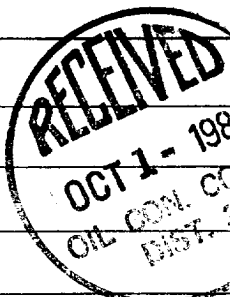


NEW MEXICO OIL CONSERVATION COMMISSION WELL COMPLETION OR RECOMPLETION REPORT AND LOG

DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease
State ☒ Fee ☐
5. State Oil & Gas Lease No.
L-2986

1a. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐
b. TYPE OF COMPLETION
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐



7. Unit Agreement Name
None
8. Farm or Lease Name
St of New Mexico-36
9. Well No.
#31
10. Field and Pool, or Wildcat
Lybrook Gallup Ext.

2. Name of Operator
Kenai Oil and Gas Inc.
3. Address of Operator
717 17th St., Ste. 2000, Denver, CO 80202

4. Location of Well
UNIT LETTER B LOCATED 340 FEET FROM THE North LINE AND 2080 FEET FROM East
THE LINE OF SEC. 36 TWP. 24N RGE. 8W NMPM

12. County
San Juan

15. Date Spudded 4/1/81 16. Date T.D. Reached 4/26/81 17. Date Compl. (Ready to Prod.) 7/20/81 18. Elevations (DF, RKB, RT, GR, etc.) 6900 GL; 6912' KB 19. Elev. Casinghead ---

20. Total Depth 5750' 21. Plug Back T.D. 5701' KB 22. If Multiple Compl., How Many None 23. Intervals Drilled By Rotary Tools Yes Cable Tools No

24. Producing Interval(s), of this completion - Top, Bottom, Name
Lower Gallup: 5465-5585'
Upper Gallup: 5345-5437'
25. Was Directional Survey Made No

26. Type Electric and Other Logs Run
CDNL; DINL; FF-MSG Logs are being forwarded under separate cover.
27. Was Well Cored No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	305' KB	12-1/4"	225 sxs	---
5-1/2"	14#	5,750' KB	7-7/8"	1st stage: 210 sxs	
				2nd 650 sxs	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
		NONE			2-3/8"	5616.48'	---

31. Perforation Record (Interval, size and number) 1 spf, 13 holes; 5466,68,70,72,75; 5536,38,41,44,76,78,81,83'. 2jspf, 24 holes; 5585-74; 5546-34; 5477-65. 1spf, 8 holes; 5436,34,32; 5355,53,50,48,46. 2jspf, 34 holes; 5431-37'; 5345-56'.
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
5583-5346' 2100 gals. 15% HCl.
5083-4956' 230 sxs Class B neet cmt.
5466-5583' 17M gal gel, 30M# 10/20&20/40 sd
5436-5346' 66.614 gal gel: 119M# 10/20&20/40 sd

33. PRODUCTION w/both frac sd intervals; 600 cf/bbl CO₂
Date First Production 9/24/81 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) Producing
Date of Test 9/24/81 Hours Tested 24 Choke Size 20/64" Prod'n. For Test Period 150 Oil - Bbl. 150 Gas - MCF 200 Water - Bbl. 0 Gas - Oil Ratio 1333
Flow Tubing Press. 200 Casing Pressure 550 Calculated 24-Hour Rate 150 Gas - MCF 200 Water - Bbl. 0 Oil Gravity - API (Corr.) ---

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Will be sold when connected to gas pipeline. Test Witnessed By Mr. Dave Howell

35. List of Attachments
Well-site Geologic Report. (See above under Electric and Other Logs Run.)

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.
SIGNED JP Shook TITLE Manager of Operations DATE 9/29/81

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 39 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. (See Rule 116.5).

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs <u>1942'</u>	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House <u>3432'</u>	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout <u>4245'</u>	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos <u>4536'</u>	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup <u>5333'</u>	T. Ignacio Quartz _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. TD: <u>5750'</u>
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

No. 5, from.....to.....

No. 6, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.

No. 2, from.....to.....feet.

No. 3, from.....to.....feet.

No. 4, from.....to.....feet.

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation

dick harnly
consulting petroleum geologist
1932 eastlawn ave, durango colorado, 81301, 303-247-1518

WELLSITE GEOLOGIC REPORT

KENAI OIL & GAS INC
NEW MEXICO STATE 36-31
NW NE 36-T24N-R8W
SAN JUAN COUNTY, NEW MEXICO

Prepared by Dick Harnly



dick harnly
consulting petroleum geologist
1932 eastlawn ave, durango colorado, 81301, 303-247-1518

OPERATOR: Kenai Oil & Gas Inc

WELL: New Mexico State 36-31

PROSPECT: South Blanco, Gallup

LOCATION: nw ne 36-T24N-R8W
San Juan County, New Mexico

LOGGED: 3600-5750'
4-6-81/4-10-81, 4-24-81/4-26-81

WELLSITE GEOLOGY: Dick Harnly

MUD LOGGING: Durango Well Logging
Loggers: Mark & Dick Harnly

WELLSITE ENGINEERING: Elledge Consulting & Production
Leonard Bixler

DRILLING CONTRACTORS: Westwind Drilling, Rig 51. 0-4864'
Pusher: Carl Porter
Kenai Drilling Co., Rig 31. 4864-5750'
Pusher: Shorter

MUD: American Mud Co.
J. Doss, P. Smith

LOGGING: Wellex
E. R. Smith

TESTING: No Tests



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SUMMARY OF MUD PROPERTIES (AMERICAN MUD CO.)

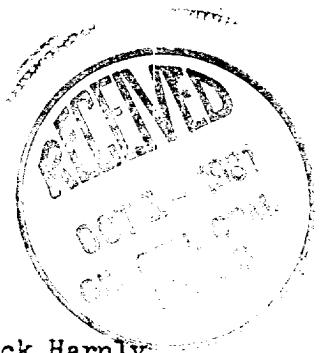
<u>DEPTH</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>CAKE</u>	<u>ph</u>	<u>CHLORIDES</u>	<u>% SOLIDS</u>
711	8.8+	32	5.8	2	9.5	400	3.5
2192	9.1	34	5.6	2	9.0	300	5.75
3091	8.9+	32	5.6	1	9.5	400	4.25
3482	9.0	35	5.6	1	9.0	400	5.0
3485	9.0	40	5.6	1	9.0	400	5.0
4855	9.1	50	5.0	1	9.0	600	5.0
5253	9.0	50	4.4	2	9.0	400	4.0

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FORMATION TOPS (From "E" Logs)
Elevations: 6900 GL, 6912 KB

<u>FORMATION</u>	<u>DEPTH</u>	<u>ELEVATION</u>
Pictured Cliffs	1942	+4970
Cliff House	3432	+3480
Point Lookout	4245	+2667
Mancos	4538	+2374
Gallup	5333	+1579
Total Depth (Drilled)	5750	+1162
Total Depth (Logged)	5745	+1167



MUD LOGGING

Mud logging services were performed by Mark and Dick Harnly of Durango Well Logging service of Durango, Colorado. Monitoring of the total gas detector and gas chromatograph along with detailed examination of the drilling cuttings was started at 3600 feet and continued to the depth of 4864 feet at which time the drilling rig derrick collapsed while jarring on the stuck drill pipe. Kenai Drilling moved rig 31 over the hole and after recovering the stuck pipe drilled to the total depth of 5750 feet. Only geologic services were performed by Dick Harnly on the lower portion of the hole.

OIL/GAS SHOWS

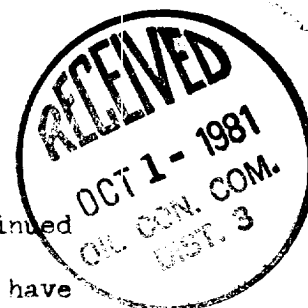
A small gas show was recorded at 4221 feet in the top of the Point Lookout formation in a fine to medium grained, moderately sorted sandstone. This sandstone is tightly infilled with a white clay material and no porosity or permeability was evident. Five (5) units of methane were recorded but no evidence of staining, fluorescence or cut was detected.

A second zone in the Point Lookout was encountered between 4445 and 4465 feet. Total gas readings from this zone amounted to 15 units...10 of methane, 3 of ethane and a trace of propane. The sample in this zone consisted of a very fine grained, slightly calcareous sandstone exhibiting a bright yellow fluorescence with a slow milky cut fluorescence. No visible porosity or permeability was evident.

When drilling was resumed below 4864 feet no gas logging equipment was utilized.

An interesting zone in the Mancos was noted at 4945 feet... a siltstone was found to exhibit a dull yellow fluorescence and a

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consulting petroleum geologist
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slow milky cut fluorescence was evident. While this show continued in the samples to 5045 it is likely that much of the show may have been cavings... the upper portion of this interval exhibited only 10% of the sample with the noted show; decreasing in quantity with depth.

Three intervals in the Gallup formation exhibited shows of oil in the samples. The uppermost zone was represented by a medium gray siltstone (40% of the sample) exhibiting a very dull gold fluorescence with a trace of very poor slow milky cut fluorescence. The next zone of interest was encountered at 5365 feet, containing a very fine grained sandstone with a fair yellow fluorescence in about 30% of the sample. A fair blue white cut was noted but no porosity or permeability was evident. The lower zones starting at 5450 feet contained the best shows in a fine grained sandstone with a slight tan oil stain, fair visible porosity and a fair to good bright yellow fluorescence with a fair blue white cut. A siltstone with a dull yellow fluorescence and a good blue white cut was noted at 5515 feet, grading to a very fine grained sandstone at 5535 feet (see sample log).

As was anticipated the best evidence of probable oil and/or gas production was found in the Gallup sand and siltstones.