

EXHIBIT "B"  
ALLISON UNIT  
SAN JUAN COUNTY, NEW MEXICO  
ARCHULETA AND LA PLATA COUNTIES, COLORADO  
GEOLOGIC REPORT  
MESAVERDE PRODUCING INTERVAL  
PROPOSED SIXTEENTH EXPANSION  
OF THE MESAVERDE PARTICIPATING AREA

EL PASO NATURAL GAS COMPANY

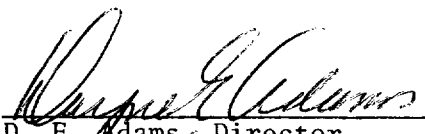
By:   
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Reservoir Engineering Dept.

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INTRODUCTION

The Allison Unit is situated in the northern portion of the San Juan Basin and occupies a part of the southern and southwestern flank of the Ignacio structure of Colorado. It lies predominantly in Township 32 North, Ranges 6 and 7 West, San Juan County, New Mexico, with small amounts of acreage in Township 32 North, Ranges 6 and 7 West, Archuleta and La Plata Counties, Colorado.

The proposed sixteenth expansion of the Mesaverde participating area is recommended on the basis of the geological inference drawn from the present unit completions that offset the area to the north and west.

Included with this report is one map which presents the up-to-date structural interpretation (Exhibit "C", Figure No. 1), of the Mesaverde formation underlying the proposed area.

A detailed discussion of the lithology and stratigraphy of the Mesaverde formation may be found in a geological report submitted for the proposed tenth and eleventh expansions of the Mesaverde participating area.

PROPOSED SIXTEENTH EXPANSION  
OF THE MESAVERDE PARTICIPATING AREA

Effective Date: December 1, 1978

The proposed sixteenth expansion of the Mesaverde Participating Area of the Allison Unit is based on El Paso Natural Gas Company's Allison No. 53 Mesaverde well, which is located 1,480' FNL and 1,800' FEL, Section 29, Township 32 North, Range 6 West, San Juan County, New Mexico. This well was tested on November 7, 1978 with the following results:

SIPC	1,173 psia
SIPT	955 psia
AFG	2,449 Mcf/D

Proposed Expanded Acreage

Township 32 North, Range 6 West  
San Juan County, New Mexico  
East Half of Section 29

All of the above acreage is considered to be within the established trend of commercial production.