

BARNEY C. McCASLAND, JR.  
CONSULTING GEOLOGIST  
DOMESTIC - FOREIGN  
P. O. Box 115  
MIDLAND, TEXAS 79702  
November 2, 1984

TELEPHONE  
(915) 684-6815  
(915) 682-0667

Florida Exploration Company  
3151 South Vaughn Way - Suite 200  
Aurora, Colorado 80014

Attn: Mr. Dave Miller

Geological Well Summary  
Florida Exploration Company  
Chama-Federal Community #1  
NE NE Sec. 11 - T22S - R24E  
Eddy County, New Mexico

T.D. 10750 - Elevation 4095 Gr. - 4110 KB.

Dear Mr. Miller:

The Chama-Federal #1 well in Eddy County, New Mexico was spudded in late August reaching a depth of 64' at midnight August 29, 1984. Near surface cavernous limestones and dolomites with associated lost circulation problems slowed drilling of the surface hole but 8 5/8 surface casing was set at 1410' and drilling proceeded below that depth September 9, 1984. No Shows of oil or gas were encountered in the sands and dolomites of the Delare Mountain group to top of the Bone Springs at 3110. Approximately 4450' of Bone Springs, primarily tight, dirty, dark grey and black back-reef carbonates were drilled to a depth 7580'. Hole deviations in excess of 3 and 4 degrees required weight reductions on the bit and progress was slow. It is believed that steeply dipping back-reef facies of the Bone Springs may have caused the abnormal deviations.

The primary objective, Cisco reef, was a dense limestone from 7980-8000, then shaled out for the next one hundred feet. Porous reef limestone was drilled 8109-19 and had lost circulation resulted. After recovering circulation, a DST was run 8110-19. The tested interval flowed gas to surface after 105', TSTM on 1/2" choke. The test recovered 5000' of heavily gas and slightly water cut mud. The sample chamber recovered 1.75 cf gas with 400# psi pressure. Fluid recovery was 600 cc of sulfur water cut mud. Although the test was successful, it is considered unsatisfactory because of the large volume of drilling fluid lost to the formation prior to the test.

The original objectives of the Cisco, Canyon, and Strawn were indicated to be commercially non-productive to a depth of 9200'. The well was running structurally high, therefore a decision was made to drill deeper through the Morrow zone into the Mississippian Barnett shale at about 10700. Drilling proceeded at a depth of 9230' on October 16, 1984.

RECEIVED

JAN 14 1985

O.C.D.  
HOBBS OFFICE