"Confedential"

WELL REPORT
DAVIS OIL COMPANY
RED MOUNTAIN #1
MCKINLEY COUNTY, NEW MEXICO

MAY 1 2 1971 OIL CON. COM. DIST. 3

WELL REPORT

DAVIS OIL COMPANY: RED MOUNTAIN #1

MCKINLEY COUNTY, NEW MEXICO

LOCATION

660' from the north line and 660' from the west line of Section 31, Township 20 North, Range 9 West, NMPM.

ELEVATION

6390' ground: 6400 Kelley bushing

CONTRACTOR

Lewmont Drilling Associates, Rig #8, Unit 15, Rotary tools.

SPUD AND COMPLETION DATA

Well commenced: April 25, 1971

Well completed: April 30, 1971, plugged and abandoned

Total Depth: 3720' Plugging Program:

Surface 5 sacks 600' - 650' - 16 sacks 1250' - 1350' - 32 sacks 2470' - 2620' - 48 sacks 3340' - 3440' - 32 sacks

CASING

Surface: 8 5/8" @ 75' with 50 sacks.

ELECTRICAL SURVEYS

Dresser Atlas - Induction Electrolog from 72' to 3719'

Dresser Atlas - Densilog from 72' to 3721'

Dresser Atlas - Acoustilog from 110' to 3719'

FORMATION TOPS

-Cretaceous	De pth	KB Datum
Menefee (Kmf)	Surface	+6400
Point Lookout (Kp1)	1304'	+5096
-Upper Mancos (Kmu)	1 518'	+4882
Gallup (Kg)	2394'	+4006
Hospah Gallup (Khg)	2501'	+3899
Massive Gallup (Kmg)	25881	+3812
Lower Mancos (Km1)	2706'	+3694
Sanastee (Kms)	2968'	+3432
Greenhorn (Kgh)	3310'	+3090

FORMATION TOPS - CONTINUED

Cretaceous	Depth	KB Datum
Graneros (Kgr)	3356'	+3044
Dakota "A" (Kda)	3 390'	+3010
Dakota "B" (Kdb)	3498'	+2902
Dakota "D" (Kdd)	3578'	+2822
Dakota Burro Canyon (Kdbc)	3646	+2754
Jurassic		
Morrison (Jm)	3707'	+2693
Total Depth	3720 '	+2680

WELL CUTTINGS

30' samples from 80' to 2500'
10' samples from 2500' to 3720'
Samples described below from 2500' to 3720' (TD)

SAMPLE DESCRIPTION:

TOP HOSPAH GALLUP 2501' LOGS					
2500-30	90% sh, dk gy, gy, gy grn, carb & silty in part: 10% ss, sht, v-f-f-g, uncons, SA-SR, N-S				
2530-60	100% sh, as above: Tr ss, as above				
25 60 - 70	70% sh, as above: 30% ss, as above, domin f-g				
	TOP MASSIVE GALLUP 2588' LOGS				
2570-90	50% ss, as above: 50% sh, as above				
2590-2 600	80% ss, as above: 20% sh, as above				
2600-50	90% ss, as above: 10% sh, as above				
2650- 60	70% ss, as above: 30% sh, as above				
2660-2 700	100% ss, wht, uncons, f-g, SA-SR, sl arkosic, N-S				
	TOP LOWER MANCOS 2706' LOGS				
2700- 80	90% ss, wht-1t gy, as above: 10% sh, as above				
2780-2 820	90% sh, as above: 10% ss, as above				
2820-70	60% sh, as above: 40% ss, gy, uncons, v-f-f-g, SA-SR, s1/arkosic, $\underline{\text{N-S}}$				
2870- 80	80% sh, as above: 20% ss, as above, bcm v-f-g				
2880-2910	90% sh, as above: 10% ss, as above				
2910-3 0	80% sh, as above: 20% ss, as above				

- 2930-50 90% sh, as above: 10% ss, as above -2950-60 50% ss, as above: N-S: 50% sh, as above TOP SANASTEE 2968' LOGS 2960-3000 80% sh, as above: 20% ss, as above N-S 3000-50 90% sh, as above: 10% ss, as above, N-S 3050-80 100% sh, as above: Tr ss, as above 3080-3100 100% sh, as above: Tr 1s, mott brn, ds N-S TOP GREENHORN 3310' LOGS **3100-335**0 100% sh, dk gy, gy, gy grn, carb & silty in part: Tr ss, as above TOP GRANEROS 3356' LOGS **3350-3400** 100% dk gy, gy, platy, & Tr gy brn carb sh: Tr shstn, gy, shy, calc: Tr bentonite TOP DAKOTA "A" 3390' LOGS 3400-10 100% sh, as above: Tr 1s, tan, dense 3410-20 100% sh, as above: Tr ls, gy, dense 3420-30 90% sh, as above: 10% ss, wht, cons, f-g, SA-SR, s1 arkosic, porous & friable in part, calc cmt, N-S 30% ss, as above: 70% sh, dk gy, gy, gy grn, gy brn, **3430-40** carb in part 3440-50 100% sh, as above: Tr ss, as above, bcm v-f-g, silty, shy, tite: N-S 3450-60 50% ss, wht-buff, v-f-g, cons, SA-SR, well cmtd, calc, glauc, N-S: 50% sh, as above 3460-80 30% ss, lt gy, v-f-g, cons, SA-SR, as above, N-S: 70% sh, as above, ss lamin: Tr diss. pyrite TOP DAKOTA "B" 3498' LOGS -3480-3500 100% sh, as above: Tr ss, as above
- 3500-10 90% sh, as above: 10% ss, wht, uncons, f-g, arkosic, SA-SR, $\underline{N-S}$
- 3510-20 70% ss, as above, cons-uncons, s1 calc, $\overline{N-S}$: 30% sh, as above: Tr bentonite
- 3520-30 40% ss, as above: 60% sh, as above: Tr bentonite

- 3530-40 80% sh, as above: 20% ss, as above, bcm ν -f-g, silty, shy, tite, N-S
- 3540-50 90% sh, as above: 10% ss, as above

TOP DAKOTA "D" 3578' LOGS

- 3550-90 100% sh, as above: Tr ss, as above
- 3590-3600 Tr ss, buff, cons, v-f-f-g, SA-SR, arkosic, por, friable, N-S: 100% sh, as above: Tr bentonite
- 3600-10 50% ss, as above, bcm domin, v-f-g, w less por, Tr gold fluor, sl/cut: 50% sh, as above
- 70% ss, buff, cons, v-f-f-g, SA-SR, arkosic, por, friable, 10% gold fluor, good cut, 30% sh, as above
- 3640- Circ "15" ss, as above: Tr 10% fluor; as above circ 30" aa, circ 60" 100% sh, as above

TOP DAKOTA (BURRO CANYON) 3646' LOGS

- 3640-50 100% sh, as above: Tr ss, as above: N-S
- 3650-60 100% sh, as above: Tr ss, as above, occ m-c-g's
- 3660-70 70% ss, wht-buff, cons, f-g, SA-SR, arkosic, well cmt, silic, N-S, occ m-c-g's, Tr sht: 30% sh, as above
- 3670-80 30% ss, as above, bcm por & friable in part: N-S: 70% sh,

 as above, f-g, uncons, N-S
- 3690-3700 100% sh, as above: Tr ss, as above, occ m-c-g: Tr cht

TOP MORRISON 3707' LOGS

- 3700-10 30% ss, uncons, f-c-g, SA-SR, abt cht, $\underline{\text{N-S}}$: 70% sh, as above: Tr sh, pale grn, wxy
- 3710-20 80% sh, dk gy, platy: 10% sh, pale grn, wxy & silic in part: 10% ss, as above, $\frac{N-S}{TD}$ 3720'.

DRILLING TIME

Five foot drilling time from 2400' to 3720'(TD) is listed below:

- 2400-2500 3-5-6-6-7-7-6-5-6-5-6-5-6-6-5-5-5-4-4
- **25**00-2600 2-3-2-3-2-3-2-2-2-2-2-2-2-2-2-2-2
- 2600-2700 1-2-1-2-1-1-2-2-2-2-2-2-3-3-3-3-3-3
- 2700-2800 4-5-5-5-5-4-5-5-5-5-6-7-6-6-6-6-6-7-9
- **2800-2900** 6-7-8-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5
- 2900-3000 5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5
- 3000-3100 5-5-5-5-5-5-5-5-5-5-5-5-5-5-4
- 3100-3200 7-6-6-5-8-11-9-12-16-8-6-6-9-8-8-9-9-9-10

DRILLING TIME - CONTINUED

CHRONOLOGICAL LOG

4-24-71 4-25-71	MIRT \$ 275'
	Rigging up (21 hrs) Drilling (3 hrs) Spud: 4:00 a.m. 4-25-71
4-26-71	<pre>Ø 2197' Drilling (19 1/2 hrs) Trip (2 hrs) Misc. (2 1/2 hrs) Dev.</pre>
4-27-71	<pre>ø 3250' Drilling (19 3/4 hrs) Trip 2 3/4 hrs) Misc. (1 1/2 hrs) Dev. 1º @ 2818'</pre>
4-28-71	<pre>ø 3573' Drilling (18 1/4 hrs) Trips (4 1/2 hrs) Misc. (1 1/4 hrs) Dev. 2º @ 3350'</pre>
4-29-71	<pre>ø 3690' Drilling (5 1/2 hrs) Testing (10 hrs) Trips (3 1/4 hrs) Misc. (3/4 hr)</pre>
4-30-71	TD 3720' Drilling (3 hrs) Circulating (1 hr) Logging (12 3/4 hrs) Waiting on orders (7 hrs) Rig Service (1/4 hr)
5-01-71	TD 3720 P&A Waiting on orders (6 hrs) Plugging (5 1/2 hrs)

BIT RECORD

No.	<u>Size</u>	Make	Type	From	To	Footage	Hours
1	7 7/8	STC	DSJ	70	1678	1608	16
2	7 7/8	STC	DT	1678	2818	1210	15 1/2
3	7 7/8	STC	DGT	2818	3350	532	14 1/4
4	7 7/8	STC	DGT	3350	3573	223	14 1/2
5	7 7/8	STC	DG	3573	3640	67	2 3/4
6	7 7/8	SEC	S4TG	3640	3720	80	6

TOTAL ROTATING HOURS - 69

DEVIATION RECORD

No.	Degree	Depth	Date
1	1/40	600	4-26-71
2	3/4 ⁰	1100	4-26-71
3	1/20	1678	4-26-71
4	3/40	2167	4-26-71
5	1 [°] °	2818	4-27-71
6	2 0	3350	4-28-71

ELECTRICAL SURVEY CALCULATIONS

		Porosity				
Formation	Depth	Density	<u>Acoustilog</u>	Rw	Saturation	<u>Q</u>
Dakota(Burro Canyon)	3658- 70	16%	19%	1.0	100%	.16
Dakota (Burro Canyon)	3652-54	14%	14%	1.0	95%	
Dakota "D"	3600-26	15%	16%	3.35	100%	.06
Dakota "D"	3588-94	16%	17%	3.35	100%	.06
Dakota "B"	3504-14	15%	21%	1.0	100%	.285
_Dakota "A'	3441-46	12%	14%	10	100%	.14
Dakota "A"	3 392	11%	14%	1.0	100%	.21

DRILLSTEM TEST RECORD

DST #1: 3570 - 3640 (Dakota "D")
Open 15" strong blow: Initial shut in 45 minutes: open 45 minutes,
strong blow air, water to surface 40 minutes, estimated rate 1 1/2
barrels/hour: Rw 3.0 @ 80°F, chlorides - 1550 ppm: Final shut in 60 minutes.

Recovered full string of water.

Initial hydrostatic pressure	1782 psi
-Final hydrostatic pressure	——————————————————————————————————————
Initial flow pressure (1)	818 psi
Final flow pressure (1)	1173 psi
Initial flow pressure (2)	1210 psi
Final flow pressure (2)	1605 psi
Initial shut in pressure	1671 psi
Final shut in pressure	1671 psi
Bottom hole temp. 110°F	•

SUMMATION

This well was spudded April 25, 1971, and plugged and abandoned April 30, 1971. The well was drilled to a total depth of 3720' in the Morrison formation of Jurassic age. A total of 69 rotating hours were required for the drilling of this test.

All formations from 2500' to 3720' (TD) were evaluated by (1) careful examination of rotary cuttings from 2500' to TD by a geologist in the field; (2) the entire stratigraphic section was evaluated by qualitative and quantititive analysis of the electrical surveys. A show of oil was recorded in the Dakota "D" zone 3578'-3628' and subsequently drill stem tested. This interval flowed fresh water in 40 minutes at an estimated rate of 1 1/2 barrels per hour. The other prospective zones in the well calculated water from the electrical surveys.

The well ran structurally 127' higher then the Chaco Oil Company: Santa Fe Pacific #20-1, located in Section 20, Township 20 North, Range 9 West, McKinley County, New Mexico, on top of the Dakota "A" zone.

Rotary samples were saved from 80' to total depth and shipped to the Four Corners Sample Cut in Farmington, New Mexico. A water sample from the Dakota "D" zone was sent to Core Laboratories in Farmington, New Mexico, for complete analysis. An Induction Electrolog, Densilog, and Acoustilog were run from surface casing to total depth.

Dave M. Thomas, Jr. CPG 914

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