CORE LABORATORIES, INC.

Petroleum Reservoir Engineering DALLAS, TEXAS

July 15, 1954

REPLY TO

1020 PATTERSON BLDG.

DENVER, COLORADO

Candado Production Company Box 55 Aztec, New Mexico

Attention: Mr. Emery Arnold

Subject: Core and Cuttings Analysis

No. 1 Duncan Well

Wildcat

San Juan County, New Mexico Location: Sec. 15-T29N-R14W

Gentlemen:

A mobile combination cuttings and core analysis unit was on location at the well during drilling operations carried out between 2722 and 3317 feet. Water base mud was used as the drilling fluid.

The drill cuttings were analyzed for oil and gas content between 2722 and 3317 feet and the results are presented in graphical form on the attached Grapholog. Also shown on the Grapholog are a lithological log of the drill cuttings, drilling rate, drilling fluid properties, new bit information, directional surveys, and a record of the continuous analysis of the hydrocarbon content of the drilling fluid.

The Menefee formation was cored and results of analysis are presented in tabular and graphical form on the attached Coregraph. Formation analyzed from 2968 to 2972 feet is interpreted to be essentially nonproductive due to low permeability.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

J. D. Harris, (PE)

District Engineer

JDH:ln

6cc. - Addressee