

M-14

Besoil Co. / Hunt
SE/4-SE/4 Sec. 31-T18N-R20E

54

County Navajo

Area _____

Lease No. Ben Hunt Fee

Well Name Besoil Company #1 Hunt

Approx. location 990' FSL 660' FEL

Location SE SE Sec 31 Twp 18N Range 20E Footage Completed Total
Elev 5089' Gr 5092' Spud RT Date 2-7-58 Abandon 4-18-58 Depth 1683 (Logs verify this depth)

Contractor Leland Wagnor

Drilled by Rotary X
Cable Tool _____

Casing Size	Depth	Cement	Production Horizon
10 3/4	304		
7" Liner	1200	100sx	Initial Production <u>D & A</u>
5 1/2" Liner	1663	50sx	

REMARKS Geologist Report favorable for commercial production.

Elec (2)
Logs Radiation log (Hilliburton Log)
Applic. Plugging Completion
to Plug X Record X Report X

Sample Log _____
Sample Descript. _____
Sample Set 1670
Core Analysis _____
DSTs _____

Water well accepted by _____

Bond Co. & No. The Fidelity & Casualty Company of New York Bond #S 1192822

Bond Am't \$ 2,500 Cancelled 12-14-65 Date _____ Organization Report X

Filing Receipt 49047 Dated 4-2-58 Well Book X Plat Book X

API No. _____ Loc. Plat X Dedication SE SE 31-18N-20E

Permit Number 54

Date Issued 5-22-58

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

DESIGNATE TYPE OF COMPLETION:

New Well Work-Over Deepen Plug Back Same Reservoir Different Reservoir Oil Gas Dry

DESCRIPTION OF WELL AND LEASE

Operator Besoil Company Address 9601 S. Alameda
Los Angeles California 90002

Federal, State or Indian Lease Number or name of lessor if fee lease Ben Hunt Well Number 1 Field & Reservoir Wildcat

Location 990 FSL 660 FEL sec 31 County NAVAJO

Sec. TWP-Range or Block & Survey 31 T18N R20E

Date spudded 2-7-58 Date total depth reached 4-18-58 Date completed, ready to produce — Elevation (DF, RKB, RT or GP) 5050 feet Elevation of casing hd. flange — feet

Total depth 1683 P.B.T.D. 1663 Single, dual or triple completion? Dry If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion — Rotary tools used (interval) 0-1683 Cable tools used (interval) —

Was this well directionally drilled? No Was directional survey made? — Was copy of directional survey filed? — Date filed —

Type of electrical or other logs run (check logs filed with the commission) Gamma Ray - Neutron Date filed 4-21-58

CASING RECORD

Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)						
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	13"	10 3/4"	—	304	50	None
Liner	9"	7"	—	1202	100	None
Liner	7 7/8"	5 1/2"	15#	1663	50	None

TUBING RECORD

LINER RECORD

Size in.	Depth set ft.	Packer set at ft.	Size in.	Top ft.	Bottom ft.	Sacks cement	Screen (ft.)
7	—	—	7	250	1202	100	—

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Amt. & kind of material used	Depth Interval
4	Bullet	1645-1663	sd frac w/oil amt Not known	1645-1663

INITIAL PRODUCTION

Date of first production — Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:) —

Date of test	Hrs. tested	Choke size	Oil prod. during test bbls.	Gas prod. during test MCF	Water prod. during test bbls.	Oil gravity ° API (Corr)
—	—	—	—	—	—	—

Tubing pressure	Casing pressure	Cal'ed rate of Production per 24 hrs.	Oil bbls.	Gas MCF	Water bbls.	Gas-oil ratio
—	—	—	—	—	—	—

Disposition of gas (state whether vented, used for fuel or sold): —

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Agent of the Besoil (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

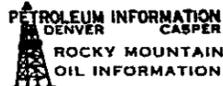
Date 12-15-65

Signature Joe B Barrett

Permit No. 54

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Well Completion or Recompletion Report and Well Log
Form No. 4 File One Copy

34
ARIZONA
NAVAJO COUNTY
WILDCAT (W)



Twp 18n-20e
Section 31
ne ne

OPR: Besoil

WELL #: 1 Hunt

ELEV: 5095 RT-KB

DSTS. & CORES:

SPUD: 2-7-58

COMPL: ~~4-1-58~~

TOPS: ~~Sample~~

TD: 1683

PB: 4-18-58

Moenkopi surface
Kiabab 90
Coconino 93
Supai 470
Ft. Apache ls 1570

CSG: 7" @ 1202
5 1/2" @ liner @ 1663

Fig. 11/65

PERF- 826-33, 838-840; 843-847, 876-879, 881-886, 900-906, 907-911, all w/2 per ft. Perf 838-40, show of gas, well flowed wtr. Perf 843-847, 876-879, 881-886, 900-906, 907-911, all w/2 per ft. Squeezed perfs 826-847

PROD. ZONE:

(Cont'd)

(Perfs Cont'd)

for wtr shut off. Perf 1240-64, 1273-90, 1291-94, 1297-1317, all w/2 per ft. Perf 1571-1604 w/4 per ft. Perf 1614-19, 1629-35, 1659-62 all w/2 per ft. Reperf 1575-83, 1588-1609, 1637-56, all w/2 per ft, sdfract. Flowed load oil for 16 hrs, frac oil congealed and plugged perfs. Acidized. Squeezed 832-847.

INIT. PROD:

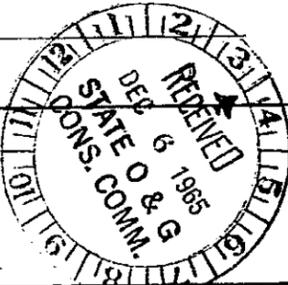
D & A. Lost hole.

Reported show oil in Ft Apache per Bull 185

Contr: Phil Lynch

*For Electric Logs on Rocky Mountain Wells—Ask Us!

A1-85036

PLUGGING RECORD					
Operator Besoil Company		Address 9601 South Alameda Los Angeles California 90002			
Federal, State, or Indian Lease Number, or lessor's name if fee lease. Ben Hunt		Well No. 1	Field & Reservoir Wild Cat		
Location of Well 990 FSL-660 FEL (SE/4 SE/4)		Sec-Twp-Rge or Block & Survey 31 T18N-R20E		County NAVAJO	
Application to drill this well was filed in name of Besoil Company		Has this well ever produced oil or gas NO	Character of well at completion (initial production): Oil (bbls/day) _____ Gas (MCF/day) _____		Dry? YES
Date plugged: 11-25-65		Total depth 1683	Amount well producing when plugged: Oil (bbls/day) _____ Gas (MCF/day) _____		Water (bbls/day) _____
Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging		Fluid content of each formation	Depth interval of each formation	Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement	
oil show ^{upper} in upper Ft. Apache		Not completed	610-1520	56' cmt. Plug	
" " " Ft. Apache		"	1520-1683 TD	w/8 SX FROM 1430-1374	
Ft Apache open To well bore				20' cmt. Plug 0-20'	
1605-1570				w/3 SX.	
CASING RECORD					
Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
10 3/4"	304'	—	304'	—	—
7" Liner	300-1202		900'	—	—
5 1/2" Liner	1139-1663		524'		
Was well filled with mud-laden fluid, according to regulations?				Indicate deepest formation containing fresh water.	
				Not known	
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name Cephus Perkins		Address Holebrook, Ariz		Direction from this well: East	
Ben Hunt		Joseph City Ariz.		North, South, West	
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Agent</u> of the <u>Besoil</u> (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.					
Date 12-6-65		Signature Joe B Barrett			
Permit No. 54					
				STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy	
				Form No. 10	

APPLICATION TO ABANDON AND PLUG

FIELD Wild-cat
 OPERATOR Besoil Company ADDRESS 9601 South Alameda Los Angeles California 90002
 Federal, State, or Indian Lease Number or Lessor's Name if Fee Lease Ben Hunt WELL NO. 1
 SURVEY T18N R20E SECTION 31 COUNTY Navajo
 LOCATION 990' FSL 660' FEL (SE/4 SE/4)

TYPE OF WELL Dry Hole TOTAL DEPTH 1683
(Oil, Gas or Dry Hole)
 ALLOWABLE (If Assigned) NONE
 LAST PRODUCTION TEST OIL — (Bbls.) WATER — (Bbls.)
 GAS — (MCF) DATE OF TEST —

PRODUCING HORIZON — PRODUCING FROM — TO —
 1. COMPLETE CASING RECORD 10 3/4" set @ 304, 7" Liner set 1202, 5 1/2" set 1139 - 1663.

2. FULL DETAILS OF PROPOSED PLAN OF WORK set 50' cement plug to deepest possible depth + 20' cement plug in surface with a Regulation Dry Hole Marker set in top.

If well is to be abandoned, does proposed work conform with requirements of Rule 202? yes If not, outline proposed procedure above.

DATE COMMENCING OPERATIONS As soon as approved

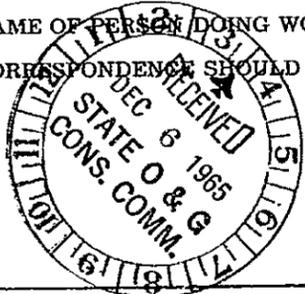
NAME OF PERSON DOING WORK Joe B. Barrett ADDRESS 2211 N 81st way Scottsdale Ariz.

CORRESPONDENCE SHOULD BE SENT TO Joe B. Barrett
 Name Geologist
 Title 2211 N. 81st way Scottsdale, Ariz
 Address 11-20-65
 Date

Date Approved 12-13-65
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: John Hammett

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Application to Abandon and Plug
 File Two Copies
 Form No. 9

Permit No. 54



OK



ORIGINAL

SEND ALL REMITTANCE TO
P. O. DRAWER 1
DUNCAN, OKLAHOMA

INVOICE AND TICKET

No. CS227788

In Remitting or Corresponding
Please Refer To Above Invoice Number

FORM HOWCO #488-R-4

DATE 4/25/58	CUSTOMER'S ORDER NO.	CUSTOMER'S REQ. NO.	SEC.	TWP.	RANGE	TRUCK CALLED OUT 4-25 DATE 10 P. M.	ON LOCATION 4-25 DATE 530 P. M.	JOB BEGAN 4-25 DATE 10 A. M.	JOB COMPLETED 4-25 DATE 1045 A. M.
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WELL NO. AND FARM Hunt #1	PLACE OR DESTINATION HOLBROOK ARIZ.	COUNTY NAUPIO	STATE ARIZ.
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OWNER Besoil Co	CONTRACTOR Halliburton	CHARGE TO Kirk Besoil (Besoil Co)
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DUNCAN USE ONLY	BES OIL COMPANY BOX 1 HOLBROOK, ARIZONA	5	CES. INV. REQ. ORIG. # <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> OTHER	MAILING ADDRESS PO #1 CITY & STATE HOLBROOK, ARIZ.	TERMS \$ 7.72	Cash Discount will be allowed if paid by 20th of following month. 6% interest charged after 60 days from date of invoice.
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OWNER, OPERATOR OR HIS AGENT STATES THE WELL IS IN CONDITION FOR THE SERVICE JOB TO BE PERFORMED AND SUBMITS THE FOLLOWING DATA:											
TYPE OF JOB (✓) ONE		CASING		HOLE DATA		TUBING OR DRILL PIPE		CEMENTING PACKER		MAKE FLOAT EQUIPMENT	
SURFACE	NEW	BORE SIZE	8 3/4	TOTAL DEPTH	1683	TYPE		TYPE		FLOAT COLLAR	
INTERMEDIATE	USED	ROTARY	✓	WEIGHT		WEIGHT		WEIGHT		GUIDE SHOE	
PRODUCTION	SIZE	DEPTH	1683	CABLE TOOL		TOTAL DEPTH		DEPTH SET		FLOAT SHOE	
SQUEEZE	WEIGHT	DEPTH	1683	OTHER (write in)						OTHER EQUIPMENT	
PUMPING	DEPTH	TYPE								None	
PLUG BACK	TYPE										

SQUEEZE OR PLUG BACK DATA				CEMENT DATA			
PURPOSE	Depth From	TO APPROX.	IN SIZE CASING HOLE	BULK? ✓	SACKED?	MIXED WT. PER GAL	14#
WATER	@ R. C. mts			SACKS	TYPE	BRAND	% GEL OTHER ADMIX
GAS				100	100 lb. bags	Ray	4 70 salt
Abandon							

OTHER DATA ON SERVICE OPERATION			INVOICE SECTION		
PLUGS AND HEADS		PRESSURE	DEPTH OF JOB	SERVICE AND RENTAL CHARGES	
BOTTOM PLUG	TYPE	CIRCULATING	1200	PRICE REF.	AMOUNT
TOP PLUG	TYPE Washed	MINIMUM	R-25	BASE CHARGE	199.00
TYPE HEAD	Suave	MAXIMUM		ADD'N CHARGE	1100 Extra. 187.00
CEMENT LEFT IN CASING	15	FT.		EXTRA TRUCK	
BY REQUEST	NECESSITY	MEASURED WITH LINE?		STAND BY TRUCK	
✓		Yes			

The following information is urgently requested in order that we may be fully advised, and to enable us to keep our standard of service up to the highest point.

WAS OPERATION OF THE CEMENTING EQUIPMENT SATISFACTORY? WAS THE WORK OF THE CREW PERFORMED IN A SATISFACTORY MANNER?

WAS CEMENTING JOB SATISFACTORILY COMPLETED? SUGGESTIONS:

Kirk Besoil
OWNER, OPERATOR OR HIS AGENT

TRUCK NO. & TYPE	TRUCK LOCATION	TITLE	NAME
5206	Halliburton	Driver	Thomson SANDERS
		Cementor	
		Driver	
		Cementor	MAWCHOST/RE
		Driver	

We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished covered by this invoice.

SUB-TOTAL	547.25
TAX	0
TOTAL	547.25



ORIGINAL

SEND ALL REMITTANCES
P. O. DRAWER 14
DUNCAN, OKLAHOMA

INVOICE & TICKET

No. BC 289383

In Remitting or Corresponding
Please Refer to Above Invoice Number.

HOWCO 984 RS

DATE 4/24/58 <i>Billed in May</i>	CUSTOMER'S ORDER NO.	CUSTOMER'S REG. NO.	SEC.	TWP.	RANGE	TRUCK CALLED OUT 4-24 DATE 10 P.M.	ON LOCATION 4-25 DATE 7:30 A.M.	JOB BEGAN 4-25 DATE 10 A.M.	JOB COMPLETED 4-25 DATE 1045 P.M.
WELL NO. AND FARM E-50-N-Yan Hunt Federal # 1		PLACE OR DESTINATION Holbrook Arizona				COUNTY Navajo		STATE ARIZONA	
OWNER Bess Oil Company		CONTRACTOR Phil Lynch Drilling Co.				DELIVERED TO Location			
DUNCAN USE ONLY	BES OIL COMPANY BOX 1 HOLBROOK, ARIZONA		5		073395		PREPARED BY A.P. Clark		
							RECEIVED BY <i>[Signature]</i>		
								DELIVERED FROM Farmington, New Mexico	

CHARGE TO Bess Oil Company

MAILING ADDRESS PO #1

CITY & STATE HOLBROOK ARIZ.

TERMS \$ 250 Cash discount will be allowed if paid by 20th of following month. 5% interest charged after 60 days from date of invoice.

WT. TICKET NO.	TRUCK NO.	CONVOY NO.	QUAN. (SACKS)	BRAND AND TYPE	UNIT PRICE	AMOUNT
301	5188		100	Ideal portland cement F/ Portland Colorado	1.75	175.00
			4	Howcogel mixed 4 1/2 to 100 sacks cement	12 1/2	12.50
			7	100 lbs 7 1/2 Salt mixed 7 1/2 to 100 sacks cement	275	19.25
PAID						
MAY 5 1958						
<i>pb by check.</i>						
SERVICE CHARGE ON MATERIALS RETURNED					UNITS	
SERVICE CHARGE					110 UNITS	38.50
TOTAL WEIGHT 10,434			LOADED MILES FROM PLANT TO WELL 230		MILEAGE CHARGE 1199.91	TON MILES 15
SUB TOTAL						425.24
SALES TAX					N/A	
TOTAL						

We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished covered by this invoice.

PRINTED IN U.S.A.

CONDITIONS AND LIMITATIONS COVERING THIS CONTRACT
It is expressly understood and agreed that Halliburton Oil Well Cementing Company is selling and delivering the cement described on this ticket only as a retail dealer and distributor and that Halliburton Oil Well Cementing Company makes no representation or warranties, expressed or implied, except those made by the manufacturer.
It is specifically understood and agreed that Halliburton Oil Well Cementing Company shall not be liable for any unsatisfactory results from the use of such cement.
It is understood and agreed that Halliburton Oil Well Cementing Company will not be bound by any changes or modifications in the above terms and conditions unless authorized by one of the executive officers in writing.



ORIGINAL
SEND ALL REMITTANCES TO
P.O. DRAWER 147
DUNSMAN, OKLAHOMA

Formation Testing and Tool
Invoice & Ticket
No. T 180924
In Remitting or Corresponding
Please Refer to Above Invoice Number.

HOWCO 1020R4-PRINTED IN U. S. A.

DATE 4-19-58	CUSTOMER'S ORDER NO.	CUSTOMER'S REG. NO.	SEC.	TWP.	RNG.	TRK. CALLED OUT 6	ON LOCATION 19 DATE 7 A.M. P.M.	JOB BEGAN 19 DATE 2 A.M. P.M.	JOB COMPLETED 19 DATE 9 A.M. P.M.
WELL NO. AND FARM 1- Bearyan-Mont		PLACE OR DESTINATION Holbrook Ariz			COUNTY NAVAJO		STATE Ariz		
OWNER Bearyan Co		CONTRACTOR Co Tools		CHARGE TO Bes Oil Co					
Duncan Use Only	BES OIL COMPANY BOX 1 HOLBROOK, ARIZONA			5	MAILING ADDRESS Box 1 Holbrook Ariz				
	073395			Cnst. Inv. Req. Orig. & No. Copies					

PRESENT DEPTH 1683	SIZE DRILL PIPE 3 1/2 in.	SIZE TUBING	SIZE CASING	GAS <input type="checkbox"/> ; OIL <input type="checkbox"/> ; DRY <input type="checkbox"/>
KIND OF JOB Open Hole Test	TOOL NO. 5171	HOWCO P.R.D. NOS. 3254	D.T. GAUGE NOS. 730	AMT. TIME TOOL OPEN
TIME MIXING AND PUMPING	NO. BAGS 2	SIZE PACKER 7"	KIND OF TOOL E.A.D. Packer	DEPTH SET 1571
EXPLANATION OF JOB Misc Run - No Packer Seat				

INVOICE SECTION

DEPTH OF JOB	PRICE REFERENCE	DESCRIPTION	UNIT PRICE	AMOUNT
	R-317	PRICE JOB		80.00
	R-318	PACKER CHARGE		85.00
		SAFETY JOINT RENTAL		165.00
		OTHER CHARGES		
	A	Jan 22 Cash		
TERMS 5 7% Cash discount will be allowed if paid by 20th of following month. 6% interest charged after 60 days from date of invoice.			SUB TOTAL	165.00
We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished covered by this invoice.			TAX	
			TOTAL	

JACK BOONS
HOWCO OPERATOR

FARMINGHAM, N. MEX
LOCATION

OWNER, OPERATOR OR HIS AGENT

Was Operation of Equipment Satisfactory?

Was the Job Satisfactorily Completed?

Suggestions:

BY [Signature]
OWNER, OPERATOR OR HIS AGENT

PAID

APR 28 1958

Halliburton Oil Well Cementing Co.

NO



ORIGINAL
 SEND ALL REMITTANCES TO
 P.O. DRAWER 1
 DUNCAN, OKLAHOMA

Formation Testing and Tool
 Invoice & Ticket
 No. T 180923
 In Remitting or Corresponding
 Please Refer to Above Invoice Number

DATE	CUSTOMER'S ORDER NO.	CUSTOMER'S REG. NO.	SEC.	TWP.	RNG.	TRK.	CALL. OUT	ON LOCATION	JOB BEGAN	JOB COMPLETED	
4-18-54							17	18 DATE 7:30 A.M.	18 DATE 1:30 P.M.	18 DATE 9:30 P.M.	
WELL NO. AND FARM		PLACE OR DESTINATION			COUNTY		STATE				
1- Bevoan - Mont		Holbrook, Ariz			NAVAJO		ARIZ				
OWNER		CONTRACTOR		CHARGE TO							
Bevoils Co		Co Tools		Bevoils Co.							
Duncan Use Only	PRESENT DEPTH			SIZE DRILL PIPE	SIZE TUBING	SIZE CASING	MAILING ADDRESS				
	1683			3 1/2 LF.			Box 1				
KIND OF JOB			TOOL NO.	HOWCO P.R.D. NOS.	B.T. GAUGE NOS.	AMT. TIME TOOL OPEN	RESULT OF TEST:	GAS <input type="checkbox"/> OIL <input type="checkbox"/> DRY <input type="checkbox"/>			
Ordnance Test			4171	3259	730						
TIME MIXING AND PUMPING		NO. SACKS	SIZE PACKER	KIND OF TOOL		DEPTH SET	PRESSURE				
		1	2 3/4	FSA Packer		1560	BREAKING FORM		SQUEEZING		
				H-2 Tool V.R. Safety Joint Howco Jars							
EXPLANATION OF JOB											
Mis-Run - No Packer sent											

INVOICE SECTION

DEPTH OF JOB		1560-1683	
PRICE REFERENCE	DESCRIPTION	UNIT PRICE	AMOUNT
R-317	PRICE JOB MISSOURI		80.00
	PACKER CHARGE	8.00 @ 2% cash	1.60
	JARS		2.40
R-301	OTHER CHARGES		50.00
	Non-Resident Reg. Permit		8.00
	F-Gen. Terms 1 day Operator		15.00
TERMS	Cash discount will be allowed if paid by 20th of following month. 6% interest charged after 60 days from date of invoice.	SUB TOTAL	153.00
1/62		TAX	
		TOTAL	NO

JACK BOONE
 HOWCO OPERATOR

FARMINGTON, N. Mex.
 LOCATION

W. K. Bevoan
 OWNER, OPERATOR OR HIS AGENT

PAID

Was Operation of Equipment Satisfactory?

Was the Job Satisfactorily Completed? APR 28 1954

Suggestions:

Halliburton Oil Well Cementing Co.

BY: *W. K. Bevoan*
 OWNER, OPERATOR OR HIS AGENT

We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished covered by this invoice.

OFFICE PHONE
DA 5-4362

RESIDENCE
DA 5-3858

LEE W. KILGORE
GEOLOGIST
1007 W. APACHE STREET
P. O. BOX 632
FARMINGTON, NEW MEXICO

November 4, 1958

ARKANSAS LOUISIANA GAS CO.
HOUSTON, ARIZONA
RECEIVED
JAN 22 1965
GEOLOGICAL

SAMPLE DESCRIPTION 900 - 1675 feet.

BISCOIL COMPANY, 51 HUNT
NE 1/4 Sec. 31-T19N-R20E.,
Navajo County, Arizona

- 900 - 905 SANDSTONE, SILTSTONE & GYP - SS 80% Pink, medium hard, fine to very fine, friable, porous, gypsiferous and calcareous cement; SILT Pink and orange, soft and unconsolidated; GYP white to light gray, soft, Selenite, granular and mossy; Some thin ferruginous irregular layers.
- 905 - 910 DITTO * Same with more reddish SS, siltier and increase Gyp.
- 910 - 915 DITTO - SS 60%, increase GYP and gypsiferous SS.
- 915 - 920 DITTO - SS 60%, Streak medium hard SS.
- 920 - 930 DITTO - SS 50%, Selenite Gyp streak.
- 930 - 935 DITTO - SS 30%, Increase silt and Very fine SS, Decrease Gyp.
- 935 - 940 DITTO - SS 40%, Streak gray LS.
- 940 - 945 DITTO - SS 60%, Increase Gyp.
- 945 - 955 DITTO - SS 60%, Ferruginous material.
- 955 - 960 Missing.
- ✓ 960 - 965 DITTO & LIMESTONE-DOLOMITE - SS 30%, Streaks Anhydrite and Gray-Brown crystalline Dolomite, slight porosity.
- 965 - 975 DITTO - SS 25%, Increase Gyp, Anhydrite, Dolomite and Silt.
- 975 - 980 DITTO - SS 30%, Streaks red-purple and light gray Silt.
- 980 - 985 DITTO - SS 30%, Decrease Silt, Increase Dolomite.
- 985 - 1000 DITTO - SS 30%, Increase Silt.
- 1000 - 1005 DITTO - SS 10%, Increase Silt.
- 1005 - 1010 DITTO - SS 20%, Decrease Silt, Increase pink fine SS, LS, Brown dense and Xline Dolomite, slight porosity.
- 1010 - 1015 DITTO - SS 10%, Trace salt.
- 1015 - 1020 DITTO - SS 20%, Increase brown LS-Dolo.
- 1020 - 1025 DITTO - SS 20%, Increase LS-Dolo (50%).
- 1025 - 1030 DITTO - SS 60%, Pink medium hard, fine to very fine, sub-round, low porosity, gypsiferous and calcareous cement; Decrease LS, Gyp and Anhydrite; minor Silt.
- 1030 - 1035 DITTO - SS 60%, Softer, some unconsolidated, increase Silt.
- 1035 - 1040 DITTO - SS 70%, Slightly coarser.
- 1040 - 1050 GYP, ANHYDRITE, LIMESTONE-DOLOMITE, SS 10%, White granular Gyp, crystalline and dense Anhydrite, minor LS-Dolo, slight SS and Silt; Ferruginous material, calcareous.
- 1050 - 1055 DITTO - SS 10%, Abundant Gyp, minor LS-Dolo.
- 1055 - 1060 DITTO - SS 10%, Abundant Gyp, Increase dark brown LS-Dolo.
- 1060 - 1070 DITTO - Poor sample - Lost circulation material.
- 1070 - 1110 Sample missing.
- 1110 - 1130 DITTO - SS 10%, Gray and white soft, mossy and granular Gyp; LS-Dolo - Brown, hard and gypsiferous.
- 1130 - 1140 DITTO - SS 10%, Trace maroon Shale.
- 1140 - 1150 DITTO - SS 20%, Increase Shale and Silt.
- 1150 - 1190 Sample missing.
- 1190 - 1220 DITTO - SS 10%, Abundant Gyp, minor LS-Dolo and Silt.
- 1220 - 1300 Sample missing.

- 1300 - 1305 GYP, LIMESTONE-DOLOMITE & SANDSTONE - SS 10%, Pink, soft, vry fine; Abundant Gyp, moray; Minor brown LS-Dolo.
- 1305 - 1315 DITTO - SS 40%, Pink, soft, fine to very fine, porous, Some SH & Silt.
- 1315 - 1345 Sample missing.
- 1345 - 1365 DITTO - SS 60%, Increase Silt & SH; Minor Gyp and LS increasing.
- 1365 - 1370 Sample missing.
- 1370 - 1400 DITTO - SS 80%, Increase Silt, poor sample.
- 1400 - 1410 DITTO & ANHYDRITE - SS 80%, Much unconsolidated; Minor LS-Dolo and crystalline Anhydrite.
- 1410 - 1420 DITTO - SS 10%, Increase Gyp and Anhydrite; Lost circulation material.
- 1420 - 1430 DITTO - SS 10%, Gray calcareous Silt; Some vuggy LS and Dense Dolo.
- 1430 - 1435 DITTO - SS 50%, Increase Pink-red SS; Decrease gray Silt.
- 1435 - 1455 DITTO - SS 20%; Dense Dolo; Trace vugulary LS.
- 1455 - 1460 Sample missing.
- 1460 - 1465 DITTO - SS 60%.
- 1465 - 1490 DITTO - SS 70%, Trace brown LS with oil stain.
- 1490 - 1490 DITTO - SS 80%.
- 1490 - 1500 DITTO - SS 70%, Trace brown Dolo with oil stain.
- 1500 - 1516 DITTO - SS 90%, SS grading to Silt, pinkish brick red, soft, very fine; Gyp, white, light gray and gray, soft; Trace brown LS-Dolo.
- 1516 - 1530 Sample missing.
- 1530 - 1534 DITTO - SS 60%, Streak light gray vugular silty LS.
- 1534 - 1539 DITTO - SS 70%, Pinkish brick red, medium hard and soft, very fine, calcareous and gypiferous; GP, White, Gray and light gray, moesy, dense and some Selenite; LS-Dolo, Gray and brownish gray, hard, crystalline and dense, some silty.
- 1539 - 1560 DITTO - SS 60%, Some vugular Gyp and light gray silty LS.
- 1560 - 1570 DITTO - SS 50%, Darker brick red and harder; increase Gyp and LS.
- 1570 - 1575 LIMESTONE, SILT & GYP - LS, Gray, Hard, dense and finely crystalline, some slightly silty, trace oil stain, no fluorescence; Silt and Gyp minor.
- 1575 - 1576 DITTO - Same with slight porosity, light brown oil stain, light fluorescence.
- 1576 - 1578 DITTO - Slight oil stain, trace fluorescence.
- 1578 - 1579 DITTO & GYP - ANHYDRITE - LS, Same with trace oil stain, light to dull fluorescence; Thin streaks light tan-gray granular Gyp-Anhydrite; trace Silt.
- 1579 - 1580 DITTO & Silt - LS; Same with trace oil stain and fluorescence; Gyp-Anhydrite, White and light gray-tan, granular and vugular; Streaks brick red and orange Silt.
- 1580 - 1585 DITTO - LS becoming Dolomitic, traces oil stain and fluorescence; Slight increase Silt.
- 1585 - 1590 DITTO - LS-Dolo, Same and vugular-granular; increase Silt and Gyp-Anhy.
- 1590 - 1595 DITTO - LS-Dolo, Tan to brown, oil stain, no fluorescence, granular and vugular.
- 1595 - 1600 DITTO - LS-Dolo, Brown, medium soft, granular, trace vugs, brown oil stain, slight fluorescence, trace fractures; minor Silt and Gyp-Anhy.
- 1600 - 1605 DITTO - SS 50%, LS-Dolo Medium Hard, granular and very silty grading to calcareous Silt; Increase Silt and red SS.
- 1605 - 1610 DITTO - SS 50%, Increase Gyp and red SS.
- 1610 - 1615 DITTO & SHALE - SS 60%, Streak brown, hard LS-Dolo; Fed SH; Increase Gyp and red SS.
- 1615 - 1620 DITTO - SS 60%, Increase gray and white Gyp-Anhy; Brown stain in calcareous Silt.
- 1620 - 1625 DITTO - SS 70%, Increase red and pink SS and Silt; Decrease LS-Dolo.
- 1625 - 1630 DITTO - SS 70%, Increase Gyp-Anhy.
- 1630 - 1635 Sample missing.
- 1635 - 1640 DITTO - SS 50%, Increase gray-brown calcareous Silt and Anhy.
- 1640 - 1645 DITTO - SS 60%, Increase red and pink SS and Silt; Streak hard crystalline Anhydrite.

1645 - 1655 DITTO - SS 70%, Increase red and pink SS and Silt; Minor gray-
brown Silt and Anhy.
1655 - 1668 DITTO - SS 60%, Increase gray-brown calcareous Silt and Anhy;
Decrease red and pink SS and Silt.
1668 - 1675 DITTO - SS 90%, Increase red and pink SS And Silt and Gyp;
Decrease gray-brown calcareous silt; minor La+Colo.
1675 - 1683 Sample missing.

TOTAL DEPTH 1683 feet.

Leo N. Kilgore

Recd from Wm Carr.
9-25-72

Sec 32 - State

31-18a-20E

EXERPTS FROM A GEOLOGICAL AND ENGINEERING REPORT

MADE BY

LEE W. KILGORE, GEOLOGIST, OF FARMINGTON, NEW MEXICO

OF THE

#1 HUNT TEST WELL, NAVAJO COUNTY, ARIZONA

54

TEST WELL DATA:

LOCATION: ~~SE~~ 1/4 ~~SE~~ 1/4 SECTION 31-T10N-R20E.

ELEVATION: 5050 FT. GR., 5055.6 FT. DF.

SPUDDING DATE: FEBRUARY 7, 1958.

CASING: 304 FT., 10-3/4 IN.; 700 FT., 7 IN. (PULLED); 1202 FT., 7 IN.;
LINER-524 FT., 5 1/2 IN. FROM 1139 TO 1663 FT.

COMMENCED DRILLING: FEBRUARY, 7, 1958.

COMPLETED DRILLING: APRIL 17, 1958.

TOTAL DEPTH: 1693 FT. PLUGBACK - 1663 FT.

RADIATION LOG: McCULLOUGH TOOL COMPANY
842 FT. TO SURFACE GAMMA RAY-NEUTRON.
1683 FT. TO 100 FT. GAMMA RAY-NEUTRON.
1683 FT. TO 120 FT. MULTI-SPACE NEUTRON.

COMPLETION METHOD - JET AND BULLET PERFORATED AND SAND-OIL FRAC.

PRODUCTION ZONE: UPPER SUPAI FM AND FT. APACHE LIMESTONE.

PRODUCTION: PROBABLE OIL AND GAS - UNCONFIRMED.

DISCUSSION

THIS WELL WAS LOCATED ON THE PENZANCE ANTICLINE WHICH IS A NORTHEAST-SOUTHWEST TRENDING STRUCTURE ABOUT SIX MILES LONG AND THREE AND ONE-HALF MILES MAXIMUM WIDTH. THE ANTICLINE HAS ABOUT 100 FEET OF EFFECTIVE CLOSURE.

THE PENZANCE ANTICLINE IS ABOUT FOUR MILES WEST OF HOLBROOK, ARIZONA, AND IS ACCESSIBLE BY U. S. HIGHWAY 66 WHICH CROSSES NEAR THE CENTER OF THE STRUCTURE. THE MAIN LINE OF THE SANTA FE RAILROAD CROSSES THE STRUCTURE WITH THE SMALL STATION OF PENZANCE NEAR THE APEX. THE LITTLE COLORADO RIVER RUNS ALONG THE SOUTH-EAST FLANK AND CUTS ACROSS THE WESTERN PART OF THE ANTICLINE.

REGIONALLY, THE PENZANCE ANTICLINE LIES ON THE SOUTHEAST RIM OF THE BLACK MESA BASIN. IT IS JUST NORTH OF THE LARGE NORTHWEST-SOUTHEAST TRENDING HOLBROOK ANTICLINE.

THE TERRAIN IS GENERALLY ROLLING HILLS AND VALLEYS OF 100 TO 200 FEET OF RELIEF WITH LOW CLIFFS FORMED BY THE SANDSTONES OF THE MOENKOPI AND SHINARUMP FORMATIONS. SOME OF THE FLAT-TOPPED HILLS ARE COVERED WITH WATER BORNE BOULDERS AND DEBRIS. THE BROAD VALLEYS ARE ALLUVIUM FILLED WITH NO ROCK CROPPING-OUT. ELEVATIONS VARY FROM ABOUT 4950 TO 5200 FEET.

THE CLIMATE IS ARID AND SEMI-DESERT BUT WATER IS PLENTIFUL FROM THE LITTLE COLORADO RIVER AND FROM SHALLOW WELLS DRILLED INTO THE UPPER COCONINO SANDSTONE. THE RIVER AND THESE SHALLOW WELLS FURNISH AN ABUNDANCE OF WATER FOR AGRICULTURAL IRRIGATION IN THE FERTILE VALLEYS.

THE #1 HUNT WAS DRILLED TO A TOTAL DEPTH OF 1683 FEET TO TEST A ZONE IN THE LOWER COCONINO SANDSTONE KNOWN TO HAVE SHOWS OF HIGH GRAVITY OIL AND PRODUCES HELIUM GAS IN OTHER NEARBY STRUCTURES; AND, TO TEST ZONES IN THE UPPER SUPAI (CUTLER) FORMATION FOR OIL, NATURAL GAS AND HELIUM. THE PRINCIPAL OBJECTIVE WAS THE FORT APACHE LIMESTONE MEMBER OF THE SUPAI WHICH HAS HAD FAVORABLE SHOWS OF OIL AND NATURAL GAS IN SEVERAL TEST WELLS THROUGHOUT THE AREA, ALSO, IT IS KNOWN TO HAVE OIL SEEPS ON ITS OUTCROP FARTHER SOUTH AND EAST. NONE OF THESE ZONES HAD BEEN TESTED ON THE PENZANCE ANTICLINE PREVIOUSLY.

SAMPLES OF DRILL CUTTINGS WERE TAKEN AND HAVE BEEN EXAMINED WITH A MICROSCOPE AND FLUORESCENT MINERAL LAMP FOR A DESCRIPTION OF LITHOLOGY AND FOR SHOWS OF OIL. FORMATION TOPS AND STRATIGRAPHIC DETERMINATIONS HAVE BEEN SELECTED FROM THE SAMPLES AND CORRELATED AND ADJUSTED TO THE RADIATION LOG.

GOOD SHOWS OF OIL AND GAS WERE FOUND FROM 1575 TO 1600, WITH HIGH GRAVITY FLUORESCENCE FROM 1575 TO 1580. GAS APPEARED IN THE DRILLING MUD THROUGHOUT THE SECTION.

FROM 1605 TO THE TOTAL DEPTH OF 1683 FEET THE SECTION WAS INTERBEDDED RED

SHALES AND SANDSTONES WITH GYPSUM AND GRAY AND BROWN CALCAREOUS AND ANHYDRITIC SILTSTONES. STAINING WAS NOTED IN THE SAMPLES AND THE MUD CONTINUED TO CARRY GAS TO TOTAL DEPTH.

PRODUCTION POSSIBILITIES

OIL AND GAS SHOWS WERE FOUND IN SEVERAL ZONES DURING DRILLING IN THE COCONINO AND IN THE UPPER PORTION OF THE SUPAI. THE MOST LIKELY ZONE FOR COMMERCIAL PRODUCTION WAS THE FORT APACHE LIMESTONE. THE SMALLER SHOWS PROBABLY WOULD NOT BE COMMERCIAL IN THEMSELVES BUT IF STIMULATED WOULD ADD TO THE PRODUCTION AND ECONOMICS.

SHOWS RECORDED DURING DRILLING OR FOUND IN SAMPLE ANALYSIS ARE AS FOLLOWS:

COCONINO SANDSTONE

95 TO 100 FEET - VERY SLIGHT OIL AND GAS.
380 TO 405 FEET - SLIGHT OIL AND STAIN.

SUPAI FORMATION

610 TO 620 - OIL IN SAMPLES
838 TO 840 - GAS IN PERFORATIONS
1240 TO 1320 - GAS IN MUD
1420 TO 1440 - GAS IN MUD
1605 TO 1683 - OCCASIONAL STAIN IN SAMPLES

FORT APACHE LIMESTONE

1570 TO 1575 - OIL STAIN - GAS IN MUD
1575 TO 1580 - GOOD OIL IN SAMPLES - FLUORESCENCE
1580 TO 1605 - OIL STAIN - GAS IN MUD

FROM SAMPLE EXAMINATION AND FROM DRILLING REPORTS IT APPEARS THAT THE FORT APACHE LIMESTONE WOULD BE CAPABLE OF PRODUCING COMMERCIAL OIL OR GAS IN SMALL QUANTITIES. SINCE THE DRILLSTEM TESTS OF THE ZONE FAILED AND BECAUSE OF UNFORTUNATE CIRCUMSTANCES IN THE SAND-FRAC STIMULATION, IT IS NOT POSSIBLE TO DETERMINE THE PRODUCING CAPABILITY OF THE FORT APACHE.

THE SHOWS OF GAS IN THE SHALLOWER ZONES OF THE SUPAI PROBABLY WOULD PRODUCE SUFFICIENT GAS WITH PROPER COMPLETION AND STIMULATION TO BE ECONOMICAL IN CONJUNCTION WITH THE FORT APACHE.

THE OIL SHOWS IN THE COCONINO AND UPPER SUPAI PROBABLY ARE TOO SMALL TO BE COMMERCIAL BUT MIGHT DEVELOP IN OTHER LOCATIONS ON THE STRUCTURE.

GAS ANALYSIS BY EL PASO NATURAL GAS COMPANY LABORATORIES. THE ANALYSIS OF THE SAMPLE OF GAS TAKEN FROM THE INTERVALS PERFORATED BETWEEN 1571 AND 1662 ARE AS FOLLOWS:

<u>COMPONENT</u>	<u>VOL%</u>	<u>G.P.U.</u>
CARBON DIOXIDE	0.24	
HYDROGEN SULPHIDE	NIL	
<u>NITROGEN</u>	53.83	
<u>METHANE</u>	42.08	
ETHANE	2.36	
PROPANE	0.89	0.244
I-BUTANE	0.14	0.046
N-BUTANE	0.25	0.079
I-PENTANE	0.10	0.036
N-PENTANE	0.07	0.025
HEXANE	0.04	0.017
TOTALS	100.00%	0.447

B.T.U. HEATING VALUE 502
 SPECIFIC GRAVITY 0.809

IT IS TO BE NOTED THAT THERE IS A HIGH PERCENTAGE OF NITROGEN IN THE SAMPLE WHICH, ACCORDING TO AN EL PASO REPRESENTATIVE, IS PARTIALLY HELIUM. ALSO, IT IS LIKELY THAT A LARGE PORTION OF THE NITROGEN CONTENT IS FROM AIR IN THE SAMPLE CONTAINER WHICH COULD NOT BE PURGED BECAUSE OF LOW PRESSURES IN FILLING THE CONTAINER. THIS AIR BOULD, OR COURSE, REDUCE THE PERCENTAGES OF EACH COMPONENT PROPORTIONATELY AND LOWER THE BTU HEATING VALUE. IT WOULD BE MISLEADING TO USE THIS ANALYSIS IN ANY DETERMINATION OF THE VALUE OF THE PRODUCEABLE GAS FROM THE WELL.

CONCLUSIONS AND RECOMMENDATIONS

DURING THE DRILLING AND THE SEVERAL STAGES OF COMPLETION OF THE #1 HUNT, IT APPEARS THAT SUFFICIENT SHOWS OF OIL AND GAS WERE FOUND TO INDICATE THAT THE WELL WAS CAPABLE OF PRODUCTION.

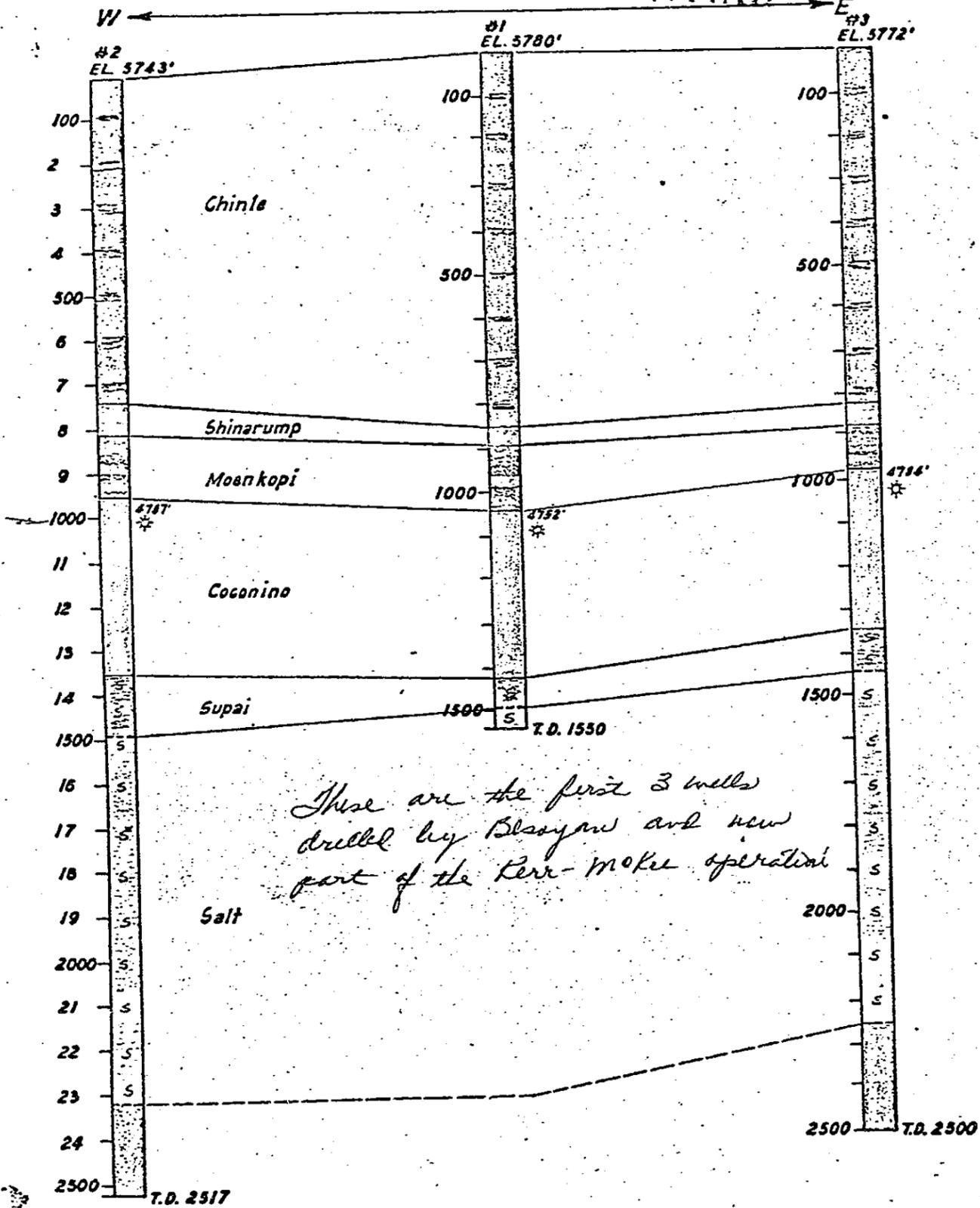
THROUGH THE LACK OF ADEQUATE TESTING AND THE SERIES OF DIFFICULTIES IN COMPLETION, INSUFFICIENT INFORMATION WAS OBTAINED TO CONFIRM OR DENY ITS CAPABILITIES. I DEFINITELY BELIEVE THAT THE FRAC FLUID USED WAS HIGHLY DETRIMENTAL TO THE FORMATION AND REDUCED THE POSSIBILITY OF PRODUCTION FROM THE FORT APACHE LIVESTONE TO THE EXTENT THAT IT COULD NOT HAVE BEEN COMMERCIAL.

IT IS BELIEVED THAT THE #1 HUNT HAS SHOWN SUFFICIENT EVIDENCE OF OIL AND GAS, (THAT CANNOT BE CONFIRMED), TO WARRANT THE DRILLING OF A SECOND TEST ON PENZANCE ANTICLINE. IT IS RECOMMENDED THAT ANOTHER TEST WELL BE DRILLED TO TEST THE SAME ZONES SHOWING OIL AND GAS IN THE #1 HUNT.

SINCE THE #1 HUNT WAS LOCATED NEARBY 100 FEET DOWN-DIP ON THE WEST FLANK OF THE ANTICLINE, IT IS RECOMMENDED THAT IF A SECOND TEST IS DRILLED IT BE LOCATED NEAR THE CULMINATION OF THE STRUCTURE. A LOCATION NEAR THE OLD PERKINS LOCATION IN SW 1/4 SECTION 33, TOWNSHIP 18 NORTH, RANGE 20 EAST, WOULD SATISFY THE STRUCTURAL POSITION.

THIS LOCATION ALSO WOULD BE WELL SITUATED FOR A TEST OF ZONES DEEPER THAN THOSE TESTED IN THE #1 HUNT.

CONFIDENTIAL



A WEST TO EAST CROSS SECTION OF THE THREE MACIE WELLS ON PINTA DOME, APACHE COUNTY, ARIZONA.

CONFIDENTIAL

EXCERPTS from a GEOLOGICAL and MINING REPORT

made by

LEL W. HILDRE, GEOLOGIST, of PHOENIX, ARIZONA

OF THE

11 HUNT TIDE WELL, HAVAJO COUNTY, ARIZONA

WELL DATA:

Location: SE 1/4 SE 1/4 Section 21, T 18 N, R 20 E

990' from S. LINE
660' " E. LINE

Elevation: 5000 Ft. Gr., 5000.6 Ft. BP.

Spudding Date: February 7, 1938

Casings: 304 Ft., 10-3/4 In., 700 Ft., 7 In.;
Liner-324 Ft., 5 1/2 In. from 1150 to 1565 Ft.

Commenced Drilling: February 7, 1938

Completed Drilling: April 17, 1938

Total Depth: 1685 Ft. Plugback - 1565 Ft.

Radiation Log: McCullough Tool Company
042 Ft. to surface Gamma Ray-Neutron.
1685 Ft. to 100 Ft. Gamma Ray-Neutron
1605 Ft. to 120 Ft. Multi-Space Neutron.

Completion Method - Jet and Bullet Perforated and Sand-Oil Frac.

Production Zones: Upper Gupai and Ft. Apache Limestone.

Productions: Probable Oil and Gas - Unconfirmed.

DISCUSSION:

This well was located on the Penance Anticline which is a northeast-southwest trending structure about six miles long and three and one-half miles maximum width. The anticline was about 100 feet of effective closure.

The Penance anticline is about four miles west of Holbrook, Arizona, and is accessible by U. S. Highway 66 which crosses near the center of the structure. The mainline of the Santa Fe Railroad crosses the structure with the small station of Penance near the apex. The Little Colorado River runs along the southeast flank and cuts across the western part of the anticline.

Regionally, the Panguitch anticline lies on the southeast rim of the Black Mesa Basin. It is just north of the large northeast-southeast trending Holbrook anticline.

The terrain is generally rolling hills and valleys of 100 to 200 feet of relief with low cliffs formed by the sandstones of the Moenkopi and Shinarump Formations. Some of the flat-topped hills are covered with water borne boulders and debris. The broad valleys are alluvium filled with nook cropping-out. Elevations vary from about 4950 to 5200 feet.

The climate is arid and semi-desert but water is plentiful from the little Colorado River and from shallow wells drilled into the upper Coconino Sandstone. The river and these shallow wells furnish an abundance of water for agricultural irrigation in the fertile valleys.

The #1 Hunt was drilled to a total depth of 1603 feet to test a zone in the lower Coconino Sandstone known to have shows of High Gravity Oil and Produces Helium Gas in Other Nearby structures; and, to test zones in the upper Supai: (Gardner) formation for Oil, Natural Gas and Helium. The principal objective was the Fort Apache limestone member of the Supai which has had favorable shows of oil and natural gas in several test wells throughout the area, also, it is known to have oil seeps on its outcrop farther south and east. None of these zones had been tested on the Panguitch anticline previously.

Samples of drill cuttings were taken and have been examined with a microscope and fluorescent mineral lamp for a description of lithology and for shows of oil. Formation tops and stratigraphic determinations have been selected from the samples and correlated and adjusted to the radiation log.

Good shows of oil and gas were found from 1375 to 1600, with high gravity fluor- from 1375 to 1500, gas appeared in the drilling and throughout the section.

From 1405 to the total depth of 1603 feet the section was interbedded red

shales and sandstone with gypsum and gray and brown calcareous and anhydritic siltstones. Staining was noted in the samples and the acid continued to carry gas to total depth.

PRODUCTION POTENTIALS

Oil and gas shows were found in several zones during drilling in the Cocconino and in the upper portion of the Supai. The most likely zone for commercial production was the Fort Apache Limestone. The smaller shows probably would not be commercial in themselves but if stimulated would add to the production and economics.

Shows recorded during drilling or found in sample analysis are as follows:

Cocconino Sandstone

- 95 to 100 feet - very slight oil and gas.
- 330 to 405 feet - slight oil and stain.

Supai Formation

- 610 to 620 - Oil in Samples
- 838 to 840 - Gas in Perforations
- 1240 to 1280 - Gas in Mid, 1420 to 1440 - Gas in Mid
- 1605 to 1685 - Occasional stain in samples

Fort Apache Limestone

- 1570 to 1575 - Oil stain - gas in acid
- 1575 to 1580 - Good oil in samples - Fluorescence
- 1580 to 1605 - Oil stain - gas in acid

From sample examination and from drilling reports it appears that the Fort Apache Limestone would be capable of producing commercial oil or gas in small quantities. Since the drillstem tests of the zone failed and because of unfortunate circumstances in the sand-frac stimulation, it is not possible to determine the producing capability of the Fort Apache.

The shows of gas in the shallower zones of the Supai probably would produce sufficient gas with proper completion and stimulation to be economical in conjunction with the Fort Apache.

The oil shows in the Cocconino and upper Supai probably are too small to be commercial but might develop in other locations on the structure.

Gas Analysis by El Paso Natural Gas Company Laboratories. The analysis of the sample of gas taken from the intervals perforated between 1571 and 1562 are as follows:

<u>COMPONENT</u>	<u>MOLES</u>	<u>G.P.E.</u>
Carbon Dioxide	0.24	
Hydrogen Sulphide	331	
Nitrogen	55.85	
Methane	43.08	
Ethane	2.56	
Propane	0.29	0.244
i-Butane	0.14	0.046
n-Butane	0.25	0.079
i-Pentane	0.10	0.036
n-Pentane	0.07	0.023
Hexane	0.04	0.017
Totals	100.00%	0.447

B.T.U. Heating Value 502
Specific Gravity 0.609

It is to be noted that there is a high percentage of nitrogen in the sample which, according to an El Paso representative, is partially helium. Also, it is likely that a large portion of the nitrogen content is from air in the sample container which could not be purged because of low pressures in filling the container. This air would, of course, reduce the percentages of each component proportionately and lower the BTU heating value. It would be misleading to use this analysis in any determination of the value of the producible gas from the well.

CONCLUSIONS AND RECOMMENDATIONS

During the drilling and the several stages of completion of the #1 Hunt, it appears that sufficient shows of oil and gas were found to indicate that the well was capable of production.

Through the lack of adequate testing and the series of difficulties in completion, insufficient information was obtained to confirm or deny its capabilities. I definitely believe that the free fluid used was highly detrimental to the formation and reduced the possibility of production from the Fort Apache limestone to the extent that it could not have been commercial.

It is believed that the #1 Hunt has shown sufficient evidence of oil and gas, (that cannot be confirmed), to warrant the drilling of a second test on Pennsboro anticline. It is recommended that another test well be drilled to test the same zone showing oil and gas in the #1 Hunt.

Since the #1 Hunt was located nearly 100 feet down-dip on the west flank of the anticline, it is recommended that if a second test is drilled it be located near the culmination of the structure. A location near the old Perkins location in SW 1/4 Section 33, Township 18 North, Range 20 East, would satisfy the structural position.

This location also would be well situated for a test of zones deeper than those tested in the #1 Hunt.

Conversation
Phil Johnson: 4:30 - 5:58
10:00 AM,

1. Depth. - 1683'
2. Salt water? - maybe in Seepai
3. Extent of current damage to hole
4. Casing cemented?

chester

1. TD 123'

Water 101' from surface
approx 19' of water in hole

1200 + 7" casing.

washing hole.

Bring in cable rig to bale out.

Reported that "Quiet title" suit ~~by~~ Lynch - Besoyan - Navajo Co. Superior court
Halliburton did cementing

circulation of Seepai salt into Cococassio
fresh water

300' of casing not adequate because
Cococassio is thicker in section at this location

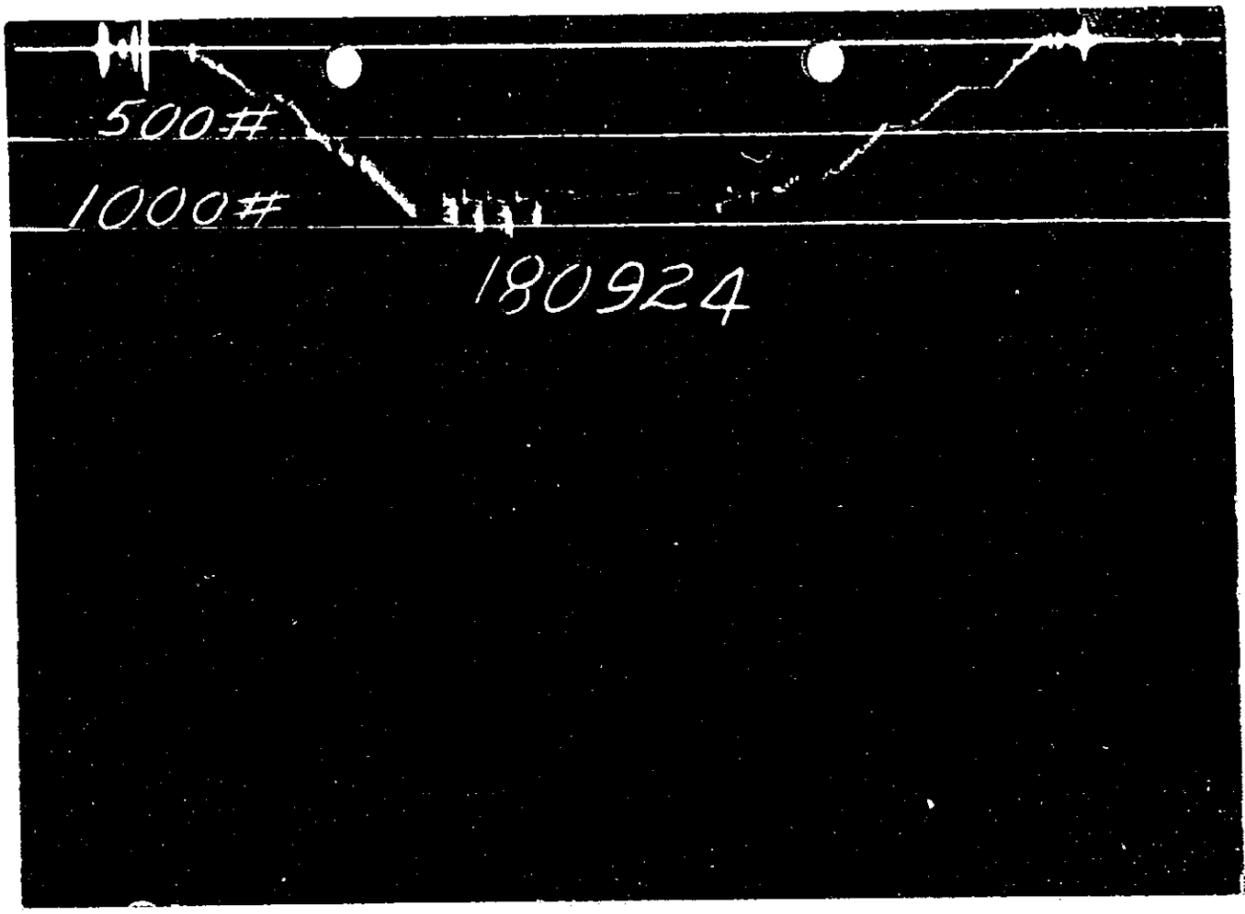
Term

Wingert geologist for Boy, called Phil.
had samples of bottom of hole.

Initial Closed In Time	-	Minutes		Date	4-19-58
Tool Open Flow Period	-	Minutes		Ticket No.	180924
Final Closed In Time	-	Minutes		HOWCO DISTRICT	Farmington
Depth Top Gauge	1575	Ft.		Kind of Job	Open Hole
BT. P.R.D. No	730		12	Hr. Clock	CONTRACTOR Company Tools
Pressure Readings	Field		Office Corrected		HOLE & TOOL DATA
Initial Hydro Mud Pressure	-		-		Elevation 5050' Top Packer Depth 1568'
Initial Closed in Pres.	-		-		Total Depth 1683' Bottom Packer Depth 1572'
Initial Flow Pres.	-		-		Casing or Hole Size 7 7/8" Size & Type Wall Packer 7" E.S.A.
Final Flow Pres.	-		-		Liner or Rathole Size - Size Bottom Choke 3/4"
Final Closed in Pres.	-		-		Casing Perforations Top Bottom Size Surface Choke 1"
Final Hydro Mud Pressure	-		-		Interval Tested 111' ID & Length Air Chamber -
Depth Center Gauge	-	Ft.	Blanked Off -		Formation Tested Fort Apache ID & Length Drill Collars -
BT. P.R.D. No	-		-	Hr. Clock	Est. Gauge Depth Temp. Calc. 100 F. Size Drill Pipe 3 1/2" I.O.F.
Pressure Readings	Field		Office Corrected		MUD DATA Weight 9.2 Viscosity 60
Initial Hydro Mud Pressure	-		-		All depths measured from Rotary Table No. Folders Reproduced 5
Initial Closed in Pres.	-		-		REMARKS: MISRUN. No packer seat.
Initial Flow Pres.	-		-		
Final Flow Pres.	-		-		
Final Closed in Pres.	-		-		
Final Hydro Mud Pressure	-		-		
Depth Bottom Gauge	1679	Ft.	Blanked Off	NO	
BT. P.R.D. No	3259		-	Hr. Clock	
Pressure Readings	Field		Office Corrected		
Initial Hydro Mud Pressure	-		-		
Initial Closed in Pres.	-		-		Recovered Feet of
Initial Flow Pres.	-		-		Recovered Feet of
Final Flow Pres.	-		-		Recovered Feet of
Final Closed in Pres.	-		-		Recovered Feet of
Final Hydro Mud Pressure	-		-		Witnessed By Mr. Besoyan
Amount-Type of Cushion	none				Tester J. W. Boone

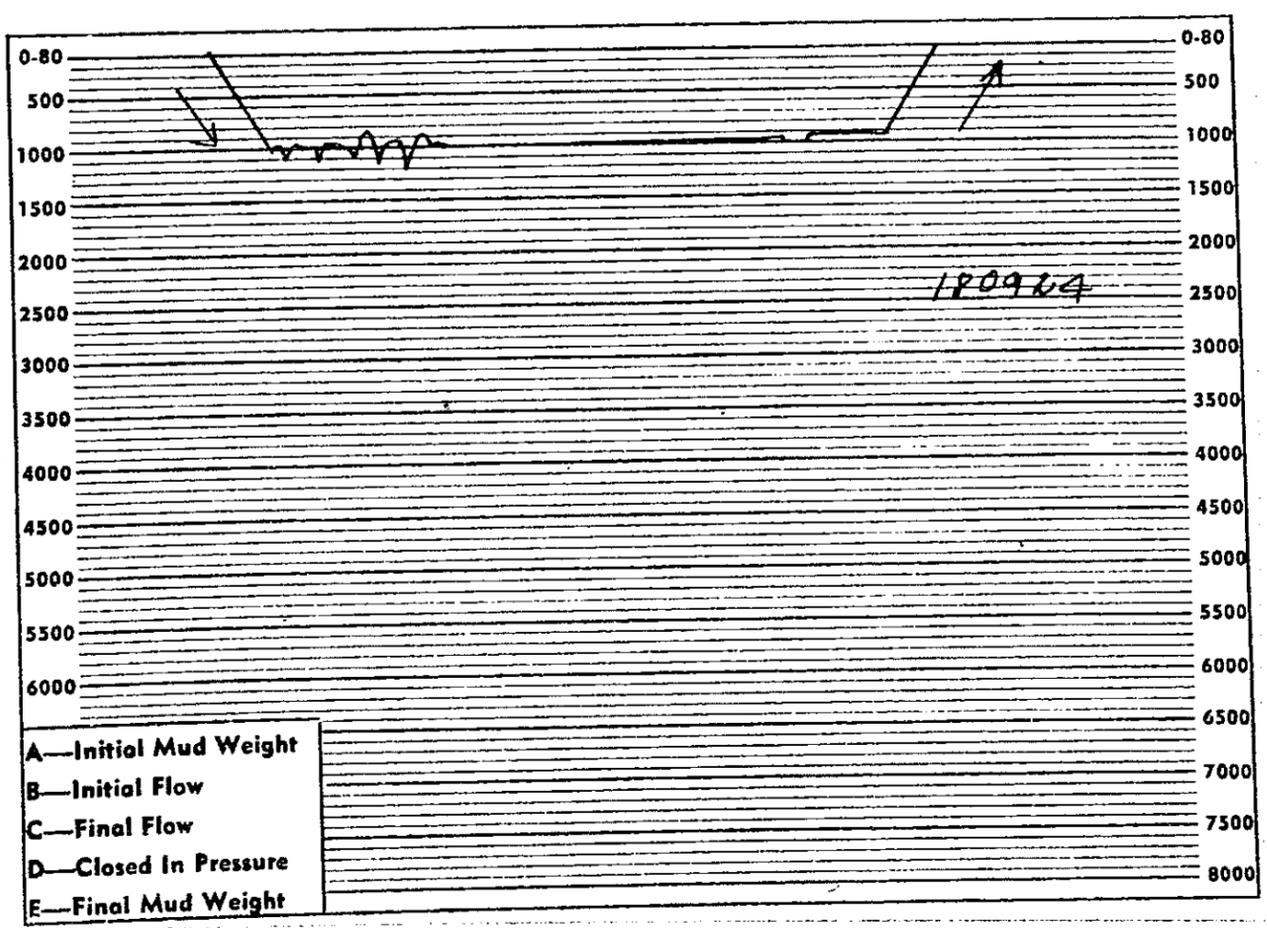
LOCATION HOLBROCK FIELD WILDCAT COUNTY NAVAJO STATE ARIZONA

LEASE NAME HESOLAN HUNT WELL NO. 1 TEST NO. 2 LEASE OWNER HESOLIT COMPANY OWNERS DISTRICT HOLBROCK, ARIZONA



↑
PRESSURE

← TIME →



- A—Initial Mud Weight
- B—Initial Flow
- C—Final Flow
- D—Closed In Pressure
- E—Final Mud Weight

Mr. Ryan,

Enclosed find info. to date. Will have
more for you next week; Thanks again
for your cooperation.

Ed. D. Brown

54

THE NEW.....

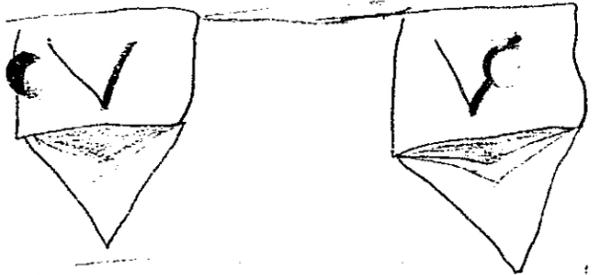
Formation Testing Service Report

P.S. Please hold our logs confidential
until further notice.

Thanks Ed. D.



OIL WELL CEMENTING CO.



White of Slagstaff

Leave rig from Lynch

Mgt.

Lynch says B. has gas blow in well;

That white is going in with cable rig to re-work hole.

That B. were using Lynch rig under operating agreement with Waggoner as tool pusher.

Form Prescribed Under Oil and Gas Conservation Act of 1951

NOTICE OF INTENTION TO DRILL NEW WELL

This notice and surety bond must be filed and permit must be granted before drilling begins

State Land Commissioner Holbrook, Ariz. March 31 1958

In compliance with Statewide Rule 3, notice is hereby given that it is our intention to commence the work of drilling well No. 1 Sec. 31, Twp. 18 N, Rge. 20 E, G&SB. & M., Penzance (Hunt) Field, Navajo County.

Legal description of lease Section 31, Township 18 North, Range 20 East,
(attach map or plat to scale)

G&SRB&M, Navajo County, Arizona.

Location of Well: North 24°50' West a distance of 1047 feet from the
(Give exact footage from section corners or other Southeast corner of Section 31, Township 18 North, Range 20 East, G&SRB&M, legal subdivisions or streets) Navajo County, Arizona.

Proposed drilling depth 2500 feet. Acres in drilling unit 40 acres.

Has surety bond been filed? Yes. Is location a regular or exception to spacing rule? Regular.

Elevation of ground above sea level 5050 feet.

All depth measurements taken from top of Rotary table
(Derrick, floor, Rotary Table or

which is five feet above the ground.
(Kelly Bushing)

PROPOSED CASING PROGRAM

Size of Casing Inches A.P.I.	Weight	Grade & Type	Top	Bottom	Cementing Depths
Rotary Mud - 7 7/8" test hole					

Intended Zone or Zones of completion:
Name Unknown

Perforated Interval

AFFIDAVIT:

I hereby certify under the penalty of perjury, that the information contained and statements herein made are to the best of my knowledge and belief, true, correct and complete.

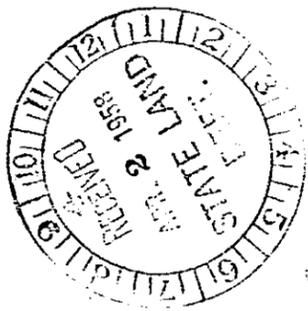
Bessie Co.
(Applicant)

By Herb Bessie (owner)

Application approved this 22nd day of May 19 58

Permit No. 54
3-62 1/10/58

Obed M. Larsen
State Land Commissioner



5/53



NAVAJO-APACHE ABSTRACT & TITLE CO.
HOLBROOK, ARIZONA

Sec. 31

T. 18N R. 20E Mer. 64SRB4M

County Navajo

K. Besoyan - Hunt No. 1.

SCALE 4 INCHES - 1 MILE

NE SE SE

57 Abstracted _____ Area _____



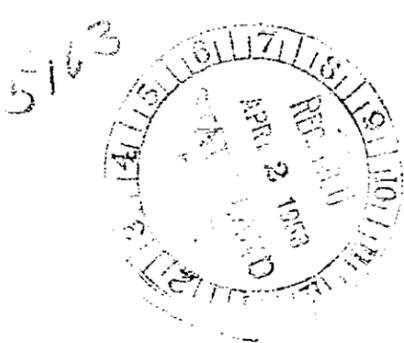
5/65

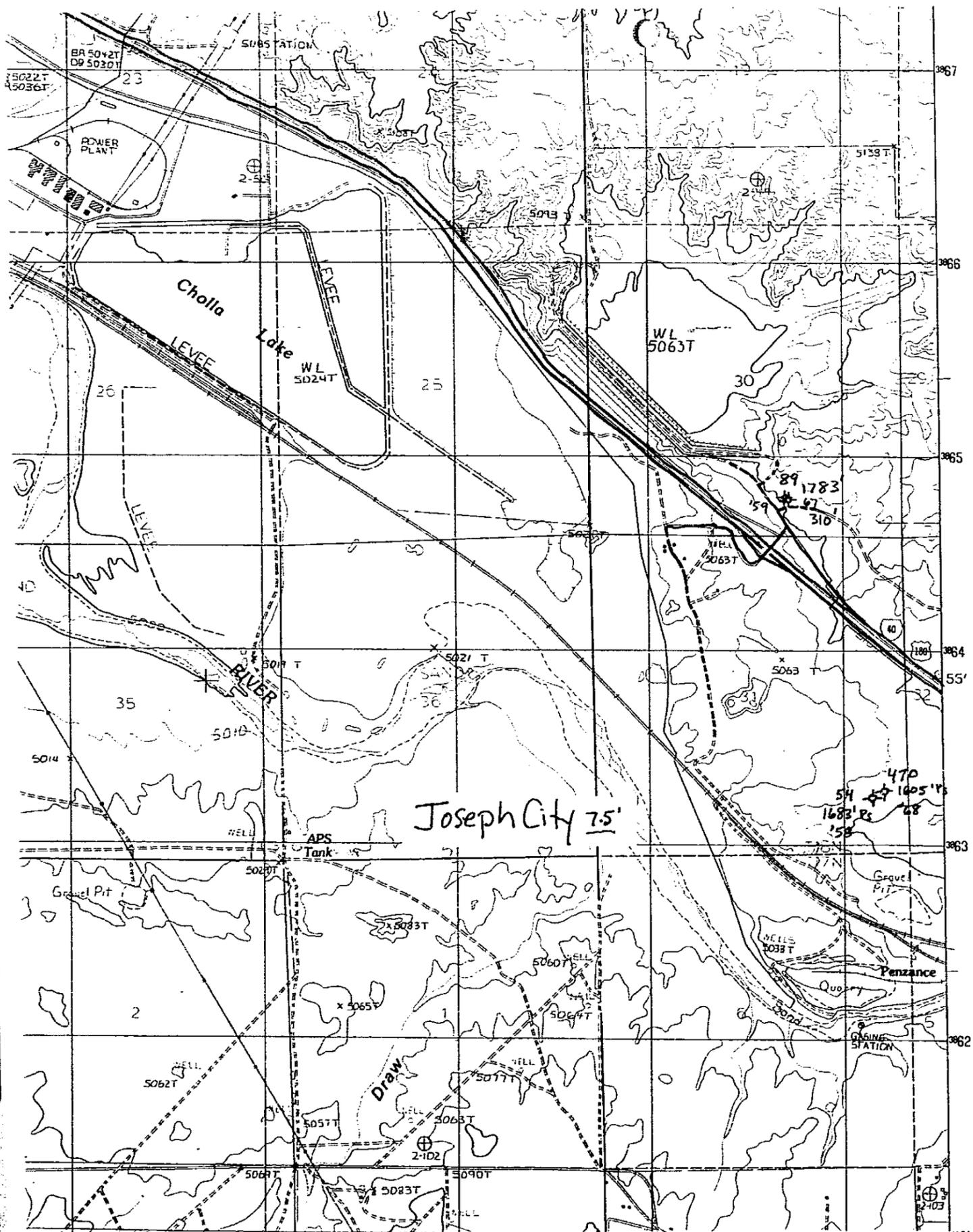
... ..

Well on Hunt Ranch

The well is North 24° 50' West
a distance of 1047 feet from the
South East corner of Section 31,
Township 18 North, Range 20 East
of the Gila & Salt River Meridian.

Theodore F. McNabb
Registered Land Surveyor
Certificate No. 1651
March 29, 1958





December 14, 1965

Mr. Louis Abrams
Amsco Supply Company
9601 South Alameda Street
Los Angeles, California 90002

Re: Besoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54
The Fidelity & Casualty Co. of New York Bond 1192822

Besoil Co. #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55
The Fidelity & Casualty Co. of New York Bond S1216802

Dear Mr. Abrams:

Captioned wells have been plugged in accordance with our Rules and Regulations and required reports have been submitted.

This letter, then, constitutes authority from this Commission to terminate captioned bonds.

Your cooperation has been very much appreciated.

Very truly yours,

John Bannister
Executive Secretary
mr

cc: The Continental Insurance Companies
1520 Wilshire Blvd.
Los Angeles, California 90017
Attn: Mr. Joseph Burke, Surety Dept.

Boat No. S 1192822
Premium \$25.00

ALL BY

KIRK BESOYAN

HOLBROOK

ARIZONA

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK

Business within the State of Arizona

are held and firmly bound unto the State of Arizona in the peace
of the United States, for which we, the undersigned, and
each of us, and each of our heirs, administrators or successors, and assigns jointly and severally,
do hereby bind ourselves.

the obligation is that whereas the above named principal
owns and controls the well or wells for oil, gas or geothermal energy
described hereinafter situated within the State of Arizona

Kirk Besoyan Hunt No. 1 well, section 31-T18, N-R20E, Navajo County, Arizona

if the above named principal shall comply with all the
provisions of the laws of this State and the rules, regulations and orders
of the State Land Commissioner, especially with reference to the requirements of
Section 2-101 providing for the proper drilling, casing and plugging of said
well or wells, and filing with the State Land Commissioner all notices and
records required by said Commissioner, in the case said well or wells do
produce oil or gas in commercial quantities or geothermal energy in
commercial quantities, then this obligation shall, otherwise, be void and shall
be and remain in full force and effect.

Sum of TWO THOUSAND, FIVE HUNDRED AND NO/100THS - - - (\$2,500.00) - - -

Witness my hands and seals, this 16th day of May, 1958

KIRK BESOYAN

Principal

Witness my hands and seals, this 16th day of May, 1958

THE FIDELITY AND CASUALTY COMPANY
OF NEW YORK

BY: WILLIAM R. COTTER, ATTORNEY

Surety

If the principal is a corporation, the bond shall be executed by the duly
authorized officers, with the seal of the corporation affixed. When principal
or surety executes this bond by agent, power of attorney or other evidence of
validity must accompany the bond.)

Approved: STATE LAND COMMISSIONER

Form P-2

#54

CANCELLED

DATE 12-14-65

12-7-65
3:50 p.m.

Kirk Besoyan telephoned

He had just heard from a party in Los Angeles that the Hunt well was plugged. He has the bond on that well and no one notified him. He ~~is~~ plans to go back in that well. Has been telling them for years he was going too. He should have been contacted.

Impossible to plug below 1100 feet--that well is caved in. That's why he went to the 5½" pipe. He has all the records, Halliburton, drilling log, everything. Someone is filing erroneous information and that's going to hurt other drillers coming in and asking for information.

He will contact you the first part of next week and wants to come in and talk to you. Also wants to talk about some permits-- plans to do some drilling in Holbrook area for helium. But he is perturbed that he hadn't been contacted since it was his well and he has the bond.

54



PHONE: 564-5911

9601 SOUTH ALAMEDA STREET • LOS ANGELES, CALIFORNIA 90002

Buying & Selling - Steel & Machinery - Excess Inventories or Complete Plants

November 24, 1965

John Bannister
Executive Secretary
Oil and Gas Conservation Commission
State of Arizona
Room 202, 1624 West Adams
Phoenix, Arizona 85007

Re: Besoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54

Besoil Co. #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55

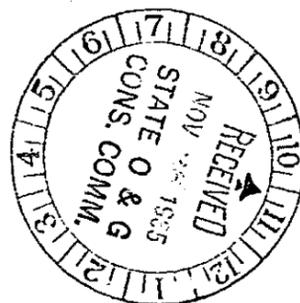
Dear Mr. Bannister:

I notified you in my letter of November 18 that on that day I sent a letter to Mr. Barrett asking him to let me know when he could plug these two wells for me. He has not answered as yet. I'm sure he will answer soon. As soon as he answers I will make the necessary arrangements with him and notify you immediately.

Hoping this meets with your satisfaction.

Louis Abrams
Louis Abrams

LA/ohs



November 22, 1965

Mr. Louis Abrams
Ammsco Supply Company
9601 South Alameda Street
Los Angeles, California 90002

Re: Besoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54

Besoil Co. #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55

Dear Mr. Abrams:

This will acknowledge receipt of your letter of November 18, 1965 concerning the plugging of the captioned two wells.

As stated in my letter of October 7, 1965, Section 27-515.A, ARS, specifically grants to the Commission the necessary authority to enter upon property in performance of its duties. The primary obligation to enter upon a property and to plug these well in accordance with our Rules and Regulations rests upon you. The Commission will enter the picture only if absolutely necessary.

It is our feeling that a land owner who leases his land for oil and gas exploration of necessity places himself in the position of not interfering with the lessee in performance of his obligations and of compliance with the Rules and Regulations of this Commission.

Should any interference be presented to you in complying with our Rules and Regulations, will you please advise this office at once and we will take such steps as are necessary to secure performance in accordance with the Rules and Regulations.

Your cooperation is appreciated.

Very truly yours,

John Bannister
Executive Secretary

cc: Mr. Joe Barrett, 2211 N. 81st Way, Phoenix, Arizona

November 22, 1965

Mr. Joe B. Barrett
2211 N. 81st Way
Scottsdale, Arizona

Re: Basoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54

Besoil Co. #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55

Dear Mr. Barrett:

Mr. Abrams advised this office by letter of November 18, 1965 that you have been engaged to plug the captioned two wells.

Mr. Abrams feels there may be some interference in entering these ranches in order to comply with our Rules and Regulations.

Should you have any trouble in this regard, will you please contact this Commission at once and we will take such steps necessary to see that our best interests in compliance with our Rules and Regulations is upheld.

This office does not have the address of either Mr. Ben Hunt or the present owner of the Perkins Ranch. Should you have these addresses we would appreciate your furnishing same to us so that we may advise them of our orders concerning these two wells.

Yours very truly,

John Bannister
Executive Secretary
MB

cc: Mr. Louis Abrams



SAMUEL P. SODDARD
GOVERNOR

LYNN LOCKHART
CHAIRMAN

R. KEITH WALDEN
VICE CHAIRMAN

ORME LEWIS
MEMBER

LUCIEN B. OWENS
MEMBER

GEORGE T. SILER
MEMBER

OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 871-8181

JOHN BANNISTER
EXECUTIVE SECRETARY

J. R. SCURLOCK
PETROLEUM COUNCIL

November 8, 1965

Mr. Lou Abrams
Amasco Supply Company
9601 South Alameda Street
Los Angeles, California 90002

Re: Beagil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54

Beagil #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55

Dear Mr. Abrams:

We have not heard from you in reply to our letter of October 7, 1965. It is the sincere desire of this Commission to cooperate with operators in the State wherever possible. However the functions of this office must be performed.

If we do not hear from you in the immediate future, we will have no other alternative but to go to the bonding company and order them to plug these wells. If we do not hear from you by December 1, this order will be issued to the bonding company.

As we said above, we are willing to work with you in any feasible manner.

Very truly yours,

John Bannister
Executive Secretary
nr

October 7, 1965

Mr. Lou Abrams
Amsco Supply Company
9601 South Alameda Street
Los Angeles, California 90002

Re: Basoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54

Basoil #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55

Dear Mr. Abrams:

This will acknowledge receipt of your letter dated October 1, 1965.

You asked under what authority you could authorize work to be done on private property. Please be advised that the full authority of this Commission will be behind you in this regard. By statutory authority, the Commission is specifically given authority to enter upon property at any time in order to exercise its functions.

Should such a step be necessary, the Commission can act through the Attorney General to secure such authority that would grant you this protection.

However, it is my belief that when you are prepared to plug these wells that all that will be necessary, should a question arise, that there be present a representative from this office. Consequently, if you will advise when you plan to do this work, this office will take the necessary steps to see that re-entry to the property for this purpose is not denied.

I do not know at this time where Mr. Kirk Besoyan can be reached.

Mr. Lou Abrams

Page 2

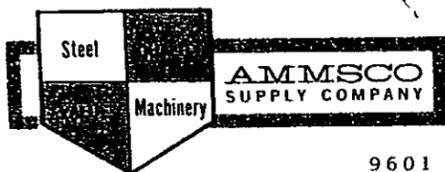
October 7, 1965

If this office may be of any further help to you, will you please advise.

Yours very truly,

John Bannister
Executive Secretary
mr

C
O
P
Y

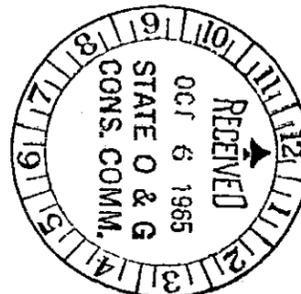


PHONE: 564-5911

9601 SOUTH ALAMEDA STREET • LOS ANGELES, CALIFORNIA 90002

Buying & Selling - Steel & Machinery - Excess Inventories or Complete Plants

Oil and Gas Conservation Commission
State of Arizona
162 1/2 West Adams Room 202
Phoenix, Arizona 85007



October 1, 1965

Dear Mr. Bannister:

RE: Besoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County Arizona
Your File 54
Fidelity & Casualty Co. of New York Bond S1192822

Besoil #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Your File 55
Fidelity & Casualty Co. of New York Bond S1216802

In answer to your letter of September 17, 1965, regarding the above mentioned wells, I have had correspondence with Mr. Buzz Dobell and Mr. Joe Barrett regarding the plugging of these wells and apparently they can be plugged satisfactorily. I have another problem that you will have to solve for me.

As I explained in my original correspondence to Mr. Scurlock, I and my associates who originally had an interest in the leases that the wells are on, have had no interest at all in these leases for a couple of years. The property the wells are on are private property. How could I legally authorize work to be done on private property?

I have tried to reach Kirk Besoyan for quite a while as he was the original lessee, but have been unable to find him. I don't know what the next step should be. Can you clarify this for me?

Lou Abrams
LOU ABRAMS

LA/Y

— STEEL, SHAPES, PLATE, BAR, TUBING —

Machine Tools, Welders, Compressors, Electric Motors, Metal Working Machinery

September 17, 1965

Mr. Lewis Abrams
9601 South Alameda Street
Los Angeles, California 90002

Re: Basoil Co. #1 Hunt well
SE/4SE/4 31-18N-20E, Navajo County, Arizona
Our File 54
Fidelity & Casualty Co. of New York Bond S1192822

Basoil #1 Perkins well
SE/4SW/4 33-18N-20E, Navajo County, Arizona
Our File 55
Fidelity & Casualty Co. of New York Bond S1216802

Dear Mr. Abrams:

As you are aware, you, as guarantor on the bonds, have been requested to plug the two captioned wells.

On July 14, 1965 this office advised that the Perkins well, with a total depth of 485 feet, should be filled with cement, the surface site cleaned, and a surface marker set. The Hunt well should be plugged with a 50-foot plug at 900 feet, a surface plug of 20 feet, and a proper marker set therein.

You have advised that you were negotiating with Mr. Luss Dobell to plug these wells. However, we have heard nothing further.

It is a suggestion of this office that you contact Mr. Joe Barrett, 2211 N. 51st Way, Phoenix, Arizona, to do this work. Mr. Barrett has successfully plugged several wells within the State and it is our belief that he can do an excellent job economically.

This office does not desire to have to go to the bonding company, nor to turn this case over to the Attorney General in order to secure compliance with our order to plug. However, this work must be done in the near future or we will have no

Mr. Lewis Abrams

Page 2

September 17, 1965

alternative then as above outlined.

It is our desire to cooperate with you in every possible manner and if we may be of any help, will you please advise.

Yours very truly,

John Bannister
Executive Secretary
MF

cc: The Continental Insurance Companies
1520 Wilshire Boulevard
Los Angeles, California 90017



The CONTINENTAL INSURANCE COMPANIES

THE CONTINENTAL INSURANCE COMPANY • FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
FIDELITY-PHENIX INSURANCE COMPANY • THE FIDELITY AND CASUALTY COMPANY OF NEW YORK
NIAGARA FIRE INSURANCE COMPANY • NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.
MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS. • COMMERCIAL INSURANCE COMPANY OF NEWARK, N.J.
THE YORKSHIRE INSURANCE COMPANY OF NEW YORK • SEABOARD FIRE & MARINE INSURANCE COMPANY

1520 Wilshire Blvd., Los Angeles, California 90017

August 27, 1965

Oil & Gas Conservation Commission
State of Arizona
1624 West Adams, Room 202
Phoenix, Arizona 85007

Att: John Bannister

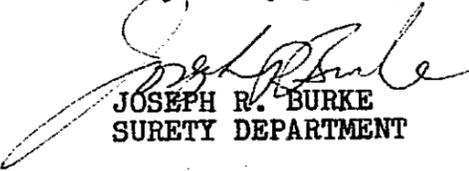
Re: Bond S-1216802
Each in the Amount of \$2,500
Covering oil and gas wells located
SW/4-SE/4 33-T18N-R20E and
SE/4-SE4/ 31-T18N-R20E
Permits 54 and 55

Dear Mr. Bannister:

We are enclosing, herewith, mock-ups of the captioned bond, for your information. These copies are made by overlaying the onionskin of the original bond on a copy of the old bond form.

Hope this will be of use to you. Thank you for your fine cooperation in this matter.

Very truly yours,


JOSEPH R. BURKE
SURETY DEPARTMENT

JRB:ed
cc: Milton Hollmann,
Pacific Bond Department



August 4, 1965

The Continental Insurance Companies
1520 Wilshire Blvd.
Los Angeles, California 90017

Attention: Mr. Joseph Burke, Surety Department

Re: Bond S1216802 and Bond S1192822
Kirk/Serge Besoyan, Principals
Covering oil and gas wells located
SW/4SE/4 33-18N-20E, Navajo County, Permit 54
SE/4SE/4 31-18N-20E, Navajo County, Permit 55

Gentlemen:

As requested in our previous correspondence, we would appreciate receiving copies of the captioned bonds.

If it is more convenient for your operation, enclosed are copies of the bond forms currently used by this Commission.

Your earliest cooperation is appreciated.

Yours very truly,

John Bannister
Executive Secretary
nr
enc

7-23-65

Serge Besoyan
9649 Arkansas-St.
Belleflower, Calif.

*gleaned from Land Dept.
bearing 47722 & 723-65*

July 14, 1965

Mr. Louis Abrams
9601 South Alameda Street
Los Angeles, California 90002

Re: Besoil Co. #1 Hunt Fee well
SE/4SE/4 31-T18N-R20E, Navajo County, Arizona
File 54

Besoil Co. #1 Perkins Fee well
SE/4SW/4 33-T18N-R20E, Navajo County, Arizona
File 55

Dear Mr. Abrams:

Our records, which are incomplete, show that the Perkins well reached a total depth of 485 feet. This well can be properly plugged simply by filling it with cement and erecting a proper well site marker at the surface.

The Hunt well may be properly plugged by spotting a 50-foot cement plug around 900 feet and a surface plug and marker.

The copy of the Rules and Regulations sent you on April 22, 1965 detail the type marker required.

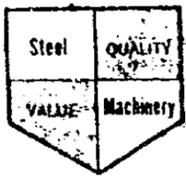
To our knowledge there are two people in this area who are interested in undertaking this type of well service operation. One is a Mr. Buzs Dobell, Holbrook, Arizona (c/o Mr. Frank Dobell), who is doing this type of work currently for ArkLa. Another is Mr. Joe Barrett, whose address is P.O. Box 7379, Phoenix, Arizona 85001.

According to our records, again they are incomplete, bonds were placed on these wells showing the principals to be Kirk and Serge Besoyan.

If we can be of further help, please contact us.

Yours very truly,

J.R. Scurlock
Petroleum Geologist
MR



AMMSCO
SUPPLY COMPANY

PHONE: 564-5911

9601 SOUTH ALAMEDA STREET • LOS ANGELES, CALIFORNIA 90002

Buying & Selling - Steel & Machinery - Excess Inventories or Complete Plants

July 6, 1965

Mr. J. R. Saurlock, Petroleum Geologist
Oil & Gas Conservation Commission
State of Arizona
1624 West Adams - Room 202
Phoenix, Arizona 85007

Dear Mr. Saurlock:

On June 1st I sent you a letter regarding two wells.
Following are the descriptions:

Hunt #1 N E S E - S E Sec. 31, T. 18N. R. 20 E

Perkins #1 S E S E S W Sec. 33, T. 18N. R. 20 E.

I had some problems that I discussed in the letter, and
on a previous telephone conversation. I would appreciate
hearing an answer to the letter as I am in quite a quandry as to
what to do. The bonding company insists on being paid until a
settlement is made.

Since I signed as a guarantor on the bond I seem to be the
only principal left, and I now find a bag in my hands. Can you
help me dispose of this "Bag"?

Your quick response will be appreciated.

Very truly yours,

Louis Abrams

EA:oha

— STEEL, SHAPES, PLATE, BAR, TUBING —

Machine Tools, Welders, Compressors, Electric Motors, Metal Working Machinery

July 6, 1965

The Continental Insurance Companies
1520 Wilshire Blvd.
Los Angeles, California 90017

Attention: Mr. Joseph Burke, Surety Department

Re: Bond S1216802 and Bond S1192822
Kirk/Serge Beccoyan, Principals
Covering oil and gas wells located
SW/4SE/4 33-T18N-R20E and
SE/4SE/4 31-T18N-R20E, Navajo County
Permits 54 and 55

Gentlemen:

We did have the captioned bonds in our files until just a month ago when they disappeared. Since we are required to keep copies of active bonds, and after a fruitless search, we requested copies from you.

Recently when a representative of the bonding company was in this office, we informed him that since neither well had been properly plugged, and that since various reports and logs had not been filed with this Commission, the bonds must remain active and cannot be released until such time as all requirements of our Rules and Regulations have been met.

We would very much appreciate receiving the copy you do have. Your earliest cooperation is appreciated.

Yours very truly,

John Bannister
Executive Secretary
mj



The CONTINENTAL INSURANCE COMPANIES

THE CONTINENTAL INSURANCE COMPANY • FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
FIDELITY-PHENIX INSURANCE COMPANY • THE FIDELITY AND CASUALTY COMPANY OF NEW YORK
NIAGARA FIRE INSURANCE COMPANY • NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.
MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS. • COMMERCIAL INSURANCE COMPANY OF NEWARK, N.J.
THE YORKSHIRE INSURANCE COMPANY OF NEW YORK • SEABOARD FIRE & MARINE INSURANCE COMPANY

1520 Wilshire Blvd., Los Angeles, California 90017

June 29, 1965

Oil & Gas Conservation Commission
State of Arizona, Room 202
1624 West Adams
Phoenix, Arizona 85007

Attention: John Bannister

Re: Bond S-1216802 & Bond S-1192822
Kirk/Serge Besoyan, Principals, covering
Oil & Gas Wells located SW/4-SE/4 33-T18N-R20E
& SE/4-SE/4 31-T18N-R20E, Permits 54 & 55

Gentlemen:

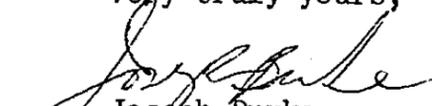
We recently received a letter from your office asking for a copy of the approved captioned bonds, together with the applicable powers-of-attornies.

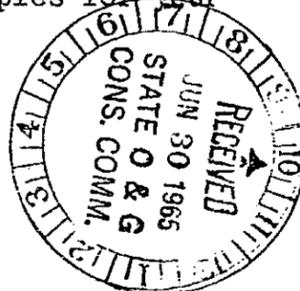
This is to advise you that these instruments were executed seven years ago, and the person who executed them is no longer with the company. It is our normal practice to destroy any copies we may have of powers-of-attornies for people who no longer work for us, therefore, we cannot supply you with the powers-of-attorney. Also, it might be noted that the only copy of the bond we have on our file is a skeleton copy; that is, a blank sheet of paper with only the name, the state, the surety company, and the bond amount shown thereon.

As this company has been in correspondence with your office for several years trying to determine the status of these wells, we wonder why we are now being asked to supply these copies for your use.

Your early reply will be appreciated.

Very truly yours,


Joseph Burke
Surety Department



JB:lr



June 23, 1965

Fidelity & Casualty Company of New York
1520 Wilshire Boulevard
Los Angeles 17, California

Re: Bond S 121 8802 & Bond S 1192822, Each in the amount of
\$2,500, Kirk/Serge Besoyan, Principals, Covering oil and
gas wells located SW/4-SE/4 33-T18N-R20E & SE/4-SE/4 31-
T18N-R20E, Each in Navajo County, Arizona
Permits 54 & 55

Gentlemen:

We had no reply to our letter of June 7, 1965, requesting
that you furnish this office with a copy of the approved
captioned bond, together with the applicable power-of-
attorney.

Your earliest cooperation is requested.

Yours very truly,

John Bannister
Executive Secretary
cb

June 7, 1965

Fidelity & Casualty Company of New York
1520 Wilshire Blvd.
Los Angeles 17, California

Re: Bond S 121 6802 & Bond S 1192822, Each in the amount of
\$2,500, Kirk/Serge Besoyan, Principals, Covering oil and
gas wells located SW/4-SE/4 33-T18N-R20E & SE/4-SE/4 31-
T18N-R20E, Each in Navajo County, Arizona
Permits 54 & 55

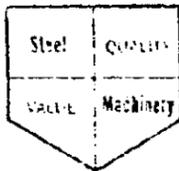
Gentlemen:

Would you please furnish this office with a copy of the ap-
proved captioned bond, together with the applicable power-
of-attorney.

Your earliest cooperation is very much appreciated.

Yours very truly,

John Bannister
Executive Secretary
cb



AMMSCO
SUPPLY COMPANY

PHONE: 564 1911

9601 SOUTH ALAMEDA STREET • LOS ANGELES, CALIFORNIA 90018

Buying & Selling - Steel & Machinery - Excess Inventories or Complete Plants
June 1, 1965

Mr. J. R. Scurlock
Petroleum Geologist
Oil and Gas Conservation Commission
State of Arizona
1624 West Adams - Room 202
Phoenix, Arizona 85007

Dear Mr. Scurlock:

As per our phone conversation of April 21, 1965, the following are descriptions of the two well locations I had inquired about:

Hunt #1 N E S E S E Sec. 31, T. 18N. R. 20E
Perkins #1 S E S E W Sec. 33, T. 18N. R. 20E.

As I understand it, the Perkins well was only a test hole with 2" or 3" casing. This was done before I arrived on the scene. We had intended drilling at a later date but were never able to clear up our leases with Mr. Perkins and finally stepped out of the whole deal. The bond was put on his location in anticipation of drilling until we were forced to cancel our plans.

We were involved in part of the costs of drilling the Hunt well and I realize I have some obligation there. As I explained on the phone, the Hunt well was redrilled by Kirk Essoyan after I stepped out of the deal, and financed by Peter Nalbandian. The agreement was that Nalbandian was to put up his own bond on the Hunt well, releasing me. He did put up a \$10,000.00 blanket bond on his Arrowhead Well and then did not specify the Hunt well which was redrilled afterwards.

You can see the predicament I have been left in. I don't care to continue paying for drilling bonds since I have no further interest of any kind in the area. I might be interested in plugging the Hunt well if I could be released from the bond on the Perkins property at the same time.

You can see my dilemma, Jim. Can you help me or suggest anything I can do to facilitate things?

Very truly yours,

LOUIS ABRAMS

— STEEL, SHAPES, PLATE, BAR, TUBING —

Machine Tools, Welders, Compressors, Electric Motors, Metal Working Machinery

April 22, 1965

Mr. Louis Abrams
Ammsco Supply Co.
9601 S. Alameda
Los Angeles 2, Calif.

Dear Mr. Abrams:

Enclosed is a copy of the current General Rules and Regulations. The plugging requirements you will find on Pages 17, 18, and 19.

I am also enclosing some Well Completion Report forms, etc. I would appreciate it if you would fill out a form for each of the three wells that you mentioned, giving me as much data as you have; and of course I realize that your records are perhaps a bit sparse. I enclose extra copies of these in case you should want to make carbons for your own files.

Note also that if you should have any electrical logs or sample logs on any of these wells, the law requires you to file with us duplicate copies of such logs.

As I say, I have no idea regarding the cost of plugging a well. There are two people who have had some experience plugging wells in Arizona with whom I am familiar. They are Mr. Joe Barrett, P.O. Box 7379, Phoenix, Arizona 85011, telephone 946-8559; and Mr. Larry Bedford, P.O. Box E, Farmington, New Mexico.

Yours very truly,

J.R. Scurlock
Petroleum Geologist

nr
enc

STATE of ARIZONA
OIL and GAS CONSERVATION COMMISSION
CAPITOL ANNEX
ROOM 202
1624 WEST ADAMS STREET
PHOENIX, ARIZONA

COMPANY Besoil Company Hunt Fee #1 DATE 8-4-1964
WELL NAME & NUMBER: Hunt Fee #1
LOCATION: SECTION 31 TWP. 18N R. 20E COUNTY Navajo
FILE NUMBER 54

Gentlemen:

We have reviewed our files and find that we need the below checked item (s) in order to complete same. Will you please fill in the enclosed form (s), at your earliest convenience, and return them to this office. May we remind you that your bond (# 81192822,

issued by The Fidelity & Casualty Co. of New York) can be forfeited for failure to comply.

In addition we request a copy of any log run on this ~~these~~ well (s).

Your cooperation is appreciated. If we may be of service to you please advise.

Yours very truly,

Bill Cooper

Bill Cooper
Records Section

Completion Record

Plugging Record

Well Log

Application to plug and abandon

cc/Bonding Company

August 16, 1963

Mr. Joseph Burke, Bond Department
America Fore Loyalty Group
1520 Wilshire Boulevard
Los Angeles 17, California

Dear Mr. Burke:

We do not have the Besoyan's address.

Yours truly,

John K. Petty
Acting Executive Secretary

JKP/vc



THE CONTINENTAL INSURANCE COMPANY • FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
 FIDELITY-PHENIX INSURANCE COMPANY • THE FIDELITY AND CASUALTY COMPANY OF NEW YORK
 NIAGARA FIRE INSURANCE COMPANY • NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.
 MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS. • COMMERCIAL INSURANCE COMPANY OF NEWARK, N.J.
 THE YORKSHIRE INSURANCE COMPANY OF NEW YORK • SEABOARD FIRE & MARINE INSURANCE COMPANY

1520 Wilshire Boulevard, Los Angeles 17, California

August 14, 1963

Oil and Gas Conservation Commission
 State of Arizona
 Room 202, 1624 West Adams
 Phoenix 7, Arizona

RE: Our Bonds S-1192822 & S-1216802
 Besoil Company

Gentlemen:

In Mr. Jerome's letter of March 9, 1962, your office was contacting both Kirk Besoyan and his brother Serge. We are wondering if you now have their current address, and we would appreciate same if available.

Your early advices will be sincerely appreciated.

Very truly yours,

Joseph Burke
 JOSEPH BURKE
 BOND DEPARTMENT

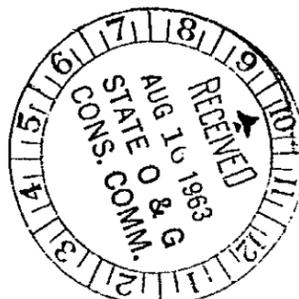
*Joseph Burke, Bond Dept.
 JB/cd
 American Fore Loyalty Group
 1520 Wilshire Blvd.
 L.A. 17, Calif.
 cc: Milton Hollmann,
 Pacific Bond Department*

*Dear Mr. Burke
 We do not have the Besoyans
 address.*

Yours truly

Joseph Burke

acting Executive Secretary



April 22, 1963

America Fore Loyalty Group
1520 Wilshire Boulevard
Los Angeles 17, California

Attention: Mr. Joseph Burke, Bond Department

Re: Bond No. S-1192822 - Besoil Co. Hunt Fee #1,
Sec. 31, T18N, R20E and
Bond No. S-1216802 - Besoil Co. Perkins Fee #1,
Sec. 33, T18N, R20E - both
in Navajo County, Arizona

Gentlemen;

We have your letter of April 17 relative to the captioned bonds. There have been no developments concerning the wells in question since you were last notified on May 28, 1962 by this office.

Since the wells have not been properly plugged to comply with the rules and regulations of this commission, the bonds must necessarily remain in force.

Yours very truly,

N. A. Ludewick
Executive Secretary



THE CONTINENTAL INSURANCE COMPANY • FIREMEN'S IN . COMPANY OF NEWARK, NEW JERSEY
FIDELITY-PHENIX INSURANCE COMPANY • THE FIDELITY AND CASUALTY COMPANY OF NEW YORK
NIAGARA FIRE INSURANCE COMPANY • NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.
MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS. • COMMERCIAL INSURANCE COMPANY OF NEWARK, N.J.
THE YORKSHIRE INSURANCE COMPANY OF NEW YORK • SEABOARD FIRE & MARINE INSURANCE COMPANY

1520 Wilshire Boulevard, Los Angeles 17, California

April 17, 1963

D. A. Jerome, Executive Secretary
Oil & Gas Conservation Commission
State of Arizona
3500 North Central, Suite 221
Phoenix 12, Arizona

RE: Bonds S-1192822 & S-1216802
Kirk Besoyan, Besoil Company
Hunt #1, Sec. 31, T18N, R20E

Dear Mr. Jerome:

On May 25, 1963 Mr. Takeuchi, of our Accounting Department, wrote to you regarding the captioned bonds. We would appreciate your advices as to the present status of the litigation. I assume that if the wells have been capped, there would be no further need for our bonds.

I am enclosing a stamped self-addressed envelope for your convenience.

Very truly yours,

Joseph Burke
JOSEPH BURKE
BOND DEPARTMENT

JB/cd
Enc.



May 28, 1962

Mr. Mikio Takeuchi
The Fidelity & Casualty Company of New York
1520 Wilshire Blvd.
Los Angeles 17, California

Re: S 1192822 and S 1216802
Kirk Besoyan, Besoil Company
Hunt #1, Sec. 31, T18N, R20E

Dear Mr. Takeuchi:

We have your letter of May 25, 1962. Mr. Besoyan is very elusive, and we have not been able to contact him. I have several friends of his alerted to advise me if he comes to Phoenix. These friends are seeking him for the reason that if they find him, they can conclude a deal which would make Mr. Besoyan about \$25,000.00. Thus, you can see that many persons are seeking Mr. Besoyan, and ultimately we hope to be able to help you and ourselves.

Yours very truly,

D. A. Jerome
Executive Secretary

The Fidelity and Casualty Company of New York

1520 WILSHIRE BOULEVARD
LOS ANGELES 17, CALIFORNIA

May 25, 1962

D. A. Jerome, Executive Secretary
Oil & Gas Conservation Commission
State of Arizona
3500 North Central, Suite 221
Phoenix 12, Arizona

Re: S 1192822 and S 1216802
Kirk Besoyan, Besoil Company
Hunt #1, Sec. 31, T18N, R20E

Dear Mr. Jerome:

As of the present writing, we have had no answer to our letter of April 24th as to whether there has been a settlement of the litigation, or whether your attempt to persuade Mr. Besoyan to pay the \$50.00 due us has been in any way successful.

Has there been any new developments in the respect?

Very truly yours,

Mikio Takeuchi
Mikio Takeuchi
Ass't. Cashier

MT/gw



America Fore
Loyalty Group

April 27, 1962

The Fidelity and Casualty Company of New York
1520 Wilshire Boulevard
Los Angeles 17, California

Re: S 1192822 and S 1216802 - Kirk Besoyan, Besoil Co.
Hunt #1, Sec. 31, T18N, R20E

Attn: Mikio Takeuchi, Ass't. Cashier

Gentlemen:

We have had no information on the litigation concerning
the captioned well.

No one has been able to locate the Besoyan brothers even
though they stand a chance of securing a large amount of
money from a certain transaction.

We regret we cannot be of greater assistance to you.

Yours very truly,

D. A. Jerome
Executive Secretary

The Fidelity and Casualty Company of New York

1520 WILSHIRE BOULEVARD
LOS ANGELES 17, CALIFORNIA

April 24, 1962

D. A. Jerome, Executive Secretary
Oil & Gas Conservation Commission
State of Arizona
3500 North Central, Suite 221
Phoenix 12, Arizona

Re: S 1192822 and S 1216802
Kirk Besoyan, Besoil Company
Hunt #1, Sec. 31, T18N, R20E

Dear Sir:

We have had no further word since your reply of March 9th, which was in answer to our letter of March 6th.

Have you had any further word as to whether there has been a settlement of the litigation, or in your attempt to persuade Mr. Besoyan that the premiums of \$25.00 each, total \$50.00, should be paid to us.

Your past and future help in this matter is greatly appreciated.

Very truly yours,

Mikio Takeuchi
Mikio Takeuchi
Ass't. Cashier

MT/gw



America Fore
Loyalty Group

54

March 9, 1962

The Fidelity and Casualty Co. of New York
1520 Wilshire Boulevard
Los Angeles 17, California

Attn: Mikio Takeuchi, Asst. Cashier

Re: S 1192822 and S 1216802
Kirk Besoyan, Besoil Company
Hunt #1, Sec. 31, T18N, R20E

Gentlemen:

We are contacting both Kirk Besoyan and his
brother Serge and will endeavor to get the
financial relief you need.

Yours very truly,

D. A. Jerome
Executive Secretary

The Fidelity and Casualty Company of New York

1520 WILSHIRE BOULEVARD
LOS ANGELES 17, CALIFORNIA

March 6, 1962

D. A. Jerome, Executive Secretary
Oil & Gas Conservation Commission
State of Arizona
3500 North Central, Suite 221
Phoenix 12, Arizona

Re: S 1192822 and S 1216802
Kirk Besoyan, Besoil Company
Hunt #1, Sec. 31, T18N, R20E

Dear Sir:

In checking our records, we find the premium on Bond No. S 1192822 in the amount of \$25.00 covering the period from May, 1961 to May, 1962; and the \$25.00 premium on Bond No. S 1216802 covering the period from July, 1961 to July, 1962 still open on our books. We would greatly appreciate any help you can give us to have Mr. Besoyan remit the amount of \$50.00 to clear the above.

Very truly yours,

Mikio Takeuchi
Mikio Takeuchi
Ass't. Cashier

MT/gw



American Fore
Loyalty Group

57

February 21, 1962

The Fidelity and Casualty Company of New York
1520 Wilshire Boulevard
Los Angeles 17, California

Re: S 1192822 - Kirk Besoyan - Besoil Co - Hunt #1
Sec. 31, T18N, R20E

Attn: Mikio Takeuchi, Ass't. Cashier

Gentlemen:

With respect to your letter dated February 8, 1962, you are herewith advised that the reason this matter has been held in abeyance was because the well involved is in litigation.

We are informed and believe that the parties to the litigation are attempting to compose their differences. If there is a settlement, the well will be plugged and abandoned or drilling will resume.

If there are monies due on this bond and you advise us, we will attempt to convince Mr. Besoyan that the premium should be paid. This latter step will be in the nature of persuasion rather than compulsion.

Yours very truly,

D. A. Jerome
Executive Secretary

The Fidelity and Casualty Company of New York

1520 WILSHIRE BOULEVARD
LOS ANGELES 17, CALIFORNIA

February 8, 1962

Oil & Gas Conservation Commission
State of Arizona
Phoenix, Arizona

ATTN: Mr. W. F. Maule, Petroleum Engineer
Oil & Gas Conservation

Re: S 1192822 - Kirk Besoyan

Dear Mr. Maule:

Please advise our office if the above Oil Drilling Bond covering Bensoil Company - Hunt #1, Section #31-18N-20E have been plugged and abandoned.

May we please have the latest status on this matter, in order that we may close our file on this overdue Bond. Your early advices will be greatly appreciated.

Very truly yours,

Mikio Takeuchi
Mikio Takeuchi
Ass't. Cashier

MT/gw



America Fore
Loyalty Group

521

October 31, 1961

The Fidelity and Casualty Company of New York
1520 Wilshire Boulevard
Los Angeles 17, California

Attention: Mr. Frederick Lomack, Attorney

Re: Bond No. S 1216802 - Kirk Besoyan

Gentlemen:

The above captioned bond is the bond that we have on our Besoyan Hunt #1 well and we herewith notify you that we will not honor a cancellation of this bond until such time as this well is plugged and abandoned in conformity with our statutes, rules and regulations.

We are informed and believe that this well may be re-entered, and there is a possibility that it may be made a producer. We shall keep you advised on developments in this matter. Should the well be plugged and abandoned, we shall notify you forthwith.

In conclusion, I wish to reiterate that this Commission will not permit a bond to be cancelled by the bonding company until the uses and purposes for which it was given have been complied with. In this instance, they have not.

Yours very truly,

D. A. Jerome
Executive Secretary

DAJ:hme

AMERICA FORE

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX INSURANCE COMPANY
NIAGARA FIRE INSURANCE COMPANY
THE FIDELITY AND CASUALTY COMPANY OF N.Y.
THE YORKSHIRE INSURANCE COMPANY OF N.Y.
SEABOARD FIRE & MARINE INSURANCE COMPANY



FIREMEN'S INSURANCE COMPANY OF NEWARK, N. J.
NATIONAL-BEN FRANKLIN INSURANCE COMPANY
COMMERCIAL INSURANCE COMPANY OF NEWARK
MILWAUKEE INSURANCE COMPANY
ROYAL GENERAL INSURANCE COMPANY OF CANADA

LOYALTY GROUP

1520 WILSHIRE BOULEVARD • LOS ANGELES 17, CALIFORNIA

October 24, 1961

Oil & Gas Conservation Commission
3500 North Central Avenue
Suite 221
Phoenix, Arizona

RE: Bond No. S 1216802
Kirk Besoyan

Gentlemen:

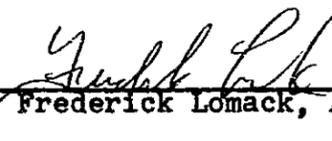
Under date of June 16, 1958 we issued Bond on behalf of the above captioned, in the amount of \$2500.00.

In accordance with the terms of the bond, we as Surety, herewith serve Notice of Cancellation thereunder, such termination to be effective thirty (30) days after receipt of this Notice by you.

Thank you for your cooperation.

Yours truly,

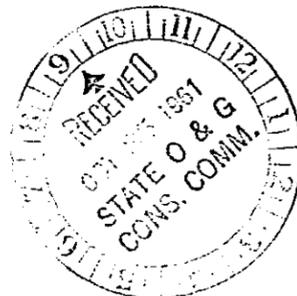
THE FIDELITY AND CASUALTY COMPANY
OF NEW YORK

BY 
Frederick Lomack, Attorney

dd

Registered RRR

Agent: Herbert Kamin 73-1206





1520 WILSHIRE BOULEVARD
LOS ANGELES 17, CALIFORNIA



Oil & Gas Conservation Commission
3500 North Central Avenue
Suite 221
Phoenix, Arizona

REGISTERED
No. 888378

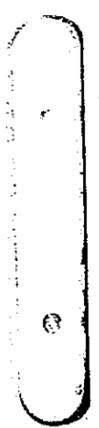
REGISTERED LETTER
RETURN RECEIPT REQUESTED

PHOENIX ARIZONA
OCT 25 1961
MRS. THOMAS BIRDM

LOS ANGELES CALIF.
OCT 24 1961
FIINT STA

PHOENIX ARIZONA
OCT 25 1961

LOS ANGELES CALIF.
OCT 24 1961
FIINT STA





OFFICE OF
State Land Department
STATE OF ARIZONA
Phoenix, Arizona

October 16, 1961

file
OBED M. LASSEN
STATE LAND COMMISSIONER

*Ref: Besoil Co. #1 Hunt
NEESE Sec 31, T18N, R10E
Navajo Co., Arizona*

Oil & Gas Conservation Commission
Suite 221, 3500 No. Central Ave.
Phoenix, Arizona

ATTENTION: D. A. Jerome

Gentlemen:

Transmitted herewith is a copy of Notice of Cancellation
of a Kirk Besoyan bond and a letter written by this office
in answer to the notice as discussed in our telephone con-
versation this morning.

Very truly yours,

F. C. Ryan
F. C. RYAN, Supervisor
Mineral, Oil & Gas
Production Division

FCR:yda
Encs.



OFFICE OF
State Land Department
STATE OF ARIZONA
Phoenix, Arizona

OBER M. LASSEN
STATE LAND COMMISSIONER

October 16, 1961

America Fore Loyalty Group
1520 Wilshire Boulevard
Los Angeles 17, California

Re: The Fidelity and Casualty Company
of New York
S 121 6802 (\$2,500)
KIRK BESOYAN, Principal

Gentlemen:

This is to acknowledge receipt by this Department of your notice of cancellation of the subject bond, dated October 12, 1961.

Your attention is called to the fact that the administration of the regulatory powers of the State of Arizona, as they have to do with oil and gas drilling, are no longer vested in this office. By Legislative Act in 1959, those powers and all pertinent files were transferred on July 1, 1959 to the State Oil and Gas Conservation Commission, consequently, this office is without authority or knowledge in the subject area and does not constitute the proper office of notice.

The offices of the Oil and Gas Conservation Commission are at Suite 221, 3500 North Central Avenue, Phoenix, Arizona.

Yours very truly,

F. C. RYAN, Supervisor
Mineral, Oil & Gas
Production Division

MCR:yda

cc: D. A. Jerome ✓

Bdg. Un. 5972-B

71068—Printed in U.S.A.

America Fore Loyalty Group

NOTICE OF CANCELLATION

State Land Commission.....

State of Arizona.....

Phoenix, Arizona.....

Gentlemen:.....

Subject to the terms and conditions of Bond ~~and Policy~~ No. S. 1216802 (\$2500).....
executed on or about June 16, 1958.....by the undersigned as Surety or Insurer in your
favor, the undersigned Company elects to and hereby does cancel said Bond ~~and Policy~~ covering
Kirk Besoyan as Principal.

This cancellation becomes effective.....thirty (30).....days after the receipt hereof.

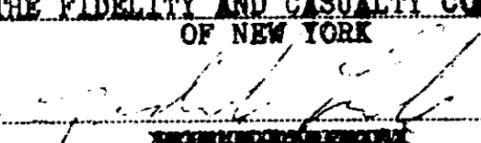
IN TESTIMONY WHEREOF, the undersigned company has caused this notice to be duly signed by
its duly ~~authorized representative~~ Attorney
at Los Angeles, Cal. this 12 day of October 1961

dd

Registered RRR

Agent: Herbert Kamin 73-1206

THE FIDELITY AND CASUALTY COMPANY
OF NEW YORK

By 
~~Frederick Lomack, Attorney~~
Frederick Lomack, Attorney

December 15, 1960

Mr. Don Jerome, Secretary
Arizona State Oil & Gas Commission
suite 211, 3500 North Central Avenue
Phoenix, Arizona

Dear Mr. Jerome:

RE: Penzance Dome

This is to notify you and the Arizona State Oil & Gas Commission, that it is our intention to start work on the Penzance Dome shortly after the first of the year.

Our intentions are to go for a helium test on the Perkins #1. To date we only ran a strat test to the Coconino (slim hole).

On the Arrowhead #1, we intend to run a deep test after the above helium test. This well is cased according to the requirements given us by Mr. Johnson and surface casing cemented with heavy mud in the hole.

The Hunt #1 is in litigation with Holliburton Corp. and set for trial February 5, 1961 in Federal Court in Tucson, Arizona; after disposal of this suit we intend to do further testing on this well.

Yours truly,

BLACK MESA OIL & GAS CORP.

By:

Serge Besoyan, Sec'y-Treas.

SB:lan

December 7, 1960

American Employers' Insurance Company
Echlin-Irvin-Crowell & Co.
P. O. Box 4335
Phoenix, Arizona

Attention: R. M. Parsons

Pursuant to our phone conversation this date, I enclose
your Notice of Cancellation re: Serge Besoyan, Kirk
Besoyan and Peter Nalbandian, No. SY 279146.

Yours very truly,

D. A. Jerome
Executive Secretary

W. F. Maule
Petroleum Engineer

WFM/ew
Enclosures

October 5, 1960

Mr. Kirk Besoyan
P. O. Box 1
Holbrook, Arizona

Dear Mr. Besoyan:

On July 1, 1960, you were notified by the Oil and Gas Conservation Commission of existing violations with regard to Perkins Fed. No. 1 Well and Hunt Fed. No. 1 Well having the following legal descriptions:

Perkins Fed. No. 1: Section 33, Township 18 North, Range 20 East, West half of Southwest quarter, Navajo County, Arizona.

Hunt Fed. No. 1: Section 31, Township 18 North, Range 20 East, Navajo County, Arizona.

We have been advised that to date no action has been taken to remedy these violations.

The Commission has requested that legal action be taken to recover on your bond. Please be advised that unless within 30 days from this date you comply with the statutes and rules and regulations adopted thereunder, we will begin proceedings to have your bond forfeited; the money to be used to plug and abandon the above described well in the manner prescribed by the rules and regulations of the Oil and Gas Conservation Commission.

Very truly yours,

WADE CHURCH
The Attorney General

ARTHUR E. ROSS
Assistant Attorney General

AER:bn
cc: Fidelity & Casualty Co. of N. Y.

C

O

P

Y

54

September 26, 1960

The Fidelity & Casualty Co. of NY
548 South Spring Street
Los Angeles 13, California

Attention: Mikio Takeuchi
Ass't. Cashier

Re: S1216802, S1192822-Kirk Besoyan

Dear Miss Takeuchi:

There has been no further action regarding the Hunt and Perkins wells of the Besoil Co. since last contacting your office. It is my understanding that these wells will be re-entered, and that Mr. Besoyan has no intention of plugging and abandoning these wells.

These bonds may not be terminated until released by the Oil and Gas Commission of the State of Arizona. Upon proper plugging and abandoning of these wells, we shall notify your office.

Yours very truly,

W. F. Maule
Petroleum Engineer

WFM/ew

The Fidelity and Casualty Company of New York

548 SOUTH SPRING STREET
LOS ANGELES 13, CALIFORNIA
MADISON 6-0311

September 20, 1960

Oil & Gas Conservation Commission
State of Arizona
Phoenix, Arizona

ATTN: Mr. W. F. Maule, Petroleum Eng.
Oil and Gas Conservation

Re: S 1216802 - Kirk Besoyan
S 1192822 - Kirk Besoyan

Gentlemen:

Please advise our office if the above oil drilling bonds, covering Bensoil Co. - Perkins #1, Section #31-18N-20E and Bensoil Co. - Hunt #1, Section #31-18N-20E, have been plugged and properly abandoned.

May we have the latest status on this matter so that we may close our files on these overdue bonds. Any advice will be greatly appreciated.

Very truly yours,

Mikio Takeuchi
Mikio Takeuchi
Ass't. Cashier

MT/gw



America Fore
Loyalty Group

VIA REGISTERED MAIL
RETURN RECEIPT REQUESTED:

April 14, 1960

Mr. Kirk Besoyan
P. O. Box 491
Gila Bend, Arizona

Dear Mr. Besoyan:

I visited the locations of the following wells, on which you have signed as principle on the bonds.

Besoil Co., Hunt-Fee #1	Sec. 31 - 18 N - 20 E
Besoil Co., Perkins-Fee #1	Sec. 33 - 18 N - 20 E
Arrowhead Oil & Gas Co., Besoyan Bros.-State #1	Sec. 28 - 18 N - 20 E

These wells have not been properly abandoned, as stated by your Surety Company, the locations cleared, nor the information on the wells, required by the Commission, supplied to this office.

We do therefore, advise you to make known to this office, at once, your plans regarding these wells. In the event we do not hear from you, in the immediate future, you are invited to appear before the Commission at 3 P. M., April 27, 1960, to show cause for non-forfeiture of the bonds, of the above named wells, the money to be used to properly plug, abandon and clear the locations, by the State of Arizona.

Yours very truly,

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

BY: W. F. Maule,
Petroleum Engineer

WFM:mmr
Enc: Rules & Regulations

cc: The Fidelity & Casualty Co. of NY
548 S. Spring St., Los Angeles 13, Calif.
ATTN: William R. Cotter, Attorney

C
O
P
Y

54

August 12, 1959

The Fidelity and Casualty Company of New York
548 South Spring Street
Los Angeles 13, California

Attention: William R. Cotter,
Assistant Superintendent
Bonding Department

Dear Mr. Cotter:

Reference is made to your letter of July 27, 1959, regarding Bond No. S1192822, Kirk Besoyan, which covers the drilling operation known as Besoil Company - Hunt Fee #1, in Navajo County, Arizona.

Information available to this office indicates that the operator has not determined to plug and abandon the well. Until he does so and completes his bonded obligations as to submission of reports, etc., this office cannot release the bond.

Transfer of responsibility to another bond, retroactively covering past work would be acceptable to this office; provided, of course, that the surety writing the replacement bond were acceptable also.

We hope this has helped to clarify the matter.

Very truly yours,

OIL AND GAS CONSERVATION COMMISSION

Frederick C. Ryan,
Acting Executive Secretary

The Fidelity and Casualty Company of New York

548 SOUTH SPRING STREET
LOS ANGELES 13, CALIFORNIA
MADISON 6-0311

July 27, 1959

Land Commissioner
State of Arizona
Phoenix, Arizona

Attention: Mr. Fredrick C. Ryan, Supervisor
Oil and Gas Conservation

Re: Kirk Besoyan
Bond No. S1192822

Dear Mr. Ryan:

Thank you very much for your letter of July 3rd, and in view of the information contained therein it would appear that our termination notice carries no weight and therefore the bond remains open.

We would very much appreciate your advices as to what we can do to get the matter cleaned up and get a release on the bond.

Your help and cooperation in this matter will be greatly appreciated.

Very truly yours,

William R. Cotter
WILLIAM R. COTTER,
Assistant Superintendent
Bonding Department

WRC/dat



America Fore
Loyalty Group

54

000035



July 3, 1959

The Fidelity and Casualty Company of New York
548 South Spring Street
Los Angeles 13, California

Attention: William R. Cotter,
Attorney

Dear Mr. Cotter:

Reference is made to your letter of June 29, 1959 regarding Arizona drilling bond, your No. 1192822, Kirk Besoyan, principal.

Your notice of pending cancellation of the bond covering the operation known as Besoil Company - Hunt - Fee #1, in Navajo County, Arizona, was apparently inadvertently issued. An examination of the conditions of the bond, a blank copy of which is attached, will show that release of the bond must necessarily be authorized by this office and only after accomplishment of certain acts by the principal.

This office will continue to regard the bond as being in full force and effect until the principal has complied with all the provisions cited on the face of the bond. We would appreciate your confirmation of this fact at your earliest opportunity.

Thank you for your cooperation.

Very truly yours,

STATE LAND COMMISSIONER

By: Frederick C. Ryan,
Supervisor,
Oil and Gas Conservation

FCR:mb

54

6.1

The Fidelity and Casualty Company of New York

548 SOUTH SPRING STREET
LOS ANGELES 13, CALIFORNIA
MADISON 6-0311

June 29, 1959

sent well

State Land Commissioner
State of Arizona
Phoenix, Arizona

Gentlemen:

Re: Kirk Besoyan
Bond No. S 1192822
(Oil Well Drillers License Bond)

Under date of May 16, 1958 we issued Bond on behalf
of the above captioned, in the amount of \$ 2500.00 .

In accordance with the terms of the Bond, we, as Surety,
herewith serve notice of cancellation thereunder, such
termination to be effective 30 days after receipt
of this notice by you.

Thank you for your cooperation.

Yours truly,

THE FIDELITY AND CASUALTY COMPANY OF
NEW YORK

By William R. Cotter
William R. Cotter Attorney
WRC/cg

Registered RRR

Agent: Herbert Kamin
7369 Beverly Boulevard
Los Angeles 36, California



American Fore
Loyalty Group

T.C. RYAN



11054

111

OFFICE PHONE
DA 5-4362

RESIDENCE
DA 5-3858

LEE W. KILGORE
GEOLOGIST
1007 W. APACHE STREET
P. O. BOX 632
FARMINGTON, NEW MEXICO

November 28, 1958

Mr. Phillip W. Johnson
U.S. Geological Survey
P.O. Box 2270
Tucson, Arizona

Dear Mr. Johnson:

Just this morning I have received a letter from Mr. Louis Abrams who was connected with the Besoyan brothers and Besoil Company authorizing me to release the samples on the Besoil Company, #1 Hunt, Section 31, Township 18 North, Range 20 East, Navajo County, Arizona. His instructions specifically state that these samples are to be released to the State of Arizona but to no other person or company.

I am delivering the samples to the Four Corners Sample Cut today and will instruct them to send a set of the samples to you. I trust that this is satisfactory to you. I have had some difficulty in obtaining this release as you can well imagine.

I send my very best personal regards to you and Mr. Harshbarger.

Yours very truly,

Lee W. Kilgore
Lee W. Kilgore

*Phil called 4-corners
Told them to "let" on them.*

20/58
The Arizona Republic
**Oilman Files
\$1,100,000
Damage Suit**

HOLBROOK (UPI)—A \$1,100,000 damage suit has been filed in Navajo County Superior Court yesterday on behalf of Kirk Besoyan against Halliburton Oil Well Cementing Co.

The wildcat well-driller's suit was believed to be the largest ever filed here. The well is located 6 miles west of Holbrook.

The suit seeks \$500,000 for damage to the well, \$300,000 for damage to Besoyan's interest in surrounding leaseholdings and \$100,000 for damage resulting from improperly placed cement.

It says the well had a potential production of 20 barrels a day.

The suit claims Besoyan hired Halliburton to increase the well's output in May. He claims that instead of using crude oil, Halliburton used a heavy oil with the volatile contents poured into the well at Holbrook.

When it was sealed the well instead of being cleaned, the suit claims. The cleaning is a process by which the flow of oil wells is increased.

Eschew, attorney of Los Angeles, says Halliburton filled the well with 20 barrels of heavy oil while trying to increase the well's output.

The suit also seeks \$100,000 to daily clean the well and that he already has spent \$75,000 on the well since it was started. Besoyan says the well is now producing 20 barrels a day.

STATE LAND DEPARTMENT
BOND FOR DRILLING OIL OR GAS WELL



State of Arizona)
County of Maricopa)

KNOW ALL MEN BY THESE PRESENTS:

That we, KIRK BESOYAN AND VIRGINIA M. BIRK,

hereinafter called Principal, and UNITED STATES FIDELITY AND GUARANTY COMPANY hereinafter called the Surety, are held and firmly bound unto the State of Arizona in the sum of Twenty-Five Hundred Dollars (\$2,500) for the payment of which the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Whereas the Principal has obtained a permit from the State Land Commissioner to drill a well in search of oil or gas, and whereas said Principal is required by provisions of the Oil and Gas Conservation Act of 1951 to deposit with the said Commissioner a good and sufficient bond:

Now, therefore, the condition of the foregoing obligation is such that if the Principal shall drill, case and plug said well drilled by said Principal in such manner as to prevent the escape of oil or gas from one stratum to another and to prevent the intrusion of water into an oil or gas stratum from a separate stratum, and to prevent the pollution of fresh water supplies by oil, gas or salt water and in such manner as to prevent waste, and shall make such reports to the Commissioner as are required by the Oil and Gas Conservation Act of 1951 by said Principal, and shall file the log and drilling record kept by said Principal within six (6) months from the time of the completion or abandonment of said well drilled for oil or gas and shall plug the same in the manner provided by the rules and regulations adopted by said Commissioner, then this obligation to be null and void, otherwise to be and remain in full force and effect.

Witness our hands and seals this 13th day of May, 1958.

THIS BOND ISSUED IN CONNECTION WITH A WELL TO BE LOCATED NE SE SE SECTION 31-18 N. AND 20 E. KNOWN AS THE BEN HUNT WELL.

Kirk Besoyan
Virginia Birk
Principal

UNITED STATES FIDELITY AND GUARANTY COMPANY

J. B. Marchant
Surety
J. B. Marchant, Attorney-in-fact

Approved this 16th day of May, 1958.

Obed M. Larsen
State Land Commissioner

12/57
3-59

CANCELLED
June 3, 1958

File #54

June 3, 1958

United States Fidelity & Guaranty Company
P. O. Box 7293
Phoenix, Arizona

Gentlemen:

Reference is made to your bond, as surety, of May 13, 1958, in the amount of \$2,500.00 covering the oil and gas drilling operations of Kirk Besoyan and Virginia M. Birk, appearing jointly as principal.

Mr. Besoyan has requested per letter of June 2, 1958 that the bond be cancelled. This office has no objection to this cancellation as a similar bond covering the specific operation has been posted.

This is your authority to cancel your bond of May 13, 1958.

Very truly yours,

STATE LAND COMMISSIONER

By: Frederick C. Ryan, *FR*
Supervisor,
Oil and Gas Conservation

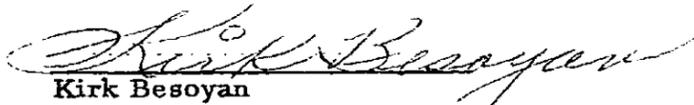
54
FCB:mb
cc - Kirk Besoyan

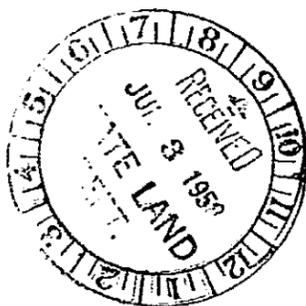
LLOYD C. HENNING
FIRE INSURANCE AGENT
SURETY BONDS, AUTOMOBILE,
PLATE GLASS AND OTHER LINES
HOLBROOK, ARIZONA

June 2, 1958

Frederick C. Ryan, Supervisor
Oil & Gas Conservation
State Land Department
Phoenix, Arizona

This is referring to your letter of May 27. Please cancel the bond with the United States Fidelity & Guaranty Company. I will appreciate your notifying them of this action at their Phoenix address, Box 7293.


Kirk Besoyan



May 27, 1958

Mr. Kirk Besoyan
P. O. Box 1
Holbrook, Arizona

Dear Mr. Besoyan:

This office is in receipt of Bond No. S 1192822, written by The Fidelity and Casualty Company of New York, surety, penal sum of \$2,500.00, and dated May 16, 1958. This bond to cover your Hunt #1 well in Navajo County in accordance with the provisions of Arizona Revised Statutes 27-516.

As a similar bond covering the same well for the same penal sum, written by United States Fidelity and Guaranty Company, surety, and dated May 13, 1958, is presently in our hands, we are reasonably sure it is your intention to have us cancel the earlier dated bond. Upon receipt of written instructions from you we shall be glad to comply with your wishes in the matter.

Very truly yours,

STATE LAND COMMISSIONER

By:
Frederick C. Ryan,
Supervisor,
Oil & Gas Conservation

FCR:mb
cc - United States Fidelity and Guaranty Company

*Central Plaza Bldg
34 24 N. Central
Phx.*

54

May 23, 1958

Mr. Kirk Besoyan
P. O. Box 1
Holbrook, Arizona

Dear Mr. Besoyan:

We are inclosing herewith O&G form 51, "Notice of Intention to Drill New Well" covering your drilling operation in NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, Township 18 North, Range 20 East, Navajo County, Arizona, which is known as the Besoil-Hunt #1. This intent was approved the 22nd day of May, 1958 and is for your record.

We are also inclosing your copy of the receipt in the amount of \$25.00 covering the above permit, Number 54.

Very truly yours,

STATE LAND COMMISSIONER

By: Frederick C. Ryan,
Supervisor,
Oil & Gas Conservation

mb
Encls. (2)

5/21/58

Sent Kirk Besoyan, Holbrook
the following forms:

52; 53; 54; 55; 56; 63

mb

11:00 A.M. May 20, 1958

Telephone conversation between Kirk Besoyan and Fritz Ryan.
Call made by K. Besoyan from Holbrook.

1. Was served by sheriff with restraining order yesterday.
2. Asked if it could be removed in light of bond being posted.
(Told him that Asst. Atty Gen. had been informed yesterday that it was agreeable to remove restraint on Hunt well and that Besoyan should talk to County Attorney.)
3. Said that he had secured records of cementing from Halliburton yesterday and that they would be in the mail this P.M.
4. Said that he had signed bond in L.A. for Hunt well.
5. That a "first-class" rig would be put over Perkins hole to complete and that good bond would be forthcoming on that hole.
6. Asked for us to send completion reports, shooting, perforating etc., and other pertinent forms.

May 14, 1958

Mr. Lou Abrams
9625 South Alameda St.,
Los Angeles, California

Dear Mr. Abrams:

You will find inclosed two \$2,500 drilling bond forms, which we are sending you at the request of Mr. Kirk Besoyan, made by telephone from Holbrook this date.

It is suggested that you designate on the face of each executed bond form the name and location of the well for which each bond is intended. For your information, the two wells which we presume are to be covered are:

Hunt #1; NESESE; Sec. 31, T. 18 N., R. 20 E.

Perkins #1; SESESW; Sec. 33, T. 18 N., R. 20 E.

May we call your attention to the language of the second paragraph of the bond form, which limits the signatory as principal to the person obtaining the drilling permit or his duly authorized agent.

Very truly yours,

STATE LAND COMMISSIONER

By: Frederick C. Ryan,
Supervisor,
Oil and Gas Conservation

54
FCR:mb
Encl. (2)
cc - Kirk Besoyan

at hole between 2-3 o'clock
from the desk of _____ P.M.

F. C. RYAN

⑤ 1568 Patrolman

Observed at the hole
Have cable rig with bailer
over hole.

M^c Clymoude

USGS

Holbrook

Binoculars

May 13, 1958

Mr. Ed. Powell
County Attorney
Navajo County
Holbrook, Arizona

Dear Mr. Powell:

Pursuant to our telephone conversation, we are inclosing
the following material for your information.

2 copies of General Rules and Regulations
Governing the Conservation of Oil and Gas
in Arizona, Article I, Chapter III.

2 copies of General Rules and Regulations
Governing the Conservation of Oil and Gas
In Arizona, Statewide Rules and Regulations,
Article II, Chapter III.

If we may be of additional help, please let us know.

Very truly yours,

STATE LAND COMMISSIONER

By: Frederick C. Ryan,
Supervisor,
Oil and Gas Conservation

54
FCR:mb
Encls.

Telephone Conversation FCR - Atty Gen'l

11:30 A.M. May 13, 1958

The Attorney General suggests that cash bond be posted with the Clerk of the Superior Court and be held until released in writing by the Land Department to the Attorney General. (The Attorney General, when posed with the question as to whether we could accept cash bond, opined that the law was not too specific and that there was a question, but that under the circumstances he felt it might be better to go ahead and accept a cash bond as above.)

I reiterated the facts that our geologist would have to OK the hole before approving issuance of permit over the Commissioner's signature.

BURNS TOOL COMPANY
 OIL TOOL SPECIALISTS SAFETY CASING HANGERS

Ludlow 2-6209
 8346 SALT LAKE AVENUE
 BELL, CALIFORNIA

SOLD TO Besoil Company
 P. O. Box 1
 Holbrook, Arizona

DATE 5-13-58
 YOUR ORDER NO.
 REGISTER NO. 16381
 WELL Hunt #1

TERMS: NET CASH

1 - Burns Plain Type Casing Hanger	\$250.00
7" 23# x 5 1/2" 15# 8rd.	7.00
Hanger grooved for cementing	53.00
1 - 5 1/2" casing pump down plug	40.00
1 - Drill pipe pump down plug	16.25
1 - 4" pup joint	22.40
2 - 5 1/2" rubber cups @ \$11.20 each	15.00
Rental of cement attachment - 1 day	22.50
Rental of 3 special subs @ \$7.50 each per day	50.00
Service charge - Minimum	
	<u>\$476.15</u>
Mileage - 220 miles @ 20¢ per mile	44.00
	<u>\$520.15</u>
Total	\$520.15

Note:

We had a note from our Farmington, New Mexico office stating that 2 5 1/2" rubber cups were used, therefore the charge for same, also you will note that price of the pup joint and rental of the subs were incorrect, also we do not charge New Mexico tax in Arizona. Please send us your check in the amount of \$21.15 which will pay this invoice in full as we received your check in the amount of \$499.00.

Rental charges at our current rate will be charged on all setting tools not returned within 30 days after delivery. All quotations and sales are f.o.b. point of shipment unless otherwise expressly stipulated. Carrier's receipt constitutes delivery to purchaser and our responsibility then ceases. Positively no claims for shortage or damage allowed unless accompanied by original shipping bill and noted thereon by carrier's authorized agent. Due to market uncertainty, all quotations are subject to change without notice. All statements of future date of shipments are estimated and we are only obligated to use our best efforts to ship within the time estimated. All agreements, however, are subject to strikes, accidents and causes beyond our control. Special orders are not subject to cancellation.

All finished articles and materials are carefully tested and inspected before leaving point of manufacture, but as it is impossible to always detect imperfection, the only guarantee that is given by us and for which we are in any way liable, is to replace such articles as prove defective when properly used for the purpose for which manufactured. Our maximum liability for defective articles is the purchase price thereof. All articles to be replaced are to be returned to us all transportation charges prepaid. Under no circumstances are we responsible for any damage, cost, or expense beyond the selling price of the article. No damages or charges or loss of any kind suffered or incurred by the purchaser in repairing, using or attempting to use or replacing defective articles will be allowed.

Our acceptance of the above articles is under and pursuant to the foregoing stated conditions, and purchaser hereby further agrees to hold Burns Tool Company free and harmless from all and every claim for damages to any person whomsoever for bodily injury or damage to property arising out of our use, attempting to use, or ownership or possession of said articles or any one of them.

We certify that to the best of our knowledge and belief, articles covered by this invoice have been produced in conformity with the fair labor standard act of 1938. Any tax imposed by any governmental authority on the sale of articles made or sold by this company shall be in addition to the sales price thereof.

Our setting tools are loaned for the setting of Casing Hangers and run at operator's risk. We exercise every precaution to keep our setting tools in good condition, but do not guarantee them.

May 7, 1958

Muriel -

The enclosed came to my attention and it looks very much like the Besoil-Hunt well. I was wondering if you have any knowledge of this or has anything been said concerning Ben Hunt taking over the Besoil well for a water well? This may be another angle in their case to prove it was a water well all the time.

Just call me Sherlock!

Phil

STATE LAND DEPARTMENT
422 Arizona State Office Bldg.
Phoenix, Arizona

April 29, 1958

File No. (A-18-20)31 ddd

Pen R. Hunt
Holbrook,
Arizona

Dear Sir:

This copy of Notice of Intention to Drill Well in Twp. 18N, Rge. 20E,
Section 31, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ is returned to you for your file. Also en-
closed are a:

WELL DRILLING CARD, which should be in the hands of the
driller before construction of the well is started;

REPORT OF WELL DRILLER form, which shall be filled in by
the driller and sent to us within thirty days after com-
pletion of the well;

REPORT OF EQUIPMENT INSTALLED form, which shall be filled
in by you and sent to us within thirty days after the in-
stallation of the pumping equipment;

A STAMPED, ADDRESSED POSTAL CARD, which is self-explanatory.

In the event it is necessary to change the location of the proposed
well, you should obtain the written permission of the Land Commissioner
before proceeding with the drilling.

Very truly yours,

WATER DIVISION

By

RWP/WD

Encl: G-301, G-306

G-307

USGS-Card

cc: USGS, Tucson

STATE LAND DEPARTMENT
422 Arizona State Office Bldg.
Phoenix, Arizona

April 29, 1958

File No. (A-18-20)31 ddd

Ben H. Hunt
Holbrook,
Arizona

Dear Sir:

This copy of Notice of Intention to Drill Well in Twp. 18N, Rge. 20E,
Section 31, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ is returned to you for your file. Also en-
closed are a:

WELL DRILLING CARD, which should be in the hands of the
driller before construction of the well is started;

REPORT OF WELL DRILLER form, which shall be filled in by
the driller and sent to us within thirty days after com-
pletion of the well;

REPORT OF EQUIPMENT INSTALLED form, which shall be filled
in by you and sent to us within thirty days after the in-
stallation of the pumping equipment;

A STAMPED, ADDRESSED POSTAL CARD, which is self-explanatory.

In the event it is necessary to change the location of the proposed
well, you should obtain the written permission of the Land Commissioner
before proceeding with the drilling.

Very truly yours,

WATER DIVISION

By

RWF/WD

Encl: G-301, G-306
G-307

cc: UEGS-Card
UEGS, Tucson
1-24-58
3-66

350' 12" hole
~~Surface casing~~

Irrigation

Start work May 1958

Apply water July 1958

To Irrigate SE 1/4 - 160 Ac.

WATER DIVISION
SALT LAKE COUNTY
UTAH

This copy of Report of Location to Drill Well in Twp. 12N, R. 10E, S. 12E, Salt Lake County, Utah, is being furnished to you for your files. Also enclosed is a copy of the report of the well log.

WITH REGARD TO THE WELL LOG, WHICH SHOULD BE IN THE HANDS OF THE
DRILLER BEFORE COMMENCEMENT OF THE WELL IS STARTED.
REPORT OF WELL DRILLING FORM, WHICH SHOULD BE FILLED IN BY
THE DRILLER AND SENT TO US WITHIN THIRTY DAYS AFTER COM-
PLETION OF THE WELL.
REPORT OF EQUIPMENT INSTALLED FORM, WHICH SHOULD BE FILLED
IN BY YOU AND SENT TO US WITHIN THIRTY DAYS AFTER THE IN-
STALLATION OF THE PUMPING EQUIPMENT.
A STATEMENT, APPROVED FOR THE CARD, WHICH IS SELF-EXPLANATORY.

In the event it is necessary to change the location of the proposed well, you should obtain the written permission of the Land Commissioner before proceeding with the drilling.

Very truly yours,
WATER DIVISION
70

3-80
1-24-58
USDA, Jackson
USDA-Carm
702-2
6-20-58
6-20-58

1200+ of 7" casing.

Rig off of hole but
on location.

casing may be cemented.

Jerry Sager

4:30 PM

54

4-29-58

from the desk of _____

MURIEL R. BATES

Kirk - threatened Waggoner
& stopped payment.

after about 1000 of the
after Carter - about
11th told B. not to send

Br 5-4311

from the desk of _____ C

F. C. RYAN

1. 1800 series O & G leases

name of: Senge B.
Harrison
Texas Oil & Gas

lien:
sheriff's sale to: Alvin I. Smith
(Mechanics lien?)

never been assigned

Court order to hold and
not transfer: has, Co. Sheriff's
Court.

54
Attempt to pay up delinquent +
penalty + interest by Harrison
Producing in last 1/2 year

from the desk of _____

F. C. RYAN

12,100
payment stopped on ~~12,100~~
by Harrison, Betty paid,

House paid up on last
day of grace with Postal
money order Payable to
Land Dept. \$12,100
Actual Billing circa \$11,200

2. Most of O+G base billings
go to delinquency.
3. Have had history of establis
House fronts.

from the desk of _____

F. C. RYAN

4. JWL has gone to private listing because of House. Was told by Ratter that "he'd be taken care of" if lease cancellations were extended.

House told JWL that Atty Gen. was appreciation of what had been done for Beroyan leases.

April 25, 1958

Memorandum to: Obed M. Lassen
From: Frederick C. Ryan
Subject: Drilling operations of Kirk Besoyan, et al in violation of Oil and Gas Conservation Statutes.

The present difficulties we are experiencing with Kirk Besoyan due to his failure to comply with the provisions of the Statutes and Rules and Regulations Governing the Conservation of Oil and Gas, stem from activities of identical nature by his brother, Serge Besoyan. The activities with which we are concerned are illegal oil and gas drilling operations in Section 31, Township 18 North, Range 20 East and in Section 33 of the same Township and Range. The former location is currently called K. Besoyan - Hunt #1; the latter, K. Besoyan - Perkins #1.

There follows a very brief chronologic run-down of the history of the operations:

1. In mid-June of 1957 we had reports from oil scouts of a rig drilling on the Ben Hunt property a few miles west of Holbrook. Our Geologist, Phil Johnson made a trip to Holbrook and, during a conversation with Serge Besoyan, was told that the drilling operation was a water well although statements by the driller and the geologic formations penetrated at that time indicated very strongly that the operation was an oil or gas test.
2. With the above information as basis, Louis Duncan wrote to Mr. Besoyan by certified mail on June 27, 1957 informing him that his operation was in violation of the law. (see letter attached)
3. Phil Johnson, on November 4, 1957, reported finding of Notice of Claim of Lien and Drilling Agreement posted at well site. These documents (attached) indicate the nature of the intention of the operation contemplated.

4. From the information obtained next above and through the technical opinion of Phil Johnson, Emmet Barry and I, on November 6, 1957, called on the Attorney General seeking advice as to whether legal action on your part was an advisable procedure. The Attorney General advised that the matter might better be handled on a personal letter basis by him and it was agreed that he should take such action. (see attached letter)
5. On December 19, 1957 a letter of the 18th from Serge Besoyan was received verifying the depth of the well, a statement that he would file for permits and that the hole was not in good condition. Mr. Besoyan stated that he had an operating agreement with Harrison Producing Company of San Francisco. (see attached letter) A radiation log run by McCullough Tool Company of Farmington was attached. This log was run on November 23, 1957.
6. Bond for \$2,500 was filed by Harrison Producing Company on January 9, 1958, reputedly for the hole in question. (no Intent to Drill has yet been filed by Harrison) Any deal made by Harrison-Besoyan interests apparently culminated in the "stop-payment" of a check for \$12,100.00 by Harrison on January 21, 1958. This check was to pay up delinquencies incurred in Land Department oil and gas leases held in the name of Serge Besoyan, which had been purchased by one Alvin T. Smith at Sheriff's sale and which leases were frozen as to assignment by court order.
7. A rotary rig was reported to us as drilling on the Hunt location by a major oil company scout on February 10, 1958.
8. Telegram received from St. Paul Fire and Marine Insurance Company of San Francisco on March 13, 1958 requesting \$10,000 bond forms. (This wire was an apparent follow-up to an inquiry from the same company dated December 20, 1957 indicating that one Chas. Schmitz would act as principal on bond for the well concerned, such well being referred to in the letter as "Besoyan Brothers #7 - Penzance Dome") (see attached letter)
9. On March 19, 1958 an oil company scout reported the Besoil Company as drilling at 950' in the Hunt hole; that Besoil planned to return to a location in Section 33 (Perkins #1) to complete a well started there by another rig.
10. On March 24, 1958 Kirk Besoyan wired for permit forms; stated that Chas. Schmitz would act as principal on bond.

11. Forms requested mailed to Mr. Besoyan with letter of March 25, 1958. (see attached letter outlining application procedures).
12. On March 31, 1958, W. Dean Nutting, Attorney-at-Law, Holbrook transmitted to us in the name of Kirk Besoyan ----- Organization Report, Intents to Drill, fees and plats for the Hunt well and the Perkins well. (see attached applications)
13. On April 3, 1958, Phil Johnson and I were at the Hunt well shortly after noon. The rig was drilling away at a reported 1,350 feet. A visit to the Perkins site revealed that rig shut down because of mechanical trouble and the hole mudded in. Later a conversation with Serge Besoyan revealed that he claimed no ownership of the operation. We told him the operation was illegal and asked that he inform Kirk of this. We then talked to Mr. Nutting in Holbrook and informed him of the illegality of the operation.
14. On April 16, 1958 a verifax copy of the Commissioner's order to cease all drilling operations in either or both of these wells which was dated April 16, 1958 was served personally to Kirk Besoyan by Phil Johnson and myself. It was agreed that, according to the stipulation in last paragraph of this order that Mr. Besoyan should proceed no further than running an electrical log and casing the hole to assure protection to the hole.
15. On April 24, 1958, an oil scout called in with the information that the electric logs had been run and that they were presently running pipe.
16. On April 25, 1958, Leland Waggoner, the tool pusher on the rig called in by telephone to me and stated that he had told his crew at the end of the week immediately preceding Easter Sunday that they would not go back to work until bond had been put up by Besoyan. He further stated that Besoyan had taken over his (Waggoner's) crew and the rig; that Besoyan had forbidden Waggoner to enter onto the lease; that Besoyan had stopped payment on a check or checks given to Waggoner as reimbursement for monies paid by Waggoner to his crew.

Respectfully submitted,

Frederick C. Ryan
Frederick C. Ryan, Supervisor
Oil and Gas Conservation

April 24, 1958

Memorandum:

To: Obed M. Lassen
From: Frederick C. Ryan
Subject: Besoyan well operation.

Phil Johnson and I arrived at the location of the so-called K. Besoyan - Hunt #1 at mid-morning Thursday, April 17, 1958 to find that they were drilling ahead at approximately 1,683 feet and were preparing to run gamma ray neutron logs.

Present at the site were both Kirk Besoyan and Serge Besoyan, a well survey crew from McCullough Tool Company, Farmington, and a scout and geologist from Pan-American Oil Company who were there merely to observe.

A verifax copy of your order of April 16, 1958 to cease drilling was handed to Kirk Besoyan and was amplified by oral explanation of what this office required. He agreed to shut down and run casing to protect the hole as soon as the electric logs had been run. He stated that bond would be posted shortly.

The Pan-American scout, Mr. Paul Lewis, of Albuquerque, was requested to watch the operation and to report to us the status on the occasion of his next scout check telephone call. He called in this afternoon (April 23) and reports that the logs were run and that the operator is presently running casing as he agreed to do. Bond is not forthcoming.

Besoyan's drilling contractor, Leland Waggoner, in a phone call to Muriel Bates on April 21, claims that he told his crew to shut down Easter week-end - depth 1,305 feet; that Besoyan took over and ordered Waggoner's crew to continue drilling; that Besoyan has forbidden Waggoner to enter on the lease; finally, that Besoyan's checks to Waggoner have bounced. Waggoner's purpose in this call was to go on record at this office that he had ordered drilling stopped approximately April 4, 1958 until bond was in.

Inasmuch as Besoyan probably does not plan to drill further, he probably does not mind being shut down. I think our next move is to explore the idea of giving him a short time limit in which to file bond and to inform him that lacking such filing we will go to court through the Attorney General with the aim of collecting whatever penal sum we think is justified.

FCR:mb

April 16, 1958

Besoil Company
Kirk Besoyan, Owner
P. O. Box 1
Holbrook, Arizona

Dear Mr. Besoyan:

Certified Mail

Reference is made to the two wells for which your company filed O&G Forms 51, "Notice of Intention to Drill New Well" with this office by letter of transmittal dated March 31, 1958; the first well being known as the K. Besoyan-Hunt No. 1, located in Section 31, Township 18 North, Range 20 East, Navajo County; the other called the K. Besoyan-Perkins No. 1, located in Section 33, Township 18 North, Range 20 East, Navajo County.

Inasmuch as your company has not filed bond as required by Rule 40, General Rules and Regulations Governing the Conservation of Oil and Gas in Arizona and Section 27-516 Arizona Revised Statutes, you are hereby ordered to cease all drilling operations in either or both of the above mentioned wells until such time as your company has filed necessary bond and you have been notified in writing by this office that you may proceed with your operation.

It is further required that all necessary and reasonable precautions be taken by you to insure that, during the period of drilling inactivity caused by this order, all strata penetrated by each of these wells are properly protected.

Very truly yours,

Obad M. Lassen,
State Land Commissioner

OML:mb

cc - Virginia M. Birk, Agent - Certified Mail
W. Dean Nutting, Attorney-at-Law - Certified Mail
Leland Waggoner, Driller - Certified Mail

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
Eng. Deserjan

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)

3. DELIVERY DATE
 4-26-58

4. ADDRESS WHERE DELIVERED

APR 26 1958 ARIZ

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
Virginia Dick

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)
Robert Clay

3. DELIVERY DATE
 11-17-58

4. ADDRESS WHERE DELIVERED

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
W. Dean Muller

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)

3. DELIVERY DATE
 5-8-58

4. ADDRESS WHERE DELIVERED

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

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1. SIGNATURE OR NAME OF ADDRESSEE
W. Dean Muller

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)

3. DELIVERY DATE

4. ADDRESS WHERE DELIVERED

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

HOLBROOK, ARIZ. APR 17 1958
DEAN WITTING

INSTRUCTIONS.—Show name, address and number of article below. Complete "Instructions To Delivering Employee" on other side, when applicable. Moisten gummed ends and securely attach to back of article. Endorse front of article RETURN RECEIPT REQUESTED.

REGISTERED NO. NAME OF SENDER

CERTIFIED NO. 570963 STREET AND NO. OR P.O. BOX STATE LAND DEPARTMENT

INSURED NO. CITY, ZONE, AND STATE 422 ARIZONA STATE OFFICE BLDG. PHOENIX, ARIZONA

POD Form 3811, Dec. 1955

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

HOLBROOK, ARIZ. APR 26 1958
DESOLL COMPANY

INSTRUCTIONS.—Show name, address and number of article below. Complete "Instructions To Delivering Employee" on other side, when applicable. Moisten gummed ends and securely attach to back of article. Endorse front of article RETURN RECEIPT REQUESTED.

REGISTERED NO. NAME OF SENDER

CERTIFIED NO. 570962 STREET AND NO. OR P.O. BOX STATE LAND DEPARTMENT

INSURED NO. CITY, ZONE, AND STATE 422 ARIZONA STATE OFFICE BLDG. PHOENIX, ARIZONA

POD Form 3811, Dec. 1955

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

VIRGINIA H. BIRK
STATE LAND DEPT.

INSTRUCTIONS.—Show name, address and number of article below. Complete "Instructions To Delivering Employee" on other side, when applicable. Moisten gummed ends and securely attach to back of article. Endorse front of article RETURN RECEIPT REQUESTED.

REGISTERED NO. NAME OF SENDER

CERTIFIED NO. 570964 STREET AND NO. OR P.O. BOX STATE LAND DEPARTMENT

INSURED NO. CITY, ZONE, AND STATE 422 ARIZONA STATE OFFICE BLDG. PHOENIX, ARIZONA

POD Form 3811, Dec. 1955

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

MR. LELAND M. WAGGONER MB

INSTRUCTIONS.—Show name, address and number of article below. Complete "Instructions To Delivering Employee" on other side, when applicable. Moisten gummed ends and securely attach to back of article. Endorse front of article RETURN RECEIPT REQUESTED.

REGISTERED NO. NAME OF SENDER

CERTIFIED NO. 570965 STREET AND NO. OR P.O. BOX STATE LAND DEPARTMENT

INSURED NO. CITY, ZONE, AND STATE 422 ARIZONA STATE OFFICE BLDG. PHOENIX, ARIZONA

POD Form 3811, Dec. 1955

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
 X *W. Dean Sullivan*

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)

3. DELIVERY DATE

4.

APR 26 1958

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
 X *Larry Reseyan*

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)

3. DELIVERY DATE
 4-26-58

4.

APR 26 1958

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
 X *Virginia Dick*

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)
Robert Claps

3. DELIVERY DATE
 4-17 58

4.

INSTRUCTIONS TO DELIVERING EMPLOYEE

DELIVER ONLY TO ADDRESSEE (20¢ additional)

SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
 X *William Sullivan*

2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)

3. DELIVERY DATE
 4-21-58

4.

OF SERVICE
If message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD (45) estimation

LA037

L HOA002 DL PD=HOLBROOK ARIZ 12 840AMM=
RYAN AND JOHNSON, STATE LAND OFFICE=
CAPITOL ANNEX PHOENIX ARIZ=

APR 12 AM 9 45

AS PER INFORMATION REQUESTED HUNT NUMBER ONE WELL TO BE
CASED WITH 24 LB CASING 7" TO TOTAL DEPTH AND CEMENTED
PROVIDING ELECTRIC LOG PROVES ZONES STOP COMMENCED
OPERATIONS YESTERDAY AFTERNOON AND SURFACE CASING AND
HEAVY MUD HOLD OUT ALL WATER=

KIRK BESOYAN=

APR 14 9 00 AM 1958

STATE LAND DEPARTMENT

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

54

April 4, 1958

Mr. W. Dean Nutting
Attorney-at-Law
P. O. Box 71
Holbrook, Arizona

Dear Mr. Nutting:

We are transmitting herewith the following material
for your information:

General Rules and Regulations Governing the
Conservation of Oil and Gas in Arizona - Statewide

General Rules and Regulations Governing the
Conservation of Oil and Gas in Arizona - Rules of
Order and Procedure for Hearings before the
Commissioner

House Bill 8 and House Bill 300

O&G 51, Notice of Intention to Drill New Well
(2 copies)

Very truly yours,

STATE LAND COMMISSIONER

By:
Frederick C. Ryan, Supervisor
Oil and Gas Conservation

Encs.

54

April 3, 1958

Memo to: Obed M. Lassen
From: Muriel R. Bates
Subject: Besoil Company

Fritz Ryan has just phoned me from Winslow and has requested that I give you a brief resume on the above subject.

Yesterday, I received two permits to drill for the above mentioned company. Both wells are in Township 18 North, Range 20 East, Sections 31 and 33 respectively, being privately owned land. A check in the amount of \$50.00 accompanied these Intents, and in addition, an organization report with Kirk Besoyan as owner, and a Virginia M. Birk of Los Angeles as agent. The check was written by Mr. Besoyan on a Los Angeles bank and was processed yesterday. The bonds have not been received.

Mr. Kirk Besoyan was in this office this morning requesting the approval of his permits in order that he might proceed with the drilling of these two wells. I informed him that I had no authority to do this, inasmuch as the bonds had not been received, nor had his casing program been approved. He told me that the bonds would be forthcoming from the Phoenix agent acting for the U. S. Fidelity & Indemnity Company.

He also informed me that the well located on the Hunt property (Sec. 31) was down to 902' and that the other well on the Perkins property (Sec. 33) was down to 485'. Also, I found out that the tool pursher on these wells was a Mr. Leland Waggoner and that he stays at the Whiting Motel in Holbrook.

Fritz and Phil plan to be in the office late Friday afternoon.

mb

W. DEAN NUTTING
ATTORNEY AT LAW
POST OFFICE BOX 71
HOLBROOK, ARIZONA
TELEPHONE 219

March 31, 1958

State Land Department
Att: Mr. Frederick C. Ryan
Supervisor,
Oil and Gas Conservation
Phoenix, Arizona

Gentlemen:

Please find enclosed, on behalf of Mr. Kirk Besoyan, the following:

1. Original Organization Report, Form OG 50.
2. Original and duplicate of two Forms OG 51, Notice of Intention to Drill New Well, for two wells, one the Penzance (Perkins) No. 1 and the other Penzance (Hunt) No. 1.
3. A map of both Sections 33 and 31, showing the location of each well proposed to be drilled.
4. Copies of legal description of two wells by Theodore F. McNabb, registered land surveyor.
5. Check payable to the State Land Commissioner for \$50.00 to cover fee for permit for the two wells.

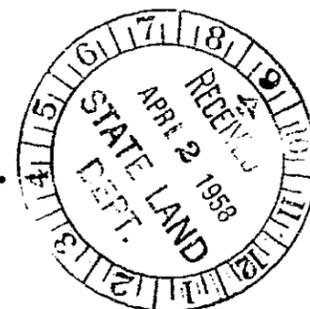
Application for two bonds, each in the sum of \$2500.00, has been made to the USF&G Company and these bonds will be written in the Phoenix office and will be sent directly to your office. The local agent advised me today that they would be written in Phoenix.

Please acknowledge receipt of this letter and the enclosures.

Very truly yours,

W. Dean Nutting
W. Dean Nutting
Box 71
Holbrook, Arizona

Attorney for Kirk Besoyan.



WDN:lg

54

54
W. DEAN NUTTING
Attorney at Law
HOLBROOK, ARIZONA



State Land Department
Att: Mr. Frederick C. Ryan
Supervisor
Oil and Gas Conservation
Phoenix, Arizona

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/>	DELIVER ONLY TO ADDRESSEE (30¢ additional)
<input type="checkbox"/>	SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (7¢ additional)
RECEIPT	
Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.	
1.	SIGNATURE OR NAME OF ADDRESSEE
<i>Kirk Bescyan</i>	
2.	SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in Item 1 above)
3.	DELIVERY DATE
1958	

March

Mr. Kirk Bescyan
Box 1
Holbrook, Arizona

Dear Mr. Bescyan:

CERTIFIED MAIL

Reference is made to your wire of March 24, 1958 in which you requested Intention to Drill forms.

From the status reports of recent activity in the so-called Hunt #1 and Perkins #1 holes, we presume it is your intention to legally cover each of these wells by filing the required forms. Needless to say, this office is heartily in accord with such voluntary action on your part, thus obviating the necessity of any action on our part which we would be forced to take by law.

The following is the procedure required for filing:

1. Execution of the Organization Report (One copy), reflecting particularly the authorized agent or agents.
2. Completion of CG forms 51, Intention to Drill, in duplicate for each well, with particular attention to accurate elevation and proposed casing program, with emphasis on adequate measures to protect from pollution, loss or intermingling, all surface and fresh waters. Filing fee of \$25.00 to accompany Intent for each well.
3. Filing of bond in the principal sum of \$2,500 for each well or blanket \$10,000, executed by a person as reflected in your Organization Report as principal, and a satisfactory surety company as surety.

From past correspondence with Mr. Mooney, St. Paul Fire and Marine Insurance Company, San Francisco, coupled with the mention of Mr. Schmitz in your wire, it is again presumed that Mr. Schmitz will act as principal on the bond. If such is the case, it is of course necessary that Mr. Schmitz' name appear as agent or principal in the Organization Report.

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

POSTMARK OF
DELIVERING OFFICE

MAR 25 3 30 PM
TULSA

INSTRUCTIONS - Show name, address and number of article below. Complete "Instructions To Delivering Employee" on other side, when applicable. Marked, gummed ends and securely attach to back of article. En- dorsed front of article RETURN RECEIPT REQUESTED.

REGISTERED NO.

NAME OF SENDER

CERTIFIED NO.
570474

STREET AND NO. OR P.O. BOX

STATE LAND DEPARTMENT
422 ARIZONA STATE OFFICE BLDG
PHOENIX, ARIZONA

INSURED NO.

CITY, ZONE AND STATE

RETURN TO

March 25, 1958

Mr. Kirk Bescyan
Box 1
Holbrook, Arizona

Dear Mr. Bescyan:

CERTIFIED MAIL

Reference is made to your wire of March 21, 1958 in which you requested intention to Drill forms.

From the status reports of recent activity in the so-called Hunt #1 and Perkins #1 holes, we presume it is your intention to legally cover each of these wells by filing the required forms. Needless to say, this office is heartily in accord with such voluntary action on your part, thus obviating the necessity of any action on our part which we would be forced to take by law.

The following is the procedure required for filing:

1. Execution of the Organization Report (One copy), reflecting particularly the authorized agent or agents.
2. Completion of OG forms 51, Intention to Drill, in duplicate for each well, with particular attention to accurate elevation and proposed casing program, with emphasis on adequate measures to protect from pollution, loss or intermingling, all surface and fresh waters. Filing fee of \$25.00 to accompany intent for each well.
3. Filing of bond in the principal sum of \$2,500 for each well or blanket \$10,000, executed by a person as reflected in your Organization Report as principal, and a satisfactory surety company as surety.

From past correspondence with Mr. Mooney, St. Paul Fire and Marine Insurance Company, San Francisco, coupled with the mention of Mr. Schmitz in your wire, it is again presumed that Mr. Schmitz will act as principal on the bond. If such is the case, it is of course necessary that Mr. Schmitz' name appear as agent or principal in the Organization Report.

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/>	DELIVER ONLY TO ADDRESSEE (40¢ additional)
<input type="checkbox"/>	SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)
RECEIPT	
Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.	
1. SIGNATURE OR NAME OF ADDRESSEE	<i>Kirk Bescyan</i>
2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)	
3. DELIVERY DATE	
4.	

March 25, 1958

Mr. Kirk Bescyan
Box 1
Holbrook, Arizona

Dear Mr. Bescyan:

CERTIFIED MAIL ✓

Reference is made to your wire of March 24, 1958 in which you requested intention to Drill forms.

From the status reports of recent activity in the so-called Hunt #1 and Perkins #1 holes, we presume it is your intention to legally cover each of these wells by filing the required forms. Needless to say, this office is heartily in accord with such voluntary action on your part, thus obviating the necessity of any action on our part which we would be forced to take by law.

The following is the procedure required for filing:

1. Execution of the Organization Report (One copy), reflecting particularly the authorized agent or agents.
2. Completion of OG forms 51, Intention to Drill, in duplicate for each well, with particular attention to accurate elevation and proposed casing program, with emphasis on adequate measures to protect from pollution, loss or intermingling, all surface and fresh waters. Filing fee of \$25.00 to accompany intent for each well.
3. Filing of bond in the principal sum of \$2,500 for each well or blanket \$10,000, executed by a person as reflected in your Organization Report as principal, and a satisfactory surety company as surety.

From past correspondence with Mr. Hickey, St. Paul Fire and Marine Insurance Company, San Francisco, coupled with the mention of Mr. Schmits in your wire, it is again presumed that Mr. Schmits will act as principal on the bond. If such is the case, it is of course necessary that Mr. Schmits' name appear as agent or principal in the Organization Report.

Mr. Kirk Bascom
March 25, 1958
Page 2

Transmitted herewith are the necessary forms as requested, together with copies of the Oil and Gas Conservation Act of 1951 and the current Statewide Rules and Regulations. If there remains any point which we might help clarify, we shall be glad to do so.

Very truly yours,

STATE LAND COMMISSIONER

By:
Frederick G. Ryan,
Supervisor,
Oil and Gas Conservation

FCR:mb
Enclosures

cc - P. W. Johnson
Attorney General (if necessary)

CLASS OF SERVICE
 This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

SYMBOLS
 DL=Day Letter
 NL=Night Letter
 LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LB253 SSB238 1

HOAO 14 PD=HOLBROOK ARIZ 24 1136AMM=
 LOUIS DUNCAN, CAPITOL ANNEX=
 STATE LAND DEPT PHOENIX ARIZ=
 PLEASE MAIL PERMIT FORM FOR OIL AND GAS DRILLING TO PO
 BOX 1 HOLBROOK. BOND ARRANGEMENTS BEING MADE BY CHAS
 SCHMITZ AS ON NAVAJO PROPERTY BEFORE. REGARDS=
 KIRK BESOYAN:

1958 MAR 24 PM 12 05

MAR 24 12 35 PM 1958
 STATE LAND DEPARTMENT

54

March 19, 1958

Jerry Sager
Shell Oil Company
Durango, Colorado
Phone: Cherry 7-3152

Mr. Sager phoned today from Durango and gave us information on the following locations:

Besoil Company - Hunt #1 *NOT STATE*
SE $\frac{1}{4}$ SE $\frac{1}{4}$; Sec. 33, T. 18 N., R. 20 E.

TD 950'. Rotary rig - intend to drill in the next couple of days. Have pulled pipe.

Besoil Company - Perkins #1 *NOT STATE*
SE $\frac{1}{4}$ SE $\frac{1}{4}$; Sec. 31, T. 18 N., R. 20 E.
TD 500'. Shut down. Plan to complete this well after moving out of the other hole.

Mr. Sager requested that this information be kept confidential as to where we got the info on the above. Also, they may be contacted at the HiWay House, Holbrook.

from the desk of _____

F. C. RYAN

Portable rotary reported
2-10-58 drilling across the
road north of Basquin
water well on Perkins
land.

(Perkins probably owns pt.
NE of 31, 30, 29 and
leaves 28 from state.

March 13, 1958

St. Paul Fire and Marine Insurance Company
200 Mills Building
San Francisco 6, California

Attention: B. J. Mooney
Bond Department

Dear Mr. Mooney:

We are pleased to transmit herewith our blanket \$10,000
bond as requested in your telegram dated March 12, 1958.

Although we require but one executed copy, an extra is
being sent along for your information and file.

If we can be of further help please call on us.

Very truly yours,

STATE LAND COMMISSIONER

BY:
Frederick C. Ryan, Supervisor
Oil & Gas Conservation

FGRmb
Encl. (2)

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA569 OE483

129

O SFN725 PD=FAX SAN FRANCISCO CALIF 12 47 PM MAR 12 PM 5 54
OFFICE OF STATE LAND DEPT, ATTN FREDERICK C RYAN,
SUPERVISOR OIL AND GAS CONSERVATION=

STATE OF ARIZONA PHOENIX ARIZ=

FORWARD COPY OF BLANKKET BOND FOR DRILLING OIL OR GAS
WELL IN AMOUNT OF \$10,000=

B J MOONEY ST PAUL FIRE AND MARINE INSURANCE
200 MILLS BLDG SAN FRANCISCO CALIF=

MAR 13 29 AM 1958
STATE DEPARTMENT

Da 618 pmj

NO. Al 36128 TO
BY _____ AT _____ TO
CALLS _____

January 2, 1958

Mr. Phil Johnson
P. O. Box 2270
Tucson, Arizona

Dear Phil:

We have recently received a drilling log on the water well on Section 31, Township 18 North, Range 20 East.

We are advised by Mr. House that in the very near future a notice of intention to drill an oil and gas well will be filed on this well along with a bond.

We wanted to bring this information to your attention in case you had heard further information on this matter and might be concerned as to what had been reported here.

You will be furnished a copy of the notice of intention to drill before it is approved. Very likely, it will be accompanied with the request that you inspect said well before approval of the drilling permit.

Very truly yours,

Louis C. Duncan
Manager

LCD/pm

December 30, 1957

Pacific Department
The Saint Paul Companies
200 Mills Building
San Francisco, 6, California

Attention: B. J. Mooney,
Bond Department

Dear Mr. Mooney:

Reference is made to your letter of December 20, 1957 regarding
Chas. Schmitz oil or gas bond.

Your understanding of our requirement of immediate posting of
bond is correct. This, and other requirements are fully covered
under Rule 40 of the Statewide Rules and Regulations Governing the
Conservation of Oil and Gas in Arizona, a copy of which is trans-
mitted herewith for your information and guidance as surety. If
Mr. Schmitz qualifies as a "person" under the language of Rule 2
and Rule 40, his executed bond must be in our hands before approval
of drilling permit can be made by this office.

In accordance with your request we are inclosing the pertinent
drilling bond form.

Very truly yours,

STATE LAND COMMISSIONER

By:
Frederick C. Ryan,
Supervisor,
Oil and Gas Conservation

54
FCR:mb
Enc.

Wester

ST. PAUL FIRE and MARINE INSURANCE COMPANY

ST. PAUL MERCURY INSURANCE COMPANY



PACIFIC DEPARTMENT, 200 Mills Building, SAN FRANCISCO 6, CALIFORNIA Phone SUtter 1-4022

AIR MAIL

December 20, 1957

Mr. Louis Duncan
State Land Office
Capitol Annex
Phoenix, Arizona

Re: Chas. Schmitz.
Oil or Gas Bond

Dear Mr. Duncan:

We as a surety company acted as Surety for Mr. Chas. Schmitz in the past and have been notified by him that he has need of another Oil and Gas Well Bond covering Section 31 - T 18 N - R 20 E, Navajo County, State of Arizona - Well - Besoyan Brothers #7 - Field - Penzance Dome.

Our understanding is that you request a bond immediately and in order that we might properly consider this request, would you please furnish us with the appropriate bond form. We in turn will have Mr. Schmitz sign the bond and will then forward it direct for filing to your attention.

Yours truly,

B. J. Mooney
B. J. Mooney
Bond Department

BJM:ej
cc: Chas. Schmitz
cc: Serge Besoyan

C O N F I D E N T I A L

MR. OBED M. LASSEN, Commissioner
MR. LUIS DUNCAN,
State Land Dept.,
Phoenix, Arizona

433 Princeton Ave.,
Fresno, California

December 18, 1957

Dear Messrs. Lassen & Duncan:

At long last we can come out in the open regarding the water well I was drilling on Ben Hunt's ranch at Holbrook, for the consideration of getting his oil and gas lease on all his properties on the Penzance Dome.

We were requested by representatives of two major companies, who eventually will handle most of Arizona's oil and gas productions, to withhold any information or publicity until the first Navajo bids were opened.

I had agreed to drill up to (1000) one thousand feet to see if we could get an artesian well, but at 890' to 902' we had a terrific show of oil and gas, at which time we shut down to take a "Radiation Log" to see if we were right.

Enclosed is a copy that we received last week from Farmington. Over 60 feet had caved-in at the bottom.

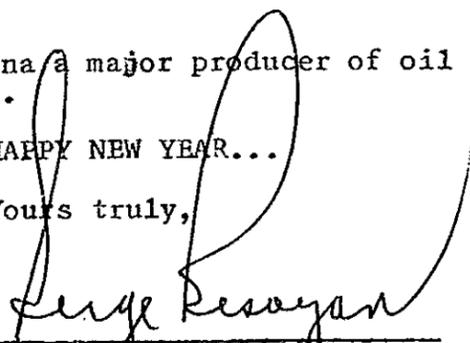
I will be in Phoenix next week to file for oil and gas permits required and supply you with a bond. We expect to start work after January 10, 1958, in co-operation with the Harrison Producing Co., of San Francisco; they are the group who will help develop all our other properties too.

I hope that 1958 will make Arizona a major producer of oil and gas, as it will be in Helium.

Wishing you a MERRY XMAS AND A HAPPY NEW YEAR...

Enclosures:

Yours truly,


Serge Besoyan, President
PENZANCE PETROLEUM CORP., INC.

November 6, 1957

Honorable Robert Morrison
The Attorney General
State Capitol
Phoenix, Arizona

Dear Mr. Morrison:

In conjunction with the conference Mr. Barry and I had with you this morning, I am transmitting certain documents in connection with the alleged violation under the Oil Conservation Act, which we discussed.

There is a verifax copy of a letter dated June 27th, 1957 to Mr. Serge Besoyan, together with a verifax copy of the returned receipt (said letter having been sent by certified mail), which we have in this office. Attached to this copy of the letter is the report of our geologist, Mr. Phillip W. Johnson made to the Land Commissioner on this same day.

In addition, there are certain documents attached to a copy of the report of the same Mr. Johnson, dated November 4th, 1957, which are self-explanatory.

Thanking you for your cooperation in this matter, I remain

Very truly yours,

STATE LAND COMMISSIONER

By: Frederick G. Ryan,
Supervisor,
Oil and Gas Conservation

EB:FCR:mb
Enclosures

D R A F T

GENERAL ORDER NO. 7

In accordance with the provisions of Section 27-516, C, Arizona Revised Statutes, regarding emergency rules and regulations, Rule 3 of the General Rules and Regulations Governing the Conservation of Oil and Gas in Arizona, Statewide Rules and Regulations is hereby amended to read as follows:

RULE 3

APPLICATION TO DRILL. A person desiring to drill a well in search of oil or gas shall notify the Commissioner of such intent on Form No. OG 51 prescribed by the Commissioner, and shall pay a fee of twenty-five dollars for each well. Upon receipt of notification and the fee, the Commissioner will promptly issue such person a permit to drill, unless the drilling of the well is contrary to law, or to a rule, regulation, or order of the Commissioner. The drilling of the well is prohibited until a permit to drill is obtained in accordance with the provisions of this section. If the permit is disallowed, the Commissioner will immediately notify the person in writing the reasons therefor. The permit will be on such form as the Commissioner may prescribe. For the purpose of these Rules and Regulations, any hole presently being drilled, or which is drilled in the future, by or for or with the permission of an "owner" or "operator" as defined in these Rules and Regulations, and which hole penetrates below fresh water or which penetrates possible oil or gas-bearing formations, shall be presumed to be a well drilled in search of oil or gas, unless it is clearly demonstrated to the satisfaction of the Commissioner that such is not the case.

Rule 3, as amended above is hereby declared to be in full force and effect this ____ day of March, 1958 and any person violating the provisions thereof is subject to the penalties provided by Section 27-527 Arizona Revised Statutes.

ARTICLE II

STATEWIDE RULES AND REGULATIONS

RULE 2

DEFINITIONS. Unless the context otherwise requires, the words hereinafter defined shall have the following meaning when found in these rules, to-wit:

(b) "Person" includes corporation, association, partnership, receiver, trustee, guardian, executor, administrator, fiduciary, representative, or any group acting as a unit, and includes any department, agency, or instrumentality of the state or of any governmental subdivision thereof;

(h) "Owner" means the person having the right to drill into, produce, and appropriate the production of oil or gas or both from a pool.

(i) "Operator" means any person who, duly authorized, is in charge of the development of a lease or the operation of a producing well;

To: Obed M. Lassen, State Land Commissioner

Date: November 4, 1957

The attached Notice of Claim of Lien and Exhibit "A", Tentative Drilling Agreement were copies verbatim from similar documents posted at the well site, located in the $\text{SE}\frac{1}{4}$ of Section 31, Township 18 North, Range 20 East, Navajo County, Arizona, and is believed to constitute conclusive proof that this well was intended as a oil or gas test, and that the parties named in the Notice of Claim of Lien, knowingly contrived to drill well without compliance with Rules and Regulations of the State of Arizona.

Phillip W. Johnson
Phillip W. Johnson,
Geologist

NOTICE OF CLAIM OF LIEN

To: Serge Besoyan, Ben Hunt, Penzance Oil & Gas Corporation
and to whomever it may concern.

You and each of you are hereby notified that the undersigned hereby gives notice of claim of lien for labor and materials furnished in the drilling and installation of casing in said well located in the County of Navajo, State of Arizona, more particularly hereinafter described:

1. The land improvements to be charged with said lien is described as follows:

That certain ten-acre tract immediately surrounding a well commonly known and designated as Kipling No. 1, located in the SE $\frac{1}{4}$ of Section 31, Township 18 North, Range 20 East, Gila and Salt River Base and Meridian, Navajo County.

Said well being drilled to a depth of 902 feet in which is inserted 300 feet of 10 inch casing, and approximately 728 feet of 8 inch casing.

2. The lienor lacks the necessary information as to the positive ownership of said property hereinbefore described, but is informed and believes that said well is either owned by Serge Besoyan, or Penzance Oil & Gas Corporation, or possibly by them jointly and that the same is located on land owned by Ben Hunt; that lienor was employed by Serge Besoyan on his own half as agent for said Penzance Oil & Gas Corporation to do work and furnish the material for said well, which constitute the basis of this lien; that the contract for said labor and material by lienor was a written contract signed by Serge Besoyan and lienor dated June 1, 1957 a copy of which said agreement is attached hereto marked Exhibit "A", and made a part of this Notice and Claim of Lien.

3. That lienor's demand and the balance due owing and unpaid on said contract for labor and materials furnished is the sum of \$4,366.92 after deducting all just credits and offsets against said contract.

4. That said well was completed to the depth of 902 feet hereinbefore referred to and the casing hereinbefore referred to inserted less than 90 days immediately prior to the date of this notice and claim of lien; that said well was in fact completed to said depth on or about July 15, 1957.

Dated at St. Johns, Arizona, this 14th day of August, 1957.

Signed/ Elmer White

Statement of Affidavit

Signed/Earl Platt,
Notary Public

Exhibit "A"

Tentative Drilling Agreement

The agreement made this 1st day of June, 1957 between Besoyan Brothers Company, Phoenix, Arizona and Elmer L. White of Prescott, Arizona, hereinafter termed contractor.

WHEREAS, Besoyan Brothers Company agree to pay contractor for drilling on Penzance structure, west of Holbrook, Arizona, commencing with 10" surface pipe at \$6.00 per foot for the first 1000' - \$10.00 per foot for the second 1000' and \$14.00 per foot for the third 1000'.

The contractor agrees to furnish all drilling equipment and labor. Besoyan Brothers Company agree to furnish all casing cement and all other materials that might be needed to complete drilling. Also contractor is to be paid \$12.00 per hour for casing installation and all other hour work that might be necessary, plus $2\frac{1}{2}\%$ over-ride on any gas, helium or oil that might be produced on above well.

Signed/Serge Besoyan,

Signed/Elmer L. White,

Contractor

Notice of Claim of Lien

To - Serge Besoyan, Ben Hunt, Penzance Oil & Gas Corp.
and to whomsoever it may concern

You and each of you are hereby notified that the undersigned hereby gives notice of claim of lien for labor and materials furnished in the drilling and installation of casing in said well located in the County of Navajo State of Arizona more particularly hereinafter described

1. The land improvements to be charged with said lien is described as follows:

That certain ten acre tract immediately surrounding a well commonly known and designated as Kepling No 10 located in the SE 1/4 of Sec 31, Township 18 N, Range 20 E - Delta and Salt River Base and Meridian, Navajo County.

Said well being drilled to a depth of 902 feet in which is inserted 300 feet of 10 inch casing and approximately 728 feet of 8 inch casing

2. The Union lacks the necessary information as to the positive ownership of said property hereinafore described,

but is informed and believes that said well is either owned by Serge Besoyan, or Penzance Oil and Gas Corp. or possibly by them jointly and that the same is located on land owned by Ben Hunt; That Lienor was employed by Serge Besoyan on his own half as agent for said Penzance Oil and Gas Corp. to do work and furnish the material for said well which constituted the basis of this lien; that the contract for said labor and material by Lienor was a written contract signed by Serge Besoyan and Lienor dated June 1, 1957 a copy of which said agreement is attached hereto marked Exhibit "A" and made a part of this Notice and Claim of Lien.

3 That Lienor's demand and the balance due owing and unpaid on said contract for labor and materials furnished is the sum of \$4,366.92 after deducting all just credit and offsets against said contract.

4. That said well was completed to the dept of 902 feet hereinbefore referred to and the casing hereinbefore referred to inserted less than 90 days immediately prior to the date of this notice and claim of lien; that said well was in fact completed to said depth or or about July 15, 1957.
Dated at St. Johns Arizona this
14th day of August, 1957

Signed - Elmer White

Statement of Affidavit - - - -

Notary Public
Earl Platt

("A")
Tentative Drilling Agreement

The agreement made this 1st day of June 1957 between Besoyan Bros Co, Phoenix Arizona and Elmer F White of Prescott Arizona hereinafter termed contractor

Whereas Besoyan Bros Co agrees pay contractor for drilling on Penzance structure west of Paulbrook Arizona commencing with 10" surface pipe, at \$6.00 per foot for the first 1000' - \$10.00 per foot for the second 1000 feet and \$14.00 per foot for the third 1000 feet.

The contractor agrees to furnish all drilling equipment and labor, Besoyan Bros Co agree to furnish all casing cement and all other materials that might be needed to complete drilling, Also contractor is to be paid \$2.00 per hour for casing installation and all other hourwork that might be necessary plus 2 1/2% override on any gas, helium or oil that might be produced on above well.

54

Signed

Serge Baxoyan
Elmer L. White
contractor

10000
5000
5000

STATE OF ARIZONA

Bond No. 985374
Premium: \$75.00

STATE LAND DEPARTMENT

BOND FOR DRILLING OIL OR GAS WELL

State of Arizona)
County of Maricopa)

KNOW ALL MEN BY THESE PRESENTS:

That we, CHAS. SCHMIDT, Single, of San Francisco (510 Battery St) Calif.

hereinafter called Principal, and ST. PAUL-MERCURY INDEMNITY COMPANY, St. Paul, Minn. hereinafter called the Surety, are held and firmly bound unto the State of Arizona in the sum of Ten Thousand Dollars (\$10,000) for the payment of which the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Whereas the Principal has obtained a permit from the State Land Commissioner to drill a well in search of oil or gas, and whereas said Principal is required by provisions of the Oil and Gas Conservation Act of 1951 to deposit with the said Commissioner a good and sufficient bond:

Now, therefore, the condition of the foregoing obligation is such that if the Principal shall drill, case and plug all wells drilled by said Principal in such manner as to prevent the escape of oil or gas from one stratum to another and to prevent the intrusion of water into an oil or gas stratum from a separate stratum, and to prevent the pollution of fresh water supplies by oil, gas or salt water and in such manner as to prevent waste, and shall make reports to the Commissioner showing the location of all oil and gas wells drilled by said Principal, and shall file all logs and drilling records kept by said Principal within six (6) months from the time of the completion or abandonment of any well drilled for oil or gas and shall plug each dry or abandoned well in the manner provided by the rules and regulations adopted by said Commissioner, then this obligation to be null and void, otherwise to be and remain in full force and effect.

Witness our hands and seals this 11th day of October, 1951.

Acknowledgment of Attorney-in-Fact.

STATE OF CALIFORNIA.

CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 11th day of October, 1951, before me, a Notary Public, within and

for the said County and State, personally appeared D. M. TEMPLE known to me to be the person whose name is subscribed to the within instrument as the Attorney-in-Fact of and for the Saint Paul-Mercury Indemnity Company, Saint Paul, Minnesota, a corporation created, organized and existing under and by virtue of the laws of the State of Delaware, and acknowledged to me that he subscribed the name of the Saint Paul-Mercury Indemnity Company thereto as Surety, and his own name as Attorney-in-Fact.

Mary J. Hobson
Notary Public
My Commission Expires FEBRUARY 14, 1953

22466-1 Rev. 5-44

Approved this _____ day of _____, 1951.

State Land Commissioner

CANCELLED
October 25, 1951
MJ

Bond No. 985374
Premium: \$75.00

STATE OF ARIZONA

STATE LAND DEPARTMENT

BOND FOR DRILLING OIL OR GAS WELL

State of Arizona)
County of Maricopa)

KNOW ALL MEN BY THESE PRESENTS:

That we, CHAS. SCHMITZ, Single, of San Francisco (510 Battery St) Calif.

hereinafter called Principal, and ST. PAUL-MERCURY INDEMNITY COMPANY, St. Paul, Minn. hereinafter called the Surety, are held and firmly bound unto the State of Arizona in the sum of Ten Thousand Dollars (\$10,000) for the payment of which the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Whereas the Principal has obtained a permit from the State Land Commissioner to drill a well in search of oil or gas, and whereas said Principal is required by provisions of the Oil and Gas Conservation Act of 1951 to deposit with the said Commissioner a good and sufficient bond:

Now, therefore, the condition of the foregoing obligation is such that if the Principal shall drill, case and plug all wells drilled by said Principal in such manner as to prevent the escape of oil or gas from one stratum to another and to prevent the intrusion of water into an oil or gas stratum from a separate stratum, and to prevent the pollution of fresh water supplies by oil, gas or salt water and in such manner as to prevent waste, and shall make reports to the Commissioner showing the location of all oil and gas wells drilled by said Principal, and shall file all logs and drilling records kept by said Principal within six (6) months from the time of the completion or abandonment of any well drilled for oil or gas and shall plug each dry or abandoned well in the manner provided by the rules and regulations adopted by said Commissioner, then this obligation to be null and void, otherwise to be and remain in full force and effect.

Witness our hands and seals this 11th day of October, 1951.

Chas. Schmitz
- CHAS. SCHMITZ -

Principal

ST. PAUL-MERCURY INDEMNITY COMPANY -

by D. M. Temple
Surety

D. M. Temple, Attorney-in-Fact

Approved this _____ day of _____, 195__.

State Land Commissioner

CANCELLED
October 25, 1957
13

Original Office at the Office of Company. See fourth line of Certification hereof.

FIDELITY AND SURETY
DEPARTMENT



HOME OFFICE: SAINT PAUL, MINNESOTA

STOCK COMPANY, ORGANIZED UNDER THE
LAWS OF THE STATE OF DELAWARE.
OWNED, OPERATED AND CONTROLLED BY
THE ST. PAUL FIRE AND MARINE
INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That the Saint Paul-Mercury Indemnity Company, a corporation organized and existing under the laws of the State of Delaware, and having its principal office in the City of Saint Paul, Minnesota, does hereby constitute and appoint

D. M. Temple
200 Mills Building
San Francisco, California

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said Saint Paul-Mercury Indemnity Company, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article VI, Section 6-F, of the By-Laws adopted by the Board of Directors of the Saint Paul-Mercury Indemnity Company at a meeting called and held on the 24th day of October, 1936, of which the following is a true transcript of said Section 6-F:

- "The President or any Vice President or Secretary shall have power and authority:
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
 - (2) To appoint Special Attorneys-in-fact who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance to this section and/or any of the By-Laws of the Company, and
 - (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

IN TESTIMONY WHEREOF, the Saint Paul-Mercury Indemnity Company, has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer this

23rd day of October 19 50

SAINT PAUL-MERCURY INDEMNITY COMPANY



STATE OF MINNESOTA }
County of Ramsey } ss.

Mrs. Rice
President.

On this 23rd day of October 1950, before me came the individual who executed the preceding instrument, to me known, and, being by me duly sworn, said that he is the therein described and authorized officer of the Saint Paul-Mercury Indemnity Company; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Saint Paul, Minnesota, the day and year first above written.

C. L. Jaeger
C. L. JAEGER

Notary Public, Ramsey County, Minn.
My Commission Expires June 2, 1953.

CERTIFICATION

I, the undersigned, a Special Attorney-in-fact of the Saint Paul-Mercury Indemnity Company, duly appointed pursuant to and by authority of Section 6-F (2) of Article VI of the By-Laws of said Company, adopted on the 24th day of October, 1936, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of Section 6-F of Article VI of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 11th day of October 19 51

H. Wigginton

Special Attorney-in-fact.

22060-7M

RECEIVED
OCT 17 1951

STATE LAND DEPT.
MINN.

Folio.....

San Francisco, Calif., June 1, 1955

Chas. Schmitz

Pacific Department
Mills Building San Francisco 6, Calif.

510 Battery St., San Francisco

Saint Paul-Mercury Indemnity Company

Agent: H. B. Thomas & Co., 510 Battery St., San Francisco, Calif.

BOND OR POLICY NUMBER	DATE EFFECTIVE	DESCRIPTION	PREMIUM
985374	10/11/54 to 10/11/55 ✓	Drilling Oil or Gas Well Bond	
		Obligee: State of Arizona	
		Penalty: \$10,000	
		4th year premium \$75.00	

✓ Bond filed with State of Arizona,
State Land Department,
Phoenix, Arizona

PAID
JUN 20 1955
ST. PAUL INSURANCE CO.
[Signature]

Please return one copy of this bill with remittance and make check payable to the Company.

Mr. Concan

I hope to see you

Thank you again for your cooperation

Yours truly,
Charles Schmitz

June 30th. 1955

Mr. A. T. House and/or Serge Besoyan,
c/o "Sea Shell Motel"
Holbrook, Arizona-

My dear Ted:-

In reply to yours of the 29th. re State of Arizona "Oil
& Gas Drilling Bond", be advised, viz:-

that an active bond with expiring date as of October 11,
1955 with premium fully paid to that date, Charles Schmitz
as principal, is filed with State of Arizona Land Depart-
ment, Phoenix and evidenced by enclosed copies of Surety
Company's records.

Premium on the above was paid by the Arizona Gas & Chemi-
cal Corporation of Suite 214 Mayer-Heard Building, Phoenix,
Arizona, with the understanding that said "Corporation" was
assuming full responsibility by not disturbing Charles
Schmitz's name as principal, when and as said "Bond" was
being used for its benefit.

Should the above not be your understanding please have Mr.
Besoyan advise me promptly.

Under similar conditions you can take advantage of the use
of this bond, for drilling in the name of "Apache Gas & Hel-
ium Corporation" of Phoenix, Arizona.

Friend,

CHAS. SCHMITZ -

ENC/CS/ob

July 31 - 57

DELIVERING EMPLOYEE Deliver ONLY to addressee. (Does not apply to Certified mail.)
 Show address where delivered.

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. Kerry Resoyan
(Signature or name of addressee)

2. [Signature]
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of Delivery 7-31, 1957
Holbrook

54





Final letter 7/2/57
Second Notice To First Notice
Mr. Serge Besoyan
211 Mayer-Heard Bldg.,
Phoenix, Arizona

JUL 5 - 1954



UNCLAIMED

itioner

Investigation - Mr. Serge Besoyan

... of an investigation of a well
... to be a water well, but indications
... would imply that this well rightly
Oil and Gas Conservation Act of

... ter was sent to Mr. Besoyan.

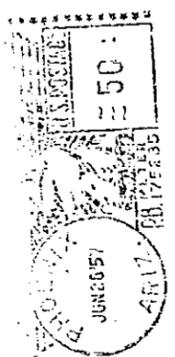
Address - per Mr. Van Bennett
Re-mailed Registered
Serge Besoyan
433 Princeton Ave,
Fresno, Calif.
7/15/54

54

54

PWJ:mb

54



OFFICE OF
State Land Department
STATE OF ARIZONA
Phoenix, Arizona

JUL 19 1957

REGISTERED
NO. 32018

REGISTERED MAIL



Handwritten: 1st class 7/25/57
Phoenix, Arizona

Second Notice
To First Notice
Mr. Serge Besoyan
214 Mayer Heard Bldg.
Phoenix, Arizona



JUL 5 - 1957

RETURN TO SENDER UNCLAIMED

owner

Investigation - Mr. Serge Besoyan

Results of an investigation of a well
to be a water well, but indications
would imply that this well rightly
Oil and Gas Conservation Act of

Letter was sent to Mr. Besoyan.

54

PWJ:mb

54

Handwritten notes:
157
H33
E - M
M - P



9204



June 27, 1957

Memo to: Mr. Obed M. Lassen,
State Land Commissioner

From: Phillip W. Johnson,
Geologist

Subject: Regarding well investigation - Mr. Serge Besoyan

The attached letter is the results of an investigation of a well which is claimed by Mr. Besoyan to be a water well, but indications and statements made by the driller would imply that this well rightly is subject to the control of the Oil and Gas Conservation Act of 1951.

In view of this, the attached letter was sent to Mr. Besoyan.

PWJ:mb



OFFICE OF
State Land Department
STATE OF ARIZONA
Phoenix, Arizona

OBED M. LASSEN
STATE LAND COMMISSIONER

June 27, 1957

Mr. Serge Besoyan
214 Mayer-Heard Building
Phoenix, Arizona

Dear Mr. Besoyan:

It has come to my attention that no permit has been issued by the State Land Department for the well which you are drilling on the Ben Hunt property about four miles west of Holbrook in Section 31, Township 18 North, Range 20 East. Our geologist, Mr. Johnson, reported that in conversation with you, the statement was made that this is a water well. He pointed out that any depths drilled below the Coconino sandstone would result in encountering salty water.

On Monday, June 24th, he visited the well, and talked with Mr. Elmer White, driller, and Mr. Ben Hunt. Mr. White made the statement that the well was a strat test, because he was now 630 feet deep and had already penetrated the Coconino sandstone, and had encountered salt in the Supai. Therefore, if a water well is to be made of it, it would have to be plugged back in order to shut off the salty water. In addition, Mr. White stated that as a strat test, he was drilling specifically for stratigraphic geologic information.

Inasmuch as the State makes no exception to the type of test well being drilled, this operation is subject to the control of the Oil and Gas Conservation Act, and it will be necessary for you to comply with the State Law and furnish this office with the necessary bond and permit. As you know, such drilling operations by you before a bond is filed is considered a violation and appropriate action will be initiated by the State Land Commissioner to correct such violation. Enclosed are O&G 51 forms which must be completed and returned for approval.

All data such as samples, driller's logs and other information will be required. This office will keep the results of this test confidential as provided in the law for a period of six months, and if any variation from this six months requirement is needed, your request should be submitted in writing, and a study and decision will be made by the State Land Commissioner.

Very truly yours,

STATE LAND DEPARTMENT

Louis C. Duncan,
Manager

LCD:mb
Encl. REGISTERED MAIL

