25 |
|        |                         |                            |        |          | 0.00     | 12483.25 |
|        |                         |                            |        |          | 0.00     | 12483.25 |
|        |                         |                            |        |          | 0.00     | 12483.25 |
|        |                         |                            |        |          | 0.00     | 12483.25 |
|        |                         |                            |        |          | 0.00     | 12483.25 |
|        | 1 joint                 | 2 7/8" N-80 Tubing         | 3.668  | 2.441    | 0.00     | 12483.25 |
|        |                         |                            |        |          | 32.54    | 12515.79 |
|        |                         | Vent assy                  |        |          | 0.00     | 12515.79 |
|        |                         | 2 7/8" N-80 Tubing sub     | 3.88   | 2.25     | 1.32     | 12517.11 |
|        |                         | Tubing release             | 3.668  | 2.441    | 10.22    | 12527.33 |
|        | 1 joint                 | 2 7/8" N-80 Tubing         | 3.668  | 2.441    | 1.60     | 12528.93 |
|        |                         | Drop tube                  | 3.668  | 2.25     | 32.59    | 12561.52 |
|        |                         | Catcher sub                | 3.668  | 2.441    | 0.59     | 12562.11 |
|        |                         | 2 7/8" N-80 Tubing sub     | 3.668  | 2.191    | 4.12     | 12566.23 |
|        |                         | Handling sub               | 3.668  | 2.441    | 4.18     | 12570.41 |
|        |                         | Firing head                | 3.668  | 1.56     | 1.59     | 12572.00 |
|        |                         |                            | 3.375  | N/A      | 0.00     | 12572.00 |
|        | 12,572'                 | Top Shot                   |        |          | 0.00     | 12572.00 |
|        |                         |                            |        |          | 0.00     | 12572.00 |
|        |                         |                            |        |          | 0.00     | 12572.00 |
|        |                         |                            |        |          | 20.00    | 12572.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        | Peforating guns         |                            | 3.375  | N/A      | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        |                         |                            |        |          | 0.00     | 12592.00 |
|        | 12,592'                 | Bottom Shot                |        |          | 0.00     | 12592.00 |
|        |                         | Bull plug                  |        |          | 0.00     | 12592.00 |
|        | 13,033'                 | PBTD                       |        |          | 0.72     | 12592.72 |