

MEMORANDUM

The Torsion Balance work map submitted to substantiate the Huerfano Unit in Townships 25, 26, and 27 North, Ranges 9, 10, and 11 West, in San Juan County, New Mexico.

This work was used as gravity and then reduced to a relative geological interpretation using both vertical and tangential forces, and along this line we have a prominent local axis in an accepted and proven trend extending Northwest to Southeast, all of which is very substantially covered with the Tertiary and with very little, if any, surface indication of structure which lends weight to the gravity effect as mapped.

Since the Cretaceous section carries two massive shale members, it is practical to assume that the effect mapped is a definition of the section to at least the Pennsylvania members and the difference between gravity and magnetics here certainly indicates an unconformity in the upper Pennsylvania.

Due to the size of this feature there is not apt to be any great amount of thinning in the Cretaceous members, but all of it will be effective.

It is possible that by drilling some Pictured Cliff wells over the Unit that some definition of the lower Cretaceous may be obtained, but until this is done the geophysics on the area lead me to rate this prospect as one of the largest and most commendable in the Basin.

Respectfully submitted,



Mark Shelan