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SANTA FE								,	and the same of th		15#1 114-		
FILE			NEV	MEXICO	OIL CO	NSERVATI	ON C	CHMISSION		1		e of Lease	
V.S.G.S.		WEL	L COMPL	ETION (OR REC	SOMPLETI	ON	REPORT A	ND LOG	1	~ X	l'ee	
LAND OFFICE					[1]			/a		C. Ctate		is Lease No.	
OPERATOR						LH-	· 0 007						
					** i,j	D1=-	ζ-	~ % [[]		(1111)		TIIIIIII	
Id. TYPE OF WELL					· · · - ·	nec o	1-10	U = U		VIIII			
		cı. —			α	I CON	- 13	85	,	7. Unit	Å # ne s.er	it Dame	
t. TYPE OF COMPL	ETION	WELL XX	GAS WE	ــــــــــــــــــــــــــــــــــــــ	DRY	i com	1_1	311			_		
HEN XX	10H+		ن⊅د	G	.F.F.	DIST	' · _ [71V.)			or Lease		
2. Name of Sperator	VER L	SEEPEH L	BAS	<u> </u>	ESVA.	OTHER	3	୍ୟ				ew Mexico	
Graham F	Royaltv.	1 td.								9. 8611	.r.		
3. Address of Cretato	·										16-43		
1675 Lan		Suita Ai	ח חר	ODWOR.	CO 0	0000			-	13. Fig.	: 11.1 F C	oi, or Wildout	
4. Location of Wall	mer,		JU D	enver,	<u> </u>	0202				Na	Nageezi		
to Beestion of wen													
-	r	1600	1					700					
UNIT LETTER	LOCATE	2 1000	FEET	FROM THE	south	 		790	EET FROM				
						MILL	111	777777	iIIII	la. Com.		444444	
THE East LINE C	esec. II	0 - ws.	23N ,	GE. BW	NMPN		///			San Ji	uan		
15. Date Spudded	If. Date	T.D. Reache	d 17. Dut	e Compl. 1R	eady to	Prod.i 18.	Elev	strone (DF, R	KB,RT,G	R, etc.)	19. Elev.	Cashinghead	
12-19-81	16-6		1 10	- 0 8 - 85			687	O RKB			6857	7	
20. Total Depth	•	I. Flug Basi	T.D.	22.	If Multip	le Compl., Ho	. W.	23. Interval	s , Flotar	/ Tools	Ca	ble Tools	
5306		5242		j	Many			l'miled i	6 -	TD		2.0 70013	
24. Producing Interval	(s), or this co	ompletion =	Top, Bette	m, Name							125 190	s Directional Surve	
											Ma	de	
4855 - 5175											No)	
26. Type Electric and										1 27	, Vas We		
DIL, FD - C	CNL Spect	trolog,	GR 👱 C	BL						12"	. was we.	:I Cored	
28.			CA	SING RECO)RD (Rep	oort all string		is wall)		<u>l</u>			
CASING SIZE	WEIGHT	LB. FT.		HSET		LE SIZE	301						
8 5/8	2	24		57					TING RECO	RD		MOUNT PULLED	
4 1/2 10.5						2 1/4" 200 sacks 7 7/8" 1125 sacks						None	
			- 30,		<u>-</u>	/ //0		1125	sacks			None	
			 						·				
79.		LINER	RECORD			-·· ' '-		30					
\$17 E	TOP		DTTOM	SACKS C	EMENT	SCREEN		30.		JBING RE	CORD		
				1 SACKS C	CM:EN I	SCREEN		SIZE		THISET		PACKER SET	
				 				2 3/8'	47	99		None	
31. Perforation Record	(Interval. siz	e and number	'r! 1 A	h a 3		Ta:-			<u> </u>			···	
			7.77	holes:		32.		SHOT, FRA					
		5025					DEPTH INTERVAL			AMOUNT AND KIND MATERIAL USED			
and the second s		5039					48555174 105			,000 gal 70 quality N_2			
		5076	•				foam			m and 120,000 * 10/20			
4912	5000	50 85					···		sand				
? 3.						1							
Date First Production		-raduation 1	nthen this		PRODI	UCTION ing = Size and	,						
	'	auction A			ji. pumpi	ing = Size ani	Tryp	e pump)		Well Stat	tus (Prod	or Shut-in)	
10-09-85 Date of Test	Hows Test	64 31	F]	owing_							Proc	1	
· ·	^-	1		Test Fe		Cii Bbl.	i	Gas = MOF	Water	- Bbl.	Gas =	Oil Fiatio	
10-24-85 Flow Turing Fress.	Cautag Pre		3/4		>	50		45)		900/1	
	1	Hic	loulated 24 ur finte	İ		Gas 1.1	CF	Water	r – Bbl.	10		- AP: (Corr.)	
50 psi 14. Disposition of Gas.	600 Cold 115 mg (6	<u>psi -</u>	>	57	'	l	51		0		40.0)	
	esseries dama fe	a juct, tant	ea, etc.)						Test \	Vitnessed			
Sold Sold State of Astechments									Do	yle P	ost		
													
wellsit	te Geolog	gic Repo	rt										
30. I hereby certify that	ing injermati	On shorting	i both side	s of this for	ri as true	e and complet	e to t	he best of my	knowledge	and belie	e j.		
1	101				•.							;	
SIGNED	/ - (. (Dr	<u></u>	- TITL	.∈ Mar	nager of	0pe	rations		DATE 1	2/3/85	5	

INSTRUCTIONS

This form is to be filed with the approximate District Office of the Commission and later to m 20 days after the completion of any newly-filled or despited with it shall be an any meaning one copy of all electrical militable-activity for many of the well and a summing of all special tests conducted, including into some tests. All for the register is all be no issued by the case of directionally filled wells, true vertical day the shall also be required. For multiple completions, Heris Continuous 34 shall be reported for each zone. The form is to be fired in quintuplicate exception state land, where six regions are required. One had 11.5.

SEE ATTACHED GEOLOGIC REPORT

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

		Southe	astern	New Mexico				Northwe	estem No	rw Mexico	
T. Anhy			т.	Canyon	тт	Ojo A'			T.	Perm, "R"	
T. Salt_			Т.	Strown	1.	Kirtla	nd Fraitt	and	т.	Print. "C"	
B. Salt_			Т.	Atoka	Т	Pictur	ed Chifs		 1.	Penn. "D"	
T. Yates	·		T.	Miss	T.	Cliff I	loase		т.	Leadville	
										Madison	
										Elliet	
										McCracken	
										Ignacie Quzte	
										Granite	
T Cisco	(Bough (3)	т.		T.	Penn.	"A"		т.		
				OIL OR	GAS S	ANDS	OR ZON	IES			
No. 1, from	n			.to	N	o. 4, fro	m	•••••••••		to	
40. 2, from	n	************************		.to	No	o. 5, fro	m	······································		to	
No. 3, fromtoto				.to	No. 6, from						
				IMPOF	RTANT	WATER	SANDS				
Include da	ita on rat	e of water in	uflow ar	d elevation to which wate	r rose in	hole.					
No. 1, from	n			to	••-		••••	feet.	**********		
No. 2, from	n	*********		to	•••••		·····	feet.	***********		
No. 3, fron	n			to			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	feet.			
-				to							
10. 7, 11011	U	***************************************		FORMATION RECORD (A							
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From	То	Thickness in Feet	Formation	From	То	Thickness in Feet	Formation
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dick harnly

consulting petroleum geologist
1932 eostlown ove, durango colorado, 81301, 303-247-1518

WELLSITE GEOLOGIC REPORT

KENAI OIL & GAS INC State of New Mexico 16-43 ne se 16-T23N-R8W San Juan County, New Mexico

Prepared by: Dick Harnly

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dick harnly
consulting petroleum geologist
1932 Eastlown ove , durango colorado, 81301, 303-247-1518

OPERATOR:

Kenai Oil & Gas Inc

WELL:

State of New Mexico 16-43

PROSPECT:

Juan No. 1

Nageezi Gallup

LOCATION:

ne se 16-T23N-R8W

San Juan County, New Mexico

DRILLING CONTRACTOR:

Young Drilling Co., Rig 2

Pusher: Gary Hawkins

MUD LOGGING:

Durango Well Logging

Logger: Mark Harnly

WELLSITE GEOLOGY:

Dick Harnly

MUD:

Shiprock Mud Co.

Scott Smith

LOGGING:

Schlumberger

S.Johnson/J.Kean

TESTING:

No Cores or Tests

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FORMATION TOPS (from "E" logs)

Elevations: 6857 GL, 6871 KB

FORMATION	DEPTH	ELEVATION
Pictured Cliffs	1415	+5456
Cliff House	2887	+3984
Point Lookout	3810	+3061
Mancos	4005	+2866
Gallup .	4831	+2040
Total Depth (Drilled)	5300	+1 571
Total Depth (Schlumberger)	5306	+1 565

For Bit Record and Mud Properties see mud log.

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WELLSITE GEOLOGY & MUD LOGGING

These services were performed by Durango Well Logging from the depth of 2500 feet to the total depth of 5300 feet. Mud logging operations were conducted by Mark Harnly under the supervision of the wellsite geologist Dick Harnly. This one man mud logging operation included preparation of the drill cutting samples, monitoring of the gas detection and analysis equipment equipment and preparation of the mud log with lithologic interpretation by the geologist.

Samples were caught by members of the drilling contractor's crews and were of a fair to good quality except where noted. The quality of the samples and the magnitude of the gas readings in the Gallup section were adversly affected by the variations in the mud properties... ie viscosity ranging from 100 to 37 resulted in an excessive amount of cavings and affected the credability of the lag times...the 9.2 mud weight produced hydrostatic pressures of about 2400psi on the formation resulting in diminished gas entry into the mud system and reduced gas recordings.

OIL & GAS SHOWS

Mud logging services and wellsite geology were started ar a depth of 2500feet and no oil or gas shows were detected from that depth until well into the Point Lookout...with the exception of several coals with the associated small amounts of methane.

Deep in the Point Lookout between 3941 and 3992 feet a show of hydrocabons was noted in a very fine grained sandstone. This slightly calcareous sandstone exhibited a fair spotty yellow fluorescence which yielded a fair to slow white cut fluorescence. This zone produced a maximum total gas reading of 14 units containing 7 units of methane, 4 ethane and one each of propane and butane. No shows were encountered in the upper portion of the

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Point Lookout formation.

The next indication of hydrocarbons was detected in the Mancos formation about 100 feet above the Gallup. In this zone 4660 to 4670 feet a light gray calcareous siltstone exhibited a good yellow fluorescence in about 5% of the sample. A slow yellow white cut was obtained but no gas was detected while drilling this zone. This siltstone graded in part to a very fine grained sandstone with the same fluorescence and cut as above. While the show is of a minor nature these indications in an area of fractures or better porosity could be of economic interest.

The uppermost show in the Gallup was found in a calcareous siltstone between 4845 and 4854 feet5-10% of the sample had a good yellow
fluorescence with a slow yellow white cut fluorescence. Gas readings from
this zone were slight...6 units total gas,4 methane,1 ethane and a trace of
propane. While drilling the gallup zones the weight of the mud varied
between 9.0 and 9.2; at this depth hydrostatic pressures between 2271 and
2438 psi were being exerted on the formation and gas entry into the mud
system reducing the magnitude of the gas readings....this will always
be the case when the hydrostatic pressure of the mud column is greater
than the reservoir pressure.

Between 4960 and 4980 feet the second Gallup show was recorded on the gas detection equipment with a total gas reading of 16 units; 10 of ethane, 4 ethane and 1 unit each of propane and butane. No shows were found in the samples due to the abundant cavings present ...this condition was due variations in the viscosity of the mud...ranging from 100 to 42 seconds in less than 100 feet.

The next show evidenced in the drilling of this hole was encountered was in the interval 5030-45 feet in a very fine grained sandstone with some

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light tan oil staining, bright yellow fluorescence and a slow blue whitecut fluorescence. The best gas shows in the Gallup was recorded in this
zone; 22 units total gas, 13 units of methane, 5 ethane, 2 of propane and 1
unit of butane.

Shows in samples were also noted 5070-80 feet in avery fine grained silty sandstone with dull yellow fluorescence and a slow milky cut fluorescence at 5087-95 feet in a very fine grained sandstone with fluorescence and cut as seen at 5070-80 the final sample show at 5100-05 feet in a tan very fine grained sandstone exhibiting good yellow fluorescence and a fair to poor blue white cut fluorescence. The evidence found in the samples covering these last three zones was slight...traces to 5% of the total samples...no gas was recorded in these later zones.

It is recommended that closer control should be utilized in the future mud programs ie: lower mud weight and constant viscosities.