O'BRIANT ENGINEERING SIG BUILDING OF THE SOUTHWEST MIDLAND, TEXAS 79701 915 - 683.3172 915 - 683.5511

August 6, 1980

Mr. Leroy Hurt Kenai Oil & Gas, Inc. 1001 Petroleum Building Midland, Texas 79701

RE: CASING INSTALLATION - 7 5/8" MCNEAL NO. 1 LEA COUNTY, NEW MEXICO

Dear Mr. Hurt:

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Seven and five-eights inch casing was run and cemented in place in your McNeal No. 1 well on July 29, 1980. Details of this procedure are as follows:

CASING DETAIL (BOTTOM TO TOP)

 1 - Type "M" HOWCO guide shoe
 .70'

 1 - Joint 7 5/8", 26.4#, K-55, ST & C casing
 39.65'

 1 - HOWCO float collar
 1.65'

 109 - Joints 7 5/8", 26.4#, K-55, ST & C casing
 4,315.01'

 TOTAL PIPE RUN
 4,357.01'

 LESS PIPE ABOVE KB
 - 3.00'

 CASING SET AT
 4,354.01'KB

CEMENTING DETAIL

Cemented through 7 5/8" casing with 1240 sacks HOWCO Lite cement with 15# salt and 1/4# flocele per sack. Followed this by 300 sacks Class "C" cement with 1/4# flocele per sack. The plug was down at 4:30 p.m., July 29, 1980. Cement did not circulate.

After 8 hours of waiting on cement, a temperature survey was run with top of cement indicated at 600'. Perforated 7 7/8" casing with 1 shot (1/2" hole) at 550' and cemented top with 250 sacks Class "C" and 50 sacks Class "C" with 2% calcium chloride. Displaced cement with 23.5 barrels water with plug at 500'. Approximately 125 sacks were circulated into the reserve pit.