

EXHIBIT "B"

GEOLOGICAL REPORT CONCERNING

THE TWENTY-THIRD EXPANSION

OF THE PICTURED CLIFFS FORMATION IN THE

EL PASO NATURAL GAS COMPANY

LINDRITH UNIT

EL PASO NATURAL GAS COMPANY

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### GEOLOGICAL SUMMARY PERTAINING TO THE TWENTY-THIRD EXPANSION OF THE PICTURED CLIFFS PARTICIPATING AREA WITHIN THE LINDRITH UNIT

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#### GENERAL INFORMATION

The Pictured Cliffs formation within the Lindrith Unit of Rio Arriba County, New Mexico is of upper Cretaceous age and is considered to be predominantly sandstone deposited in bands of varying widths. These bands have a northwest-southeast trend and are separated by zones of shaly sandstones and/or bentonitic sandstones. The Pictured Cliffs formation is erratic in development and abrupt "shale-out" of the sand can occur as well as rapid local thickening. This can cause great variance in well potentials as evidenced in the Lindrith Unit Area. Enclosed with this report is a structure map, Exhibit "C", Figure No. 1, and an isopach map as Exhibit "C", Figure No. 2.

#### TWENTY-THIRD EXPANSION

Effective Date: September 1, 1977

SW/4 Section 28, T-24-N, R-2-W      Lindrith No. 92

The Lindrith No. 92 well was tested on August 29, 1977 for an initial wellhead shut-in pressure of 931 psia and an after frac flow gauge of 724 Mcf/D. On the basis of this test, the acreage is proven commercial and should be admitted to the Participating Area. This is further substantiated by the Isopach map, Exhibit "C", Figure No. 2, which shows the above acreage to be located on the established trend of commercial production and to have an average net pay of greater than 10 feet.