Form 9-330
(Rev. 5-63)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE* (See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: NM-14095

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] DRY [ ] Other

b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] Other

8. FARM OR LEASE NAME: Federal

2. NAME OF OPERATOR: Kenai Oil & Gas Inc.

9. WELL NO.: 35-43

3. ADDRESS OF OPERATOR: 1675 Larimer St. Suite 500 Denver, CO 80202

10. FIELD AND POOL, OR WILDCAT: Lybrook-Gallup

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements*)*
At surface 460 FEL 2030 FSL Sec. 35, T24N, R8W
At top prod. interval reported below
At total depth Same

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec. 35, T24N, R8W

14. PERMIT NO.	DATE ISSUED	12. COUNTY OR PARISH	13. STATE
		San Juan	NM

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (*Ready to prod.*)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
7/23/81	7/31/81	2/27/82	6891 KB	6877'

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
5682' KB	5664'		→	0-5682'	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*: 5239-5560' Gallup

25. WAS DIRECTIONAL SURVEY MADE: Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN: Induction Electric, FDC,CNL, Spectralog

27. WAS WELL CORED: No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	23#	356'	12¼"	220 sxs. Class "B"	None
5½"	14#	5682'	7 7/8"	550 sxs. 50-50 pozmix	None
			DV @ 2036'	475 sxs. 65-35 pozmix	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
None				

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	5558' KB	

31. PERFORATION RECORD (*Interval, size and number*)
5556-60,5512-18,5493-96',5463-67, 5452-56,5424-30,5392-98,5363-52, 5367,5318-22,5269,5268,5240,5239, 5347'
.38"-123 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5559'-5425'	750 gal.10% Acetic,52,668 gal. 77,500# 20-40,21,000# 10-20
5397-5239'	750 gal 10% Acetic,67,633 gal. 96,000# 20-40,27,000# 10-20

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (*Flowing, gas lift, pumping—size and type of pump*)	WELL STATUS (*Producing or shut-in*)
1-10-82	Swabbing	SI

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2-27-82	12			15	30	62 BLW	2000

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
			30	60	124 BLW	40

34. DISPOSITION OF GAS (*Sold, used for fuel, vented, etc.*): Vented during test, to be sold

TEST WITNESSED BY: Jeff Bollschweiler

35. LIST OF ATTACHMENTS: Geologic Report

RECEIVED
JUL 13 1982
OIL CON. COM.
DIST. 3

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED W. M. Somers TITLE Manager of Production DATE 6/10/82

ACCEPTED FOR RECORD
JUL 12 1982
FARMINGTON RESOURCE AREA
BY E.B. Beck

*(See Instructions and Spaces for Additional Data on Reverse Side)

NMOCC

dick harnly
consulting petroleum geologist
1932 eastlown ave, durongo colorado, 81301, 303-247-1518

WELLSITE GEOLOGIC REPORT

KENAI OIL & GAS INC.
Federal 35-43
ne se 35-T24N-8W
San Juan County, New Mexico

Prepared by: Dick Harnly

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

OPERATOR:	Kenai Oil & Gas, Inc.
WELL:	Federal 35-43
PROSPECT:	Bisti East II/Nageezi Gallup
LOCATION:	ne se 35-T24N-R8W 2030 ft FSL, 460 ft FEL San Juan County, New Mexico
DRILLING CONTRACTOR:	Kenai Drilling Co., Rig 31 Pusher: C.McClain
MUD LOGGING:	Durango Well Logging Logger: Dick Harnly
WELLSITE GEOLOGY:	Dick Harnly
MUD:	Sunland Mud & Chemical Co. Luke McCollum
LOGGING:	Dresser Atlas Engineer: Earl Vest

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

SUMMARY OF MUD PROPERTIES (SUNLAND MUD & CHEM. CO)

DEPTH	WEIGHT	VISCOSITY	WATER LOSS	CAKE	ph	CHLORIDES	% SOLIDS
854	8.8	50	6.5	2	9.5	450	3.0
2368	9.3	36	6.2	2	9.5	450	3.0
3134	9.4	35	6.0	2	9.0	400	3.0
3915	9.5	34	6.2	2	8.5	450	4.0
4099	9.1	35	6.0	2	8.5	450	3.0
4940	9.2	34	7.1	2	8.0	450	3.5
5480	9.2	33	7.6	2	8.0	450	3.5
5662	9.3	68	5.5	2	8.0	450	3.0
5662	9.4	90	5.2	2	8.0	450	3.0
5662	9.4	119	4.8	2	8.0	450	3.0

BIT RECORD

BIT NO.	SIZE	MANUFACTURER	TYPE	IN OUT	FOOTAGE	ROTATING HOURS
2	7 7/8"	Reed	S-12	355-1793	1338	10 3/4
3	7 7/8"	Reed	S-12	1793-2340	547	10
4	7 7/8"	Hughes	J-22 RR	2340-4099	1759	53½
5	7 7/8"	Security	S-84	4099-5663	1564	61

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

MUD LOGGING & WELLSITE GEOLOGY

Mud logging services were performed by Dick Harnly, owner operator of Durango Well Logging and Mark Harnly, mud logging operator from a depth of 3300 feet to total depth. Geologic services were performed at wellsite from the starting logging depth through the logging of the well by Dresser Atlas.

ELECTRIC LOGGING

These services were performed by Earl Vest of Dresser Atlas; Caliper, Gamma Ray, Spontaneous Potential, Dual Induction, Neutron Density and Spectalog logs. Difficulties were experienced with the operation of the caliper and the neutron tools and/or the instrument panel. These malfunctions may well have been caused by the wear and tear on the tools while trying to "spud through" bridges encountered in the upper portion of the hole. Dresser attempted to log and was prevented to do same five times by bridges in the hole at 480', 479', 474', 726', 1069', 1667', 718', and on the final attempt to log encountered a bridge at 1710'. This deepest bridge was finally penetrated after numerous runs to "spud through" and the induction logging was completed. During the operation of the density logging problems were encountered with the caliper and only only 1000 feet of the neutron log was completed. The spectralog was then successfully run. When attempting to re-run the density and caliper logs bridging was encountered at 800' and the hole was reentered with a bit and cleaned out to total depth. The logging operation was completed at 700 hours on 8-3-81. Several extra hours of circulating was necessary due to mechanical problems, replacement of the drive chain to the draw-works.

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

OIL & GAS SHOWS

Mud logging and geologic services were not started until 3300 feet. No shows of oil or gas were encountered between that depth and the top of the Point Lookout formation. In the upper portion of this formation a medium grained sandstone exhibiting a good yellow fluorescence with a fair to good blue white cut fluorescence was encountered. A show of gas in this zone, 4108-15 feet, was recorded at 21 units of total gas; 10 units of methane, 6 of ethane and 3 units of propane. While this zone is of interest it must be considerd as aminor show of hydrocarbons.

Another minor show was encountered deeper in the Point Lookout formation, between 4365 and 4405 feet, contained in a very fine grained sandstone exhibiting only fair blue white fluorescence and cut. Gas recorded from this zone was of a very low magnitude, 5 and 7 units respectively.

The Gallup sands provided the remaining hydrocarbon shows in this hole. The first was encountered at 5210 feet, where, though very poorly represented in the samples (approx. 5% of the sample), was found in a very fine grained silty sandstone exhibiting a poor yellow fluorescence and a very poor slow milky cut. This zone and subsequent samples were a very poor representation of the Gallup formation due to the abnormally large percentage of rounded "cavings" and a very small amount of "Gallup sands". This condition was caused atleast in part by the rapid rate of drilling; an average of two minutes per foot, considerably faster than in adjacent holes where the Gallup was drilled at an average of about four minutes per foot. Fracturing of the Gallup zones may also have contributed to the decreased quality of these samples. The mud system during the drilling appearsto have been adequate.(see "Summary of Mud Properties).

The final shows in the Gallup were evidenced by only traces of

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

shows in the samples and very minor gas shows at 5300 and between 5340 and 5355 feet. Gas and sample shows throughout the entire Gallup zones penetrated were considerably less than expected. This condition may be due in part to the cavitation evidenced in the upper portion of the hole, as recorded by the ca caliper. This ragged hole and cavitation can and does set up an extreme amount of turbulence in the returning mud in the well bore causing mixing of the cutting and adulteration of any gas in the mud.

SUMMATION

Experienced in this hole were many instances of bridging due to the very poor condition of the upper 2200 feet of hole resulting in a considerable rig time being lost during the logging operation along with resulting poor sample quality. Poor uphole conditions have been experienced in a number of holes in this and nearby areas... the problem has been improved by the water loss control in recent mud programs but the problem of poor hole conditions in the upper portion of the hole still occurs in this area. A possible final suggestion that would, no doubt, cure this situation would be to either set 2000 feet or so of surface pipe or incorporate a string of intermediate casing through this trouble zone.

Geologic Tops for Federal 35 #43

Pictured Cliffs	1820'
Cliff House	3321'
Point Lookout	4071'
Mancos	4400'
Gallup	5223'