

EXHIBIT "B"

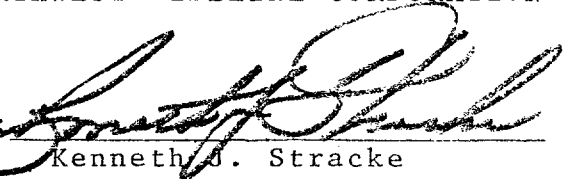
SAN JUAN 30-5 UNIT
Rio Arriba County, New Mexico

GEOLOGIC REPORT

INITIAL DAKOTA PARTICIPATING AREA "A"

NORTHWEST PIPELINE CORPORATION

BY:



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EXHIBIT "B"

San Juan 30-5 Unit
Rio Arriba County, New Mexico

Geologic Report Dakota Producing Interval

Initial Dakota Participating Area "A"

GENERAL INFORMATION

The San Juan 30-5 Unit is located along the central eastern margin of the productive portion of the San Juan Basin. The unit has a total of 20,092.24 acres in Township 30 North, Range 5 West. All or parts of Sections 1, 2, 3, 4 and 12 totaling 2,392.56 acres have been eliminated from the unit.

Within the unit area, the "Dakota Producing Interval" has been tested in seven (7) wells, resulting in two (2) plugged and abandoned wells (#6 and #28), one (1) non-commercial gas well (#27) and three (3) commercial gas wells (#37, #39 and #47). A fourth gas well, the Coastline Petroleum #1-57 Schalk well will be discussed in the Initial Dakota Participating Area "A".

The "Dakota Producing Interval" consists of the Graneros, Dakota and Upper Morrison formations below the Greenhorn limestone. This interval has been defined and the lithology and stratigraphy have been discussed in geological reports for adjacent units.

Included in this report under Exhibit "C" are two maps (Figures No. 1 and 2). Figure No. 1 is a Dakota structure map contoured on the Graneros shale (contour interval - 50 feet). Present structural control indicates an anticlinal nose trending northerly on the east side of the unit. The corresponding southerly nosing synclinal flexure occupies the central portion of the unit. Regional strike is indicated to be northwest-southeast and regional dip is approximately 50 feet per mile to the northeast.

Figure No. 2 is an isopachous map of the Dakota sandstone.

Exhibit "D", Table I is a tabulation of the Dakota gas production from the Schalk #57-1 well.

INITIAL DAKOTA PARTICIPATING AREA "A"

Effective Date: January 17, 1974

Proposed Acreage: Township 30 North, Range 5 West, N.M.P.M.
Section 12: Lot 1 (14.29 Acres)
Lot 2 (14.34 Acres) and,
SW/4 of the NE/4 (40 Acres)
Total: Section 12 (68.63 Acres)

The Initial Dakota Participating Area "A" is based on interpretation of suites of well logs, the initial test results and analysis of the monthly production of the Coastline Petroleum #1-57 Schalk well. From this data, it is inferred that the proposed acreage is capable of producing unitized substances in commercial quantities from the Dakota Producing Interval.

The Coastline Petroleum #1-57 Schalk well is located 790' from the North line and 1650' from the West line of Section 12, Township 30 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. The well is situated in a communitized drilling block in the N/2 of Section 12, which includes 68.63 acres of unit land. The well was spudded on March 31, 1973 and reached the total depth of 8222' on July 19, 1973. The Dakota Producing Interval was perforated with two shots per foot as follows: 8010'-8024', 8056'-8066', 8080'-8114', 8141'-8162', and 8176'-8190'. The perforations were hydraulically fractured with a mixture of 200,000 gallons of water and 100,000 pounds of sand. The well was flowed for four (4) hours on a back pressure test January 17, 1974. The Absolute Open Flow potential was 5147 MCF/D with a SIPT of 2922 psia and SIPC of 2947 psia. On the basis of this well, Lots 1 and 2 and the SW/4 of the NE/4 of Section 12 are now recommended for inclusion in the Initial Dakota Participating Area "A".