

INSPECTION REPORT

July 30, 1953

Phil D. Lynch-McCormick

RE: Dalies No. 1 (formerly
Sunol No. 1)
Sec. 32-7N-1E
Valencia County

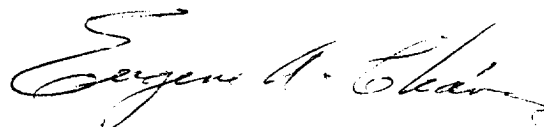
On this day I inspected the above captioned well and found that they were drilling at a total depth of 8435' in a gray sandstone. Drilling was resumed July 20 with work going on a 24 hour day. The well had been shut down since June 4 due to a shortage of drill pipe, at a depth of 7885'.

Mr. Jess Carruthers is the geologist now watching the well and he is staying at the American Camp in Los Lunas. His resume of formations encountered since resumption reflects the following:

| | |
|------------|--|
| 7995-8110' | Quartzitic ss. and siltstone |
| 8110-8120' | ss. and sh. w/good tr. of sulfur gas |
| 8120-8260' | Quartzitic ss. and siltstone |
| 8260-8290' | " " and shly ss. |
| 8290-8305' | v.f.g. ss. - dry |
| 8305-8325' | hd. blue sh. |
| 8325-8340' | hd. gy. sdy. sh. |
| 8340-8355' | ss. w/tr of sh. |
| 8355-8390' | dk. gy. sh. - variegated |
| 8390-8400' | hd. bluish sh. |
| 8400-8415' | gy. ss. w/tr. sh. Slight show of oil and gas |
| 8415-8435' | gy. sdy. sh. |

Carruthers estimates that 8305' is the top of the Mancos or it's equivalent as it is known in northwest New Mexico.

I noticed only about 20 joints of drillpipe on the racks indicating that the hole can only be carried down an additional six hundred feet, barring no unforeseen difficulties.



Eugene A. Chavez

Geologist Dist. # 4