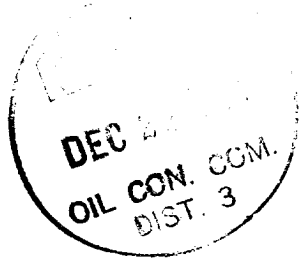
WELL REPORT

SHAR-ALAN OIL CORPORATION

FERNANDEZ NO. 8

1780 Feet FNL & 1780 Feet FWL
Sec. 8, T14N, R7W

McKinley County, New Mexico



WELL REPORT
Shar-Alan Oil Corporation
Fernandez No. 8
McKinley County, New Mexico

Location: 1780' FNL & 1780' FWL Sec. 8 T14N R72 N.M.P.M.

Elevation: 6831' Ground Level, 6835' K.B. (Datum)

Contractor: Stewart Bros. Rig #27 WABCO 2000 Rotary

Spud Date: October 17, 1971

Completion Date: October 24, 1971

Total Depth: 2679' Driller, 2683' Dresser-Atlas K.B.

Casing: Surface 7 5/8" CSA 40' Cem w/12 sx

Plugging: Dakota 50' plug 2630' to 2679' & 2400-2450'
Massive Gallup 150' plug 1550'-1700'
Surface 50' plug 1000-1050'. Land owner will run casing to complete as flowing fresh water well.

Electrical Surveys: Dresser-Atlas Induction-Electrolog 2679' to 44'
Gamma Ray-Density 2682'to 1350'

Test Data: Attempted hook-wall test of Gallup to test 1585 to 1620'. Tool would not go to bottom. Hole in poor condition due to excess circulating time waiting on logger.

FORMATION TOPS

Formation Name	Depth KB Feet	K.B. Datum Feet
Hospah Gallup	1480	+5355
Massive Gallup	1576	+5259
Middle Mancos	1678	+5157
Greenhorn	2340	+4485
Graneros	2400	+4435
Dakota	2424	+4411
Dakota DE Zone	2580	+4255
Morrison	2620	+4215
Total Depth	2683	+4152

SAMPLE DESCRIPTION
(Tops shown are log tops)

Hospah Gallup 1480'
1480-1580' Sh lt gry 50%, sltstn 40%, ss lt gry med to well cons fn gr10%.

Top of Massive Gallup 1576'
1580-1680' Ss lt gry fn to med gr, p cons. well sorted 80%
Sh, as above 10%, sltstn 10%, show of oil on the pit when drilling top of section. No show or flor. in samples.

Top of Greenhorn 2340'

2350-2410' Sh, dark gry 60%, sltstn 30%
ss, lt gry, well cons med grn 10%

Top of Graneros 2400'

2410-2430' Sh, aa 80%, sltstn 20%

Top of Dakota 2424'

2430-70 ss, lt gry arkosic in pt., med gr. p cons. 80%, sh 20%
2470-2500' aa. ss decrease to 40% sh 60%
2500-2520' aa. ss increase to 60% sh 40%
2520-2580' sh, aa 80%, ss 10%, sltstn 10%
scattered pyrite xls. some free qtz xls.
2580-2600 ss, aa 80%, sh 20% no show
2600-2630 sh, aa 70%, ss 10%, sltstn, white 20%, some coal.

Top of Morrison 2620'

2630-40 Sh, lt grn to gry 40%, sh dark gry 40$
Some scattered sn - sltstn 10%
2640-T.D. ss, white, fine to med gr, well sorted med well rounded 60%,
dark gry sh 40%, scattered sltstn & some lt gry sh.

SUMMARY

Well No. 8 had a good show of oil on the pits believed to be from the Upper part of the Massive Gallup sand 1585-1600'. Due to poor hole conditions it was not possible to DST this zone. No other shows were apparent in this well.

A review of the subsurface structure with AMOCO indicates that, with the new well control available from the Shar-Alan 10 well program, little change from their early interpretation of the structure in the vicinity of Well No. 8 was apparent. One change is that a previously interpreted secondary nose trending N.S. is ommitted and that a major fault to the west is having the effect of cutting off the artesian water in the Gallup. Well No. 8 flowed water from the sands above the Gallup but no water flow was seen from the Gallup sands.

The electric log indicates the presence of no hydrocarbons in any of the prospective zones in Well No. 8. The well was plugged back to 1000 feet and turned over to the landowner for completion as a flowing fresh water well in the upper sands.

The oil show in the Massive Gallup should be tested further and an offset well to be located in the SE SE Section 6, T14N, R7W is recommended. This well could be drilled to a depth of approximately 1600' and test only the Gallup sands. A well at this location would be up-dip and closer to a major fault than Well No. 8.

Walter H. Williams

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DRILLING TIME - MINUTES PER FIVE FEET

SHAR-ALAN - FERNANDEZ No 8

Mc KINLEY Co. NEW MEXICO

DEPTH	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
0-100														4	6	5	2	5	2	2
100-200	2	2	2	2	2	2	2	2	2	2	3	3	3	3	2	4	3	5	7	7
200-300	3	2	3	3	3	3	3	3	3	2	3	3	3	3	6	6	6	4	4	4
300-400	4	3	3	3	3	4	3	5	5	5	13	7	5	5	5	5	5	6	5	5
400-500	5	5	4	4	4	4	4	4	4	5	5	5	5	6	2	2	2	2	2	3
500-600	4	3	2	3	3	3	3	4	6	7	11	5	5	6	8	7	6	7	7	7
600-700	7	8	8	8	9	8	8	8	7	11	7	-	4	6	4	4	4	3	4	4
700-800	3	4	4	3	9	6	3	3	3	7	4	3	4	7	6	8	4	5	5	6
800-900	6	7	6	5	6	6	6	4	5	4	7	5	7	11	8	6	6	5	4	5
900-1000	7	6	5	5	5	17	18	4	5	7	4	4	4	6	6	4	3	3	3	3
1000-1100	3	3	3	3	3	3	3	5	7	6	6	6	6	8	8	13	13	5	5	7
1100-1200	6	7	7	7	7	-	8	10	7	8	9	8	9	8	7	7	6	8	8	9
1200-1300	8	9	8	8	8	8	9	9	9	8	9	8	8	8	8	10	10	10	10	8
1300-1400	8	8	8	7	10	11	11	11	13	13	13	16	13	14	13	13	12	12	12	16
1400-1500	17	12	18	15	14	15	13	12	15	16	16	12	12	6	7	7	6	9	7	7
1500-1600	7	6	7	6	4	5	5	4	7	7	6	8	8	6	7	5	3	3	4	4
1600-1700	3	3	4	5	3	3	3	4	4	4	8	8	8	7	7	6	6	6	5	6
1700-1800	5	6	11	10	11	12	13	12	12	14	11	10	9	-	10	10	8	9	8	9
1800-1900	8	10	9	9	10	10	13	11	10	12	9	10	13	15	16	9	10	10	9	10
1900-2000	10	11	13	11	10	5	6	8	7	7	8	10	10	8	9	8	9	12	13	9
2000-2100	13	11	11	-	11	9	11	8	8	9	8	9	9	13	14	14	15	15	13	11
2100-2200	11	11	14	15	14	28	13	9	10	12	11	14	12	13	15	13	8	8	8	7
2200-2300	9	9	9	11	10	12	13	9	10	13	15	14	17	-	-	12	12	13	16	10
2300-2400	9	10	8	10	9	8	11	12	11	12	13	12	11	11	8	17	12	15	10	8
2400-2500	10	11	9	18	12	14	17	16	13	15	16	13	16	14	12	12	13	12	18	26
2500-2600	26	28	34	36	48	42	30	29	28	27	29	25	26	12	16	36	-	60	22	20
2600-2700	20	14	12	40	37	32	21	16	26	18	21	21	19	23	48	TD 2675'				
2700-2800																				

Note- All depths are Ground Level measurements