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TELEPHONE 529

P. O. BOX 429

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Vega Corporation
417 So. Hill St.
Los Angeles 13
California

Attention: Mr. S. I. Williams

Dear Sir:

I attach sample description for your Pipkin #1 well, Eddy County, New Mexico, for the interval 3146 to 3274 feet, which is total depth. This well, on an elevation of 2925 feet, found the base of the Lower Salt at 2990 feet, the top of the Black Lime at 3179 feet, the top of the Delaware Sand at 3204 feet.

The well had a show of gas at 3209 feet which was sufficient to lift the tools according to the drillers report; however, in subsequent drilling with the hole dry the amount of gas which was present was very slight.

The well encountered oil saturation in the cuttings in part of the interval 3217 to 3228 feet, at which point it was showing a very small amount of free oil with some water natural. This showing was treated with Hydrafrac and tested five barrels of water per hour after the load oil was exhausted. This water has sufficient head to practically fill the hole and flow.

Subsequent drilling showed a slight amount of fluorescence in the interval 3240 to 3247 feet; however, this appeared to be in the form of a scum of oil on the cuttings rather than saturation of the sand grains. A swabbing test of the interval 3238 to 3247 showed a small amount of water which exhausted. It appears probable that the oil seen in these samples came from the upper show which was Hydrafraced.

At total depth, the well is probably in big bottom-hole water. It is my opinion that no zone drilled in this well showed sufficient oil saturation that there is any chance it could have been made into a producer.

Yours very truly,


Leonard C. Thomas