VAL R. REESE & ASSOCIATES, Inc.

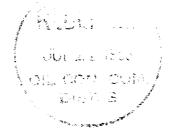
GEOLOGICAL & ENGINEERING CONSULTANTS

PHONE DAVIS 5-6641

FARMINGTON, NEW MEXICO

120 SOUTH COMMERCIAL

July 17, 1958



Mr. Emery Arnold New Mexico Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

Dear Mr. Arnold:

The King Oil Co. Navajo C-1 well located 1530' FNL 560' FWL Sec 4 T 30 N, R 17 W was drilled as a wildcat oil well due to a geological condition even though it offsets a small Gallup Gas well. The geological condition mentioned is the occurrence of a faulted dome with the line of fault located just north of this location. It is felt that there is a good possibility of an eil trap existing against the upthrown side of this normal fault in either the Gallup or Dakota formation.

The location was staked less than 330° from the quarter section line due to the presence of a deep arroya running through the area just south of the location. It is felt that if the well had been located on the south side of the arroya which would be approximately 1900° from the north line of the section the chances of encountering the above mentioned trap would be greatly reduced.

Very truly yours,

T. A. Dugar

Consulting Engineer

TAD:ac

Mr. Emery Arnold New Mexico Oil Conservation Commission 1000 Rio Brazos Road Astec, New Mexico

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Very truly yours,

Original signed by T. A. Dugan

T. A. Dugan Consulting Engineer

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