SIGNED .

INSTRUCTIONS

This form is to be filed with the appre, riste District Office of the Consission not inter 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 atom tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple consistency, items 30 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 1165.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Northwestern New Mexico

____ T. Penn. "B"_

Southeastern New Mexico

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r. Gray	ourg		T. Montoya		T. Manc	os	<u>757</u>	<u>я</u> т	`. McCracken	
T. Şan	Andres _		T. Simpson		T. Galli	1p	33/	7 т	'. Ignacio Qtzte	
I. Glor	ieta		Т. МсКее		Base Gro	enhorn _		т	Granite	
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dick harnly
consulting petroleum geologist
1932 eastlawn ave ,durango colorado,81301,303-247-1518

WELLSITE GEOLOGIC REPORT

KENAI OIL & GAS INC State of New Mexico, 36-43 ne sw 36-T24N-R8W San Juan County, New Mexico

Prepared by: Dick Harnly



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OPERATOR:

Kenai Oil & Gas Inc.

WELL:

State of New Mexico 36-43

PROSPECT:

Escrito/Lybrook Gallup Extension

LOCATION:

ne se 36-T24N-R8W

San Juan County, new mexico

LOGGED:

2750 - 5738 . 5-1-81/5-8-81

WELLSITE GEOLOGY:

Dick Harnly

MUD LOGGING:

None

WELLSITE ENGINEERING:

Elledge Consulting & Production Co.

L.Bixler

Drilling Contractor:

Kenai Drilling Co.

Red Shorter

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SUMMARY OF MUD PROPERTIES (MESA MUD CO.)

DEPTH	WEIGHT	VISCOSITY	WATER LOSS	CAKE	<u>ph</u>	CHLORIDES	% SOLIDS
400	8.5	30	7.8	1	7.5	500	1 •8
2200	9.0	42	4.8	2	8.0	500	4.8
3610	9.1	42	5.6	2	8.0	500	5.2
4040	9.1	38	4.0	2	8.0	500	5.8
4638	9.2	42	3.8	2	8.0	500	5.6
5080	9.1	42	4.0	2	8.0	500	5.8



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FORMATION TOPS (From "E" Logs)

Elevations: 6937 GL, 6951 KB, 6950 DF

FORMATION	DEPTH	ELEVATION
Pictured Cliffs	1932	+5019
Cliff House	3438	+3513
Point Lookout	4250	+2701
Mancos	4518	+2433
Gallup	5317	+1634
Total Depth (Drilled)	5738	+1213
Total Depth (Dresser Atlas)	5730	1981 1981

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GEOLOGIC SERVICES

Geologic services were performed by Dick Harnly with samples being caught by crew members of the drilling contractor (Kenai Drilling). While the sample quality was generally good there were several instances of samples not being caught...the most flagrant instance was between 3610 and 3770 feet. Several other intervals were missed after informing the crews of the importance of catching samples...it may be that since this hole was drilled on a turnkey contract that drilling contractor did not exercise the control that would have been utilized on day work.

OIL/GAS SHOWS

The first significant shows of oil evidence were encountered at 4220 feet in the Point Lookout formation. In this interval a fine grained sandstone with a few medium size grains was encountered exhibiting a dull spotty yellow fluorescence in about 15% of the sample. A slow bleeding blue-white cut fluorescence was noted in this slightly calcareous sandstone. No visible porosity or permeability was found in this sandstone.

Near the base of the Point Lookout formation a second zone of interest was encountered in the samples 4480-90 feet, in a very fine grained calcareous sandstone exhibiting good bright yellow fluorescence and a good to fair blue -white cut fluorescence. This sandstone graded with depth to an argillaceous siltstone with a fair amount of dull yellow fluorescence and a poor milky cut fluorescence. No porosity or permeability was visible. Shows in this zone extended to 4525 feet.

At 4755 feet (Mancos) a 10 foot sample contained an argillaceous, calcareous siltstone with a very dull yellow fluorescence and a fair blue-white cut fluorescence...while this show is of minor importance in this hole it

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should warrant close scrutind in future drilling. A similar zone, deeper in the Mancos was encountered between 4970 and 5060 feet. This zone may not be truely represented due the abundance of cavings.

In the Gallup formation a siltstone was found, at 5315-20 feet to exhibit a very dull gold fluorescence in about 40% of the sample, yielding a very poor milky cut fluorescence. Between 5345 and 5370 feet a siltstone grading to a very fine grained sandstone with a light tan oil stain presented a strong yellow fluorescence with a good streaming blue-white cut fluorescence in 30-40% of the sample. This zone was found to be calcareous to very calcareous. A sandstone, fine grained and calcareous, was noted 5465-75 but may be of a slightly greater thickness because of a missing sample (see log). A final zone of interest was encountered in the samples 5530-45 feet. A very fine grained, silty, calcareous sandstone possessing a light oil stain with a bright yellow fluorescence and a fair to good blue-white cut amounted to about 15-20% of the sample. While no visible porosity or permeability was noted the sandstone, being calcareous should respond to an acid treatment at completion time. No further shows were encountered below this zone.