

P-W

ONE Pet. (Americas), Inc. ERG
1 Navajo-0, Apache Cty 232
SE SW, Sec. 23, T41N, R30E

COUNTY Apache AREA 2 mi T/Teec Nos Pos LEASE NO. 14-20-601-716
 WELL NAME Energy Reserves Teec Nos Pos Field *Clinton Oil - name changed to Energy Reserves
 LOCATION SE SW SEC 23 TWP 41N RANGE 30E FOOTAGE 1880' FWL 660' FSL
 ELEV 5076' GR 5088 KB SPUD DATE 5-4-63 STATUS Oil TOTAL DEPTH 6805'
 COMP. DATE 6-27-63 PB 6260'
 CONTRACTOR P4A 11-11-98 Bridge Plug 5190'

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	DRILLED BY CABLE TOOL	PRODUCTIVE RESERVOIR	INITIAL PRODUCTION
9 5/8"	1522	700	NA	<input checked="" type="checkbox"/>		Paradox	40 bbl condensate
5 1/2"	6300	600					5765 MCF/D Initial Test
2 3/8"	5138						

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Triassic & Permian	1524		x	<i>Operator of record is Cross Creek Corp per BIA</i>
Hermosa	4280			
Upper Ismay	5000			
Lower Ismay	5078			
Desert Creek	5176			
Akah	5300			
Barker Creek	5504			
Lower Hermosa	5638			
Molas	5896			
Miss	6015			
Elbert	6326			
McCracken	6520			
Aneth	6690			
Cambrian	6732			

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
GR Sonic; IE	5122-40	5122-40	SAMPLE DESCRP. <u>1512A</u>
			SAMPLE NO. <u>6</u>
			CORE ANALYSIS <u>7</u>
			DSTs <u>1658</u>
			*Tucson

REMARKS Certificate of Compliance approved 8-10-64 (Gas & Condensate) APP. TO PLUG
Oil well/1969 GOR. *Well purchased by Clinton Oil Company 7-1-70. PLUGGING REP.
Date of first production Aug. 8, 1964 COMP. REPORT

WATER WELL ACCEPTED BY _____
 BOND CO. Seaboard Surety Company BOND NO. 731451
Cross Creek DATE 9-18-70
 BOND AMT. \$ 25,000 CANCELLED 10-9-90 ORGANIZATION REPORT 6-16-67
 FILING RECEIPT 9332 LOC. PLAT WELL BOOK PLAT BOOK
 API NO. _____ DATE ISSUED 5-6-63 DEDICATION E/2 SW/4
 PERMIT NUMBER 232

(over)

3-15-76

Memo to File:

Received notice on 3-12-76 that Clinton Oil Company changed their name from Clinton Oil Company to Energy Reserves Group. This is a name change only, address stays the same.

*Address on
Water Street*

BHP Pet. (Americas), Inc. ERG
 1 Navajo-0, Apache Cty 232
 SE SW, Sec. 23, T41N, R30E

3-15-76

Memo to File:

Received notice on 3-12-76 that Clinton Oil Company changed their name from Clinton Oil Company to Energy Reserves Group, ^{Inc.} This is a name change only, address stays the same.

*Address on
Water Street*

BHP Pet. (Americas), Inc. ERG
1 Navajo-0, Apache Cty 232
SE SW. Sec. 23, T41N, R30E

s1

COUNTY Apache AREA 2 mi T/Teec Nos Pos LEASE NO. 14-20-601-716

WELL NAME Energy Reserve Teec Nos Pos Field
Pan American Petroleum Corporation #1 Navajo-0 *Clinton Oil name changed to Energy Reserve

LOCATION SE SW SEC 23 TWP 41N RANGE 30E FOOTAGE 1880' FWL 660' FSL

ELEV 5076' GR 5088 KB SPUD DATE 5-4-63 STATUS Free TOTAL DEPTH 6805'
COMP. DATE 6-27-63 PB 6260'

CONTRACTOR P&A 11-11-98 Bridge Plug 5190'

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	DRILLED BY CABLE TOOL	PRODUCTIVE RESERVOIR	INITIAL PRODUCTION
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5 1/2"	6300	600					
2 3/8"	5138						

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Triassic & Permian	1524		x	<i>Operator of record is BIA Cross Creek Corp per BIA</i>
Hermosa	4280			
Upper Ismay	5000			
Lower Ismay	5078			
Desert Creek	5176			
Akan	5300			
Barker Creek	5504			
Lower Hermosa	5638			
Molas	5896			
Miss	6015			
Elbert	6326			
McCracken	6520			
Aneth	6690			
Cambrian	6732			
Pre-Cambrian	6790			

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
GR Sonic; IE	5122-40	5122-40	1986
			SAMPLE DESCRP
			SAMPLE NO. <u>1512*</u>
			CORE ANALYSIS <u>6</u>
			DSTs <u>7</u>
			*Tucson 1658

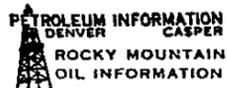
REMARKS Certificate of Compliance approved 8-10-64 (Gas & Condensate) APP. TO PLUG _____
Oil well/1969 GOR. *Well purchased by Clinton Oil Company 7-1-70. PLUGGING REP. _____
Date of first production Aug. 8, 1964 COMP. REPORT

WATER WELL ACCEPTED BY _____
 BOND CO. Seaboard Surety Company BOND NO. 731451
CROSS CREEK DATE 9-18-70
 BOND AMT. \$ 25,000 CANCELLED 10-9-90 ORGANIZATION REPORT 6-16-67
 FILING RECEIPT 9332 LOC. PLAT WELL BOOK PLAT BOOK
 API NO. _____ DATE ISSUED 5-6-63 DEDICATION E/2 SW/4

PERMIT NUMBER 232

(over)

ARIZONA
APACHE CO.
BITA PEAK (W)



Twp 41n-30e
Section 23
se sw
660 n/s 1880 e/w

OPR: Pan American Pet

WELL #: 1 Navajo-O

ELEV: 5088 KB.

TOPS: Log-Samplex

Hermosa 3885
Ismay 5000
Desert Creek 5155
Akah 5256
Barker Creek 5442
Lower Hermosa 5633
Mississippian 6015
Elbert 6326
McCracken 6520
Aneth 6634
Cambrian 6756
preCambrian 6790

DSTS. & CORES:

Crd 5058-74, rec 12 1/2 ls
w/sh stringers, highly
fract. Crd 5127-52, rec
10 ls, fair poro, bleeding
gas; 11 ls w/sh stringers,
hard & tight. DST 5086-
5152, SI 30 mins, open 1 1/2
hrs, SI 30 mins, gas in
3 mins, gauged 1235
MCFGPD, rec 390 GCM,
FP 175-230#, SIP 125-
125#, HP 2500-2530#.
DST 5164-96, SI 30
mins, open 2 hrs, SI
30 mins, gas in 15 mins, too small to measure, rec 960
HGCM, FP 580-325#, SIP 2095-2190#, HP 2760-2760#. DST
5457-5536, SI 30 mins, open 1 1/2 hrs, SI 30 mins, gas in 30
mins, too small to measure, rec 990 very HGCM, 180 G&WCM, FP 150-380#, SIP 2455-2100#, HP
3600-3600#. DST 6068-6240, SI 30 mins, open 2 1/4 hrs, SI 30 mins, gas in 10 mins, too small
to measure, flowed salt wtr in 1 1/2 hrs, rec 6068 salt wtr, FP 73-1623#, SIP 2175-1666#. (over)
Contr: Cactus.

SPUD: 5-4-63

COMPL: 7-12-63

TD: 6805 PB: 5190
CSG: 9-5/8" @ 1522 w/700
5 1/2" @ 6300 w/250

PERF: 5122-40 w/4 per ft. Flowed 5496
MCFGPD. Flowed 5818 MCFGPD,
3/4" ck, SICP 1830#.

BROD. ZONE:

Ismay 5122-40.

INIT. PROD:

IPF 4559 MCFGPD, 3/4" ck,
SICP 1799#.

ARIZ-367190

PAN AMERICAN PET 1 NAVAJO-O, se sw 23-41n-30e, 660 n/s 1880 e/w.
ARIZONA APACHE COUNTY

PAGE 2

Crd 6635-76, rec 41 ls & sh, scattered poro. DST 6625-76, SI 30 mins, open 1 hr 20 mins, SI 30 mins, rec 200 mud, FP 110-110#, SIP 240-160#. Crd 6676-94, rec 17 dolo, Crd 6694-6707, rec 12 dolo; 11 ft dolo bleeding oil & gas. DST 6676-6707, SI 30 mins, open 35 mins, SI 30 mins, rec 130 mud, FP 70-95#, SIP 480-120#, HP 3400-3400#. Crd 6707-37, rec 12½ dolo, fair poro, bleeding oil & gas; 7½ dolo, tight. DST 6706-37, SI 30 mins, open 1 hr 15 mins, SI 30 mins, rec 125 mud, FP 6-9#, SIP 2890-1163#, HP 3498-3490#.

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 **PAN AMERICAN PETROLEUM CORPORATION** Address **P. O. Box 480, Farmington, New Mexico**

Lease Name **Navajo Tribal "0"** Well Number **1** Field & Reservoir **Wildcat**

Location **660' FNL and 1880' FNL, Section 23, T-41N, R-30E, G & SRM** Sec.—TWP—Range or Block & Survey

County **Apache** Permit number **292** Date Issued **5-6-63** Previous permit number **---** Date Issued **---**

Date spudded **5-4-63** Date total depth reached **6-18-63** Date completed, ready to produce **6-27-63** Elevation **5088** feet Elevation of casing hd. flange **5074** feet

Total depth **6805'** P.B.T.D. **6260** Single, dual or triple completion? **Single** If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion **5122 - 5140** Rotary tools used (interval) **C - 6805** Cable tools used (interval) **None**

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

Type of electrical or other logs run (check logs filed with the commission) **Induction Electrical, Sonic Gamma Ray Logs** Date filed **6-21-63**

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	12-1/4"	9-5/8"	32.3#	1522	700	---
Oil String	8-3/4"	5-1/2"	14#	6300	600	---

TUBING RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
2-3/8 in.	5139 ft.	---	---	---	---	---	---

LINER RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
---	---	---	---	---	---	---	---

PERFORATION RECORD

Number per ft.	Size & type	Depth Interval	Am't. & kind of material used	Depth Interval
4	Jet	5122 - 5140	3000 Gallons	5122 - 5140

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Am't. & kind of material used	Depth Interval
3000 Gallons	5122 - 5140

INITIAL PRODUCTION

Date of first production **6-22-63 (Test)** Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:) **Flow**

Date of test **6-26-63** Hrs. tested **3** Choke size **3/4"** Oil prod. during test **5.00** bbls. Gas prod. during test **727.25** MCF Water prod. during test **Trace** bbls. Oil gravity **---** ° API (Corr)

Tubing pressure **400 TPF** Casing pressure **925 CPF** Cal'd rate of Production per 24 hrs. **40.48** bbls. Condensate **5818** MCF Gas **Trace** bbls. Water **Trace** bbls. Gas-oil ratio **---**

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

Well shut in waiting on gas market and pipeline connection.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Petroleum Engineer** of the **PAN AMERICAN PETROLEUM CORPORATION** (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 **July 12, 1963**

Signature

F. H. Hallingworth

**STATE OF ARIZONA OIL & GAS
CONSERVATION COMMISSION**
Well Completion or Recompletion Report and Well Log
Form No. P-7
File two copies
Authorized by Order No. **6828**
Effective **APRIL 19 1963**

24

14
H.C.

DETAIL OF FORMATIONS PENETRATED

Formation	Top	Bottom	Description*
9-5/8" Casing Seat	0	1524	
Triassic & Permian	1524	4280	
Hermosa	4280	5000	
Upper Ismay	5000	5078	
Lower Ismay	5078	5156	
Desert Creek	5156	5300	
Alcah	5300	5504	
Barker Creek	5504	5638	
Lower Hermosa	5638	5896	
Molas	5896	6015	
Mississippian	6015	6326	
Elbert	6326	6520	
McCracken	6520	6690	
Aneth	6690	6732	
Cambrian	6732	6790	
Pre-Cambrian	6790	6805	



* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach driller's log or other acceptable log of well.

This Well Completion or Recombination report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

submitted in lieu of Form 3160-5

RECEIVED
BLM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells
070 FARMINGTON, NM
RECEIVED
9 AM 6:45

1. Type of Well
Oil

2. Name of Operator
Cross Creek Corporation

3. Address & Phone No. of Operator

4. Location of Well, Footage, Sec., T, R, M
660' FSL and 1880' FWL, Sec. 23, T-41-N, R-30-E, NMPM

5. Lease Number
BIA 14-20-603-716

6. If Indian, All. or Tribe Name
Navajo

7. Unit Agreement Name

8. Well Name & Number
Navajo 0 #1

9. API Well No.
02-001-05171-00

10. Field and Pool

11. County & State
Apache County, AZ

P/W 232

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

A-Plus Well Service plugged and abandoned this well under BLM Contract Number 1422-N670-P98-0032 on November 11, 1998 per the attached report.

ENTERED
AFMMS
DEC 11 1998



BY Sm

14. I hereby certify that the foregoing is true and correct.

Signed William F. Clark Title President Date 12/8/98
William F. Clark, A-Plus Well Service

(This space for Federal or State Office use)
APPROVED BY _____ Title _____ Date _____
CONDITION OF APPROVAL, if any:

ACC. NO.

DEC 11 1998

FARMINGTON DISTRICT OFFICE
Sm

FARMINGTON COPY

Form 3190-5
November 1983
Formerly 9-331

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Budget Bureau No. 1004-01
Expires August 31, 1985 232

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo "0"

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

Teec Nos Pos

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 23-T41N-R30E

12. COUNTY OR PARISH; 13. STATE

Apache Arizona

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Dry Mesa Corporation

3. ADDRESS OF OPERATOR
P. O. Box 5446 Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

660' FSL & 1880' FWL (SE SW)

14. PERMIT NO. 232 15. ELEVATIONS (Show whether DF, ST, GR, etc.)
GRD 5074' ; K. B. 5088'

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input checked="" type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Proposed plugging program included on following pages.

18. I hereby certify that the foregoing is true and correct
SIGNED _____ TITLE Engineer DATE 9/2/90

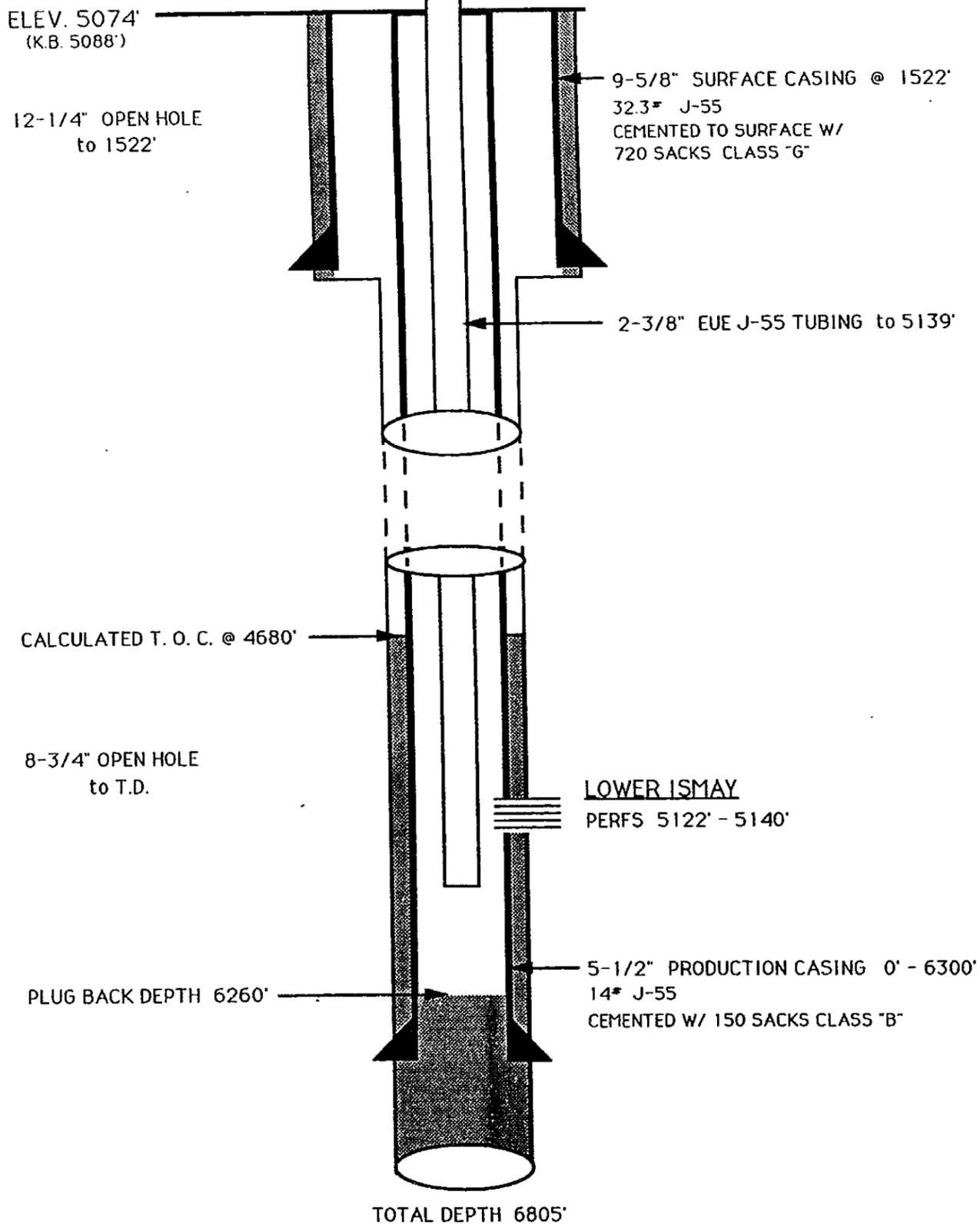
(This space for Federal or State office use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

232

Navajo 'O' - Well #1
T41N R30E SE SW Section 23
Teec Nos Pos Field Apache Co., Arizona



OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716	Field Teec Nos Pos	Reservoir Ismay
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Dry Mesa Corporation		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 5446	City Farmington	State New Mexico 87499
Above named operator authorizes (name of transporter) Gary-Williams Energy Corporation		
Transporter's street address 370 17th St., Suite 5300	City Denver	State Colorado 80202-5653
Field address 89 Road 4990, Bloomfield, New Mexico 87413		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. This form is submitted because a change in gatherer for the oil. The change was effective July 1, 1990.		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the Dry Mesa Corporation (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 August 24, 1990 Signature *Kevin R. Dard*

Date approved: _____
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: *[Signature]* 8/30/90
 Permit No. 232

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Operator's Certificate of Compliance & Authorization to
 Transport Oil or Gas from Lease
 File Two Copies
 Form No. 8

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716	Field Teec Nos Pos	Reservoir Ismay
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Dry Mesa Corporation		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P.O. Box 5446	City Farmington	State New Mexico 87499
Above named operator authorizes (name of transporter) The Permian Corporation		
Transporter's street address P.O. Box 1183	City Houston	State Texas 77251
Field address 2502 West Main, Farmington, New Mexico 87501		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the Oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change Of Operator February 1, 1989		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President, Sec.-Treasurer of the Dry Mesa Corporation (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: 4-12-89 Signature: *Kenneth R. Paul*

Date approved: 4/9/90
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

RECEIVED
APR 19 1989
O & G. DIV.

By: *[Signature]*
Permit No. 232, 582, 640, 663

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

Form 3160-5
November 1983,
Formerly 0-331.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on re-
verse side)

Budget Bureau No. 1004-101-0
Expires August 31, 1985

SR

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

OIL WELL GAS WELL OTHER
WELL

2. NAME OF OPERATOR

Dry Mesa Corporation

3. ADDRESS OF OPERATOR

#15 Willowbrook, Wichita, Kansas 67207

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)

At surface

660' FSL & 1880' FWL, Sec. 23, T41N, R30E

14. PERMIT NO.

232

15. ELEVATION (State whether DE, RT, CK, etc.)

5077' GL

5. LEASE DESIGNATION AND SERIAL NO.

14-20-603-716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo "O"

9. WELL NO.

1

#232

10. FIELD AND POOL OR WILDCAT

Teec Nos Pos

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 23, T41N, R30E

C&SRM

12. COUNTY OR PARISH, 13. STATE

Apache

AZ

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

DRILL WATER SHUT-OFF

STOP WORK

WATER SHUT-OFF

REPAIRING WELL

PLUG BACK

REWORK

FRACTURE TREATMENT

ALTERING DESIGN

REWORK

REWORK

SHOOTING OR FLUIDISING

ABANDONMENT

Notes: Report results of multiple completion or Well Completion or Recombination Report and Log for a...

The rods and tubing will be pulled from this well, inspected and replaced if necessary, the pump will be replaced and any other remedial work that deems to be necessary will be done.

The above work was completed and the well put back on production on May 14, 1989.

AZ OIL & GAS
CONSERVATION COMMISSION

MAY 19 1989

I hereby certify that the foregoing is true and correct

SIGNED

Kenneth R. Stewart

TITLE

President

DATE

5/15/89
3/27/89

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

MAR 23 1988

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Cross Creek Corporation

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name Navajo "O" Teec Nos Pos Field

Location Teec Nos Pos Arizona

Sec. SE SW 23 Twp. 41N Rge. 30E County Apache, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Teec Nos Pos

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(OTHER) <u>Oil Spill</u>			

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
		ABANDONMENT	<input type="checkbox"/>
(OTHER) <u>Cleanup of Oil Spill</u>			

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

3/16/88 AM Safety valve popped off the heater treater putting salt water & oil residue within the perimeter of the treater. High winds sprayed residue on the wall of the cliff behind the treater. The treater was washed down with diesel, any vegetation with residue was removed and burned. All contaminated soil was removed and buried with a backhoe. The Navajo Councilman and an agent from the Navajo Land department was called to the scene. Reports have been made to The BLM office in Farmington and to Minerals Department in Window Rock. We are still in the process of restoring the area.

8. I hereby certify that the foregoing is true and correct.

Signed Derma Hand Title Production Clerk Date 3/21/88

Permit No. 232

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Sundry Notices and Reports On Wells
Form No. 25 File One Copy

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if see lease Navajo Tribal 14-20-603-716	Field Teec Nos Pos, Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Sec 23, T41N, R30E	County Apache	State Arizona
Operator ENERGY RESERVES GROUP, INC.		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 3280	City Casper	State Wyoming 82602
Above named operator authorizes (name of transporter) Giant Refining, Inc.		
Transporter's street address 5107 N 7th Street	City Phoenix	State Arizona 85014
Field address P. O. Box 256 Farmington, New Mexico 87401		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the	Oil from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change of Transporter, effective 1-1-80		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Production Clerk of the ENERGY RESERVES GROUP, INC (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 January 7, 1980

Rale Belden
Signature

Date approved: January 9, 1980

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]

Permit No. 232, 640, 663, 678

RECEIVED

JAN 9 1980

O & G CONS. COMM.

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Operator's Certificate of Compliance & Authorization to Transport Oil or Gas from Lease File Two Copies Form No. 8
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APR 19 1979

O & G CONS. COMM.

(Submit in triplicate)

To: District Engineer, U. S. Geological Survey
PO Box 959 Farmington, New Mexico 87401
From: Energy Reserves Group, Inc.
PO Box 3280 Casper, Wyoming 82602
Subject: Pollution Report

Spill _____ Discharge _____ Blowout _____ Accident _____ Fire or
Explosion X

1. Specific Nature and Cause of Incident
Emergency pit with old oil sludge was ignited by Navajo children playing in the area.
2. Location of Incident
Navajo "0" Lease SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 23 T41N-R30E
14-20-601-716
3. Description of Resultant Damage and Volume of Pollutant Discharged
No damage - No pollutant discharged
4. Date and Time of Occurrence
4-9-79 1:30PM
5. Length of Time Required to Control Incident or Contain Pollutants
Burned for approximately 45 minutes
6. Action Taken to Prevent Recurrence
This is an emergency pit and does not contain any liquids.
7. Measures Taken to Clean Up Pollutants
None
8. The make or manufacturer, size, working and test pressures, date of installation, type of use, physical damage, etc., of any equipment causing or directly involved with the incident.
9. Other Federal or State Agencies Notified of Incident
Navajo Tribal Police/Shiprock, New Mexico
State of Arizona Oil and Gas Company/Bill Allan

Signature William J. [Signature] Date 4-16-79

Title Field Services Administrator

678
663
582
640
732

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF ARIZONA

IN THE MATTER OF THE HEARING CALLED
BY THE OIL AND GAS CONSERVATION
COMMISSION OF THE STATE OF ARIZONA
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 52

ORDER NO. 51

THE APPLICATION OF ENERGY RESERVES
GROUP FOR AUTHORITY TO DISPOSE OF
SALT WATER PRODUCED FROM THE LOWER
ISMAY ZONE BY INJECTION INTO THE
LOWER ISMAY ZONE IN THE NAVAJO "O"
NO. 2 WELL LOCATED 1830 FEET FROM
THE SOUTH AND 1980 FEET FROM THE
EAST LINE OF SECTION 23, TOWNSHIP
41 NORTH, RANGE 30 EAST, APACHE
COUNTY, ARIZONA, THROUGH PERFORA-
TIONS IN THE LOWER ISMAY ZONE

BY THE COMMISSION

This cause was considered at 10:00 a.m. on March 25, 1977,
at Phoenix, Arizona, before the OIL AND GAS CONSERVATION COMMIS-
SION of the STATE OF ARIZONA, hereinafter referred to as the
"COMMISSION".

NOW, the COMMISSION, a quorum being present, having con-
sidered the testimony presented and the exhibits received at
said hearing, and being fully advised in the premises, finds
as follows;

FINDINGS:

- (1) THAT the COMMISSION has jurisdiction of the subject
matter thereof.
- (2) THAT due public notice has been given as required by
law.

232

(3) THAT Energy Reserves Group has made proper application to the COMMISSION for approval of its plan to dispose of salt water in subject well through perforations at a depth from 5298 feet to 5328 feet in the Lower Ismay Formation.

(4) THAT to allow Energy Reserves Group to proceed as outlined in its plan of operations as amended during this hearing is to the best public interest of the STATE OF ARIZONA.

IT IS THEREFORE ORDERED:

THAT Energy Reserves Group is hereby authorized to dispose of salt water in the Energy Reserves Navajo "O" No. 2 Well located 1830 feet from the south and 1930 feet from the east line of Section 23, Township 41 North, Range 30 East, Apache County, Arizona, through perforations from a depth of 5298 feet to 5328 feet in the Lower Ismay Formation and to condition the well in the following manner in order to preclude any chance of the salt water injected into this well from entering into or contaminating any other oil or gas producing zones or water aquifers: perforate 5-1/2 inch casing at 3500 feet, set a retrievable packer above these perforations and attempt to circulate cement up the hole and into the surface casing. Should this prove to be impossible, Energy Reserves Group will squeeze cement the casing perforations at 3500 feet and perforate 5-1/2 inch casing at 3100 feet and attempt to pump cement into the casing annulus, and up the annulus into the surface casing. Should this attempt to recement prove impossible, the operators will then squeeze cement the perforations

Case No. 52
Order No. 51
Page 3

at 3100 feet, and complete the subject well as a water disposal well. Following the cementing of the 5-1/2 inch casing, a cement bond log will be run from total depth to the top of the cemented casing.

THAT all results of the operator's attempts to comply with this order and a copy of the cement bond log shall be timely filed with the COMMISSION.

DONE at Phoenix, Arizona on the day and year hereinabove designated.

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

By (Original signed)
Hal Butler, Acting Chairman

(S E A L)

ATTEST:

John Bannister
John Bannister
Executive Secretary

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if fee lease	Field	Reservoir
Navajo Tribal "O" 14-20-603-716	Teec Nos Pos, Ismay	Paradox
Survey or Sec-Twp-Rge	County	State
Sec. 23, T41N, R30E	Apache	Arizona
Operator Energy Reserves Group, Incorporated		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street	City	State
P.O. Box 3280	Casper	Wyoming 82601
Above named operator authorizes (name of transporter)		
Plateau, Incorporated		
Transporter's street address	City	State
Box 108	Farmington	New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	% of the	from said lease.
100	Oil	
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
El Paso Natural Gas Company	100%	Gas
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
Effective 2-11-76, Energy Reserves Group, Incorporated is the new name for Clinton Oil Company		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Clerk of the Energy Reserves Group, Inc. (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 March 29, 1976

Signature Terrence L. Ruden

Date approved: 4-1-76

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: W.B. [Signature]

Permit No. 232,582,640

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APR 1 1976

O & G CONS. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

GAS-OIL RATIO TEST REPORTS

Filed under GAS-OIL RATIO TESTS REPORTS, TEEC NOS POS FIELD, 1947,
in cabinet in office of Enforcement Director

WELL STATUS REPORT AND GAS-OIL RATIO TESTS

Operator: Clinton Oil Company Field and Reservoir: Undesignated Ismay County: Apache

Address: 217 North Water, Wichita, Ks. 67202 Month: September, 1971

Federal, State or Indian Lease Number or Lessor's Name if fee lease	Permit No.	Well No.	Date of Test	Status	Choke Size	Pressures			Daily Allow. (bbls)	Length of Test (Hrs.)	Production During Test			Gas-Oil Ratio (cu. ft. Gas per Bbl. Oil)
						Tbg.	Bottom Hole	Case			Wtr. Hbb.	Grav. Oil	Oil Hbb.	
Navajo Tribal '0		1	8-17-	F	10/64	180	510	510	24	0	41.4	34	117	3,441

RECEIVED
DEC 06 1971
O & G CONSV. COMM.

All Tests Reported herein were made in accordance with the Applicable Rules, Regulations and Instructions of the State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Dist. Prod. Clerk of the Clinton Oil Company (company), and that I am authorized by said company to make this report, and 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.

Arnon S. Kihle
Signature

Dec. 3, 1971
Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Well Status Report and Gas-Oil Ratio Tests
File Date Copy
576

WELL STATUS REPORT AND GAS-OIL RATIO TESTS

Operator: Clinton Oil Company - Prod. Dept. Field and Reservoir: Undesignated Ismay County: Apache
 Address: 217 North Water, Wichita, Ks. 67202 Month: MARCH, 1971

Federal, State or Indian Lease Number, or Lessee's Name if fee lease	Permit No.	Well No.	Date of Test	Situation	Choke Size	Pressures			Tbr.	Separator Temp. °F	Daily Allow. mbbls	Length of Test (Hrs.)	Production During Test			Gas-Oil Ratio Cu. Ft. Per Bbl.	
						Beginning	End	Gas					Wtr. (Hrs.)	Oil Bbls.	Oil MCF		
Navajo Tribal '0		1	4-21 F	12/64	60	450	450	450				24	0	41.3	42	142	3,381
1A-303-716																	

RECEIVED
 APR 25 1971
 O & G COMM. COMM.

All Tests Reported herein were made in accordance with the Applicable Rules, Regulations and Instructions of the State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Division Clerk of the Clinton Oil Company (company), and that I am authorized by said company to make this report, and 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.

C. W. Vorachek
 Signature
 C. W. Vorachek

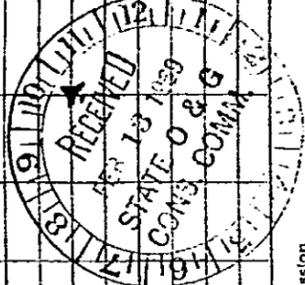
April 23, 1971
 Date

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Well Status Report and Gas-Oil Ratio Tests
 Form No. 1

WELL STATUS REPORT AND GAS-OIL RATIO TESTS

Operator: PAN AMERICAN PETROLEUM CORPORATION Field and Reservoir: Undesignated Ismay County: Apache
 Address: 501 Airport Drive Month: November Year: 1968
Farmington, New Mexico 87401

Federal, State or Indian Lease Number, or Lessor's Name if fee lease	Permit No.	Well No.	Date of Test	Status	Choke Size	Pressures			Separator Temp. °F	Daily Allowable	Length of Test (Days)	Production During Test			Gas-Oil Ratio Cu. Ft. Per Bbl.	
						Top	Bottom	Wellhead				Wt. Bbls.	Grav. Oil	Oil Bbls.		Gas ACF
Nava Jo Tribal "O" (#1-9 Nava Jo)	232	1	11/27 F*	-	-	400	900	900	60	-	15	-	43	59	99	1678
*Flowing with a compressor.																
UNABLE TO OBTAIN STABILIZED TEST PRIOR TO COMPRESSOR INSTALLATION IN NOVEMBER, 1968.																



Tests Reported herein were made in accordance with the Applicable Rules, Regulations and Instructions of the State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Area Engineer of the PAN AMERICAN PETROLEUM CORP. (company), and that I am authorized by said company to make this report; and 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.

[Signature]
Signature

February 12, 1969
Date

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Well Status Report and Gas-Oil Ratio Tests
 Form No. 3
 File One Copy

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

Federal, State or Indian Lease Number, or lessor's name if fee lease	Field	Reservoir
Navajo Tribal 'O' #1 14-20-603-716	Tec Nos Pos, Ismay	Paradox
Survey or Sec-Twp-Rge	County	State
23-T41N-R30E	Apache	Arizona
Operator Clinton Oil Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street	City	State
Box 3280	Casper	Wyoming 82601
Above named operator authorizes (name of transporter) El Paso Natural Gas Company		
Transporter's street address	City	State
Box 990	Farmington	New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the gas	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Plateau, Inc.	100	oil
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
This is not a new lease, but is the first time it has ever been connected to a gas purchaser. Connection was made on October 24, 1975, and first delivery was on November 3, 1975.		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil Company (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 November 24, 1975 Signature Terrence L. Ruden

Date approved: 11-28-75
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]
Permit No. 232

RECEIVED
NOV 28 1975
O & G CONS. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name, if fee lease Navajo Tribal "O" 14-20-603-716	Field Teec Nos Pos, Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Clinton Oil Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 3280	City Casper	State Wyoming 82601
Above named operator authorizes (name of transporter) Plateau, Inc.		
Transporter's street address Box 108	City Farmington	State New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the Oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported

Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.

This form is to cancel the change of transporter form that was dated 9/29/75.

Change of transporter was never made due to Federal Regulations.

RECEIVED
NOV 12 1975
O & G CONS. COM. AL

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil Company (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.

November 7, 1975
Date

Terrence L. Ruder
Signature

Date approved: 11-10-75

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: *W.E. Allen*

Permit No. 232, 582 & 640

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

TO TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if fee lease		Id	State
Navajo Tribal "O" 14-20-663-716 Teec Nos Pos, Ismay		12	Aradox
Survey or Sec-Twp-Rge	County	State	
Sec. 23, T41N, R30E	Apache	Arizona	
Operator Clinton Oil Company			
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:			
Street	City	State	
P.O. Box 3280	Casper	Wyoming 82601	
Above named operator authorizes (name of transporter)			
Giant Industries, Inc.			
Transporter's street address	City	State	
5107 N. 7th Street	Phoenix	Arizona 85014	
Field address			
P.O. Box 256 Farmington, New Mexico 87401			
Oil, condensate, gas well gas, casinghead gas			
To transport	100 % of the	Oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:			
Name of gatherer	% transported	Product transported	
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.			
Change of transporter effective 10-1-75			

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil Company (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 September 29, 1975

Signature [Handwritten Signature]

Date approved: 10-7-75

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: [Handwritten Signature]

Permit No. 232

RECEIVED

OCT 2 1975

O & G CONS. COMM.

<p>STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Operator's Certificate of Compliance & Authorization to Transport Oil or Gas from Lease File Two Copies Form No. 8</p>
--

232

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if on lease 14-20-603-716 Navajo 'O'	Field Undesignated	Reservoir Ismay
Survey or Sec-Twp-Rge 23-41N-30E	County Apache	State Arizona
Operator		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street 217 North Water	City Wichita	State Kansas 67202
Above named operator authorizes (name of transporter) Plateau, Inc.		
Transporter's street address P. O. Box 108	City Farmington	State New Mexico
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the _____ from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Division Clerk of the Clinton Oil Company (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 December 28, 1970 Signature *C. W. Vorachek*
Date _____ Signature C. W. Vorachek

Date approved: 12-30-70
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: *W. O. [Signature]*
Permit No. 232

RECEIVED
DEC 30 1970
O & G CONS. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

3

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Roswell, New Mexico
SERIAL No.: 14-20-603-716

and hereby designates

NAME: Clinton Oil Company
ADDRESS: 217 North Water Street, Wichita, Kansas 67202

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Section 23, W/2 Section 24, Section 25, Section 26, T-41-N, R-30-E,
G&SRM, Apache County, Arizona.



It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

Pan American Petroleum Corporation

A. D. Hunter

(Signature of lessee)

Attorney-In-Fact

Security Life Building, Denver, Colorado 80202

(Address)

July 1, 1970

(Date)

8
232

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo Tribal "O"	Field Undesignated Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Section 23, T41N, R30E	County Apache	State Arizona
Operator PAN AMERICAN PETROLEUM CORPORATION		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street 501 Airport Drive	City Farmington	State New Mexico
Above named operator authorizes (name of transporter) Plateau, Inc.		
Transporter's street address P. O. Box 108	City Farmington	State New Mexico
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport 100	% of the crude oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change of gatherer effective March 13, 1970.		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

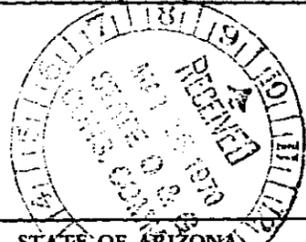
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Administrative Assistant** of the **PAN AMERICAN PETROLEUM CORPORATION** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and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

March 16, 1970
Date

L. R. Turner
Signature
L. R. Turner

Date approved: **3-19-70**

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: *John K. Gannister*
Permit No. **232**



STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8

9

OIL CONSERVATION COMMISSION

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

1624 West Adams - Phoenix, Arizona

NOTICE OF DISCONNECT:

DATE November 26, 1969

THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT A DISCONNECT ON

<u>Pan American Petroleum Corporation</u>	<u>Navajo Tribal O #1</u>
OPERATOR	LEASE
<u>"N"</u>	<u>Paradox</u>
WELL UNIT	POOL
<u>23-41-30</u>	<u>S - T - R</u>
<u>El Paso Natural Gas Company</u>	<u>November 23, 1969</u>
NAME OF PURCHASER	DATE
<u>WAS MADE ON</u>	

DUE TO Nonproductive well

*As to gas
oil produced - Rock Island is purchaser*

El Paso Natural Gas Company
PURCHASER

A. M. Rodgers
REPRESENTATIVE

Chief Dispatcher
TITLE

Pan American - Denver & Farmington
cc: ~~Oil Conservation Commission~~
F. N. Woodruff - El Paso
~~El Paso~~
~~Farmington~~
Gas Engineering & Leroy Metcalf
File-2



Form 9-331
(May 1963)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TR... CATE*
(Other instructi... on re...
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
14-20-601-716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo Tribal

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo Tribal "O"

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT
Undesignated Lumpy

11. SEC., T., R., M., OR BLK. AND
SECTION
**SE 1/4 23/4 Section 23,
T-41-N, R-30-E**

14. PERMIT NO.

232

15. ELEVATIONS (Show whether DF, ST, GR, etc.)

GL 5974', RSB 5088'

12. COUNTY OR PARISH

Apache

13. STATE

Arizona

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

FULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

In an effort to increase production, we propose to acidize casing perforations 5122-40' with 5,000 gallons 28 HCl acid.



RECEIVED

MAY 8 1969

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

18. I hereby certify that the foregoing is true and correct

SIGNED G. W. Eaton, Jr.
G. W. Eaton, Jr.

TITLE Area Engineer

DATE May 6, 1969

(This space for Federal or State office use)

APPROVED

MAY 8 1969

P. T. McGRATH

DISTRICT ENGINEER

*See Instructions on Reverse Side

GA WELL OPEN FLOW POTENTIAL TEST REPORT
4-POINT TEST

Initial Annual Special

Field Undesignated	Reservoir Ismay	Test Date 11-1-67
Operator Pan American Petroleum Corporation	Lease Navajo Tribal "O"	Well No. 1
County Apache	Location SE/4 SW/4 Section 23, T-41-N, R-30-E	Completion Date 6-27-63
Producing Thru TBG. X	Reservoir Temperature 125°F	Wellhead Temperature 5-1/2"
CSG. X	Wellhead Temperature 125°F	CSG. Size 5-1/2"
Wt. Ft. 15.5	Set @ 14	Arg. Prod. Length (L) 5.012
TBG. Size 2-3/8	Wt/Ft. 4.7	O.D. 2.375
I.D. 1.995	Set @ 5139	Gas Gravity (Separator) 0.792
Arg. Prod. Length (L) 5131	GL 4064	Gas-Liquid Hydrocarbon Ratio MCF per Bbl. 7
Gravity of Liquid (Apl) 43.2	Type Taps Flange	
Pipeline Connection El Paso Natural Gas Company	Type production from each zone	

OBSERVED DATA
Flow Data

No.	Time of Flow Hours	(ORIFICE) (Line) Size	(ORIFICE) (Orifice) Size	Press. psig	Diff. h w	Tubing Press. psig	Casing Press. psig	Flowing Temp. °F
1.	72					873	1371	
1.	48	4.026	.875	877*	10.89	200*	400*	80
2.								
3.								
4.								

FLOW CALCULATIONS

No.	Coefficient (24 Hr.)	$\sqrt{\frac{h}{w} \frac{p}{m}}$	Pressure psia	Flow Temp. Factor $\frac{F}{t}$	Gravity Factor $\frac{F}{g}$	Compress. Factor $\frac{F}{pv}$	Rate of Flow Q MCF/D
1.	14.059	25.41	889	.9813	1.155	1.053	427
2.							
3.							
4.							

PRESSURE CALCULATIONS

	$\frac{P_w}{P_t}$ (psia)	P_t	$F_c Q$	$(F_c Q)^2$	$(F_c Q)^2 \times 1 - e^{-s}$	P_w^2	$P_c^2 - P_w^2$	Cal. $\frac{P_w}{P_c}$	$\frac{P_w}{P_c}$
1.	.500	44944	4015	16,120	4127	49071	1,863,618	222	0.161
2.									
3.									
4.									

Absolute Potential $435 \frac{n}{MCF/D} .85 \text{ (est)}$

***NOTE: This well is being produced with a compressor.**
 CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Area Engineer of the PAN AMERICAN PETROLEUM CORPORATION (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 January 31, 1968

Signature [Signature]

232 16



STATE OF ARIZONA STATE LAND COMMISSIONER
 Gas Well Open Flow Potential Test Report (4-Point Test)
 Form No. G-1 File two copies 4-6-59
 Authorized by Order No. _____
 Effective April 6, 1959

Form 23-55(1-56)

OIL CONSERVATION COMMISSION

BOX 697

190 EAST CHACO

ALBUQUERQUE, NEW MEXICO

Phoenix, Arizona

NOTICE OF GAS CONNECTION

DATE September 2, 1964

THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT CONNECTION FOR THE PURCHASE OF GAS FROM
THE Pan American Petroleum Corporation
OPERATOR

Navajo Tribal "O" #1 LEASE "N" WELL UNIT 23-41-30 S-T-R

Undesignated Paradox POOL El Paso Natural Gas Company NAME OF PURCHASER

WAS MADE ON August 21, 1964 DATE, FIRST DELIVERY August 24, 1964 DATE

Choke 4,559
AOF 5,765
INITIAL POTENTIAL

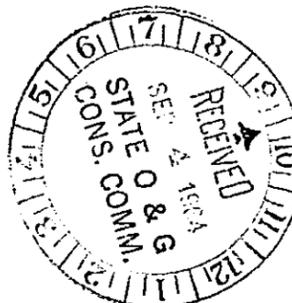
El Paso Natural Gas Company
PURCHASER

[Signature]
REPRESENTATIVE

Chief Dispatcher
TITLE

CC: TO OPERATOR Fort Worth and Farmington
OIL CONSERVATION COMMISSION - SANTA FE
F. N. WOODRUFF - EL PASO
B. D. ADAMS

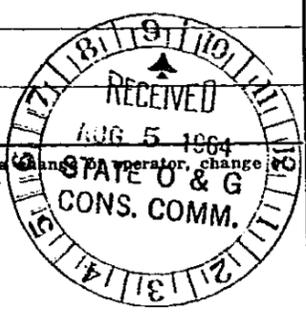
FILE



17
237

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

Lease Navajo Tribal "O"	Field Undesignated Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Section 23, T-41N, R-30E	County Apache	State Arizona
Operator PAN AMERICAN PETROLEUM CORPORATION		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 480	City Farmington	State New Mexico
Above named operator authorizes (name of transporter) El Paso Natural Gas Company		
Transporter's street address P. O. Box 990	City Farmington	State New Mexico
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the natural gas from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer Rock Island Oil & Refining	% transported 100	Product transported Condensate
P. O. Box 328, Farmington, New Mex.		
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
This certificate is for a new lease.		



The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Services Supervisor of the PAN AMERICAN PETROLEUM CORPORATION (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 August 9, 1964
Signature *B. L. Hamilton*

Date approved: August 10, 1964
By: *John W. Bannister*
Executive Secretary
File No. 232

STATE OF ARIZONA OIL & GAS
CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport oil or Gas from Lease
Form No. P-17
File three copies

Navajo Lease 14-20-601-716

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

Lease Navajo Tribal "C"	Field Undesignated Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Section 23, T-41N, R-30E	County Apache	State Arizona
Operator PAN AMERICAN PETROLEUM CORPORATION		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street Box 480	City Farmington	State New Mexico
Above named operator authorizes (name of transporter) El Paso Natural Gas Company		
Transporter's street address Box 990	City Farmington	State New Mexico
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the natural gas	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer Rock Island Oil & Refining	% transported 100%	Product transported Condensate
P. O. Box 328, Farmington, N. Mex.		
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. This certificate is for a new lease.		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Administrative Clerk of the PAN AMERICAN PETROLEUM CORPORATION (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.

May 26, 1964
Date

[Signature]
Signature

Date approved: _____

By: _____

STATE OF ARIZONA OIL & GAS
CONSERVATION COMMISSION

By: _____

File
No.

232

**STATE OF ARIZONA OIL & GAS
CONSERVATION COMMISSION**
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
Form No. P-17 File three copies



GA WELL OPEN FLOW POTENTIAL TEST REPORT

4-POINT TEST

Test Initial Annual Special

Handwritten signature

Field Wildcat	Reservoir Paradox	Test Date 7-12-63
Operator Pan American Petroleum Corporation	Lease Navajo Tribal O	Well No. 1
County Apache	Location SE/4 SW/4 Section 23 Twn 41N-R30E	Completion Date 6-27-63
		Total Depth PB 6260'
		T/Pay 5122
		Producing Interval 5122-40
Producing Thru TBE A	Reservoir Temperature 125 °F	Wellhead Temperature 52 °F
CSG. 5 1/2	Wt. Fr. 14	GL 6300
Set @ 14	GL 5.012	Set @ 6300
Tubg. Size 2 3/8	Wt./Ft. 4.7	O.D. .190
I.D. 1.995	Set @ 5139	Gas Gravity (Separator) .700 Est
Avg. Prod. Length (L) 3592	GL 3592	Gas-Liquid Hydrocarbon Ratio MCF per Bbl.
Gravity of Liquid (Apl)	Type Taps flange	
Pipeline Connection shut in gas well	Type production from each zone	
Multiple Completion (Dual or Triple)		

OBSERVED DATA
Flow Data

No.	Time of Flow Hours	(Prover) (Line) Size	(Choke) (Orifice) Size	Press. psig	Diff. h w	Tubing Press. psig	Casing Press. psig	Flowing Temp. °F
1	15 days					1789	1799	
1.	3 hours	2"	.750	368		466	927	60° est
2.								
3.								
4.								

FLOW CALCULATIONS

No.	Coefficient (24 Hr.)	$\sqrt{\frac{h}{w} \frac{p}{m}}$	Pressure psia	Flow Temp. Factor $\frac{F}{t}$	Gravity Factor $\frac{F}{g}$	Compress. Factor $\frac{F}{pv}$	Rate of Flow Q MCF/D
1.	12.3650		380	1.000	.9258	1.048	4559
2.							
3.							
4.							

PRESSURE CALCULATIONS

	$\frac{P_w}{P_t}$ (psia)	P_c^2	$F_c Q_c$	$(F_c Q_c)^2$	$(F_c Q_c)^2 \times 1 - e^{-s}$	P_w^2	$P_c^2 - P_w^2$	Cal. $\frac{P_w}{P_c}$	$\frac{P_w}{P_c}$
1.						881.721	2,398,000		1.3677
2.									
3.									
4.									

Absolute Potential 5765 MCF/D n 0.75

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Senior Engineer of the Pan American Petroleum Corporation (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 July 15, 1963

Signature *G. W. Eaton, Jr.*
G. W. Eaton, Jr.

232 Note: N estimated at 0.75. Four point test not run.

70

STATE OF ARIZONA STATE LAND COMMISSIONER
Gas Well Open Flow Potential Test Report (4-Point Test)
Form No. G-1 File two copies 4-6-59
Authorized by Order No. _____
Effective April 6, 19 59

INSTRUCTIONS

This form is to be used for reporting multi-point back pressure tests on gas wells in the State, except those on which special orders are applicable.

The log log paper used for plotting the back pressure curve shall be of at least three inch cycles.

NOMENCLATURE

Q = Actual rate of flow at end of flow period at W. H. working pressure (P_w).
MCF/da. @ 15.025 psia and 60 °F.

P_c = 72 hour wellhead shut-in casing (or tubing) pressure whichever is greater. psia

P_w = Static wellhead working pressure as determined at the end of flow period. (Casing if flowing thru tubing, tubing if flowing thru casing). psia

P_t = Flowing wellhead pressure (tubing if flowing through tubing, casing if flowing through casing.) psia

P_m = Meter pressure, psia

h_w = Differential meter pressure, inches water

F_g = Gravity correction factor

F_t = Flowing temperature correction factor

F_{pv} = Supercompressibility factor

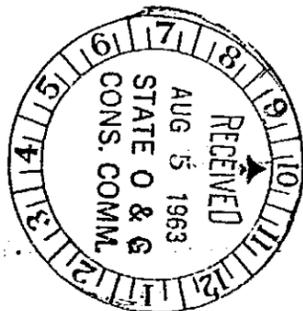
n = Slope of back pressure curve,

GL_{mix} = G times average producing length of flow string

Note: If P_w cannot be taken because of manner of completion or condition of well, then P_w must be calculated by adding the pressure drop due to friction within the flow string to P_t .

F_c , Q and $1 - e$ are factors utilized in calculating the pressure drop, due to friction.

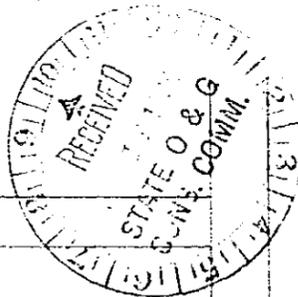
Form No. G-1



MONTHLY PRODUCER'S REPORT

Field **Wildcat (Undesignated Ismay)**
 County **Apache**
 Field Office Address **PAN AMERICAN PETROLEUM CORPORATION - January 1964 thru July 1964**
PAN AMERICAN PETROLEUM CORPORATION
P. O. Box 480, Farmington, New Mexico

Lease Number	Lease Name	County	Section	Township	Range	Total Oil on Hand Beginning of Month	Total Oil on Hand End of Month	Disposition of Oil		Total Oil on Hand End of Month
								To Ship	To Trucks	
No. 232	Permit Navajo Tribal #0# No. 1									
	Gas Well (Ismay). Well shut-in during January 1964 for marketing arrangements and pipeline connection.									
	Location SW/4 Section 23, T-41N, R-30E									



CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Administrative Clerk** of the **PAN AMERICAN PETROLEUM CORPORATION**, and that I am authorized by said company to make this report; and 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.

ORIGINAL SIGNED BY:
N. E. JONES

February 11, 1964

Form No. 18
 Monthly Producers Report
 Effective Feb. 28, 1963

232

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form approved.
Budget Bureau No. 42-R7144.

ALLOTTEE Navajo Tribal
U-20-603-716
TRIBE Navajo Tribal "O"
LEASE NO. Navajo Tribal "O"

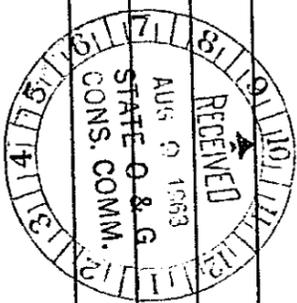
LESSEE'S MONTHLY REPORT OF OPERATIONS

State Arizona County Apache Field Wildcat (Undesignated Ismay)

The following is a correct report of operations and production (including drilling and producing wells) for the month of July thru Dec., 1963,

Agent's address P. O. Box 480 Company PAN AMERICAN PETROLEUM CORPORATION
Farmington, New Mexico Signed [Signature]
Phone 325-3841 Agent's title Administrative Clerk

SEC. AND 1/4 OF 1/4	TWP.	RANGE	WELL NO.	DATE PRODUCED	BARRELS OF OIL	GRAVITY	CU. FT. OF GAS (In thousands)	GALLONS OF GASOLINE RECOVERED	BARRELS OF WATER (If none, so state)	REMARKS (If drilling, depth; if shut down, cause; date and result of test for gasoline content of gas)
SE/4SW/4 Section 23	41N	30E	1							Navajo Tribal "O" Well No. 1 - Well Shut-in during July 1963 for Marketing arrangements and Pipeline connection



239 Note.—There were _____ runs or sales of oil; _____ M. cu. ft. of gas sold; _____ runs or sales of gasoline during the month. (Write "no" where applicable.)

NOTE.—Report on this form is required for each calendar month, regardless of the status of operations, and must be filed in duplicate with the supervisor by the 6th of the succeeding month, unless otherwise directed by the supervisor.

Drill Stem Test No. 3 - 5457-5536', (Barker Creek) Tool open 1-1/2 hour. Gas to surface in 30 minutes, to small to measure. Initial bottom hole pressure shut in 2455, bottom hole pressure 150-380 and bottom hole pressure shut in 30 minutes. Final 2100. Hydrostatic in and out 3600. Bottom hole temperature 120°F.

Drill Stem Test No. 4 - 6060-6240 (Mississippian) Tool open 2-1/4 hours. Gas to surface in 10 minutes. To small to measure, flammable. Flowed salt water after 1-1/2 hours and 30 minutes initial bottom hole pressure shut in 2175, bottom hole pressure flowing 73-1623, 30 minutes final bottom hole pressure shut in 1666. Hydrostatic in 3179. Bottom hole temperature 130°F.

Core No. 3 - 6635-6676. Recovered lime and shale with scattered show of porosity.

Drill Stem Test No. 5 - 6625-6676. Tool open 1 hour 20 minutes, very weak blow air blow throughout test. Recovered 200' drilling mud with no show. Initial bottom hole pressure shut in 240, initial bottom hole pressure flowing 110, final bottom hole pressure flowing 110 psi, final bottom hole pressure shut in 160 in 30 minutes.

Core No. 4 - 6676-6694. Recovered 17' of shaly dolomite with no porosity and no show.

Core No. 5 - 6694-6707. Recovered 12' dolomite, no show, 4' dolomite, tight, scattered bleeding of oil and gas, and 7' dolomite, slight bleeding of oil and gas fractured.

Drill Stem Test No. 6 - 6676-6707. Tool open 10 minutes with very weak air blow. Shut in 30 minutes, tool open 35 minutes with very weak air blow. Shut in 30 min. Recovered 130' drilling mud with no show. Initial bottom hole pressure shut in 480, Initial bottom hole pressure flowing 70 psi, final bottom hole pressure flowing 95 psi. Final bottom hole pressure shut in (30 min) 120 psi. Bottom hole Temperature 135°F.

Core No. 6 - 6707-6737. Recovered 9' dolomite, gray and tight, 12-1/2' dolomite, dark gray with fair to good porosity, bleeding oil and gas. 7-1/2' dolomite, tight with no show.

Drill Stem Test No. 7 - 6706-6737 (Devonian) Tool open 1-1/4 hours, very weak blow, died in 28 minutes. Recovered 125' drilling mud, no show oil and gas or water. Initial 30 minutes bottom hole pressure shut in 2890, bottom hole pressure flowing 6, final 30 minutes bottom hole pressure shut in 1163. *with 250' casing (10% sand).*

Well drilled to total depth 6805' and plugged back to 6260'. Set 5-1/2" casing at 6300' with 250' sacks cement. Set bridge plug at 5190' and perforated 5122'-5140'. Acidized with 3000 gallons, breakdown at 1800. Treated at 2500. Average injection rate 9.2 barrels per minute. Flowed through tubing 10 barrels lead water and died. Swabbed to kick off and flowed at 700-800 pounds tubing pressure. Tested 4653 MCF per day with tubing pressure 365, casing pressure 850 flowing.

Potential tested for 3 hours through 3/4" choke. Tubing pressure flowing 400, casing pressure flowing 925. Gauged 5818 MCFD and 5.06 barrels condensate. Top of pay (Imvy) 5122'. Well completed as a shut in gas well June 27, 1963.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form approved.
Budget Bureau No. 42-R714.4

ALLOTTEE Navajo Tribal
TRIBE U-20-603-716
LEASE NO. Navajo Tribal "O"

LESSEE'S MONTHLY REPORT OF OPERATIONS

State Arizona County Apache Field Wildcat (Undesignated Ismay)

The following is a correct report of operations and production (including drilling and producing wells) for the month of June, 1963,

Agent's address P. O. Box 480 Company PAN AMERICAN PETROLEUM CORPORATION

Farmington, New Mexico

Signed [Signature]

Phone 325-8841

Agent's title Administrative Clerk

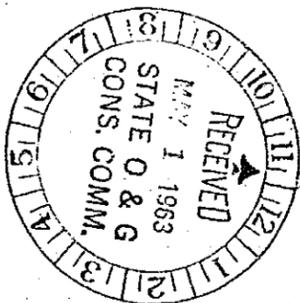
SEC. AND 1/4 OF 1/4	TWP.	RANGE	WELL NO.	DAYS PRODUCED	BARRELS OF OIL	GRAVITY	CU. FT. OF GAS (In thousands)	GALLONS OF GASOLINE RECOVERED	BARRELS OF WATER (If DODS, so state)	REMARKS (If drilling, depth; if shut down, cause; date and result of test for gasoline content of gas)
SE/4SW/4 Section 23	41N	30E	1	---						Navajo Tribal "O" Well No. 1 - Total Depth 6805', Plug Back Depth 6260', Bridge Plug Set At 5190' - Completed as Shut-In Gas Well June 27, 1963. Potential Test 5,818 MCF per day. Well spudded May 4, 1963.

NOTE.—There were _____ runs or sales of oil; _____ M. cu. ft. of gas sold;

_____ runs or sales of gasoline during the month. (Write "no" where applicable.)

NOTE.—Report on this form is required for each calendar month, regardless of the status of operations, and must be filed in duplicate with the supervisor by the 6th of the succeeding month, unless otherwise directed by the supervisor.

APR 29 1963



APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

APPLICATION TO DRILL DEEPEN PLUG BACK

NAME OF COMPANY OR OPERATOR

DATE

Pan American Petroleum Corporation

May 1, 1963

Address

City

State

P. O. Box 450

Farmington

New Mexico

DESCRIPTION OF WELL AND LEASE

Name of lease

Well number

Elevation (ground)

Navajo Tribal "0"

1

To be reported later.

Well location

(give footage from section lines)

Section—township—range or block & survey

1880' FWL and 660' FSL, Section 23, T-41N, R-30E

Field & reservoir (if wildcat, so state)

County

Wildcat

Apache

Distance, in miles, and direction from nearest town or post office

10 Miles West of Shiprock, New Mexico

Nearest distance from proposed location to property or lease line:

1680 feet

Distance from proposed location to nearest drilling completed or applied—for well on the same lease:

None

feet

Proposed depth:

Rotary or cable tools

Approx. date work will start

7000'

Rotary Tools

May 1, 1963

Number of acres in lease:

2560

Number of wells on lease, including this well, completed in or drilling to this reservoir:

One

If lease, purchased with one or more wells drilled, from whom purchased:

Name

Address

Not applicable

Status of bond

State Wide

Remarks: (If this is an application to deepen or plug back, briefly describe work to be done, giving present producing zone and expected new producing zone)

\$25.00 Permit fee paid to Arizona Oil and Gas Conservation Commission on May 1, 1963 on Draft #30905.

* Fill in Proposed Casing Program on other side

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the.....Petroleum Engineer.....of the Pan American Petroleum Corporation (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.

May 1, 1963
Date

Signature

F. A. Hallingworth

Permit Number: 232

Approval Date: 5-6-63

Approved By: *[Signature]*

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thereby be avoided. See instruction on Reverse Side of Form

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Application to Drill, Deepen or Plug Back

Form No. P-1

File two copies

Authorized by Order No. _____

Effective _____

232

INSTRUCTIONS

READ CAREFULLY AND COMPLY FULLY

For the purpose of this determination attach hereto a neat, accurate plat, map or sketch of this lease, section, block or lot locating thereon the proposed site for this location. Plat shall be drawn to a scale which will permit the facile observation of all pertinent data. Show distances of the proposed well from the two nearest lease and section lines, and from the nearest wells on the same lease completed in or drilling to the same reservoir. If the location requested is not in conformance with the applicable well-spacing rules, show all off-setting wells to the proposed well, and the names and addresses of all adjoining lease or property owners.

In event plat is filed for the purpose of designating the drilling and producing unit, or proration unit, on which the proposed well is to be drilled, the boundaries of such unit shall be shown, also the boundaries of all other such units attributed to other wells on the same lease completed in or drilling to the same reservoir. The acreage contained within each unit shall also be shown.

Do not confuse survey lines with lease lines. The sketch or plat should show your entire lease if possible. If it is not practical to show the entire lease and the plat shows only a section, block or lot out of your lease, you should clearly show that same is only a part of the lease.

Designate scale to which plat or sketch is drawn. Also designate northerly direction on the sketch or plat.

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
9-5/8"	32.3#	H-40	Surface	1500'	Circulate 4000' - 7000'	.500 400
5-1/2"	15.5#	J-55	Surface	2190'		
	14#	J-55	2190	6000'		
	15.5#	J-55	6000	7000'		

COMPANY Pan American Petroleum Corporation

Navajo Lease Contract

Well Name & No. Navajo Tribal "O" No. 1

Lease No. 14-20-601-716

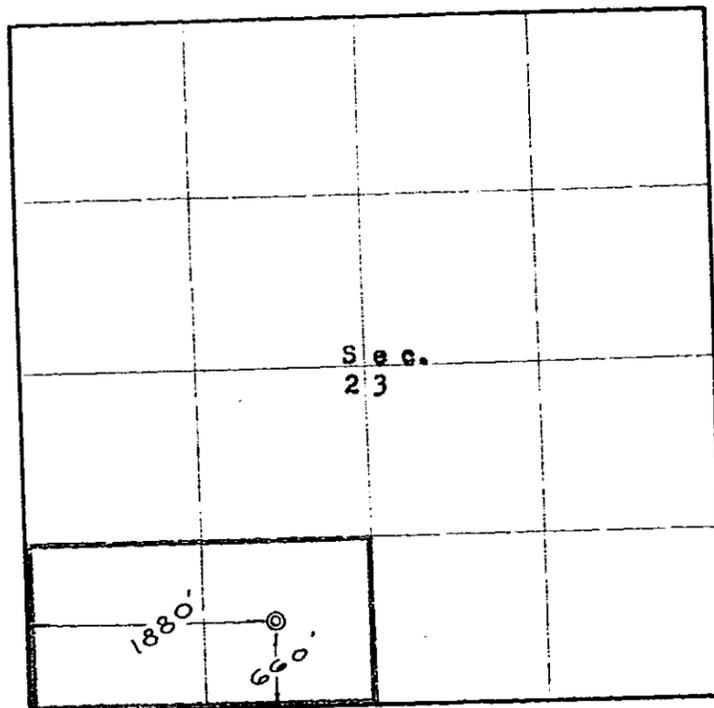
Location 660 feet from the South line and 1880 feet from the West line.

Being in SE 1/4 SW 1/4

Sec. 23, T-41N., R-30E., ~~W. 1/4 N.M.P.M.~~ Gila & Salt River Meridian, Apache County, Arizona

Ground Elevation To be reported later.

Lease Comprises
Sections 23, 24, 25
and 26 of T-41-N, R-30-E,
or total 2560 acres.



Acreage dedication
S/2 SW/4 Section 23,
T-41-N, R-30-E (80
acres).

Scale, 4 inches = 1 mile

Surveyed April 9, 1963

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.



Ernest V. Echohawk

Ernest V. Echohawk
Registered Land Surveyor
N. M. Reg. #1545
Arizona Reg. No. 2311

TEEC NOS POS FIELD

Operator: Cross Creek Corporation*

Bond Company** : Indian lands, bond posted with BIA

Amount: Unknown

Bond No.: Not applicable

Date approved: n/a

* In accordance with IBLA 92-541 affirmation of SDR 92-16 that Cross Creek Corporation is lessee of record and responsible to plug and abandon the five unplugged wells

** Pursuant to commission motion of October 31, 1997, no bond required with State of Arizona when bond is posted with the BIA.

Permits covered by this bond posted with the BIA:

232 ✓ P+A 11-11-98
582
640
663
678



IN REPLY REFER TO

United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS

Interior Board of Land Appeals
4015 Wilson Boulevard
Arlington, Virginia 22203

file 232

CROSS CREEK CORP.

IBLA 92-541

Decided September 29, 1994

Appeal from a decision of the New Mexico State Office, Bureau of Land Management, affirming order to plug and abandon wells on Indian oil and gas lease. SDR-92-16.

Affirmed.

1. Board of Land Appeals—Bureau of Indian Affairs:
Generally—Bureau of Land Management—Indians: Mineral
Resources: Oil and Gas: Generally—Res Judicata—Rules
of Practice: Appeals: Jurisdiction

Where a decision by BIA declaring that an Indian oil and gas lease held in its extended term by production terminated for lack of production is not appealed, review of that termination is barred by the doctrine of administrative finality. Further, neither BLM nor the Board of Land Appeals has jurisdiction to review BIA's decision, which is committed entirely to its authority.

2. Bureau of Indian Affairs: Generally—Bureau of Land Management—Indians: Mineral Resources: Oil and Gas: Generally—Oil and Gas Leases: Assignments, and Transfers—Oil and Gas Leases: Termination

Where an Indian oil and gas lease held by production has been deemed by BIA to have terminated due to lack of production, BLM properly requires the lessee of record to plug and abandon wells on the leased land.

APPEARANCES: Earl P. Enos, Esq., Duncan, Oklahoma, for appellant.

OPINION BY ADMINISTRATIVE JUDGE HUGHES

The Cross Creek Corporation (Cross Creek) has appealed from the April 22, 1992, decision of the New Mexico State Office, Bureau of Land Management (BLM), affirming a February 12, 1992, order by the Farmington (New Mexico) Resource Area (FRA), BLM, requiring it to plug and abandon five wells located on Indian oil and gas lease 14-20-603-716. 1/

1/ The five wells are within the Teac Nos Pos Field, situated in Apache County, Arizona, within the Navajo Indian Reservation.

IBLA 92-541

At all relevant times, Cross Creek was the lessee of record under the lease, by virtue of a 1987 assignment of record title from BHP Petroleum (Americas), Inc., which was approved effective January 25, 1990, by the Bureau of Indian Affairs (BIA). ^{2/} Sometime in late 1989 or early 1990, Cross Creek sought BIA's approval of a February 15, 1989, assignment of record title to Dry Mesa Corporation (Dry Mesa), its designated operator. However, BIA never approved the assignment, despite the August 29, 1989, favorable recommendation of the lessor, Navajo Tribe of Indians (Tribe).

The facts, which are not disputed by Cross Creek, are as follows. Throughout the relevant time period, the subject lease, which had originally been issued effective December 22, 1954, was in its extended term, and thus held by production. That is, the lease continued so long as oil and/or gas was being produced in paying quantities. See 25 U.S.C. § 396a (1988); 25 CFR 211.10. Where a lease is held by production, the lease terminates by operation of law if production ceases during the extended term. See Mobil Oil Corp. v. Albuquerque Area Director, BIA, 18 IBLA 315, 331, 97 I.D. 215, 223 (1990).

For some time prior to the FRA's February 1992 order, none of the five wells on the leased lands was producing oil or gas (Decision at 1; see also Memorandum from the Chief, Branch of Mineral Resources, FRA, to BIA, dated Apr. 17, 1990). ^{3/} This was despite the fact that, by letter dated June 19, 1991, BIA had required Cross Creek to "commence production activities" within 30 days, test each well within 5 months, and either produce or plug and abandon each well, and thereafter to "diligently operate all active wells." In addition, BIA had warned that "[d]isruption of lease production for any reason without prior approval of the appropriate regulatory agencies will result in automatic termination of the lease without any further notification to the lessee." Id.

BIA notified Cross Creek by letter dated November 27, 1991, that the lease had "expired by its own terms effective November 19, 1991, for failure to produce the wells" (Decision at 1; see also Letter to BIA from the Director, Minerals Department, The Navajo Nation, dated Oct. 30, 1991). So far as we are aware, no appeal was taken by Cross Creek from BIA's November 1991 notification of termination of the lease.

^{2/} Jurisdiction regarding lease matters, including the approval of any assignment of record title to the lease, resided with BIA. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR Part 211.

^{3/} The Board has obtained the five well files, which indicate that one of the wells is a salt water disposal well (No. 2) and the other four wells are, according to Dry Mesa, "played out" (Letter to BLM from Dry Mesa, dated Sept. 4, 1990). In particular, Dry Mesa reports that well Nos. 4 and 5 have been shut in since 1985, well No. 3 was producing less than three barrels of oil when it was shut in in 1987, and well No. 1 produced between three and five barrels of oil when it was last produced in 1987-88. See "Teec Nos Pos Proposed Plugging Program," attached to Letter to BLM from Dry Mesa, dated Sept. 4, 1990.

IBLA 92-541

The FRA subsequently issued its February 1992 order, requiring Cross Creek to plug and abandon the wells on the subject lease. 4/ On March 13, 1992, Cross Creek requested the BLM State Director to review that order, pursuant to 43 CFR 3165.3(b). Cross Creek contended that Dry Mesa, not Cross Creek, was liable for plugging and abandoning the wells since, although BIA had not approved the pending assignment of the lease to Dry Mesa, both BIA and BLM had recognized Dry Mesa as the de facto lessee. Alternatively, Cross Creek asserted that, if it were properly required to plug and abandon the wells, it should first have a reasonable opportunity to return the lease to production.

In its April 1992 decision, the State Office concluded that, in the absence of BIA's approval of the pending assignment of record title to Dry Mesa, Cross Creek remained ultimately liable for compliance with the terms of the lease, including the requirement to plug and abandon wells on the lease following its termination on November 19, 1991. Thus, it affirmed the FRA's February 1992 order requiring Cross Creek to plug and abandon the wells. Cross Creek has appealed from that decision.

In its statement of reasons for appeal (SOR), appellant repeats its contentions that BLM improperly required it to plug and abandon the wells and that (in any case), before doing so, appellant should have a reasonable opportunity to return the lease to production.

[1] We start with appellant's second contention, which can be viewed as an attack on the validity of BIA's decision declaring that the lease terminated, since appellant plainly cannot have an opportunity to produce from the lease if the lease was properly declared terminated. That is, the only way that appellant's argument could prevail is if BIA had improperly determined that the lease had terminated, thus preserving lessee's rights to further produce from the lease.

So far as we are aware, appellant did not seek administrative review of BIA's decision that the lease had terminated. In the absence of a timely appeal, the propriety of that termination is not properly subject to further review in the Department, but is barred by the doctrine of administrative finality. See Raymon D. Gililand, 108 IBLA 144, 147 (1989).

4/ The February 1992 order was preceded by other letters, dated Oct. 21, and 23, 1991, in which the FRA noted that the wells had long been approved for plugging and abandonment as a result of sundry notices approved by BLM on Oct. 23, 1990. The FRA required Dry Mesa to notify it, within 30 days, whether that had occurred and either submit the appropriate report or indicate when such activity was scheduled to be performed. Noting that Dry Mesa had failed to comply, BLM issued its February 1992 order, which specifically required Cross Creek, as the lessee of record, to notify BLM when the wells were scheduled to be plugged. The allowed time for compliance with that notice was 30 days from receipt of the letter.

In any event, BLM lacked authority to review questions regarding the termination noted by BIA, since the leased lands are tribal lands situated within an Indian reservation. See 43 CFR 3100.0-3(a). Rather, that matter was committed entirely to BIA. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR Part 211. Thus, any questions regarding termination were not properly presented to BLM in appellant's March 1992 SDR request. By the same token, this Board may not adjudicate any question regarding lease termination, as we have no jurisdiction to review the BIA decision regarding lease termination. See 25 CFR 2.3 and 2.4; e.g., Mobil Oil Corp. v. Albuquerque Area Director, BIA, 18 IBIA at 332 n.14, 97 I.D. at 224 n.14. We, therefore, do not reach questions regarding whether BIA properly declared the lease terminated. 5/

[2] The authority to require that the wells be plugged and abandoned resides with BLM. 43 CFR 3160.0-1, 3160.0-2, 3161.1(a), 3161.2, and 3162.3-4; Everett Hall, 101 IBIA 362 (1988). BLM was authorized, in these circumstances, to require that any wells that had already been drilled be plugged and abandoned. Daymon D. Gililand, *supra* at 147. Appellant does not dispute that authority, but argues that BLM improperly required it, rather than Dry Mesa, to plug and abandon the wells.

Absent BIA's approval of the assignment of record title from appellant to Dry Mesa, appellant, as holder of record title, remained ultimately liable for compliance with the terms of the lease. 43 CFR 3106.7-2. 6/ BIA correctly notified appellant that, in the event of termination of the lease, it would be appellant's responsibility "to plug and abandon all wells on the lease" (Letter to Appellant from Acting Area Director, Navajo Area Office, BIA, dated June 19, 1991). Further, it is established that the lessee of record's liability extends after expiration of the lease. See Glen Morgan, 122 IBIA 36, 44 (1992).

Appellant contends that, as a result of certain actions by BLM and BIA, Dry Mesa became the "de facto lessee" and was therefore liable under the

5/ We do note that, as stated above, BIA's authority to declare a lease held by production terminated by operation of law when production ceases is well established. See Mobil Oil Corp. v. Albuquerque Area Director, BIA, 18 IBIA at 331, 97 I.D. at 223.

It is also established that BIA was not required to give appellant notice or an opportunity to re-establish production prior to termination: "Unlike 30 U.S.C. § [226(f)], the [Indian Mineral Leasing Act] does not require that notice be given before leases may expire by their own terms." 18 IBIA at 332, 97 I.D. at 224.

6/ BIA is the designated representative for management of Indian leases. An applicable regulation requires approval of assignments by the Secretary, and his designated representative for Indian leases is BIA. See 25 CFR 211.26(a). We express no opinion on whether BIA should have approved the pending assignment of record title to the lease from appellant to Dry Mesa prior to the November 19, 1991, expiration of the lease.

lease. 7/ Appellant also notes that both BIA and BLM acknowledged Dry Mesa to be the operator under the lease and knowingly permitted it to conduct operations, including producing and selling oil and gas from the lease (see Letter to State Director, dated Mar. 9, 1992, at 2). 8/ Nothing that BIA and BLM permitted Dry Mesa to do was inconsistent with its role as operator under the lease. At the same time, BLM and BIA did nothing to indicate that Dry Mesa held record title. 9/

The assignment of operating rights under a lease has long been distinguished from the assignment of record title to the lease. 10/ Harry L. Rigbes, 2 IBLA 23, 25, 27 (1971). Thus, although BIA and BLM may recognize that operating rights have been assigned to a particular party and allow those rights to be exercised (even going so far as to "approve" the

7/ Appellant also raises certain arguments regarding another Indian oil and gas lease, 14-20-603-4190, principally that it has been denied the benefits of that lease (see Letter to State Director, dated Mar. 9, 1992, at 2, 3). That lease was not the subject of BLM's April 1992 decision, and thus is not properly before the Board.

8/ Appellant also states that, when deciding to terminate the lease, BIA notified Dry Mesa, rather than appellant (see Letter to State Director, dated Mar. 9, 1992, at 2). It appears that BIA's Nov. 27, 1991, notification of termination was sent to appellant (see Decision at 1). We also attribute no significance to any notice that might have also been sent to Dry Mesa, who was the operator under the lease.

9/ Appellant states that, by assertedly permitting Dry Mesa to act as the lessee, BIA and BLM acted in violation of their regulations (Letter to State Director, dated Mar. 9, 1992, at 4). No regulations are cited. We find no substance to this charge.

Appellant indicates that no bond was required of Dry Mesa in connection with its operations on the lease (see *id.* at 2). The record indicates that appellant had, prior to acquiring record title to the lease, properly submitted a surety bond that covered operations on the lease (see Letter to Appellant from Acting Assistant Area Director, Navajo Area Office, BIA, dated Oct. 25, 1988). Since Dry Mesa was not the lessee of record, it was not required to submit a bond to conduct operations. See 25 U.S.C. § 396c (1988); 25 CFR 211.6(a).

The fact that Dry Mesa paid no bond actually supports the conclusion that Dry Mesa was never the lessee of record. The fact that appellant did pay the bond shows that it was the lessee of record.

10/ In particular, it appears that the assignment of operating rights does not require BIA approval. Appellant has provided a copy of a Sept. 30, 1988, letter from BIA, which states that, as of August 1987, it will no longer process assignments of operating rights. The assignment of record title does require BIA approval. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR 211.26(a).

IBLA 92-541

assignment of operating rights), that action neither constitutes recognition that the party is the record title holder nor effects an approval of the assignment of record title to that party. See id. at 27.

The assignment of record title requires BIA approval. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR 211.26(a). Since the assignment of record title, unlike the assignment of operating rights, gives rise to a contractual relationship between the lessor and the lessee's assignee, in order to effect a change in the holder of record title, the agency must affirmatively approve an assignment of record title, in order to bring the assignee under the prevailing terms of the contract with the lessor. See Alaska Statebank, 111 IBLA 300, 308 (1989). 11/ As appellant acknowledges, BIA never did so (see Letter to State Director, dated Mar. 9, 1992, at 2). Thus, appellant remained liable under the contractual terms of the lease and regulation.

Appellant also argues that the liability for plugging and abandoning a well stems only from operations conducted on a leasehold and that, since it has not undertaken any operations since January 1989, it cannot be made to plug and abandon (see Letter to State Director, dated Mar. 9, 1992, at 4). We disagree. It is established that, regardless of whether the lessee of record drilled or reworked the wells or produced from them, it is still ultimately responsible for plugging and abandoning them as the lessee of record, even if it did not profit from the earlier production. 43 CFR 3106.7-2; see Ralph G. Abbott, 115 IBLA 343, 346 (1990).

BIM and BIA were not required to wait until appellant and Dry Mesa sorted out their differences before taking action under the lease. Rather, they were entitled to look to appellant, as the lessee of record, for compliance with the production requirements of its lease, and, in the absence of any production, for compliance with the requirement to plug and abandon wells upon the termination of the lease. We, therefore, conclude that the State Office properly affirmed the FRA's 1992 order requiring appellant to plug and abandon the wells on Indian oil and gas lease 14-20-603-716. 12/

11/ As we held in Alaska Statebank, supra, this procedure protects the government, by allowing it to determine whether the assignee is acceptable as a lessee.

12/ We also note that appellant is under the erroneous impression that BIM was prevented from requiring Dry Mesa to plug and abandon the wells, having failed to obtain a bond from it, and as a result proceeded against appellant (see Letter to State Director, dated Mar. 9, 1992, at 2). It would appear not only that BIM could have required Dry Mesa, as the designated operator, to plug and abandon the wells (see Glen Morgan, supra at 48; Ralph G. Abbott, supra at 346), but that it actually sought to do so. In any event, appellant is not absolved from its obligations as lessee of record because BIM might also have required Dry Mesa to comply.

IBLA 92-541

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.

David L. Hughes
David L. Hughes
Administrative Judge

I concur:

C. Randall Grant, Jr.
C. Randall Grant, Jr.
Administrative Judge



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

December 1, 1997

CERTIFIED MAIL

Mr. Ken Hand
15 Willowbrook
Wichita KS 67207

Re: Release of Performance Bond, C.D. #2538054

Dear Ken:

Our records show that Dry Mesa Corporation has no outstanding drilling or plugging obligations in Arizona. As a result, the referenced certificate of deposit and executed release form are enclosed.

It has been our pleasure working with you the past several years.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

SECURITIES SAFEKEEPING
1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

DATE: 11/7/97 STATE AGENCY NO. _____

STATE AGENCY OIL & gas CONSERVATION COMM.

COMPANY DRY MESA CORPORATION ✓
P.O. BOX 5446
FARMINGTON NM 87499

DOMESTIC FOREIGN

State Treasurer's Use Only

DEPOSIT

C.D. NO.: _____

BANK: _____

MATURITY DATE: _____ INTEREST RATE: _____ %

AMOUNT \$ _____

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

C.D. NO.: 2538054 ✓

BANK: VALLEY NATIONAL BANK OF AZ ✓

MATURITY DATE: 11/24/92 ✓ INTEREST RATE: 8.0 % ✓

AMOUNT \$ 25,000.00 ✓

STATE TREASURER VALIDATION NO. _____

RECEIVED
STATE TREASURER'S OFFICE
NOV 17 10 05 AM '97

RECEIVED THE ABOVE RELEASE BY <u>Steven L. Rainz</u> 11/7/97 Authorized Signature Date	STATE AGENCY AUTHORIZATION BY <u>Steven L. Rainz</u> Authorized Signature
OIL & GAS CONSERVATION COMMISSION Bank or Firm	STATE TREASURER AUTHORIZATION BY <u>Kathleen Martin</u> Authorized Signature
FOR BANK USE ONLY Checked by _____ Verified by _____	BANK AUTHORIZATION BY _____ Authorized Signature
STATE'S DEPOSITORY BANK	

SECURITIES SAFEKEEPING
 1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

PERMIT 132

DATE: 11/29/89
 STATE AGENCY: OIL & GAS CONSERVATION COMM. ✓
 COMPANY: DRY MESA CORPORATION ✓
P O BOX 5446
FARMINGTON, NEW MEXICO 87499

STATE AGENCY NO. _____
 State Treasurer's Use Only

DOMESTIC FOREIGN **DEPOSIT**

C.D. NO.: 2538054 ✓
 BANK: VALLEY NATIONAL BANK OF AZ ✓

MATURITY DATE: 11/24/92 ✓ INTEREST RATE: 8.0 % ✓

AMOUNT \$ 25,000.00 ✓

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

C.D. NO.: _____
 BANK: _____
 MATURITY DATE: _____ INTEREST RATE: _____ %
 AMOUNT \$ _____

RECEIVED
 STATE TREASURER
 NOV 29 3 19 PM '89

STATE TREASURER VALIDATION NO. _____

RECEIVED THE ABOVE RELEASE		STATE AGENCY AUTHORIZATION	
BY _____		BY <u>Kate Gomez</u>	
Authorized Signature	Date	Authorized Signature	
Bank or Firm		STATE TREASURER AUTHORIZATION	
FOR BANK USE ONLY		BY <u>Katherine Jaramilla</u>	
Checked by	Verified by	Authorized Signature	
		STATE'S DEPOSITORY BANK	



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

March 8, 1994

Mr. Kenneth R. Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Mr. Hand:

According to our records, Dry Mesa Corporation posted a \$25,000 state-wide performance bond on November 24, 1989, to cover its operations in the State of Arizona. Dry Mesa Corporation, therefore, meets the current bonding requirements of the Arizona Oil and Gas Conservation Commission to operate its existing, permitted oil and gas wells in Arizona.

Our records further indicate that Dry Mesa Corporation's bond currently covers six active permits at the Navajo-O (BIA 14-20-603-716) lease and five active permits at the Navajo-138 (BIA 14-20-603-4190) lease.

Please let me know if I can be of further assistance.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

c Dennis Peterson, First National Bank, Farmington, NM



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

May 12, 1993

232

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Mr. Hand:

I received your letter of May 6, 1993, requesting release from further liability on the Navajo "O" lease because "Dry Mesa Corporation has never owned any title interest in the subject Navajo "O" and resigned as interim operator of that lease some time ago."

Our records indicate that Dry Mesa Corporation assumed ownership and operatorship of the Navajo "O" (BIA 14-20-603-716) lease on or about February 1, 1989, and posted a \$25,000 performance bond (certificate of deposit) on November 24, 1989.

A.A.C. R12-7-103, copy enclosed, requires a performance bond to remain in effect until (1) the wells under the bond have been plugged and abandoned as approved by the Commission, or (2) the property is transferred and the transferee posts a new bond or bonds for the wells. As a result, I cannot release Dry Mesa Corporation's liability on the Navajo "O" lease because (1) the wells on the Navajo "O" lease have not been plugged or abandoned, and (2) a new owner has not put up a bond or bonds for the wells.

Please let me know if I can be of further assistance in this matter.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure

c Larry D. Fellows

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

6 May 1993



CERTIFIED MAIL NO. P 321 755 847
RETURN RECEIPT REQUESTED

Mr. Steve Rauzi
Arizona Geological Survey
845 Park Avenue
Suite 100
Tucson, Arizona 85719

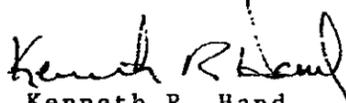
Re: Navajo Tribal "O"
BIA 14-20-603-716
Apache County, Arizona

Dear Mr. Rauzi:

Dry Mesa Corporation has in effect and force a \$25,000.00 Certificate of Deposit that is pledged to the State of Arizona as a bond for operations on the subject lease as well as Navajo Tract 138, BIA 14-20-603-4190.

Dry Mesa Corporation has never owned any title interest in the subject Navajo "O" and resigned as interim operator of that lease some time ago. This letter is to request the State of Arizona to release Dry Mesa Corporation from any further liability concerning the Navajo "O" and make the current owner, Cross Creek Corporation, liable for any and all operations on that lease. This action will leave the \$25,000.00 bond in place but it will only pertain to Navajo Tract 138. Thank you for your help.

Sincerely,


Kenneth R. Hand
PRESIDENT

MEMORANDUM TO FILE

PIN 232

DATE: JUNE 1, 1992

FROM: STEVEN L. RAUZI

SUBJECT: STATUS OF OPERATORSHIP AT THE TEEC NOS POS LEASE

I CONTACTED JOHN KELLER, BUREAU OF LAND MANAGEMENT, FARMINGTON, NEW MEXICO (BLM) WHO REFERRED ME TO KEN TOWNSEND OF THIS OFFICE.

KEN TOWNSEND WAS OUT, ACCORDING TO STEVE MASON:

- 1. FARMINGTON OFFICE BLM ORDERED CROSS CREEK TO P&A WELLS**
- 2. CROSS CREEK APPEALED TO NEW MEXICO STATE OFFICE**
- 3. NEW MEXICO STATE OFFICE UPHELD THE FARMINGTON ORDER TO P&A**
- 4. CROSS CREEK APPEALED TO INTERIOR BOARD OF LAND APPEALS (IBLA)**
- 5. IBLA COULD TAKE A COUPLE OF YEARS TO ISSUE DECISION**

CERTIFIED MAIL P 718 638 830

CROSS CREEK CORPORATION

P. O. Box 1957
Duncan, OK 73534

March 9, 1992



State Director
Bureau Of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-7115

232.

Re: Navajo Tribal Lease No. 14-20-603-716

Sir:

This is to advise that we do hereby request an administrative review of the Orders of the Bureau of Land Management respecting the termination of the above referred to lease set out in your letter of February 12, 1992, addressed to Cross Creek Corporation. This request for administrative review is pursuant to applicable statutes and regulations particularly 43 C.F.R. Section 3165.3. We also request the opportunity to make oral presentation in support.

We believe, first, that Cross Creek Corporation should not be required to bear the expense of plugging the wells on the Navajo "O" lease, BIA Lease No. 14-20-603-716; hereinafter referred to simply as # 716.

We believe that the wells on this lease should not be plugged without giving Cross Creek Corporation an opportunity to make reasonable efforts to place them on production.

In support of our view we offer the following:

1. Cross Creek Corporation transferred all of its right, title and interest in and to Leases No. 716 and 4190 to Dry Mesa Corporation, together with operating rights, leaving it without any claim to or interest in those leases or the proceeds of production.
2. The Navajo Nation approved the assignment to Dry Mesa Corporation of both leases.
3. Dry Mesa Corporation posted a bond with the Oil and Gas Commission for the State of Arizona believing that to be appropriate.

4. Both Bureau of Indian Affairs, hereinafter referred to simply as BIA, and Bureau of Land Management, hereinafter referred to simply as BLM, accepted Dry Mesa Corporation as the owner and operator of both Leases No. 716 and 4190. They acknowledged Dry Mesa Corporation was operating on both leases and although they had not formally approved the assignment from Cross Creek Corporation to Dry Mesa Corporation and had not required bond to be posted by Dry Mesa Corporation they knowingly permitted Dry Mesa Corporation to conduct operations on both leases.

5. Both BIA and BLM knowingly permitted Dry Mesa Corporation to operate both leases, produce and receive income from them without requiring the requisite bond or security to be posted.

6. When BIA and BLM determined to cancel the Navajo "O" Lease, No. 716, it notified Dry Mesa Corporation thus acknowledging Dry Mesa Corporation to be the operator and lessee.

7. When BIA and BLM decided to terminate the lease on the Navajo "O", No. 716, it did not notify Cross Creek Corporation thus acknowledging that Cross Creek Corporation was neither the lessee nor the operator.

8. BLM's present inability to compel Dry Mesa Corporation to plug the wells on the Navajo "O" Lease, No. 716, is due directly to the failure of BLM and BIA to obtain the necessary bond or security from Dry Mesa Corporation at the time it assumed operations with the knowledge of the BIA and BLM and their implied consent.

9. BIA and BLM do implicitly acknowledge Dry Mesa Corporation to be the lessee and operator of Tract No. 138 lease, No. 4190, and yet they have never approved the assignment of the lease or operating rights and have never required Dry Mesa Corporation to post the requisite security.

10. The assignment of Tract No. 138 lease, No. 4190, and the Navajo "O" lease, No. 716, were part and parcel of the same transaction. It is obviously unfair to Cross Creek Corporation to permit Dry Mesa Corporation to continue as de facto operator and lessee of No. 4190 and receive the benefits therefrom without requiring Dry Mesa Corporation to assume the responsibilities of its companion lease.

11. It is obviously unfair to Cross Creek Corporation to compel the return of operations and status as lessee of the Navajo "O" lease, No. 716, (Lease No. 716) and its burden without at the same time acknowledging Cross Creek Corporation to be the lessee and operator of Tract No. 138 lease, No. 4190, and lending all assistance in permitting Cross Creek Corporation to enjoy the production from Tract No. 138 lease, No. 4190.

12. It is patently unfair to put the burden of plugging wells on the Navajo "O" lease, No. 716, without first giving Cross Creek Corporation the option of making reasonable efforts to put the wells back on production and at least attempt to re-coup the costs which might be required for plugging. Such an option must be without impossible conditions such as were placed on it by the Order dated June 19, 1991, to pay any outstanding obligations owed to the Navajo tribe with respect to this lease without determining at that time what those obligations were and so advising Cross Creek Corporation.

13. If Cross Creek Corporation is the lessee and operator of the Navajo "O" Lease, No. 716, because the assignment of the lease and operating rights to Dry Mesa Corporation were never approved by the BIA then by the same token Cross Creek Corporation is both the lessee and operator of the Tract No. 138 lease, No. 4190, and should be so confirmed by the BIA and the BIA and BLM should assist Cross Creek Corporation in securing possession of that lease and its production.

14. Since the BIA has not accepted the assignment of the lease or operating rights to Dry Mesa Corporation on Tract No. 138 lease, No. 4190, Cross Creek Corporation now formally makes demand on BIA and BLM not to permit Dry Mesa Corporation to operate and receive proceeds of production from that lease.

15. Since the BIA has not approved the assignment of the lease or the assignment of operating rights on Tract No. 138 lease, No. 4190, Cross Creek Corporation now makes formal demand on the BIA not to grant any tardy approval of the assignment of the lease or operating rights on that lease to Dry Mesa Corporation to the detriment of Cross Creek Corporation.

16. Since the BIA and the BLM have impliedly accepted Dry Mesa Corporation to be the operator of the Navajo "O" Lease, No. 716, then Cross Creek Corporation should have been released of any obligations or responsibilities with respect to that lease and its bond released as to that lease. To do otherwise is to impose an unfair obligation on Cross Creek Corporation.

17. BIA and BLM both permitted Dry Mesa Corporation to remove equipment from the Navajo "O" Lease, No. 716, in violation of their own rules and regulations. Having done so it is unfair to require Cross Creek Corporation to assume any responsibilities for placing said lease back on production having permitted it to be robbed of the necessary equipment.

18. It is unfair to Cross Creek Corporation to put the burden of plugging the wells on the Navajo "O" Lease, No. 716, when both BIA and BLM acquiesced in the assumption of operations by Dry Mesa Corporation and impliedly acknowledged Dry Mesa Corporation to be the operator when they failed to require the posting of adequate security in violation of its own rules and regulations.

19. The BIA and BLM having impliedly, if not formally, acknowledged Dry Mesa Corporation to be the operator and lessee of the Navajo "O" Lease, No. 716, then Dry Mesa Corporation is the only entity liable for any breach of the rules of the BIA or the BLM and Cross Creek Corporation should not be saddled with any responsibility which rightfully should go to Dry Mesa Corporation.

20. The BIA and BLM both knowingly allowed Dry Mesa Corporation to perform as though it was both lessee and operator of the Navajo "O" Lease, No. 716, in violation of its own rules and regulations.

21. According to BIA and BLM rules and regulations liability for plugging results from "operations" and since Cross Creek Corporation has not performed any operations on the Navajo "O" Lease, No. 716, since January, 1989, it would follow it cannot be made to plug the wells.

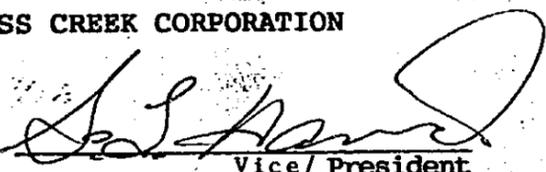
We therefore respectfully request:

That responsibility for plugging the wells on the Navajo "O" Lease, No. 716, should be enforced against Dry Mesa Corporation.

If BIA and BLM insist Cross Creek Corporation has to plug the wells we ask that Cross Creek Corporation be granted a reasonable opportunity to put the wells back on production.

Respectfully submitted

CROSS CREEK CORPORATION

By: 

Vice/ President

cc/BLM, Farmington, NM
BIA, Window Rock, Az.
Navajo Tribe, Window Rock, Az.
Az. Geo. Survey, Tucson, Az.

SCHEDULE "A"

Documentation in support of the request by Cross Creek Corporation for administrative review by State Director, Bureau of Land Management, of orders respecting Navajo Tribal "O" BIA Lease No. 14-20-603-716.

- 1) Assignment and conveyance dated April 1, 1987, from BHP Petroleum to Cross Creek Corporation.
- 2) Collective bond on behalf of Cross Creek Corporation (\$50,000.00) required by Bureau of Indian Affairs.
- 3) Letter of October 25, 1988, from BIA approving bond.
- 4) Letter of August 16, 1988, showing approval by the Navajo Nation of assignment of Lease No. 716 to Cross Creek Corporation.
- 5) Letter of March 13, 1990, from BIA showing approval by BIA of assignment of Lease No. 716 to Cross Creek Corporation.
- 6) Agreement dated February 15, 1989, of Leases No. 716 and 4190 between Cross Creek Corporation and Dry Mesa Corporation.
- 7) Assignment and conveyance of Leases No. 716 and 4190 from Cross Creek Corporation to Dry Mesa Corporation.
- 8) Assignment of Lease No. 716 from Cross Creek Corporation to Dry Mesa Corporation.
- 9) Letter of September 6, 1989, from the Navajo Nation showing approval of assignment of Lease No. 716 to Dry Mesa Corporation.
- 10) Letter dated September 15, 1989, from Cross Creek Corporation to BIA.
- 11) Letter dated November 13, 1989, from area director of BIA to Dry Mesa Corporation.
- 12) Letter dated April 20, 1990, from area director of BIA to Dry Mesa Corporation requiring bond.
- 13) Letter dated June 19, 1991, from area director of BIA to Cross Creek Corporation stipulating conditions for operating Lease No. 716.
- 14) Letter dated October 21, 1991, from BLM to Dry Mesa Corporation regarding plugging.

- 15) Letter dated December 16, 1991, from BLM to Dry Mesa Corporation regarding plugging requirements and assessment of fine.
- 16) Letter dated January 24, 1992, from Arizona Geological Survey to Cross Creek Corporation.
- 17) Letter dated May 8, 19__, from Cross Creek Corporation to area director of BIA regarding reduction in bond.
- 18) Letter dated September 30, 1988, from BIA to Cross Creek Corporation advising that BIA "will no longer process assignment of operating rights, but these documents will still have to be submitted to the Navajo tribe for tribal approval and to the BIA for record purposes only."

A:\Cross-A



Fife Symington
Governor

State of Arizona
Arizona Geological Survey
845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795

Larry D. Fellows
Director and State Geologist

January 24, 1992

Mr. Scott Hand
Cross Creek Corporation
P. O. Box 1957
Duncan, Oklahoma 73534

232

Re: BIA Lease 14-20-603-716, Navajo "O", Apache County, Arizona

Dear Mr. Hand:

I received word today that Dry Mesa Corporation has resigned as interim operator of the BIA Lease 14-20-603-716 (Navajo Tribal "O") in Apache County, Arizona as requested by the Bureau of Indian Affairs.

Mr. Stephen Mason of the Bureau of Land Management in Farmington informed me that the BIA considers Cross Creek Corporation to be the legitimate operator of the lease. He indicated that you would probably plug and abandon the wells according to the plugging and abandonment plans submitted by Dry Mesa Corporation and as modified by the BLM in Farmington.

Dry Mesa Corporation has submitted these plans to the Commission and I am enclosing copies of our Form 10, Plugging Record, for your use in reporting the work actually done after the wells have been plugged and abandoned. The Commission will accept copies of all reports submitted to the BLM throughout this process, but will require Form 10, properly filled out, upon completion of the work.

I would appreciate learning of your intent in this matter and please don't hesitate to call me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Steven L. Rauzi".

Steven L. Rauzi
Oil & Gas Program Administrator



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795

Larry D. Fellows
Director and State Geologist

January 24, 1992

232

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Ken:

Enclosed is the copy of the December 1991 injection report for the Dry Mesa Field. I received your letter wherein you resigned as interim operator of the Navajo "O" lease in Apache County. Since your letter is dated January 16, 1992, I believe it would be appropriate that you submit the December 1991 injection and production reports for the Navajo "O" lease.

Sincerely,

Steve

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

16 January 1992

CERTIFIED MAIL P 321 755 830
RETURN RECEIPT REQUESTED

232

Mr. Stephen Mason
Department Of The Interior
Bureau Of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

Re: BIA Lease 14-20-603-716
Navajo Tribal "O"
Apache County, Arizona

Dear Mr. Mason:

This letter is to inform the Bureau Of Land Management that Dry Mesa Corporation has resigned as interim Operator of the subject lease.

Sincerely,

Kenneth R. Hand
Kenneth R. Hand



1-24-92

Steve Mason indicated that the Navajo's (BIA) informed Ken that he had no rights to the Navajo O and that ownership will revert to Cross Creek.

FLOYD SCHMIDT
RR #3
Baldwin City, KS 66006
913-594-3417



INSTRUMENT

RICK COOPER
1632 Valleyview Court
Wichita, KS 67212
316-722-7537



117 E. Patterson
Bellefontaine, OH 43311
513-592-5025

Steve:

I am enclosing a copy of a letter where Dry Mesa resigned as operator of the Navajo "O".

There was no production in December but if you need some paperwork, call me here in Farmington.

Thanks,

Ken



— We Go To The Edge For You, Our Customer —



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

April 4, 1991

Mr. Bob Hand
Dry Mesa Corporation
P. O. Box 5446
Farmington, NM 87499

Dear Bob:

We have received your letter of March 22 containing several questions. I'll try to answer them in order.

I think the best way for you to go with regard to the additional perforations and disposal of water from the Navajo #2 gas well would be to submit a formal request for those things (with a \$50 check) so that the Commission can have a public hearing. The existing permit refers to the application which shows the perforations you wanted to use. Also the existing permit is very clear that you may only inject Mississippian water from your own wells. It seems to me that we talked about adding the Pennsylvanian, but that you decided not to ask for the Penn on the original application.

I would not have any problem recommending that the Commission approve those changes in the permit.

I do have a problem, and I am sure the Commissioners would have a bigger problem with your not having installed the "coated corrosion resistant tubing" described in the original application. I predict that they will require that you install such tubing forthwith. The Phillips Drisopipe sounds like it is about the most economical way to go. If I were you, I would be prepared to use it and include it in your application.

I like the idea of running the BHP. When the new tubing is installed, you would have to run an MIT, but that doesn't take long.

The next Commission meeting is scheduled for April 19, and it is too late to get the required advertising done before the meeting. Normally, they have meetings every two months, but if you get your application in promptly, we could probably have one in May. It takes three to four weeks to comply with the legal requirements for calling a hearing.

Mr. Bob Hand

April 4, 1991
Page - 2

As for plugging procedures, you are right, the Chinle and the De Chelly are considered to be sources of drinking water in the area and have to be protected. Our rules for plugging (copy enclosed) require a plug above the producing zone and plugs completely across fresh water zones, with "heavy mud" between plugs and a plug 50 feet in and out of the surface casing.

The BIM doesn't normally send us copies of anything, so we have not received copies of plugging plans you evidently filed with them. However, we do have a "Proposed Plugging Program for Teec Nos Pos Field" that you sent us quite a while ago. That is the one with the Wingate mentioned in it. But the well diagrams don't show any plugs.

I am sending you a supply of our Form 9, Application to Plug and Abandon and Form 10, Plugging Record. On Form 9, in the section asking for details, just refer to the sundry you sent BIM and include a copy.

The tops you enclosed with your letter are reasonably consistent, and we can live with them.

I'm sending back a copy of your generic plugging program with comments as necessary.

Steps 1 to 3 OK.
Step 4 Adjust for Chinle, 50' above and below De Chelly and Chinle.
Step 5 Adjust to insure cement inside pipe across De Chelly and Chinle.
Step 6-8 OK.

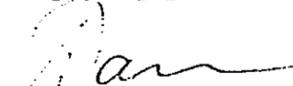
As for plugging the injection well, that is best handled separately. But our requirements are basically the same as for regular wells. Just use lots of cement.

Have you thought about shooting off the 5-1/2 above the lowest plug and pulling it out of the hole? It might make it easier to do the rest of the job.

We will be looking for your submission of Form 9, and when it comes, we will respond promptly.

I have checked the laws and our rules, so what I say is my opinion and advice, but you always have the right to appeal under the provision of ARS 27-525 and 526.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures

March 22, 1991

Dan Brennan
Arizona Oil and Gas Commission
5150 North 16th Street Suite B-141
Phoenix, Arizona 85016

411
4232

RE: Navajo Tract 138, Well #1 Injection Well Construction
Apache County, Arizona

Dear Mr. Brennan:

Dry Mesa Corp. is evaluating various coated tubing types to determine the best option for use in the Navajo #1 SWD well in Dry Mesa Field. Our findings to date based on field operations and conversations with other Basin producers indicate that:

1. Untreated steel tubing suffered severe corrosion damage in a short time during our initial disposal operations. A chemical program has been initiated and the results appear to be satisfactory.
2. Fiberglass lined tubing has been used in the area with mixed success. After several years of use in very corrosive environments, flaking and 'birdnesting' of the fibers has been reported in some areas. This can lead to plugging of perforations and reduced formation permeability. Fiberglass lined tubing is also expensive.
3. Plastic coated tubing has been used with some success. The major drawback (along with the high cost) is that sealing rings must be used at the tubing joints. Apparently, it is common for these rings not to seat properly resulting in severe corrosion at the exposed joint. This leads to tubing leaks and well pulling expenses.
4. The most promising corrosion resistant tubing option that I have found is the use of Driscopipe lined steel tubing. Driscopipe is a Phillip's product that is used by it's self in low pressure hostile environments such as landfill methane vents. Driscopipe is a polymer (?) and is not affected by most corrosive elements found in oil field operations. For use in injection wells, lengths of Driscopipe are cut to match individual tubing joints, the Driscopipe is inserted into the steel tubing, and special tools are used to heat and expand the Driscopipe to permanently fuse the Driscopipe to the tubing. Sealing rings are not needed however, after 6 - 8 make ups or break outs, the Driscopipe will degrade at the tubing joint. Phillips has been using Driscopipe in their injection wells and flowlines

in the Aneth Field with excellent results. I am told by Phillips that Driscopipe coated tubing is not effected by the pressures, temperatures, or any well fluids that we will experience in our well. The price quoted to me for Driscopipe and the installation procedure was \$.75 - \$1.50 per foot depending on tubing size and transport cost. We anticipate using around 8,000 feet for the well and flowline.

I am considering running a BHP survey in the well when it is down for this construction. If the BHP is near original conditions (1,600 psi), we are considering perforating additional porosity intervals in the Leadville below the current perfs. This additional interval (5,589' - 5,618') is probably in contact with the existing perfs (5,566' - 5,589') from naturally occurring fractures. This additional interval would provide us with more entry points into the reservoir with relatively little effect as to fracture gradients, water chemistry problems, etc. The BHP from the existing perfs, calculated from the standing fluid level in 5/90 was 1,428 psi. This figure is an educated guess at best because the true nature of the fluid column wasn't precisely known. If there are not any major pressure differences between the porosity intervals open at 5,566' - 5,589' and the proposed perf interval at 5,590' - 5,618', this would provide us with additional capacity for future water disposal requirements.

We have obtained a Right of Way permit from the Navajo's for the long awaited gas line. We anticipate having the line in and the well producing within a month of this letter. I do not anticipate any or at least minor initial water production from the Navajo #2 gas well. It would no doubt benefit us to modify our injection permit to cover this water. Can you advise us of the necessary information or procedures we should follow to get this done?

On a different subject, I have been in contact with a company in Farmington that specializes in plugging wells. They have given me some practical advise on different procedures that will save time, money, and do a better job of plugging. According to the BLM, the two aquifers that need plugging are the De Chellys and the Chinle. I have enclosed a table with the tops and bases for these two zones (Tops for the Chinle came from the BLM and EPA). I believe they sent you copies of there approvals. Perhaps when Steve is in Farmington for the MIT test, we can get together and decide on a plugging procedure that will satisfy the State. I will then send revised plugging programs to the various parties for final approval.

It is our intent to go with Driscopipe as soon as weather and cash flow will allow it. We had a very bad winter. We had to replace both heater treaters, rebuild one pumpjack engine, and parted rods three times. Additionally, we had numerous gas line freeze pus and a 12 day water line freeze. When we finally got things sorted out, the price of oil dropped \$15/barrel. Hopefully with warmer weather and a producing gas well, our cash flow problems will ease and we can do the necessary well work and P&A Teec Nos Pos Field.

Look this over and see what you think. We will be in touch.

Sincerely:

Bob Hand

Bob Hand

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

November 1, 1990

Dan Brennan
Arizona Oil and Gas Commission
5150 North 16th Street Suite B-141
Phoenix, Arizona 85016

RE: Teec Nos Pos Plugging Program
Apache County, Arizona

Dear Mr. Brennan:

Regarding your letter dated October 9, 1990, Dry Mesa Corporation is revising its proposed plugging program. For your information, the BLM approved the original proposed plugging plans for wells #1, #3, #4, and #5 with these changes:

1. Instead of plugging off the Winnegate Formation, the upper aquifer to protect is the Chinle. Tops for the Chinle as reported by the BLM are #1 - 1535', #3 - 1620', #4 - 1710', and #5 - 1955'.

2. A 50' cement plug must be placed down the surface casing/production casing annulus.

Since the Arizona O&G Commission requires a plug 50' above, 50' below, and across the aquifers and since the aquifers are >300' thick, the original proposed perforate and squeeze plugging method will not be adequate. Our recent squeeze experience showed that the only places where a decent bond was obtained was in that part of the hole with no or very little washout. The original hole is probably not in gauge through these aquifers. Therefore, I think we will have to shoot and pull the production casing to get a plug like the Commission requires.

Before I submit a revised plugging program, I would like to make sure we agree on formation tops and bases for the two plugging horizons. Here are my picks for the plugging horizons:

#232
582
640
663
678

Well	<u>#1</u>	<u>#2</u>	<u>#3</u>	<u>#4</u>	<u>#5</u>
Base Surface Casing	1522'	1539'	514'	507'	802'
Top Chinle	1532'	1687'	1624'	1710'	1955'
Base Chinle	1810'	2030'	1910'	2020'	2270'
Top De Chelly	2488'	2640'	2533'	2667'	2940'
Base De Chelly	2800'	2955'	2888'	2980'	3260'
Top Cement (EST)	4680'	2614' (CBL)	4594' (CBL)	4800' (EST)	4700' (CBL)

For wells #1, #3, #4, and #5, I will propose that we:

1. squeeze perfs
2. set a CIBP
3. shoot and pull casing 500' above top of cement
4. place plug #1 50' above to 50' below top and base of De Chelly
5. place plug #2 50' above to 50' below top and base of Chinle
6. place plug #3 50' above to 50' below base of surface casing
7. place plug #4 50' below to surface inside surface casing

For Well #2, the two squeeze jobs at 3500' and 3100' have left cement outside casing up to a depth of 2614' (CBL). It is my guess that the squeeze hole at 3100' is where the casing leak is at. Would a squeeze of this interval satisfy the Commission for a plug in the De Chellys (assuming this squeeze hole is leaking)? Obviously, we could not pull the casing below 2614' and two squeeze jobs have already been performed to try and get cement over the De Chellys with very little success. We may shoot and pull casing from a depth of 2400' to get a plug in the Chinle and a plug at the surface. I am working with the EPA to see what changes they will require in the original plan before I send a revised plan to you. They indicated that there would be a few minor changes and were going to send out a letter to every one within the next two weeks. Look this over and see what you think.

Sincerely,
Bob Hand
 Bob Hand



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

October 9, 1990

P/W 232, 582, 640, 662, 678

Mr. Bob Hand
Dry Mesa Corporation
P. O. Box 5446
Farmington, NM 87499

Dear Bob:

Following up on our recent conversation, I am sending you copies of the electric logs on the five wells you are talking about plugging. I have marked them in a couple of ways: First in red are the "scout" tops for the De Chelly; Second in blue ink are whatever "sample" tops we have.

Our rule for plugging requires cement across and 50 feet above and below "fresh water strata." Frankly for this purpose I don't care what name anybody gives to the formation--if it is an aquifer we have to protect it. So it seems to me that we ought to pick the porous zones, perhaps as identified by the SP curves, our criteria for what ought to be protected.

As you can see on the logs, the given tops don't correlate. So what I suggest is going from the sample log and E-log on each well and correlating the porosity zones and cementing across them. For instance, the No. 1 well clearly the porosity zone extends from 2489 to 2800, although it doesn't look very porous from, say, 2670 to 2800. But as we know, SP is supposed to be suppressed by fresh water zones.

The E-log on the No. 2 well is terrible, but the sample log shows porosity 2640 to 2955.

Mr. Bob Hand
Dry Mesa Corporation

October 9, 1990
Page 2

Following is a table I have worked out from our information.

	1	2	3	4	5		
	E-log Spl	E-log Spl	E-log*	E-log*	E-log*		
Top Wingate porosity zone	** 800	** **	?	?	?		
Base Wingate porosity zone	** 1090	** **	?	?	?		
Top "De Chelly" porosity zone	2488	2490	2640	2650? 2700	2533	2667	2940
Base "De Chelly" porosity zone	2670? 2800	2800	2955?	2955	2710?	2880?	3100
Top ORGAN Rock	2798	2800	2955	2955?	2888	2980	3260

* No sample log or log started too deep
** Interval not logged

The only well in the field on which we have a decent driller's log is the No. 12. (Copy enclosed.) It reports a shallow water flow, which I assume is the Wingate, and a deeper one (from the De Chelly?) which they had to kill with 9.3 lb. mud. So those do seem to be the zones to plug.

They sure didn't do anybody any favor when they drilled, logged, cased, and cemented these holes.

The porosity logs are all questionable in my mind because the hole is so big. The sample logs we have show the section which is enlarged to be loose or friable sand which lead me to think it has lots of porosity, and if porosity, presumably also water.

You have proposed a single perforation to cement off the Wingate and De Chelly zones outside the pipe. I doubt if one hole is enough to cement these big intervals shown in the tables.

Mr. Bob Hand
Dry Mesa Corporation

October 9, 1990
Page 3

Have you thought about shooting off the pipe above the cement and pulling it for whatever salvage value it may have? If you pull the pipe, you could do a lot better job of plugging without the nonsense of the perforating and squeezing, and we could be sure the cement plug blocks off the aquifers.

Let me know what you think.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosure

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

September 5, 1990

Mr. Dan Brennan
Arizona Oil and Gas Commission
5150 North 16th Street Suite B-141
Phoenix, Arizona 85016 September 5, 1990

71N 582
232

Dear Mr. Brennan:

Dry Mesa Corporation received a letter from the BLM dated August 15, 1990 (copy of letter enclosed) which basically stated that since the SWD Well #2 in Teec Nos Pos Field had failed a mechanical integrity test, Dry Mesa Corporation needs to submit plugging and abandonment plans for this well. Therefore, please find enclosed preliminary plugging and abandonment plans for the 5 wells that Dry Mesa Corporation operates in Teec Nos Pos Field. Besides BLM and State of Arizona standards, Well #2 falls under the UIC Program (underground injection control) which is sponsored by the U.S. EPA. This gives the EPA final authority and say so as to how this well is plugged. The other four wells on the lease are oil wells that have played out. They will be plugged according to BLM and State of Arizona requirements.

Dry Mesa Corporation is not in any hurry to plug these wells but we do want to be in compliance with BLM standards and to get our paper work in and approved. Please review the enclosed material to see if it will meet the States requirements. Also, if there are any areas where the proposed plugging program may be redundant or unnecessary, please bring these to our attention. If there are any questions or comments, please contact us. Thank you for your time.

Sincerely,

Bob Hand

Bob Hand

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

Teec Nos Pos Proposed Plugging Program

In response to a letter Dry Mesa Corporation received from the BLM regarding plugging of the Navajo "O" #2 SWD well, Dry Mesa Corporation is submitting plugging and abandonment plans for all 5 wells that it operates in Teec Nos Pos Field, Apache County, Arizona.

Teec Nos Pos Field has played out. Wells #4 and #5 have been shut-in since 1985. The field has a limited water drive and both of these wells have watered out. Well #3 was making less than 3 bls/day of oil when it was shut-in in 1987. Well #1 was making 3 - 5 bls/day of oil when it was operated steadily in 1987-88. Well #1 has since lost annular gas pressure to run the pumpjack engine. Repeated attempts to restore gas pressure by pumping the well off with butane brought out to the lease in tanks has been unsuccessful. To restore Wells #1 and #3 to production would require:

1. Getting a pipeline hookup and purchasing lease gas from Northwest Pipeline to run the pumpjacks.
2. Replacing the existing downhole pumps and several joints of tubing per well.
3. Acidize both wells and give them a paraffin treatment; pressure test and repair flowlines due to the highly corrosive fluids at Teec Nos Pos
4. Do road work to get the workover equipment on to the lease.
5. Repair vandalized surface equipment including gauges and pumpjack engine parts.
6. The major expense to repair and reequip Well #2 for brine disposal or, pay to have produced water hauled off.

Dry Mesa Corporation can not justify doing this work when the anticipated combined production from these 2 wells will most likely be less than 10 bls/day.

Therefore, for Wells #1, #3, #4, and #5, find enclosed a BLM proposed plugging form, a generalized plugging diagram, a current wellbore sketch, and a proposed plugging program with specific well plugging information included. Note that Well #2 is a SWD well and is included in the UIC Program (underground injection control) sponsored by the U. S. EPA. The EPA has final jurisdiction for plugging this well. A copy of the proposed plugging program that was submitted to the EPA for Well #2 is included, however, it has not been approved at this time.

Dry Mesa has not established a timetable to commence plugging operations at Teec Nos Pos Field. If there are any questions, comments, or changes in the proposed plugging program that you may have or if there are any areas of the proposed program that you feel are unnecessary or redundant, please contact us.

PROPOSED PLUGGING PROGRAM for TEEC NOS POS FIELD

The following is a generic plugging program to be followed in the plugging of Dry Mesa Corporation Wells #1, #3, #4, #5 in Teec Nos Pos Field, Apache County, Arizona. Well #2 is a SWD well and falls under the jurisdiction of the UIC Program (underground injection control) sponsored by the EPA. Therefore, Well #2 will be plugged according to EPA regulations.

All wells use 5-1/2", 14#, J-55 production casing. Casing capacity is 0.137 cubic ft/foot. Cement for plugging will be Class 'B', 15.6 ppg slurry weight, 1.18 cubic feet/sack slurry volume.

1. Remove surface equipment, NU BOP stack, TOH w/ existing tubing.
2. TIH w/ squeeze tool. Squeeze existing perforations w/ 35 sacks Class 'B' cmt. TOH w/ squeeze tool.
3. TIH w/ CIBP. Set plug 25' above top perf. Place 25 sack cmt plug on top of CIBP. Mix and circ 9.2 ppg mud to fill hole. TOH. *215' on plug*
4. TIH w/ perf gun. Perf #1 at 50' below top of the De Chellys; Perf #2 at 50' below top of Winnegate; and Perf #3 at 50' below surface casing shoe. TOH w/ perf gun.
5. PU packer. RIH and set packer at 100' above Perf #1. Pump 45 sacks Class 'B' cmt below packer. (5-1/2" casing capacity is 12 sacks/100' - this leaves a 12 sack plug inside 5-1/2" casing and a 33 sack plug outside 5-1/2" casing). Release packer and pull up to 100' above Perf #2. Pump 45 sacks Class 'B' cmt below packer. Release packer and pull up to 100' above Perf #3. Pump 45 sacks Class 'B' cmt below packer. Release packer and TOH. Lay down packer.
6. TIH to 50'. Mix and pump 6 sacks Class 'B' cmt. TOH. ND BOP stack.
7. Cut off casing head. install permanent marker.
8. Cut off tie downs, remove accessible flow lines, fill all pits, restore surface as required by BLM Surface Management Agency Standards.

WELL SPECIFICS

	PERFORATIONS	TOP OF DE CHELLYS	TOP OF WINNEGATE	SURFACE CASING SHOE
#1	5122'-5140'	2488'	1234'	1522'
#3	5214'-5228'	2582'	1324'	514'
#4	5314'-5326'	2667'	1385'	501'
#5	5506'-5510'	3007'	1643'	802'
	5591'-5601'			
	5628'-5634'			
	5647'-5654'			

A change from the proposed plan will be needed for Well #1 because the surface casing shoe is below the Winnegate Formation. On Well #1, it is proposed that the 5-1/2" casing be perforated at 2538' (50' below the top of the De Chellys), 1572' (50' below the surface casing shoe) and at 150'.

Well #1: CIBP @ 5097'; perf #1 @ 2538'; perf #2 @ 1572'; perf #3 @ 150'; plug #1 @ 5097' - 4897'; plug #2 @ 2538' - 2438'; plug #3 @ 1572' - 1472'; plug #4 @ 150' - 50'; plug #5 @ 50' - surface.

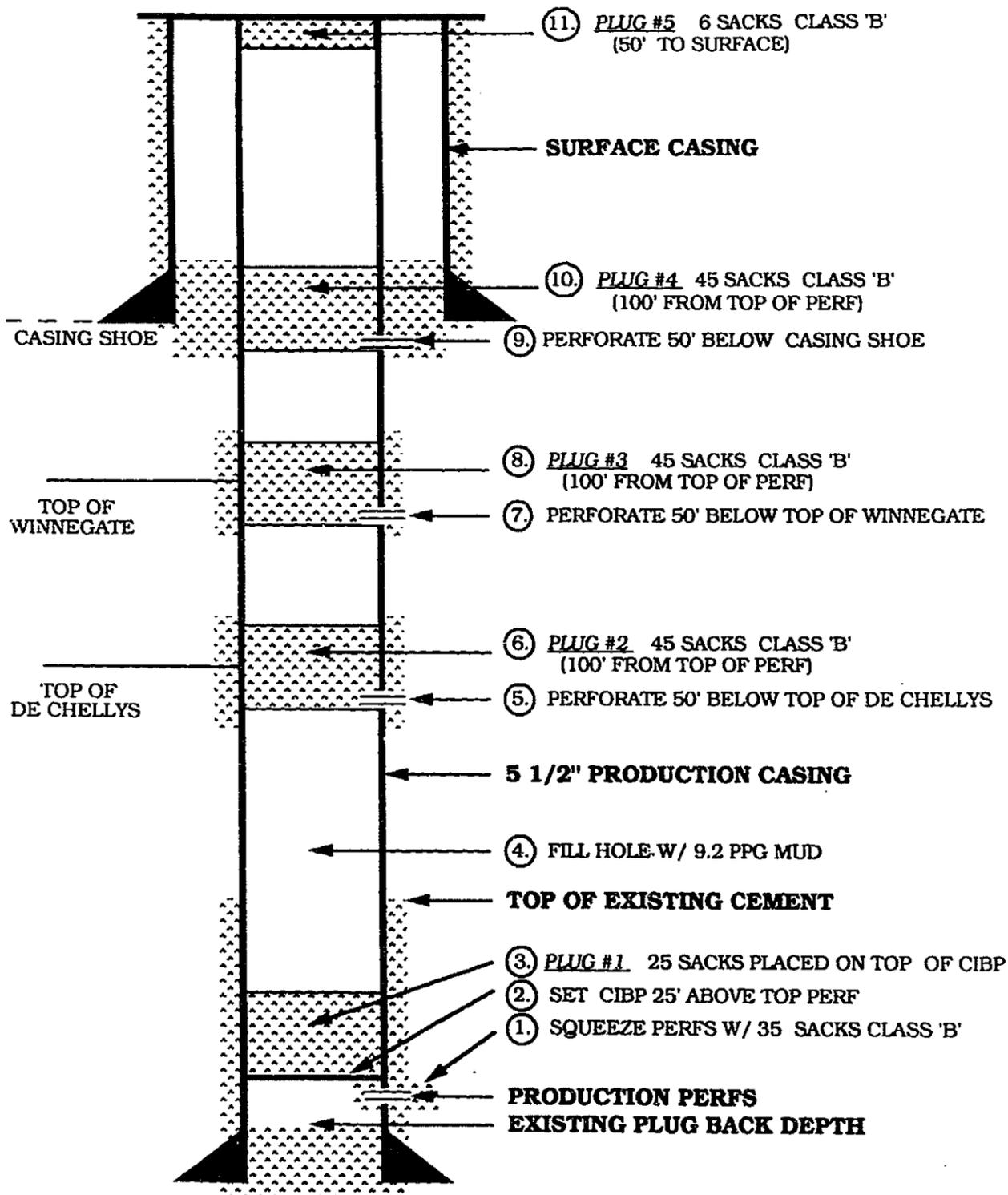
Well #3: CIBP @ 5189'; perf #1 @ 2632'; perf #2 @ 1374'; perf #3 @ 564'; plug #1 @ 5189' - 4989'; plug #2 @ 2632' - 2532'; plug #3 @ 1374' - 1274'; plug #4 @ 564' - 464'; plug #5 @ 50' - surface.

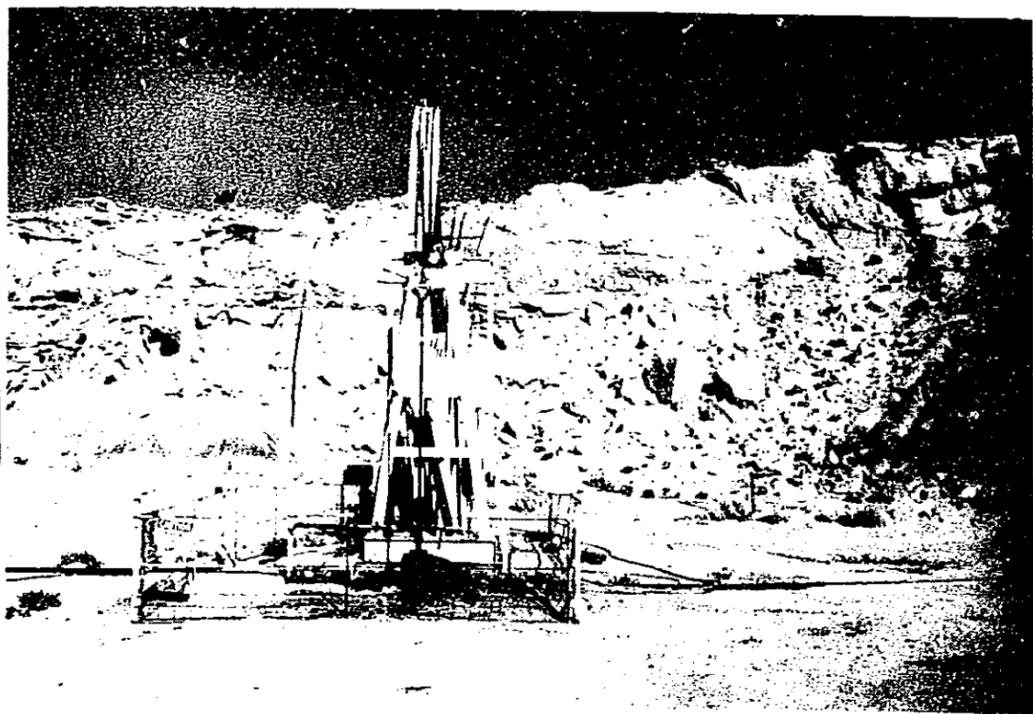
Well #4: CIBP @ 5289'; perf #1 @ 2717'; perf #2 @ 1435'; perf #3 @ 551'; plug #1 @ 5289' - 5089'; plug #2 @ 2717' - 2617'; plug #3 @ 1435' - 1335'; plug #4 @ 551' - 451'; plug #5 @ 50' - surface.

Well #5: CIBP @ 5489'; perf #1 @ 3057'; perf #2 @ 1693'; perf #3 @ 852'; plug #1 @ 5489' - 5289'; plug #2 @ 3057' - 2957'; plug #3 @ 1693' - 1593'; plug #4 @ 852' - 752'; plug #5 @ 50' - surface.

PROPOSED PLUGGING DIAGRAM

FOR TEEC NOS POS WELLS #1, #3, #4, & #5
APACHE COUNTY, ARIZONA





23A Tee Nos Pos

~~PN 232~~

~~SW SW 23, 41N-30W~~

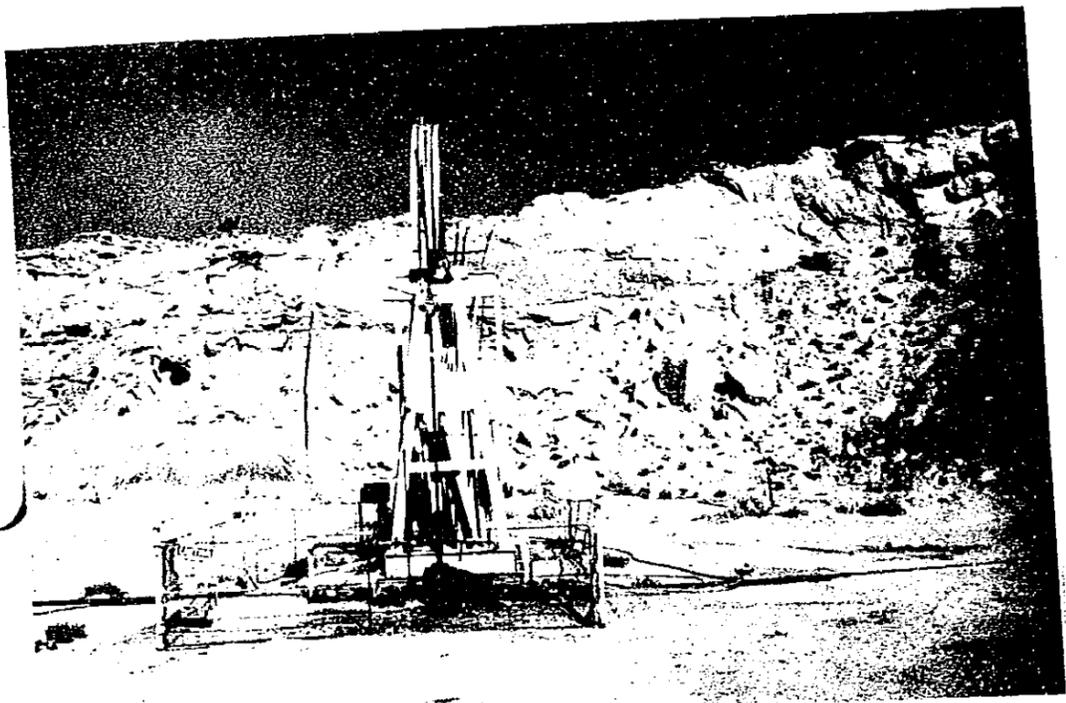
~~Cross Creek (ERG) 3 Nov-10-0~~

10/89

PN 232

SESW 23, 41N-30E

Cross Creek (ERG) 1 Nov-10-0



234 Tree Nos Pos

P0640

~~315 30E~~
~~Cross Creek (ERG) / Navajo O~~

P0232

SESW 23, 41N 30E
Cross Creek (ERG) / Navajo O

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 26 1990

CROSS CREEK CORPORATION
P.O. BOX 1957
DUNCAN, OK. 73534-1957

January 23, 1989

Arizona Oil & Gas Commission
5150 N 16th Street B141
Phoenix, Az. 85016

RE: Dry Mesa Field , Tract 138 Lease
Teec Nos Pos Field, Navajo "0"

Attention: Dan Brennan

Dear Sir:

Enclosed herewith please find copies of the following
information:

Tax Sale Notice
Letter to Apache County Treasurer
Agreement of Sale & Purchase

If you have any questions please feel free to call.

Thank you,



Scott L. Hand
Cross Creek Corporation

CROSS CREEK CORPORATION
P.O. BOX 1957
UNCAN, OK. 73534-1957

AZ OIL & GAS
CONSERVATION COMMISSION
JAN 26 1990

January 23, 1990

Lavere O. Connolly
Apache County Treasurer
P.O. Box 699
St. Johns, Az. 85936

RE: Parcel ID 989-12-700-00-8

Dear Mr. Connolly:

Enclosed herewith please find a copy of the Agreement of Sale and Purchase from Cross Creek Corporation to Ken R. Hand d/b/a Dry Mesa Corporation effective February 15, 1989 for Operating Rights of the leases this tax statement covers. For your convenience I have highlighted the following items:

- #2) Buyer's Representations (c)
- #5) Taxes
- #7) Effective Date
- #15) Miscellaneous

Cross Creek Corporation has mailed or delivered to Kenneth R. Hand d/b/a Dry Mesa Corporation, P.O. Box 5446, Farmington, NM 87499 and/or #15 Willowbrook, Wichita, Ks. 67207, any and all tax statements, requests and demands as follows:

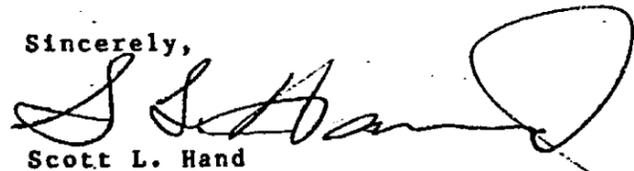
- a) Copy 1988 Tax Statement, delivered 2/13/89
- b) Original 1988 Tax Stment, delivered 2/14/89
- c) Delinquent Tax Notice, mailed 10/5/89
- d) 1989 Original Tax Statement, mailed 10/5/89
- e) Tax Sale Notice, mailed 1/23/89

We have also notified by mail, the sale of these properties, to the Arizona Department of Revenue, Division of Evaluation and Equalization, Sales, Use & Severance Tax Division and Apache County Tax Assessor.

We are asking that any further request regarding these properties be sent to the current operator, Kenneth R. Hand d/b/a Dry Mesa Corporation at the address or addresses above.

Thank you for your prompt attention and cooperation in this matter.

Sincerely,



Scott L. Hand
Vice-President/Secretary

cc: Kenneth R. Hand d/b/a Dry Mesa Corporation
cc: Arizona Oil & Gas Commission

AZ OIL & GAS
CONSERVATION COMMISSION

LAVERE O. CONNOLLY
APACHE COUNTY TREASURER
P. O. BOX 699
ST. JOHNS, ARIZONA 85936
TELEPHONE: (602) 337-4364 EXT. 252

JAN 26 1990

JAN 22 REC'D

JANUARY 8, 1990

CROSS CREEK CORP.
SCOTT HAND
P. O. BOX 447
FARMINGTON, N.M. 77057

PARCEL ID 989-12-700-00-B
DESCRIPTION VALUE OF PRODUCING OIL AND GAS INTEREST

** TAX SALE NOTICE **

YEAR	RECEIPT	TAX CERT	TAX	INTEREST	TOTAL
88 F	43741		8,993.06	1,438.89	10,431.95
89 F	43644		4,403.62	88.07	4,491.69
TOTAL IF PAID BY FEBRUARY 1, 1990					14,923.64

PAYMENT MUST BE MADE BY CERTIFIED CHECK, CASHIERS CHECK, OR POSTAL MONEY ORDER.

THIS PARCEL HAS DELINQUENT TAXES. ADDITIONAL TAXES, INTEREST, AND PENALTIES MAY BE DUE.

UNDER THE PROVISIONS OF THE STATUTES COVERING DELINQUENT TAXES, IT IS MANDATORY FOR ME TO ADVERTISE & SELL ALL TAXES OLDER THAN 1989, WHICH ARE OUTSTANDING AGAINST THIS PROPERTY AFTER FEBRUARY 1, 1990 (ARS #42-385).

SINCERELY YOURS,
LAVERE O. CONNOLLY
APACHE COUNTY TREASURER

JAN 26 1990

AGREEMENT OF SALE AND PURCHASE

This agreement made and entered into this ^{15th} day of February, 1989 by and between CROSS CREEK CORPORATION, an Oklahoma corporation, with an office and place of business at #30 Road 1990, Farmington, New Mexico 87499; hereinafter sometimes called "Seller," and DRY MESA CORPORATION, a Delaware corporation, with an office and place of business at #15 Willowbrook, Wichita, Kansas 67207, hereinafter sometimes called "Buyer."

Seller agrees to sell and Buyer agrees to buy for the sum described hereinafter the following described and referred to properties and interests which are together hereinafter sometimes referred to as the "Subject Interests."

All of Seller's right, title and interest in and to:

1. All of those properties, rights and interests described on Exhibit "A", attached hereto and made a part hereof for all purposes, together with all operating rights as to the oil, gas and mineral leases described on Exhibit "A".
2. Together with all units associated with the oil, gas and mineral leases noted on said Exhibit and all personal property, improvements, moveables, easements, permits, licenses, servitudes and rights-of-way situated upon or used or useful or held for future use in connection with the exploration, development, maintenance or operation of the properties, rights and interests described in No. 1 hereinabove or the production, treating, storing or transportation of the oil, gas or other minerals produced from such leases, including, but not by way of limitation, wells, tanks, boilers, buildings, fixtures, machinery and other equipment, pipelines, power lines, telephone and telegraph lines, roads and other appurtenances situated upon or used or useful or held for future use in connection with the exploration, development, maintenance or operation of the properties, rights and interests described in No. 1 hereinabove or the production, treating, storing or transportation of oil, gas or other minerals produced from the properties, rights and interests described in No. 1 hereinabove.

This agreement does not cover the sale and conveyance of any gas purchase pipelines, gas purchase facilities or gas purchase contracts.

This agreement and conveyance is made and accepted subject to the following terms and conditions:

1. Seller's Representations: Seller represents to Buyer:
 - (a) That the Subject Interests include all the property rights acquired by CROSS CREEK CORPORATION on those leases. (See Exhibit "A".)
 - (b) That, to the best of Seller's knowledge, there are no administrative proceedings, litigations or claims pending (other than those listed below), affecting or relating to the ownership, use, operation or maintenance of the Subject Interests.
 - (c) That, to the best of Seller's knowledge, all oil and gas leases, contracts, licenses, easements, permits and other rights and interests comprising

any portion of the Subject Interests are now and shall be as of the date of closing in full force and effect according to their respective terms and provisions and that all rights granted thereby are valid and subsisting, and Seller has received no notices or demands affecting or relating to such rights.

- (d) That, to the best of Seller's knowledge, all payments of rentals, royalties, and other charges, if any, required by the terms and provisions of the oil, gas and mineral leases, contracts, licenses, permits and easements comprising any portion of the Subject Interests to be made prior to closing date to prevent forfeiture or termination thereof shall have been fully and timely paid.
- (e) That all consents, waivers or permissions required for the valid and effective conveyance and assignment to Buyer of any rights or interests included within the Subject Interests have been obtained or will be obtained prior to the date of closing, and, if requested by Buyer, satisfactory evidence thereof will be furnished to Buyer at or before the date of closing.
- (f) That Seller has caused no lien to attach to any of the Subject Interests.
- (g) Seller has full power and authority to enter into and perform its obligations under this agreement and has taken all proper corporate action to authorize entering into this agreement and the performance of its obligations hereunder.
- (h) That Seller shall not have received, prior to the closing date, any prepayment for production of oil, gas or other minerals from the Subject Interests produced subsequent to the effective date hereof except payments for which Seller will make proper accounting to Buyer on the date of closing.
- (i) The conveyance and assignment from Seller to Buyer of the Subject Interests will contain no warranty of title to the Subject Interests, either expressed or implied, except that as to those items listed on Exhibit "A". Seller warrants that the Subject Interests have not been disposed of, mortgaged or encumbered by Cross Creek Corporation.

2. Buyer's Representations: Buyer represents to Seller:

- (a) That Buyer is negotiating this transaction and entering into this contract for its own account.
- (b) That Buyer will promptly cooperate in the closing of the transaction evidenced hereby after being informed by Seller that the papers necessary for such conveyance have been prepared.
- (c) That Buyer will promptly post a bond necessary to meet the requirements of operation of the Subject Interests. The buyer will accept any and all liabilities that should occur by the absence of such bonds.

3. Buyer's Conditions to Closing: The obligations of Buyer under this agreement to purchase the Subject Interests

shall, at Buyer's option, be conditioned upon the following:

- (a) Seller shall have performed all of the terms and provisions contained in this agreement to be performed.
 - (b) At the date of closing, no suit, action or other proceeding shall be pending or threatened in which it is sought to restrict or prohibit the consummation of the sale of the Subject Interests as contemplated by this agreement or in which title of Seller to any part of the Subject Interests is brought into question.
4. Records, Contracts and Files: If requested by Buyer, all original lease and land records, and all existing contracts, well files, including all well logs, core analyses, drilling records, filed forms, and all other materials pertaining to the Subject Interests in possession of Seller and copies or duplicates of which Buyer does not have shall be delivered to Buyer and, as of closing, shall become the property of Buyer as a part of the Subject Interests.
 5. ~~As to Property and/or ad valorem taxes, as well as necessary interest taxes that remain unpaid against the Subject Interests shall be the responsibility of Buyer.~~
 6. Conditions and Covenants: Buyer agrees that from and after the effective date, hereinafter noted, it will assume and carry out all conditions and covenants and obligations contained in the leases, contracts, licenses, easements and permits comprising the Subject Interests which Buyer is legally obligated to perform. Seller declares that, to the best of its knowledge, such conditions, covenants and obligations have been fully complied with and performed down to the effective date hereinafter noted and agrees to hold Buyer harmless from any claim or judgment arising out of Seller's failure to so comply with and perform any such conditions, covenants and obligations with which Seller was legally obligated to comply or as to which Seller was legally obligated to perform.
 7. ~~Effective Date: The conveyance and assignment of Subject Interests to Buyer shall be made effective as to the date set forth above.~~
 8. The Buyer will assume ownership of any and all oil remaining in the tanks on the Subject Interests. The Seller will receive all monies for oil sold before the effective date and will pay all royalties and severance taxes due upon said production. After such royalties and taxes are paid, fifty (50) percent of the remaining monies will be paid to Hay Hot Oil under the terms of Exhibit "C", and the remaining fifty (50) percent will be credited to Sun's Interest.
 9. Closing Date: This sale and purchase shall be consummated and closed on the day first written above.
 10. Operation of Subject Interests: All costs and expenses of the operation of the Subject Interests after the effective date shall be charged to the account of Buyer and shall be paid solely by Buyer.
 11. Delivery of Records, Contracts and Files: At the time of

closing, or as soon thereafter as possible, Seller shall deliver to Buyer all records, contracts, files and other materials herein required to be furnished and delivered by Seller and which have not already been so delivered to Buyer. At closing, Seller shall then deliver to Buyer instruments of assignment and conveyance covering all of the Subject Interests duly executed and acknowledged on behalf of Seller.

12. Payment of Purchase Price: Buyer agrees to assume the liabilities as shown on Exhibit "B". The liability to Hay Hot Oil, Incorporated will be met under the conditions as set out in an agreement between Hay Hot Oil, Incorporated and Cross Creek Corporation and attached as Exhibit "C". The liability to Cross Creek Corporation will be met by and in a promissory note and agreement between the Buyer and Seller and a copy herein attached as Exhibit "D".
13. Negotiations of This Sale and Purchase: Each party represents that it has negotiated this transaction only through its own personnel and has incurred no obligation to any agent or broker for any commission in connection with this transaction.
14. Entire Agreement: This agreement contains the entire agreement between the parties hereto with respect to the transaction covered hereby and supersedes all prior agreements between the parties, oral or written, relating to the subject matter of this agreement. This agreement shall extend to and be binding upon the heirs, successors and assigns of the parties hereto. An assignment shall be executed in consummation of this agreement. Any conflict between said assignment and this agreement shall be resolved in favor of this agreement.
15. Miscellaneous:
 - (a) The personal property, improvements and moveables included in the Subject Interests are to be conveyed without any warranties, expressed or implied, as to quality, merchantability or fitness for use of or for a particular purpose. Additionally, such items will be conveyed "as is" and "where is."
 - (b) ~~Buyer agrees to indemnify and hold Seller harmless from any and all claims, attorneys' fees, demands, costs, losses or expenses, suits, fines, damages, penalties and judgments accruing on and after the effective date and based on or in any way related to the use of the Subject Interests for removal or maintenance of the personal property, improvements and moveables included in the Subject Interests.~~
 - (c) ~~Buyer agrees that upon the closing of this transaction, it solely assumes the full obligation to properly and promptly plug and abandon all wells needing such operations and located on the Subject Interests.~~
 - (d) ~~Buyer shall fully comply with all rules, regulations, orders, laws and rulings with respect to the Subject Interests and agrees to indemnify and hold Seller harmless from any attorneys' fees, judgments and damages accruing on and after the effective date and resulting from Buyer's failure to so comply.~~

- (e) Buyer shall fully comply with all terms, covenants and conditions of the oil, gas and mineral leases included in the Subject Interests and all related documentation and agrees to indemnify and hold Seller harmless from all claims, demands, fines, attorneys' fees, judgments and damages accruing on and after the effective date and resulting from Buyer's failure to so comply.
- (f) Buyer hereby agrees to indemnify and hold harmless Seller from all attorneys' fees, costs, fines, damages, claims, judgments, and losses, accruing after said effective date, and resulting from, arising out of our association with any predecessor or operations as to the Subject Interests, or any part thereof.
- (g) Buyer and Seller, for themselves and any related business concerns, hereby waive and release any and all claims and causes of action in favor of Buyer or Seller, and any related business concern, against Buyer or Seller, and any related business concern, and arising out of the contractual or business relationship of Buyer and Seller, or any related business, as to the Subject Interests, excluding this Agreement of Sale and Purchase and said Assignment executed pursuant to this Agreement of Sale and Purchase. If this waiver and release is legally ineffectual then Buyer and Seller hereby agrees to indemnify and hold harmless each other from any and all claims, damages and causes of action in behalf of each (or in behalf of any affiliate or related business concern of each) except for those claims, damages and causes of action arising by virtue of or pursuant to this Agreement of Sale and Purchase or said Assignment, and arising out of, related to or associated with the contractual or business relationship of Seller (or any affiliate or related business concern of Seller) with Buyer (or any affiliate or related business concern of Buyer) as to the Subject Interests.
- (h) The conveyance of the Subject Interests shall be made specifically subject to any and all conveyances, reservations and matters of record in Apache County, Arizona, or the Bureau of Land Management, even though such conveyances, reservations and matters are not specifically recited herein or in said conveyance, to any gas purchase contracts currently in force as to the Subject Interests, if any, and to all non-consent elections by seller or its predecessors in interest.

This agreement may be executed in one or more counterparts, each of which shall have the same validity as the original. This instrument is signed effective as to the date first written above.

SELLER: CROSS CREEK CORPORATION


S. L. Hand
Vice President/Secretary

BUYER: DRY MESA CORPORATION

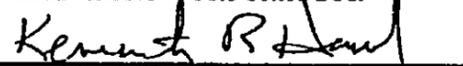

Kenneth R. Hand
President

EXHIBIT "A"
LEASE SCHEDULE

LEASE NO.	NAME	LEASE DATE & TERM	BASIC RI	ORRI BURDEN	DESCRIPTION	GROSS ACRES	NET ACRES
BIA 14-20-603-4190	Navajo Tract 138	05/28/58 HBP	16.67%	-0-	Township 40 North, Range 28 East Section 1 : All Section 2 : All Section 11 : All Section 12 : All	2,357.00	1,178.50
					Apache County, Arizona		
BIA 14-20-603-716	Teec Nos Pos	10/07/54	12.5%	-0-	Township 41 North, Range 30 East Section 23: S $\frac{1}{2}$ Section 25: W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 26: NE $\frac{1}{4}$	640.00	640.00



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

December 24, 1987

BHP Petroleum
5613 DTC Parkway, Ste 600
Englewood, CO 80111

Attn: J. W. Bair

Gentlemen:

Thank you for your letter of Dec. 21, 1987, confirming the sale of property in the Dry Mesa and Teec Nos Pos fields to Cross Creek Corp.

Please be aware that your bonds (Nos. 731451 and 8111-66-21) on these properties cannot be released until Cross Creek files their own bond(s), which to date they have not done.

If we can be of any assistance, please advise.

Sincerely,

R. A. Ybarra

R. A. Ybarra
Enforcement Director

RAY:lr

RECEIVED
DEC 23 1987

O & G CONSV. COMM.

Suite 600
5613 DTC Parkway
Englewood, Colorado 80111
Telephone (303) 850-9090
DEX: (303) 850-9110

December 21, 1987



Oil and Gas Conservation Commission
State of Arizona
Suite 190
3220 N. 19th Avenue
Phoenix, Arizona 85015
Attn: R. A. Ybarra

Re: Transfer of Property
Dry Mesa and Teec Nos Pos Fields
Apache County, Arizona

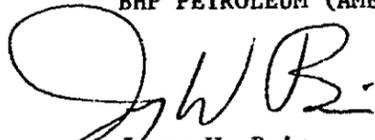
Gentlemen:

Pursuant to your letter dated October 14, 1987 (copy attached), this is to notify you that Tract 138 property in Dry Mesa Field and property in Teec Nos Pos Field, Apache County, Arizona, has been sold by BHP Petroleum (Americas) to Cross Creek Corporation, P. O. Box 1957, Duncan, Oklahoma 73534. Operations were assumed from BHP by Cross Creek at 7:00 a.m. on April 1, 1987. A list of wells involved is attached.

If you have any further questions, please do not hesitate to contact us.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.


Jerry W. Bair

/js
Attachment



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

October 14, 1987

BHP Petroleum Company, Inc.
1300 Post Oak Tower
5051 Westheimer
Houston, TX 77056

RE: Transfer of Property
Dry Mesa and Teec Nos Pos Fields
Apache County, Arizona

Gentlemen:

We understand that certain wells located in the above-captioned fields have been transferred to Cross Creek Corp., effective July 20, 1987.

Please be informed that BHP is also required to notify the Commission in writing to confirm the transfer. Identify and give a location for each well transferred and confirm the effective date of transfer.

Your bonds, Nos. 731451 and 8111-66-21, will be released as soon as we receive proper bonding from the new operator.

If you have any questions on this matter, please call.

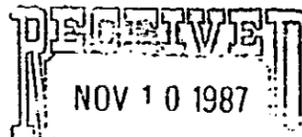
Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

/kb

cc: Cross Creek Corp.
P. O. Box 447
Farmington, NM 87499-0447

NOV 4 1987



BHP PETROLEUM
DNV LAND DEPT.

1300 Post Oak Tower
5051 Westheimer
Houston, Texas 77056
Telephone (713) 877-5999
Fax (713) 877-5950
Telex 262496



August 19, 1986

Mr. R. A. Ybarra
Enforcement Director
Oil & Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Re: BHP Petroleum (Americas)-
Bond #731451
BHP Petroleum Company -
Bond #8111-66-21

Dear Mr. Ybarra:

Pursuant to your request July 16, 1986 of Ms. Diana Jones, we submit the following well information by company:

BHP Petroleum Company Apache County, Arizona
Formerly: Monsanto Oil Company
Dry Mesa Field
Navajo Tract 138
Well #'s

State Permit No.

1	77
2	106
3	115
6	852

Legal Description on the above is: Sec 1, 2, 11 & 12 TWP 40N-29.

BHP Petroleum (Americas) Apache County, Arizona
Teec Nos Pos, Ismay Field
Navajo Tribal '0'

<u>Well #'s</u>	<u>State Permit No.</u>	<u>Section No.</u>	TWP 41N-30E.
1	232	23	
2	582	23	
3	640	23	
4	663	23	
5	678	26	
6	683	25	
9	687	26	

WELL LOCATIONS

BHF Petroleum (Americas) Inc.

<u>Well Name</u>	<u>Description</u>
Old Trading Post #1	790' FSL and 1850' FWL Sec. 10, T26N, R14W
Navajo "O" #1	1880' FWL and 660' FSL Sec. 23, T41N, R30E
Navajo "O" #2	1830' FSL and 1930' FEL Sec. 23, T41N, R30E
Navajo "O" #3	1000' FSL and 900' FWL Sec. 23, T41N, R30E
Navajo "O" #4	660' FSL and 660' FEL Sec. 23, T41N, R30W
Navajo "O" #5	560' FNL and 660' FEL Sec. 26, T41N, R30E
Navajo Tract 138 #1	660' FNL and 660' FEL Sec. 11, T40N, R28E
Navajo Tract 138 #2	1980' FNL and 660' FWL Sec. 12, T40N, R28E
Navajo Tract 138 #3	760' FSL and 2035' FEL Sec. 2, T40N, R28E
Navajo Tract 138 #6	1689.5' FSL and 2289.7' FWL Sec. 2, T40N, R28E

9-331
1973

RECEIVED

APR 1983

Form Approved.
Budget Bureau No. 42-R1424

232

AKS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR
P.O. Box 3280 - Casper, Wyoming 82602

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE:
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) <u>Beta Ratio</u> <input checked="" type="checkbox"/>	<u>X</u> <input checked="" type="checkbox"/>

5. LEASE 14-20-603-716
6. IF INDIAN, ALLOTTEE OR TRIBE NAME Navajo Tribal
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Navajo Tribal '0'
9. WELL NO.
10. FIELD OR WILDCAT NAME Teec Nos Pos
11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA Section 23-T31N-R30E-
12. COUNTY OR PARISH Apache
13. STATE Arizona
14. API NO.
15. ELEVATIONS (SHOW DF, KDB, AND WD)

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The orifice plate on the lease master sales meter was changed from 0.375 in. to 0.500 in. on March 30, 1983. This changed the beta ratio from 0.09 to 0.12 which is within the tolerances as set forth by the A.G.A. Committee in Report No. 3.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Paul Bertoglio TITLE Prod. Engr-RMD DATE April 5, 1983

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

XXXXXXXXXXXXXXXXXXXX 8686 N. Central
PHOENIX, ARIZONA 85020 Suite 106, 85020
PHONE: (602) 271-5161

December 29, 1975

Mr. Terry J. Cox
~~Clinton Oil Company~~
~~P. O. Box 3250~~
~~Casper, WY 52601~~

*217 N Water Street
Wichita Kansas 67201*

RE: Navajo "O" #1
Permit # 232

Navajo "O" #2
Permit #552

Navajo "O" #3
Permit #640

Dear Mr. Cox:

Your production report for the month of November indicates gas sales from all three of the above referenced wells. However, you failed to break out the amount of gas sold from each individual well. It will be necessary in the future for you to indicate the amount of gas sold from each well on your future production reports.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

232
8086 N. CENTRAL, SUITE 106
PHOENIX, ARIZONA 85020

November 17, 1975

Mr. Dean B. Barnes
Drilling Engineer
Clinton Oil Company
P. O. Box 2434
Casper, Wyoming 82601

RE: Navajo Tribal "O" Lease
SW SW Sec 23, T41N, R30E
Apache County, Arizona

Dear Mr. Barnes:

We have been advised that El Paso Natural Gas Company has made connection to your lease for the purpose of purchasing gas produced from your wells located on the above referenced lease.

Please submit a copy of Form #8, Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease, for each well that is connected to El Paso Natural Gas line. Please refer to Rule #801 of our Rules and Regulations for the Oil and Gas Conservation Commission.

We would appreciate receiving these forms as soon as possible.

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/sl

Encls.

232

Form 23-119 (Rev. 4-73)

EL PASO NATURAL GAS COMPANY
POST OFFICE BOX 990
FARMINGTON, NEW MEXICO

RE/
NOTICE OF GAS CONNECTION

DATE November 13, 1975

THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT CONNECTION FOR PURCHASE OF

GAS FROM <u>Clinton Oil Company</u>		<u>Navajo Tribal O #1, 273</u>	
Operator		Well Name	
<u>95-005-01</u>	<u>95005-0</u>	<u>N</u>	<u>23-41N-30E</u>
Meter Code	Site Code	Well Unit	S-T-R
<u>Bitu Peak Paradox</u>		<u>El Paso Natural Gas Company</u>	
Pool		Name of Purchaser	
WAS MADE ON <u>October 24, 1975</u>	FIRST DELIVERY <u>November 3, 1975</u>	Date	
Date	Date		

AOF _____

CHOKE _____

El Paso Natural Gas Company
Purchaser
W.M. Bergard
Representative
Chief Dispatcher
Title

cc: Operator Wichita, Kansas
Oil Conservation Commission - § 1 - 4515 N. 7th - Phoenix
Proration - El Paso

File

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NOV 17 1975

OIL & CONS. COMM.

232



OFFICE OF
Oil and Gas Conservation Commission

STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

April 7, 1975

Mr. Duane L. Kihle
Clinton Oil Company
Box 2434
Casper, Wyoming 82601

Re: Pan American #1 Navajo "O"
SE/SW Sec 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Kihle:

This is just a reminder that your March Gas-Oil-Ratio Test on the above referenced well is due this month.

Also please note the attached address change effective April 15, 1975.

Very truly yours,

Mrs. Rhema Brandt
Secretary to W. E. Allen
Director, Enforcement Section

/rlb

Enc.

232

November 4, 1974

Mr. Duane L. Kihle
Clinton Oil Company
~~217 North Water~~ BOX 1201
Wichita, Kansas 67202-6201

Re: Pan American #1 Navajo "O"
SE/SW Sec 23-T41N-R30E
Apache County
File #232

Dear Mr. Kihle:

The Gas-Oil Ratio Test that is due on the above referenced well for September 1974 has not been received. Please submit the results of the test on Form 5 as quickly as possible.

Very truly yours,

Rhema Brandt (Mrs.)
Secretary to W. E. Allen,
Director, Enforcement Section

/rlb

Enc.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

June 25, 1974

Mr. Duane L. Kihle
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/SW Section 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Kihle:

The Gas-Oil Ratio Test that is due on the above referenced well for March has not been received.

Please submit the results of the test on Form 5 as quickly as possible.

Very truly yours,

Mrs. Rhema Brandt
Secretary to W. E. Allen
Director, Enforcement Section

/rlb

232



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

October 15, 1973

Mr. Duane L. Kihle
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/SW Section 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Kihle:

The Gas-Oil Ratio Test that is due on the above referenced well for September of 1973 has not been received.

Please submit the results of the test on Form 5 as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

Mrs. Rhema Brandt
Secretary to W. E. Allen

/rlb

Enc.

232

September 18, 1973

Mr. V. W. Krutsinger
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Dear Mr. Krutsinger:

Will you please supply this Commission with any information that you might have regarding the recoverable reserves in the Teec Nos Pos Field for your Pan American Navajo #0-1 (232).

This information will be considered confidential if you so desire.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

May 9, 1973

Mr. Cleo E. Wall
Plateau, Inc.
P. O. Box 108
Farmington, New Mexico 87401

Re: Pan American No. 1 Navajo "0"
SE/SW Sec 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Wall:

The field in which the above referenced well is located
has been named by the Commission as Teec Nos Pos, Ismay.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

April 16, 1973

Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Pan American No. 1 Navajo "O"
SE/SW Sec 23-T41N-R30E
Apache County
Our File #232

Clint Oil Navajo "O" 2
NW/SE Sec 23-T41N-R30E
Apache County
Our File #582

Gentlemen:

Please refer to our letter of February 23, 1973, which informed you that the field in which the above referenced wells are located has been named Teec Nos P'as, Ismay. In the future it would be appreciated if you would use this name on the various forms you submit or any correspondence concerning these wells.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

February 23, 1973

Mr. V. W. Krutsinger
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Pan American No. 1 Navajo "0"
SE/SW Sec 23-T41N-R30E
Apache County, Arizona
Our File # 232

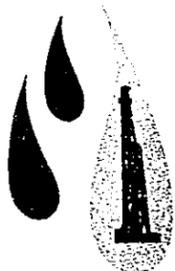
Dear Mr. Krutsinger:

After due consideration, this Commission has decided to name the field in which the above referenced well is located as the Tec Nos Pas Ismay. We hope that this meets with your approval.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b



CLINTON OIL COMPANY

217 NORTH WATER / WICHITA, KANSAS 67202 / 316 262-8231
Cable Address: CLINTOIL

October 30, 1972

Office of Oil and Gas
Conservation Commission
State of Arizona
4515 North 7th Avenue
Phoenix, Arizona 85013

Attention Mr. W. E. Allen

Re: Pan American No. 1 Navajo "O"
SE/SW Section 23-T41N-R30E
Apache County, Arizona
Your File No. 232

Gentlemen:

Thank you for your letter giving us the opportunity to choose a name for the subject field. We submit the following choices:

Goldwater South
Goldwater North
Goldwater West
Goldwater East

Yours very truly,

V. W. Krutsinger
Manager
Joint Operations

VWK:pw

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O & G CONS. COMM.

232

232

October 25, 1972

Mr. Mike A. Stead
Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "0"
SE/SW Section 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Stead:

The above referenced well is currently producing on your lease and your No. 2 Navajo "0" is temporarily abandoned. The field or pool from which your No. 1 Navajo "0" is producing has never been officially named. Primarily for identification purposes, this Commission desires that this field now be named.

If you will submit three choices of names for this field, this Commission will pick one of the three and officially assign the chosen name to this field. If you have no desire to assist in the naming of this field, the Commission will arbitrarily assign a name.

Your cooperation is appreciated.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

232



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

February 4, 1972

Mr. R. T. Young
W. C. McBride, Inc.
230 Denver Club Building
Denver, Colorado 80202

Dear Mr. Young:

In answer to your request of February 2, 1972, we are furnishing the following information from our files:

ACCUMULATIVE PRODUCTION

	OIL BBLs	GAS MCF	PRESENT STATUS
Superior Oil No. 2 Navajo-H Section 16-T41N-R30E 46	622	210,919	P&A 5-15-68
El Paso No. 1 Bita Peak Section 19-T41N-R31E 35	7,620	2,292,443	P&A 3-07-69
Pan American No. 1 Navajo-O Section 23-T41N-R30E 232	78,200	424,546	Producing 31 OIL BBLs/DAY 100 GAS MCF/DAY

We are attaching a summary of yearly production through the year 1969 and also a copy of our Monthly Production Report for December, 1971. If you should need further information, please advise.

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

232

W. C. McBRIDE, INC.

230 Denver Club Building
DENVER, COLORADO 80202

HOME OFFICE
25 NORTH BRENTWOOD BLVD.
ST. LOUIS, MO. 63105

February 2, 1972

825-2366

Arizona Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Gentlemen:

We would very much like to obtain cumulative production
and current production for three individual wells in Apache
County:

Superior Oil No. 2 Navajo-H
Sec. 16-T41N-R30E # 16

Pan American No. 1 Navajo-O
Sec. 23-T41N-R30E 232-

El Paso No. 1 Bita Peak
Sec. 19-T41N-R31E 35

Thank you very much.

Very truly yours,

W. C. McBRIDE, INC.

Robert T. Young
R. T. Young

RTY:bv

RECEIVED
FEB 04 1972
O & G CONS. COMM.

232

November 22, 1971

Mr. C. W. Vorachek
Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/SW Section-23-T41N-R30E
Apache County
Our File #232

Dear Mr. Vorachek:

The Gas-Oil Ratio Test^{is} due on the above referenced well for
September of 1971 has not been received. Please submit the
results of the test on Form 5 as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

April 20, 1971

Mr. C. W. Vorachek
Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Vorachek:

The Gas-Oil Ratio Test that is due on the above referenced well for March of 1971 has not been received. Please submit the results of the test on Form 5 as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

232

February 23, 1971

Mr. C. E. Wall
Plateau, Incorporated
P. O. Box 108
Farmington, New Mexico 87401

Re: Transporter's & Storer's Report

Clinton Oil Company #1-0 Navajo
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Wall:

Clinton Oil Company reports that you are the transporter for oil produced on their Navajo O lease in Apache County, Arizona. We have not received the above referenced form from you pertaining to transporting oil from this lease since the month of November.

Since you are the designated transporter, it is necessary that we receive these reports each and every month. Should we not receive these reports on a timely basis, it will be necessary for this Commission to revoke your permit to transport oil for Clinton Oil Company.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd

232

December 24, 1970

Clinton Oil Company
Production Department
217 North Water
Wichita, Kansas 67202

Attention: Mr. C. W. Vorachek

Re: Pan American #1 Navajo "O" (Clinton Oil Company)
SE/4 SW/4 Section 23-T41N-R30E
Apache County
Our File #232

Dear Sir:

Form 3, Operator's Certificate of Compliance & Authorization to Transport Oil or Gas From Lease, submitted by your office dated December 21, 1970, indicates Shell Oil Company to be the transporters of the production from this lease. According to our records Plateau, Incorporated, has been purchasing the production from the subject lease.

Will you please confirm by letter if Shell Oil Company is now the purchaser. If not, please submit a corrected Form 8 at your earliest convenience.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

54515 NORTH 7th AVE.
PHOENIX, AZ. 85013

PHONE: 271-5161

December 16, 1970

Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Gentlemen:

A search of our files indicate that we have not received Form 8, Certificate of Compliance, since you assumed operation of this well.

If you will please refer to Rule 801, Paragraph B of the Rules and Regulations of the Oil and Gas Conservation Commission, you will notice that when a change of operator occurs it is necessary for the new operator to file the above form.

Please submit this form at your earliest convenience.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

232

*See Johnson
Please take care of
this*

HSS

WA



OFFICE OF

Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7th AVE.
PHOENIX, AZ. 85013
Phoenix, Arizona 85007
PHONE: 271-5161

November 9, 1970

Mr. C. E. Wall
Plateau, Incorporated
P. O. Box 108
Farmington, New Mexico 87401

NOV 25 1970
O & G CONS. COM. 1

Re: Transporter's and Storer's Report

Clinton Oil Company #1-0 Navajo
SE/4 SW/4 Section 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Wall:

On October 14, 1970, you were advised by letter that we had not received Form 24, Transporter's and Storer's Report, pertaining to the above referenced well for the month of September. October's report is now due also.

You have previously been advised that these reports are due in this office within ten days following the end of the preceding month. May we have these reports submitted to this office immediately.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

November 9, 1970

Mr. C. E. Wall
Plateau, Incorporated
P. O. Box 108
Farmington, New Mexico 87401

Re: Transporter's and Storer's Report

Clinton Oil Company #1-0 Navajo
SE/4 SW/4 Section 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Wall:

On October 14, 1970, you were advised by letter that we had not received Form 24, Transporter's and Storer's Report, pertaining to the above referenced well for the month of September. October's report is now due also.

You have previously been advised that these reports are due in this office within ten days following the end of the preceding month. May we have these reports submitted to this office immediately.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

232

October 14, 1970

Mr. C. E. Wall
Plateau, Incorporated
P. O. Box 108
Farmington, New Mexico 87401

Re: Transporter's and Storer's Report

Clinton Oil Company #1-C Navajo
SE/4 SW/4 Section 23-T41N-R30E
Apache County
Cur File #232

Dear Mr. Wall:

Please forward Form 24, Transporter's and Storer's Report, pertaining to the above referenced well for the month of September immediately.

These reports are due in this office ten days following the end of the preceding month. Will you please make an effort to have these reports reach this office by their due date in the future.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
Phoenix, Arizona 85007
PHONE: 271-5161

October 7, 1970

Seaboard Surety Company
A 1820 - 175 West Jackson Boulevard
Chicago, Illinois 60604

Attention: Mr. R. J. Hyde

Re: Seaboard Surety Company Bond No. 672765 - \$25,000
Pan American Petroleum Corporation

Gentlemen:

Records of this office indicate that on October 7, 1970, Pan American Petroleum Company fulfilled their obligations to the State of Arizona as to the requirements pertaining to the captioned well. We authorize termination of the subject bond effective this date.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

cc: Pan American Petroleum Company

Operator PAN AMERICAN PETROLEUM CORP

Bond Company Seaboard Surety Co. Amount 25,000

Bond No. not shown Date Approved 11-8-65

Permits covered by this bond:

<u>60</u>	
<u>76</u>	O.K.
<u>85</u>	A.P.A.
<u>98</u>	O.K.
<u>176</u>	O.K.
<u>179</u>	Same as #60
<u>232</u>	O.K.
<u>247</u>	O.K.
<u>280</u>	O.K.
<u>428</u>	O.K.
<u>468</u>	O.K.

CANCELLED

DATE 12-6-70

SEE ORIGINAL
bond in
file
232.

LIABILITY UNDER THIS BOND MAY NOT BE TERMINATED WITHOUT WRITTEN PERMISSION OF THIS COMMISSION.

KNOW ALL MEN BY THESE PRESENTS

BOND SERIAL NO. _____

That we: Pan American Petroleum Corporation

of the ~~with~~ with an office in the Denver County of: _____ in the State of: Colorado

as principal, and Seaboard Surety Company

of New York, N. Y. AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona in the penal sum as indicated, lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation is that whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to wit:

All State Lands

(May be used as blanket bond or for single well)

CANCELLED
DATE 10-6-70

NOW, THEREFORE, if the above bounden principal shall comply with all of the provisions of the laws of this State and the rules, regulations and orders of the Oil and Gas Conservation Commission, especially with reference to the requirements of A.R.S. 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil & Gas Conservation Commission all notices and records required by said Commission, in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

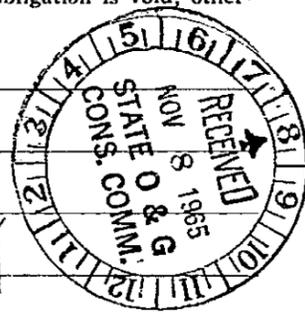
Penal sum of twenty-five thousand dollars (\$25,000)

Witness our hands and seals, this 21st day of October, 1965

PAN AMERICAN PETROLEUM CORPORATION

By: [Signature]
Its Attorney In Fact Principal

APPROVED
[Signature]



Witness our hands and seals, this 21st day of October, 1965

SEABOARD SURETY COMPANY

Counter-signature [Signature]
Arizona Representative By: [Signature]
Its Attorney In Fact Surety

(If the principal is a corporation, the bond should be executed by its 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 authority must accompany the bond.)

Approved Date 11-8-65
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Bond
File Two Copies
Form No. 2

Permit No. 232

Certified Copy

No. 4888

SEABOARD SURETY COMPANY

HOME OFFICE

100 WILLIAM STREET, NEW YORK 38, N.Y.

Power of Attorney

Know all Men by these Presents: That SEABOARD SURETY COMPANY, a corporation of the State of New York, has made, constituted and appointed and by these presents does make, constitute and appoint Kenneth Clarke, Jr. or Durand R. Eaton or Millard Stillman,

of Phoenix, Arizona,
its true and lawful Attorney-in-Fact, to make, execute and deliver, on its behalf as Surety, bonds, undertakings and other obligatory instruments of similar nature as follows: Without Limitations.

Such bonds, undertakings and obligatory instruments for said purposes, when duly executed by the aforesaid Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as if such bonds, undertakings and obligatory instruments were signed by the duly authorized officers of the Company and sealed with its corporate seal; and all the acts of said Attorney-in-Fact, pursuant to the authority hereby given, are hereby ratified and confirmed.

This appointment is made pursuant to the following By-Laws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927, and are still in full force and effect:

ARTICLE VI, Paragraph 6.7:

"Attorneys-in-Fact may be appointed by the President or a Vice-President upon such terms and with such powers and duties as he may prescribe."

ARTICLE XI, Paragraph 11.1:

"All policies, bonds, recognizances, stipulations and all underwriting undertakings shall be valid:

- (a) when signed by the President, or a Vice-President, or a Resident Vice-President, and by a Secretary, or an Assistant Secretary, or a Resident Assistant Secretary or other duly authorized official or agent of the Company; or
- (b) when executed by an Attorney-in-Fact."

In Witness Whereof, SEABOARD SURETY COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereunto affixed and duly attested by its Assistant Secretary, this 31st day of May, 1962

Attest:

SEABOARD SURETY COMPANY,
By

(Seal) Lillian Miller
Assistant Secretary

W. S. Wehrell
Vice-President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 31st day of May, 1962 before me personally appeared W. S. Wehrell Vice-President of SEABOARD SURETY COMPANY, with whom I am personally acquainted, who, being by me duly sworn, said that he resides in the State of New Jersey; that he is Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice-President of said Company by like authority.

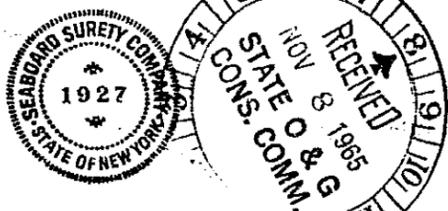
(Seal)

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

I, Lillian Miller
SEABOARD SURETY COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a power of attorney executed by said SEABOARD SURETY COMPANY, which is still in full force and effect.

Betty C. Rode
Notary Public
State of New York
No. 03-8611400 Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1964.

In Witness Whereof, I have signed this certificate at New York, New York, this 21st day of October, 1965



Lillian Miller
Assistant Secretary

September 15, 1970

Mr. T. W. Curtis
Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Re: Blanket Drilling Bond
No. 672765

Pan American #1 Navajo "O"
SE/4 1/4 Sec. 22-T41N-R30E
Apache County
Our File #232
Recently purchased by Clinton Oil Company

Dear Mr. Curtis:

In reply to your letter of September 10, 1970, requesting release of liability under the above referenced bond, we have this date notified Clinton Oil Company to furnish this Commission with their own bond covering their Arizona operations.

According to the terms as outlined in your Designation of Operator, it was stipulated that Pan American would retain the responsibility of the lessee; therefore, it was our understanding that Clinton would not be liable for the bonding responsibility.

As quickly as we receive an approved bond from Clinton, we will take the necessary measures to release Pan American from any further liability. We hope that this delay will cause no undo inconvenience.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

September 14, 1970

Mr. M. C. Lyons
Accounting Department
Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 22-T41N-R30E
Apache County
Our File #232

Dear Mr. Lyons:

Please refer to our letter to you dated July 7, 1970, and your reply of July 17, 1970. We now have received from Pan American Petroleum Corporation a request to cancel their blanket bond No. 672765 presently covering your operations. A copy of their letter is enclosed.

This Commission cannot grant Pan American's request until such time as Clinton Oil Company furnishes us with a replacement bond signed by an Arizona Surety Agent. As you know, a bond on an individual well must be in the amount of \$5,000. A blanket bond in the amount of \$25,000 will cover your present operation and any future anticipated operations within this state.

We regret if we have caused you or your company any inconvenience as regards this bonding situation; however, it was our initial understanding that Pan American would keep their bond in full force and effect.

Should you need additional information, please let us know.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

Well File #428

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

DISTRICT SUPERINTENDENT
W. M. JONES
T. M. CURTIS

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

Bill check & advise

September 10, 1970

File: TMC-269-923

Re: Blanket Drilling
Bond No. 672765

Mr. John Bannister
Executive Secretary
Oil & Gas Conservation Commission
1624 West Adams - Room 202
Phoenix, Arizona 85007

Dear Sir:

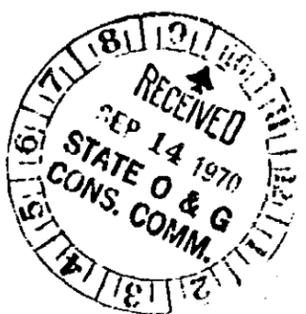
Pan American Petroleum Corporation no longer has any producing property in the State of Arizona.

Our \$25,000 Blanket Drilling Bond No. 672765 is no longer needed. Please furnish us a release of liability under the bond in order for us to cancel our coverage with our surety.

Yours very truly,

T.M. Curtis

cc: Mr. R. B. Parson - Tulsa
Mr. L. O. Speer, Jr. - Fmgtn



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SEABOARD SURETY COMPANY

A 1820-175 WEST JACKSON BOULEVARD

CHICAGO, ILLINOIS 60604

PHONE AREA CODE 312 922-2486

T. F. CLABOTS
RESIDENT VICE PRESIDENT

R. J. HYDE
MANAGER

ROBERT A. WHEELER
ASSOCIATE

August 20, 1970

Mr. W. E. Allen
Oil and Gas Conservation Commission
State of Arizona
1824 West Adams
Phoenix, Arizona 85007

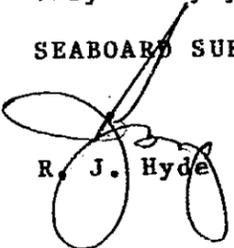
Re: Bond No. 672765 - PAN AMERICAN PETROLEUM
CORPORATION - Blanket Oil Well Drilling Bond
-to- State of Arizona - \$25,000.00

Dear Mr. Allen:

Your letter of August 14, 1970 addressed to the Standard Insurance Company of Phoenix, Arizona has been referred to us for attention.

This will confirm to you that we construe our bond as continuing in force for the subject principal.

Very truly yours,
SEABOARD SURETY COMPANY


R. J. Hyde

RJH:bw

Original in bond file.



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PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

TELEPHONE 292-5050
AREA CODE 303

M. A. MEEK
DIVISION ACCOUNTANT

September 26, 1969



FILE 5E-6-605

SUBJECT POWER OF ATTORNEY

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

Gentlemen:

We are enclosing an original Power of Attorney instrument dated September 25, 1969, from Pan American Petroleum Corporation to William T. Smith, H. T. Hunter, P. H. Garrison and T. S. Yancey for your information and file.

Should there be a filing fee in connection with this instrument, your invoice will receive our immediate attention.

In the event a serial number is assigned to the Power of Attorney, we would appreciate your advising us in order that such serial may be used as a reference in future correspondence.

Yours very truly,


C. E. Seese

CES:ag
Enclosure



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POWER OF ATTORNEY



KNOW ALL MEN BY THESE PRESENTS:

That on the 4th day of September, 1969, the Board of Directors of PAN AMERICAN PETROLEUM CORPORATION adopted the following Resolution:

"That PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation of Tulsa, Oklahoma, hereby makes, constitutes and appoints WILLIAM T. SMITH, H. T. HUNTER, P. H. GARRISON, and T. S. YANCEY of Denver, Colorado, or any of them, its true and lawful attorneys for it and in its name and behalf and for the sole and exclusive benefit of Pan American Petroleum Corporation to execute and deliver any and all of the following instruments requiring execution and delivery in the name of the Company: oil, gas and mineral leases and all applications and offers therefor, assignments of oil, gas and mineral leases and applications and offers therefor, or of any interest therein, and all statements of interest and holdings and any other necessary statements which are or may be required by the Federal Leasing Regulations of the United States of America in respect thereof; contracts for and pertaining to the development or operation of oil, gas and mineral lands and leases, or of any interest therein; contracts of and for the sale and purchase of real and personal property; contracts for and pertaining to the sale, purchase, processing, treating, acquisition, disposition and exchange of all crude oil, natural gas, casinghead gas, petroleum products, sulphur and chemicals, or any other products; unitization agreements and declarations; plans of development; designation of participating areas; drilling, construction, installation, operation and maintenance contracts relating to any and all wells, systems, plants, pipelines, structures, buildings, equipment, articles, vehicles and vessels, and any other things not herein specifically mentioned; farmout contracts, transfer and division orders; mineral and royalty deeds; conveyances, leases, subleases, mortgages, pledges, deeds of trust and bailments of real and personal property, or of any interest therein; contracts for making dry-hole and bottom-hole contributions; contracts and licenses pertaining to railroad right-of-way crossings of pipelines and electric power lines; affidavits concerning the drilling of wells and of production; applications for oil, gas and mineral leases, government permits, priorities and allocations, or for the renewal and extension thereof or suspension of obligations thereunder, or for the approval of assignments or releases of oil, gas and mineral leases, or interests therein, or of operating, royalty or other contracts described herein; contracts of insurance, indemnity and guaranty; contracts of labor and employment; collective bargaining agreements; bills, notes, checks and receipts; contracts, applications, bonds, permits and all other instruments with the United States Government or any agency thereof, and the States and Territories of the United States, or agencies thereof, TOGETHER with power and authority to execute lease bonds, operator's bonds, bonds on communitization agreements, consents of surety, and agreements indemnifying sureties on such bonds, and TOGETHER with full power and authority to execute any amendments, modifications, supplements, releases, renewals, extensions, cancellations, assignments and transfers of and pertaining to any of the instruments herein set forth, and to supply all things necessary or desirable to enable the Company to acquire, handle, maintain, extend, perpetuate, transfer or dispose of any and all rights created or evidenced by such instruments with full force and effect as if authority had been granted in each particular case by the Board of Directors of this Company, hereby expressly ratifying and confirming any and all acts heretofore performed under and by virtue of the powers and authority hereby conferred.



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Not by way of limitation, but by way of confirmation, the powers and authority hereby conferred shall include any and all of the above described instruments and rights which may cover or pertain to lands of the United States or any State or Territory thereof, or oil, gas and mineral rights owned by the United States or any State or Territory thereof; or Tribal and Allotted Indian Lands.

PAN AMERICAN PETROLEUM CORPORATION hereby agrees to be bound by all acts and representations of WILLIAM T. SMITH, H. T. HUNTER, P. H. GARRISON, and T. S. YANCEY, and each of them, done or made pursuant to the power and authority herein granted and waives all defenses to disaffirm or negate all actions performed by them, or any of them, pursuant hereto.

PAN AMERICAN PETROLEUM CORPORATION represents and warrants that there is not now any agreement or understanding, oral or written, between it and the said WILLIAM T. SMITH, H. T. HUNTER, P. H. GARRISON, and T. S. YANCEY, or any of them, and that it will not during the term hereof enter into any agreement or understanding with them, or any of them, whereby they, or any of them, acquire or will acquire in any manner whatsoever, any interest in any oil, gas or mineral lease or any application or offer therefor, or any assignment thereof, executed by them, or any of them, as attorney for PAN AMERICAN PETROLEUM CORPORATION pursuant to the power and authority granted herein.

The power and authority hereby conferred upon said named persons shall continue in full force and effect as to each of them unless and until such power and authority is expressly and duly revoked by the Board of Directors of this Company and evidence thereof is duly recorded in any registry in which this instrument is recorded.

Nothing herein contained shall be construed to revoke, amend, or otherwise affect or limit the powers of the above named, or any of them, under any power of attorney previously granted by this Company; provided, however, that the power and authority previously conferred upon C. L. LARSON, JR. is hereby terminated."

I, T. J. Files, duly elected Assistant Secretary of PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation, do hereby certify that the foregoing was duly adopted by the Board of Directors of PAN AMERICAN PETROLEUM CORPORATION, and is in full force and effect this 25th day of September, 1969.

T. J. Files
Assistant Secretary

Subscribed and sworn to before me this 25th day of September, 1969.

Maxim J. Nichols
Notary Public

My Commission expires:

My Commission expires Dec. 9, 1970



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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation of Tulsa, Oklahoma, hereby makes, constitutes and appoints C. L. LARSON, JR., H. T. HUNTER, P. H. GARRISON, and T. S. YANCEY of Casper, Wyoming, or any of them, its true and lawful attorneys for it and in its name and behalf and for the sole and exclusive benefit of Pan American Petroleum Corporation to execute and deliver any and all of the following instruments requiring execution and delivery in the name of the Company: oil, gas and mineral leases and all applications and offers therefor, assignments of oil, gas and mineral leases and applications and offers therefor, or of any interest therein, and all statements of interest and holdings and any other necessary statements which are or may be required by the Federal Leasing Regulations of the United States of America in respect thereof; contracts for and pertaining to the development or operation of oil, gas and mineral lands and leases, or of any interest therein; contracts of and for the sale and purchase of real and personal property; contracts for and pertaining to the sale, purchase, processing, treating, acquisition, disposition and exchange of all crude oil, natural gas, casinghead gas, petroleum products, sulphur and chemicals, or any other products; unitization agreements and declarations; plans of development; designation of participating areas; drilling, construction, installation, operation and maintenance contracts relating to any and all wells, systems, plants, pipelines, structures, buildings, equipment, articles, vehicles and vessels, and any other things not herein specifically mentioned; farmout contracts, transfer and division orders; mineral and royalty deeds; conveyances, leases, subleases, mortgages, pledges, deeds of trust and bailments of real and personal property, or of any interest therein; contracts for making dry-hole and bottom-hole contributions; contracts and licenses pertaining to railroad right-of-way crossings of pipelines and electric power lines; affidavits concerning the drilling of wells and of production; applications for oil, gas and mineral leases, government permits, priorities and allocations, or for the renewal and extension thereof or suspension of obligations thereunder, or for the approval of assignments or releases of oil, gas and mineral leases, or interests therein, or of operating, royalty or other contracts described herein; contracts of insurance, indemnity and guaranty; contracts of labor and employment; collective bargaining agreements; bills, notes, checks and receipts; contracts, applications, bonds, permits and all other instruments with the United States Government or any agency thereof, and the States and Territories of the United States, or agencies thereof, TOGETHER with power and authority to execute lease bonds, operator's bonds, bonds on communitization agreements, consents of surety, and agreements indemnifying sureties on such bonds, and TOGETHER with full power and authority to execute any amendments, modifications, supplements, releases, renewals, extensions, cancellations, assignments and transfers of and pertaining to any of the instruments herein set forth, and to supply all things necessary or desirable to enable the Company to acquire, handle, maintain, extend, perpetuate, transfer or dispose of any and all rights created or evidenced by such instruments with full force and effect as if authority had been granted in each particular case by the Board of Directors or Executive Committee of this Company, hereby expressly ratifying and confirming any and all acts heretofore performed under and by virtue of the powers and authority hereby conferred.

"Not by way of limitation, but by way of confirmation, the powers and authority hereby conferred shall include any and all of the above described instruments and rights which may cover or pertain to lands of the United States or any State or Territory thereof, or oil, gas and mineral rights owned by the United States or any State or Territory thereof; or Tribal and Allotted Indian Lands.

"Pan American Petroleum Corporation hereby agrees to be bound by all acts and representations of C. L. LARSON, JR., H. T. HUNTER, P. H. GARRISON, and T. S. YANCEY, and each of them, done or made pursuant to the power and authority herein granted and waives all defenses to disaffirm or negate all actions performed by them, or any of them, pursuant hereto.

"Pan American Petroleum Corporation represents and warrants that there is not now any agreement or understanding, oral or written, between it and the said C. L. LARSON, JR., H. T. HUNTER, P. H. GARRISON, and T. S. YANCEY, or any of them, and that it will not during the term hereof enter into any agreement or understanding with them, or any of them, whereby they, or any of them, acquire or will acquire in any manner whatsoever, any interest in any oil, gas or mineral lease or any application or offer therefor, or any assignment thereof, executed by them, or any of them, as attorney for Pan American Petroleum Corporation pursuant to the power and authority granted herein.

"The power and authority hereby conferred upon said named persons shall continue in full force and effect as to each of them unless and until such power and authority is expressly and duly revoked by the Board of Directors or Executive Committee of this Company and evidence thereof is duly recorded in any registry in which this instrument is recorded.

"Nothing herein contained shall be construed to revoke, amend, or otherwise affect or limit the powers of the above named, or any of them, under any power of attorney previously granted by this Company.

EXECUTED this 20th day of June 1961.

ATTEST:

PAN AMERICAN PETROLEUM CORPORATION

T. J. Files
Assistant Secretary

By (C. L. Larson, Jr.)
Vice-President

The undersigned, being duly sworn, on oath deposes and says that he is an Assistant Secretary of Pan American Petroleum Corporation and that the foregoing POWER OF ATTORNEY is in full force and effect.

T. J. Files
T. J. FILES

Subscribed and sworn to before me this 4th day of November, 1965.

Marylyn J. Kraft
NOTARY PUBLIC

MARYLYN J. KRAFT
My Commission expires June 7, 1969

SECURITY LIFE BUILDING
DENVER, COLORADO = 80202

November 8, 1965

Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Attention: Mr. A.B. Nadsen

Re: Seaboard Surety Company, \$25,000 Blanket Bond
Your File SE 6 305

Gentlemen:

Attached is copy of captioned bond which has been approved
by this Commission as of this date.

Since this bond is now in full force and effect, this let-
ter will constitute authority from this Commission to
terminate Seaboard Surety Company Bond 522932 C/B, effec-
tive October 21, 1965.

Your cooperation is very much appreciated.

Very truly yours,

John Bennister
Executive Secretary
nr
enc

232

November 8, 1965

Standard Insurance Agency
35 W. Jefferson
Phoenix, Arizona 85008

Re: Seaboard Surety Company, \$25,00 blanket bond
Pan American Petroleum Corporation, Principal

Gentlemen:

Enclosed is captioned bond. It is requested that the bond be countersigned by an Arizona agent and returned to us.

A self-addressed stamped envelope is enclosed for your convenience in returning this bond to us.

Very truly yours,

John Bannister
Executive Secretary
mr
enc

FORM 1079 5

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

M. A. MEEK
DIVISION ACCOUNTANT

November 4, 1965

FILE 5E-6-305
SUBJECT BLANKET BOND
STATE OF ARIZONA

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

Attention: Mr. John Bannister, Executive Secretary

Gentlemen:

This has reference to your letter of October 15, 1965 addressed to this company regarding our state-wide bond identified as Seaboard Surety Company Bond 522932 C/S.

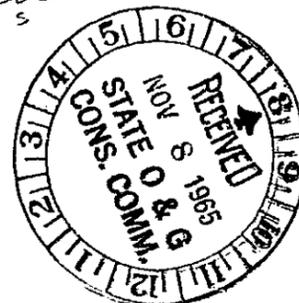
In compliance with the change in bonding requirements of which you advised, we submit a new bond in the penal sum of \$25,000.00 with Pan American Petroleum Corporation as principal and Seaboard Surety Company as surety.

If the enclosed bond is satisfactory and meets with your approval, please furnish this office with written evidence of the termination of our liability under the present \$10,000.00 bond.

Yours very truly,

A. B. Madsen
A. B. Madsen

CES:mk
Enclosure



232

October 15, 1965

Pan American Petroleum Corporation
P.O. Box 480
Farmington New Mexico

Attention: Mr. T.M. Curtis, District Superintendent

Re: Seaboard Surety Company Bond 522932C/B

Gentlemen:

As you are aware, the captioned bond in the amount of \$10,000 is on file with this Commission to cover bonding requirements of this Commission.

As a result of the public hearing held September 22, 1965 in Phoenix, Arizona, concerning the Rules and Regulations of this Commission, the bonding requirements have been increased to \$5,000 for a single well and to \$25,000 for a state-wide blanket bond.

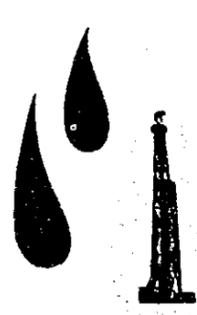
As required by law, certified copy of the new Rules and Regulations was filed with the Secretary of State on October 1, 1965, and consequently the new Rules became effective on that date.

This letter is to request that at your earliest convenience you take the necessary steps to increase your state-wide bond to \$25,000. Upon receipt of your new bond your old bond of course will be released.

Your earliest cooperation will be appreciated.

Yours very truly,

John Bannister
Executive Secretary
mr



WR

CLINTON OIL COMPANY

217 NORTH WATER STREET • WICHITA, KANSAS 67202 • PHONE 262-8231, AREA CODE 316

October 2, 1970

Mr. W. E. Allen
Director, Enforcement Section
Oil and Gas Conservation Commission
Room 202
1624 West Adams
Phoenix, Arizona 85007

Re: Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Your File #232

Dear Mr. Allen:

We are herewith enclosing Seaboard Surety Company Bond No. 731451 in duplicate in the amount of \$25,000 which is a blanket bond to cover our operations in the state of Arizona.

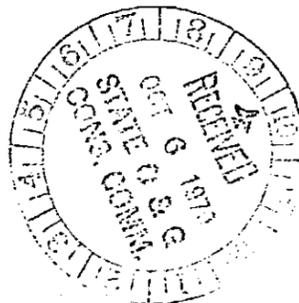
This is in connection with your letter of September 14, 1970; and we would be glad to hear from you if any additional information is required.

Very truly yours,

M. C. Lyons
Accounting Department

MCL:bs

Enc.



232

September 15, 1970

Mr. T. H. Curtis
Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Re: Blanket Drilling Bond
No. 672765

Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 23-T4LN-R30E
Apache County
Our File #232
Recently purchased by Clinton Oil Company

Dear Mr. Curtis:

In reply to your letter of September 10, 1970, requesting release of liability under the above referenced bond, we have this date notified Clinton Oil Company to furnish this Commission with their own bond covering their Arizona operations.

According to the terms as outlined in your Designation of Operator, it was stipulated that Pan American would retain the responsibility of the lessee; therefore, it was our understanding that Clinton would not be liable for the bonding responsibility.

As quickly as we receive an approved bond from Clinton, we will take the necessary measures to release Pan American from any further liability. We hope that this delay will cause no undo inconvenience.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

232

September 14, 1970

Mr. M. C. Lyons
Accounting Department
Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Lyons:

Please refer to our letter to you dated July 7, 1970, and your reply of July 17, 1970. We now have received from Pan American Petroleum Corporation a request to cancel their blanket bond No. 672765 presently covering your operations. A copy of their letter is enclosed.

This Commission cannot grant Pan American's request until such time as Clinton Oil Company furnishes us with a replacement bond signed by an Arizona Surety Agent. As you know, a bond on an individual well must be in the amount of \$5,000. A blanket bond in the amount of \$25,000 will cover your present operation and any future anticipated operations within this State.

We regret if we have caused you or your company any inconvenience as regards this bonding situation; however, it was our initial understanding that Pan American would keep their bond in full force and effect.

Should you need additional information, please let us know.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

232

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

DISTRICT SUPERINTENDENTS
W. M. JONES
T. M. CURTIS

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

September 10, 1970

File: TMC-269-923

Re: Blanket Drilling
Bond No. 672765

*Bill
check & advise*

Mr. John Bannister
Executive Secretary
Oil & Gas Conservation Commission
1624 West Adams - Room 202
Phoenix, Arizona 85007

Dear Sir:

Pan American Petroleum Corporation no longer has any producing property in the State of Arizona.

Our \$25,000 Blanket Drilling Bond No. 672765 is no longer needed. Please furnish us a release of liability under the bond in order for us to cancel our coverage with our surety.

Yours very truly,

T. M. Curtis

cc: Mr. R. B. Parson - Tulsa
Mr. L. O. Speer, Jr. - Fmgt



232

August 25, 1970

Mr. C. W. Vorachek
Clinton Oil Company
Operating Division
217 North Water
Wichita, Kansas 67202

Re: Pan American #1 Navajo "O"
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Vorachek:

Please refer to Form 16, Monthly Producers Report, for the month of July, 1970. Your report indicates that you produced 2,880 MCF gas while flaring 21,792 MCF and using 88 MCF on the lease. Since there is wide conflict in these figures, would you please furnish us a revised report as to the actual amount of gas produced, flared, and used.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd

232

SEABOARD SURETY COMPANY

A 1820-175 WEST JACKSON BOULEVARD

CHICAGO, ILLINOIS 60603

PHONE AREA CODE 312 922-2486

T. F. CLABOTS
RESIDENT VICE PRESIDENT

R. J. HYDE
MANAGER

ROBERT A. WHEELER
ASSOCIATE

August 20, 1970

Mr. W. E. Allen
Oil and Gas Conservation Commission
State of Arizona
1824 West Adams
Phoenix, Arizona 85007

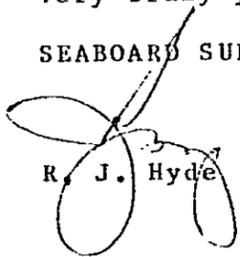
Re: Bond No. 672765 - PAN AMERICAN PETROLEUM
CORPORATION - Blanket Oil Well Drilling Bond
-to- State of Arizona - \$25,000.00

Dear Mr. Allen:

Your letter of August 14, 1970 addressed to the Standard Insurance Company of Phoenix, Arizona has been referred to us for attention.

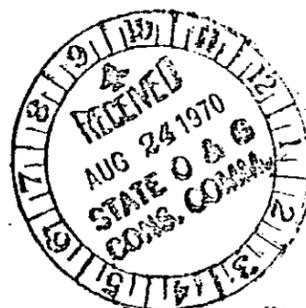
This will confirm to you that we construe our bond as continuing in force for the subject principal.

Very truly yours,
SEABOARD SURETY COMPANY


R. J. Hyde

RJH:bw

Original in bond file.



232

August 14, 1970

Standard Insurance Company
3136 North 3rd Avenue
Phoenix, Arizona

Re: Seaboard Surety Company \$25,000 blanket bond
Pan American Petroleum Corporation, Principal

Gentlemen:

This office has been advised by Pan American Petroleum Corporation that their well described as the #1 Navajo "O" located in the SE/4 SW/4 Sec. 23-Township 41 north, Range 30 east, Apache County, Arizona, Permit #232, is now being operated by Clinton Oil Company, 217 North Water Street, Wichita, Kansas.

We are of the opinion that Pan American Petroleum is maintaining their bonding liability under the terms of their agreement with Clinton Oil Company. A copy of Designation of Operator is enclosed for your information.

We would appreciate confirmation that Seaboard is continuing a surety for the subject well.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

232

July 31, 1970

Plateau, Incorporated
Crude Oil Purchasing Department
Box 108
Farmington, New Mexico 85401

Re: Pan American Petroleum #1 Navajo O
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County, Arizona
Our File #232

Gentlemen:

Our records indicate that on March 13, 1970, your company replaced Rock Island Oil Company as transporter of crude petroleum from the subject well.

Rule 803 of the rules and regulations of the Oil and Gas Conservation Commission of the State of Arizona requires a transporter to submit to the Commission a monthly report of all oil and/or condensate purchased, stored, or moved from a lease. This is reported on Form 24, Transporters and Storers Monthly Report (a supply of these forms is enclosed). This report is due in our office by the 10th day of the next succeeding month.

Would you please furnish these reports for the movement of oil beginning with the March, 1970, report and including the July report. In the future please submit these reports on a monthly basis.

Should you have any questions regarding this, please contact me.

Very truly yours,

W. E. Allen
Director of Enforcement Section

WEA:jd
Enc.

232

WPA

Rock Island Oil Company 
DIVISION OF KOCH INDUSTRIES INC. **KOCH**

July 28, 1970

W. E. Allen
Oil & Gas Conservation Commission
Room 202 - 1624 West Adams
Phoenix, Arizona 85007

Re: Navajo "O"

Dear Sir:

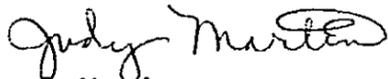
In reference to your letter of July 21, 1970, our records indicate that we have not purchased oil from the Navajo "O" lease since March, 1970.

It is our understanding that Platto became the new purchaser effective March 10, 1970.

If we can be of further assistance, please advise.

Very truly yours,

ROCK ISLAND OIL COMPANY



Judy Martin
Crude Oil Accounting

JM/



232



OFFICE OF
Oil and Gas Conservation Commission
 STATE OF ARIZONA
 ROOM 202
 1624 WEST ADAMS
 Phoenix, Arizona 85007
 PHONE: 271-5161

WA

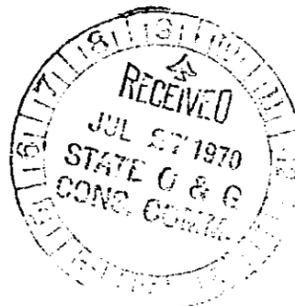
RECEIVED	
JUL 23 1970	
FARMINGTON AREA	
AS	
MS	
AE	
AA	<i>[initials]</i>

July 21, 1970

Pan American Petroleum Corporation
 501 Airport Drive
 Farmington, New Mexico 87401

Attention: Mr. L. R. Turner

Re: Pan American #1 Navajo "O"
 SE SW Sec. 23-T41N-R30E
 Apache County
 Our File #232



Gentlemen:

We are in receipt of Form 16, Monthly Producers Report, on the subject well. This report indicates that the well produced a total of 7074 MCF gas during June. Of this amount, 216 MCF were used on the lease. You used the symbol E to designate the disposition of the remaining 6,858 MCF. Would you please advise this office of the disposition of this 6,858 MCF of produced gas.

Your cooperation is appreciated.

Very truly yours,

W. E. Allen

W. E. Allen
 Director of Enforcement Section

WEA:jd

The 6,858 MCF referred to above was flared - see copy of forms 16 attached.

232

MONTHLY PRODUCERS REPORT

Field Undesignated Ismay
County Apache

Month June 1970

PAN AMERICAN PETROLEUM CORP.
Company
501 Airport Drive
Farmington, New Mexico - 87401
Address

Field Office Address 501 Airport Drive, Farmington, N.M.

Well No.	State Permit No.	Code	Actual Bbls. Oil Produced	Bbls. Water Produced	Gas Produced MCF	Days Produced	Disposition of Gas - MCF		Disposition of Oil - Bbls.					
							Sold	Other	Oil on Hand Beg. of Month	Bbls. to Transporter	Other	Purchaser Code	Oil on Hand End of Month	
1		F C	1,540	0	7,074	31	0	216 6,858	U E	202	274	1,203	102	611

FINAL REPORT TO BE FILED BY PAN AMERICAN PETROLEUM CORPORATION.
PROPERTY SOLD TO CLINTON OIL COMPANY, 217 North Water Street,
Wichita, Kansas - 67202. OPERATIONS ASSUMED EFFECTIVE 7-1-70.

- "OTHER" GAS DISPOSITION CODE**
 X - Used Off Lease
 D - Used For Drilling
 G - Gas Lift
 L - Lost (MCF Estimated)
 E - Explanation Attached
 R - Repeating or Pressure Maintenance
 U - Used On Lease
 V - VOIDED
- "OTHER" OIL DISPOSITION CODE**
 C - Circulating Oil
 S - Lost
 E - Explanation Attached

STATUS CODE
 F - Flowing
 P - Pumping
 G - Gas Lift
 S - Shut In
 T - Temp. Abandoned
 I - Injection

PURCHASER CODE
 OIL: E=Flared
 GAS: GAS

I hereby certify that the information given is true and complete to the best of my knowledge.
 ORIGINAL SIGNED BY
 L. R. Turner
 (Signature)
 Administrative Assistant
 (position)
 July 13, 1970
 (Date)

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Monthly Producers Report
 File One Copy
 Form No. 16

July 31, 1970

Pan American Petroleum Corporation
501 Airport Drive
Farmington, New Mexico 87401

Attention: Mr. L. R. Turner

Re: Pan American #1 Navajo "O"
SE SW Sec. 23-T41N-R30E
Apache County
Our File #232

Gentlemen:

We are in receipt of Form 16, Monthly Producers Report, on the subject well. This report indicates that the well produced a total of 7074 MCF gas during June. Of this amount, 216 MCF were used on the lease. You used the symbol E to designate the disposition of the remaining 6,858 MCF. Would you please advise this office of the disposition of this 6,858 MCF of produced gas.

Your cooperation is appreciated.

Very truly yours,

W. E. Allen
Director of Enforcement Section

WEA:jd

July 21, 1970

Mr. K. D. Rupe
Rock Island Oil Company
P. O. Box 2256
Wichita, Kansas 67201

Re: Pan American #1 Navajo "O"
SE SW Sec. 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Rupe:

We have received Form 24, Transporter's and Storer's Monthly Report, for June, 1970. The report submitted failed to indicate the field, lease, or producer, or any other method to enable us to reconcile the report with the corresponding reports from the producer. The report also indicates that no oil was purchased or transported by your company for the month of June.

Form 16, Monthly Producers Report, as submitted by Pan American Petroleum Corporation on the subject lease indicates that 1203 barrels of oil were transported during June, 1970, by your company. A copy of Pan American's report and your report is enclosed for your information.

Will you please either submit a corrected report or explain the apparent discrepancy. In the future it would be appreciated if you would also list the field, lease, and name of the producer on your reports.

Very truly yours,

W. E. Allen
Director of Enforcement Section

WEA:jd
Enc.



WR

CLINTON OIL COMPANY

217 NORTH WATER STREET • WICHITA, KANSAS 67202 • PHONE 262-8231. AREA CODE 316

July 17, 1970

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

Attention: W. E. Allen

Gentlemen:

In line with your request, we are herewith enclosing Organization Report for the Clinton Oil Company, 217 N. Water, Wichita, Kansas.

In your communication of July 7, 1970, you stated that it would be unnecessary for our company to be bonded so long as Pan American retains their obligation. The bond which we have requested from the surety company has been returned to them for cancellation.

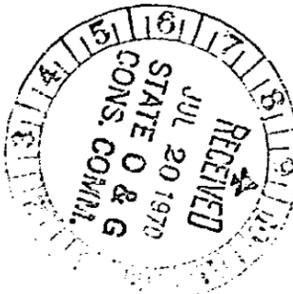
Kindly advise if any additional information is needed.

Yours very truly,

M. C. Lyons
Accounting Department

MCL:bs

Enc.



232

July 7, 1970

Clinton Oil Company
Operating Division
217 North Water Street
Wichita, Kansas 67202

Re: Pan American Petroleum Corporation #1 Navajo "O" (716)
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Gentlemen:

Please refer to our letter dated June 26, 1970, regarding an Organization Report and a surety bond. We have recently received from Pan American their "Designation of Operator" which signifies that they retain the obligation of the lessee. This makes it unnecessary for your company to be bonded so long as Pan American retains this obligation.

It would be appreciated if you would complete and return the enclosed Organization Report for our files.

If at any time this office can be of any assistance, please do not hesitate to call on us.

Very truly yours,

W. E. Allen
Director of Enforcement Section

WEA:jd
Enc.

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

DISTRICT SUPERINTENDENTS
W. M. JONES
T. M. CURTIS

June 29, 1970

File: HTH-294-950.5

Re: Designation of Operator

Mr. Carl C. Traynick
Acting Oil and Gas Supervisor
United States Geological Survey
P.O. Drawer 1857
Reswell, New Mexico 88201

Dear Sir:

We are attaching Form 9, Designation of Operator, designating Clinton Oil Company, as operator, on the following Federal and Indian properties by Pan American.

Arizona
Serial No. 14-20-603-716 (Navajo Tribal "0")

New Mexico
Serial No. SF-078977 (King Gas Com and Miller Gas Com "B")
NM-03151 (O. H. Randel)
14-20-603-1412 (Uska-Yah-E-Wood)
14-20-603-65 (Navajo)
SF-078019 (E.H. Pipkin)
NM-032325 (USA-Sarah Lilly "B")
35 (Jicarilla #35)
14-20-603-2085 (Old Trading Post)
NM-09867 (Miller Gas Com and Miller Gas Com "B")



ORIGINAL SIGNED BY
H. T. HUNTER

Attachments

cc: Oil Conservation Commission - Santa Fe
Oil and Gas Conservation Commission - Phoenix
Clinton Oil Company - Wichita
Mr. L. O. Speer, Jr. - Farmington

232

June 26, 1970

Clinton Oil Company
Operating Division
217 North Water Street
Wichita, Kansas 67202

Re: Pan American Petroleum Corporation #1 Navajo "O" (716)
SE/4 SW/4 Sec. 23-T41N-R30E
Apache County
Our File #232

Gentlemen:

We have been advised that the captioned well has been transferred from Pan American to Clinton Oil Company. In order that our records may correctly reflect the new ownership, would you please furnish us with the following:

1. An Organization Report of Clinton Oil Company, copy enclosed.
2. A surety bond which covers the captioned well and is signed by an Arizona Surety Agent. This well is currently under Pan American's Bond carried by Seaboard Surety Company and may not be released therefrom until such time as Clinton Oil Company furnishes this Commission with a replacement bond. As you may know, a bond on one well in the amount of \$5,000 must be filed with this Commission; or, in lieu thereof a blanket bond in the amount of \$25,000 covering any bonding obligations for total operations may be filed.

Further, we enclose a copy of our Rules and Regulations. As you know, a monthly Producer's Report must be filed with this Commission on or before the 15th day of each month reporting production for the prior month.

Page 2
Clinton Oil Company
June 26, 1970

Should you have any questions, would you please advise.

Sincerely,

John Hannister
Executive Secretary

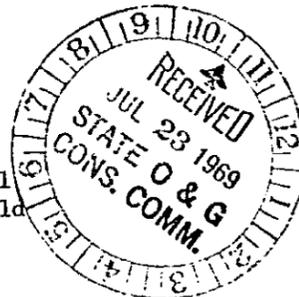
JB:jd
Enc.
cc: Pan American Petroleum Company

PAN AMERICAN PETROLEUM CORPORATION

501 Airport Drive, Farmington, New Mexico
July 22, 1969

File: E-136-400.1

Subject: Navajo Tribal "O" No. 1
Undesignated Ismay Field
Apache County, Arizona



Mr. James A. Lambert
Arizona Oil & Gas Conservation Commission
Room 202, 1624 West Adams
Phoenix, Arizona - 85007

Dear Sir:

This has reference to your letter of July 16, 1969, regarding flaring of gas from Pan American's Navajo Tribal "O" Well No. 1, Section 23, T-41-N, R-30-E, Undesignated Ismay Field, Apache County, Arizona, Permit No. 232. The following is a brief history of the subject well.

At the time of its completion on June 27, 1963, Navajo Tribal "O" No. 1 had a potential test of 5818 MCF of gas per day and 40.48 barrels of condensate per day, or a gas-oil ratio of 143,700 cubic feet per barrel. Pursuant to the Arizona Conservation Commission rules and regulations, this GOR made the well a gas well. During 1965 we noticed a change in the producing characteristics of the well in that the GOR began to decline and the liquid assumed more of the characteristics of crude oil than condensate. This GOR decline continued so that during the first three months of 1967 the average GOR was only 3650 cubic feet per barrel.

With this declining GOR we began having difficulty keeping the well producing into El Paso's 850 psi line and, therefore, in October 1967 a compressor was placed on the well to maintain a more continuous production rate. The immediate response was an increase in gas production to 400 MCF per day and a GOR of 7000 cubic feet per barrel. However, gas production continued to decline and in March 1969, as shown on our Form 5 dated March 12, 1969, the well produced 55 barrels of oil and 153 MCF of gas in 24 hours with a GOR of 2773. Based on this GOR, the well is definitely an oil well under the Arizona Conservation Commission rules and regulations.

During the months of October 1968 through January 1969, the income from gas on the well averaged \$309 per month while the direct cost to operate the compressor averaged \$394 per month exclusive of any amortization of our initial \$14,400 investment. On this basis the compressor had been operating at a loss of \$85 per month with no provision for amortizing the initial investment. Inasmuch as lease income due to gas sales was less than

Page 2
Arizona Oil & Gas Conservation Commission

July 22, 1969
File: E-136-400.1

the direct cost to operate the compressor, a request was made of the U. S. Geological Survey, as representative of the royalty owner, for permission to discontinue operation of the compressor and to flare the gas. The U. S. Geological Survey granted this permission indefinitely until changed conditions might warrant a modification of this authorization.

92 The well was recently acidized in an attempt to stimulate its production of both oil and gas. Early results of this acid job indicate that production was not improved. The most recent tests dated July 18, 1969, showed a production rate of 37 BOEPD, no water, and 117 MCFPD, or a GOR of 3160 cubic feet per barrel.

The history of Navajo Tribal "O" No. 1 has been rather unusual. For this reason we maintain a very close observation of its performance characteristics. If these characteristics change to the extent where gas can again be compressed and sold to El Paso at a profit to the lease, we will be in a position to take immediate action.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


L. O. Speer, Jr.
Area Superintendent

GWE:ep

X-CHRONO
X-LAMBERT

July 16, 1969

Mr. G. L. Hamilton
Pan American Petroleum Corporation
501 Airport Drive
Farmington, New Mexico 87401

Re: Pan American Navajo O-1
T41N, R30E, G & SRM
Sec. 23: SE/4 SW/4
Apache County
Permit #232

Dear Mr. Hamilton:

We note that during the months of February, March, April, May, and June you have flared 21,439 MCF of gas. El Paso Natural Gas continues to submit their Purchaser's Report substantiating this fact.

Arizona's Conservation Commission is interested in knowing what plans you have for gas produced from this Navajo well. Please advise the circumstances that have allowed you to flare this gas.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Rock Island Oil Company 
DIVISION OF KOCH INDUSTRIES INC 

Oil and Gas Conservation Commission
State of Arizona
1624 W. Adams
Phoenix, Arizona 85007

Attn: James A. Lambert

March 31, 1969

Ref: Transporters and Storer's
Monthly Report

Dear Sir:

Submitted for your review are our "corrected" reports
for the months of December, 1968, and January, 1969.

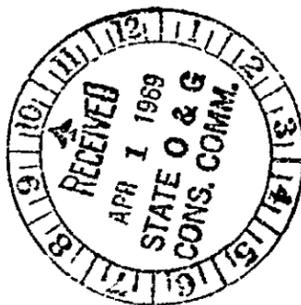
Our apology for the delay and inconvenience we have
caused you.

Please direct future discrepancies to my attention.

Sincerely,

Gordon Beehler
Gordon Beehler
Crude Oil Accounting
Rock Island Oil Co.

GB/te
Two Enclosures



Rock Island Oil Company 
DIVISION OF KOCH INDUSTRIES INC 

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

March 17, 1969

Re: Pan American #1-0 Navajo
T41N, R30E, G & SRM
Sec. 23, SE/4 SW/4
Apache County, Arizona
Permit #232

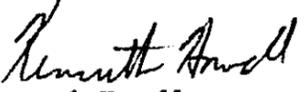
42

Gentlemen:

We are in receipt of your March 11, 1969 letter. However, we cannot locate the letter that was mailed to us February 25, 1969. We request that you send us copy of this letter so we might comply with your request.

Yours very truly,

ROCK ISLAND OIL COMPANY


Kenneth Howell,
Crude Oil Accounting Sup.

KH/gj

*- mailed 3-19-69
remailed - 3-21-69 g.s.
with exhibits*



Y - Lambert
Log
X - Chrono Log

3-18-69

March 18, 1969

Rock Island Oil Company
4111 East 37th North
Wichita, Kansas 67220

Re: Pan American - 1-0 Navajo
TMY, RSOE, G & HRM
Sec. 23: SE/4 NW/4
Apache County, Arizona
Permit # 132

Gentlemen:

This Commission has not received our Form #24, Transporter's and Storer's Monthly Report. Rule 308 requires a monthly report of the oil or condensate transported from the lease and it shall be filed by the 18th day of the next succeeding month. Please bring yourself into compliance with the Rules and Regulations of the Oil and Gas Commission of the State of Arizona.

We have not received a reply to our letter addressed jointly to yourself and Pan American Petroleum Corporation dated February 25 nor our inquiry letter dated March 11, 1969.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

232

X-Lambert log
X-Chrono log

March 11, 1969

Rock Island Oil Company
4111 East 37th North
Wichita, Kansas 67220

Re: Pan American #1-0 Navajo
T41N, R30E, G & SRM
Sec. 23: SE/4 SW/4
Apache County, Arizona
Permit #232

Gentlemen:

We have received reply from Pan American
per our letter we mailed jointly to you
on February 25, 1969. Please favor us
with your reply to that letter.

Yours truly,

James A. Lambert
Administrative Assistant

jf

X - Chrono Log
Y - Lambert Log

March 3, 1969

Pan American Petroleum Corporation
501 Airport Drive
Farmington, New Mexico 87401

Re: Pan American #1-0 Navajo
T41N, R30E, G & SRM
Sec. 23: SE/4 SW/4
Apache County, Arizona
Permit #232

Gentlemen:

Some time ago we received your Gas-Oil Ratio Test Report for the month of November, 1968, for the captioned well.

RECEIVED
3-18-69

This is to remind you that the next Gas-Oil Ratio Test should be taken in March, 1969, and reported to this office by April 10, 1969.

Enclosed are forms for your convenience.

Yours truly,

James A. Lambert
Administrative Assistant

jf

Enc.

232

PAN AMERICAN PETROLEUM CORPORATION

501 Airport Drive, Farmington, New Mexico
February 26, 1969

File: H-51-501.1

Subject: Pan American
Navajo Tribal "O" No. 1
T-41N, R-30E, G & SRM
Section 23, SE/4 SW/4
Apache County, Arizona
Permit No. 232

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

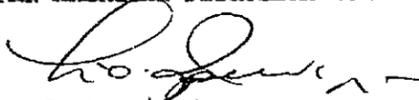
Gentlemen:

94
Reference is made to your letter of February 25, 1969, advising that discrepancies exist in the Monthly Producers Report and Transporter's Report for the months of December 1968 and January 1969.

We have reviewed our records and find that the Monthly Producers Reports are correct as submitted for the above months.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


L. O. Speer, Jr.
Area Superintendent

JMS:en

cc: Rock Island Oil Company
4111 East 37th North
Wichita, Kansas 67220



February 8, 1969

Pan American Petroleum Corporation
501 Airport Drive
Farmington, New Mexico 87401

Re: Pan American Navajo #0-1
F41N, R30E, G & SRM
Sec. 23: SE/4 SW/4
Apache County, Arizona
Permit #232

Gentlemen:

File 301 A, Paragraph 2, directs operator to make a semi-annual Gas-Oil Ratio Test of each producing oil well. This test should have been taken in September, 1968, and reported by October 10, 1968.

Enclosed are forms for your use.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Enc.

OFFICE OF
Oil and Gas Conservation Commission
 STATE OF ARIZONA
 ROOM 202
 1824 WEST ADAMS
 Phoenix, Arizona 85007
 PHONE: 271-5161

RECEIVED	
APR 24 1968	
FARMINGTON AREA	
1	AS [Signature]
2	AS [Signature]
	AS

April 23, 1968

Pan American Petroleum Corporation
 501 Airport Dr.
 Farmington, New Mexico 87401

Re: D-2-67 of September 11, 1967
 Gas-Oil Ratio Test (Rule 301)

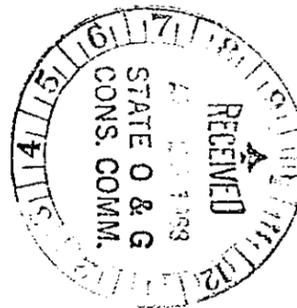
Gentlemen:

According to our records, the data indicated below has not been submitted as called for by our rules and regulations. You are urged to submit this data at once to bring this operation into compliance with the rules and regulations.

Well _____ Data _____

Pan American #1-9 Navajo
 SE SW 23-41N-30E Apache County
 Permit 232

GOR due April 10, 1968



Very truly yours,
John Bann
 John Bannister
 Executive Secretary
 mr

State of Arizona
 Oil and Gas Conservation Commission
 Phoenix, Arizona

The Navajo Tribal "O" No. 1 is classified as a gas well and will be tested in accordance with Rule 401 in June, 1968.

4-25-68

Pan American Petroleum Corporation
 By: *W. Eaton, Jr.*

OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
Phoenix, Arizona 85007
PHONE: 271-5161

April 23, 1968

Pan American Petroleum Corporation
501 Airport Dr.
Farmington, New Mexico 87401

Re: D-2-67 of September 11, 1967
Gas-Oil Ratio Test (Rule 301)

Gentlemen:

According to our records, the data indicated below has not been submitted as called for by our rules and regulations. You are urged to submit this data at once to bring this operation into compliance with the rules and regulations.'

<u>Well</u>	<u>Data</u>
-------------	-------------

Pan American #1-9 Navajo SE SW 23-41N-30E Apache County Permit 232
--

GOR due April 10, 1968

Very truly yours,

John Bannister
Executive Secretary
mr

January 5, 1966

Pan American Petroleum Corporation
P.O. Box 480
Farmington, New Mexico

Attention: Mr. L.O. Speer, Jr., Area Superintendent

Re: Pan American Petroleum #1 Navajo well
SE/4SW/4 23-41N-30, Apache County, Arizona
Our File 232

Gentlemen:

We would call your attention to Rule 301 of our Rules and Regulations. You will note this rule calls for a semi-annual gas-oil ratio test.

For your convenience we are enclosing a supply of the necessary forms and ask that you complete and return to us at your earliest convenience.

The method currently employed by your company for this test will at this time satisfy this office.

Very truly yours,

John Bannister
Executive Secretary
nr
enc

January 5, 1966

Rock Island Oil & Refining Company
P.O. Box 328
Farmington, New Mexico

Gentlemen:

Enclosed for your convenience please find one copy of the Rules and Regulations of the Oil and Gas Conservation Commission.

We would call your attention to Rule 803 concerning the filing of a monthly Transporters and Storers Report. This report must be filed on or before the tenth day of the next succeeding month.

Inasmuch as you are currently taking condensate from the Pan American Petroleum Corp. "O"1 Navajo well, SE/4SW/4 23-41N-30E, Apache County, Arizona, it is requested that you take immediate steps to bring yourself into compliance with our Rules and Regulations.

For your further convenience, we are enclosing a supply of the necessary forms.

Should you have any questions, will you please advise.

Yours very truly,

John Bannister
Executive Secretary
mr
enc

XXXXXXXXXXXXXXXXXXXX
XXXXXX

August 10, 1964

Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

Attention: Mr. L. O. Speer, Jr.

Re: Navajo Tribal "O" No. 1
Section 23 - T41N - R30E, Apache County, Arizona
Permit No. 232
Your File No. H-243-400.1

Gentlemen:

Enclosed please find two approved copies of our Form No. P-17,
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease.

Through an oversight the forms transmitted earlier by you were
not returned. We hope this has not caused you inconvenience.

If we may be of any help, will you please advise.

Yours very truly,

John Bannister
Executive Secretary

JB:mkc
Encl.

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
August 4, 1964

File: H-243-400.1

Subject: Navajo Tribal "O" No. 1
Undesignated Ismay Field
Apache County, Arizona

Arizona Oil & Gas Conservation Commission
Suite 202, 1624 Adams Street
Phoenix, Arizona

Gentlemen:

Reference is made to Form No. P-17, "Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease", dated May 26, 1964 for Navajo Tribal "O" Well No. 1, Undesignated Ismay Field, Section 23, T-41N, R-30E, Apache County, Arizona. As of this date we have not received an approved copy of this form.

We are attaching additional forms for your approval in the event that the original applications have been misplaced.

Your consideration of an early approval of the attached forms will be appreciated since it is anticipated that subject well will be ready for first delivery on approximately August 15, 1964.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

L. O. Spier, Jr.

L. O. Spier, Jr.
Area Superintendent

LJL:bg
Attachments



May 8, 1963

Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

Re: Your Navajo Tribal "O" No. 1 - Sec. 23, T41N,
R30E, Apache County, Arizona Test

Gentlemen:

Enclosed is your approved copy of application for
permit to drill the above test together with a
receipt for your \$25.00 permit fee.

Please do not hesitate to call upon us if we can
be of any service to you.

Yours very truly,

N. A. Ludewick
Executive Secretary

encs 2

May 2, 1963

Mr. R. Keith Walden, Chairman
Oil and Gas Conservation Commission
P. O. Box 1271
Tucson, Arizona

Re: Pan American Petroleum Company - Navajo Tribal "O"
Sec. 23, T41N, R30E, Apache County, Arizona

Dear Mr. Walden:

Enclosed for your signature and approval is an application
for permit to drill the captioned test.

We are also enclosing a plat so you may see exactly where
the location will be.

Yours very truly,

N. A. Ludewick
Executive Secretary

encs 3

F-1

272

WELL NO. 1 CURRENT STATUS -- Pumping
 LOCATION: 660' FSL & 1880' FWL Section 23-T41N-R30E
 ELEVATION: 5,088' KB TD/PBTD - 6,805'/6,260'
 SURFACE CASING: 9-5/8" 32#, H-40 set @ 1,523' KB Cemented with 500 sacks
 PRODUCTION CASING: 5-1/2" 14# & 15.5#, K-55 set @ 6,300' Cemented with 600 sacks
 WELL EQUIPMENT:
 Rods: 149 - 3/4", 57 - 7/8"
 Tubing: 2-3/8" J-55 EUE - 5,136'
 Pumping Unit: Alten 228A
 Prime Mover: 8-1/2 x 10 Ajax Gas Engine

LOGS AVAILABLE (Attached copies thru pay): I-ES, SGR/C
 PERFORATION RECORD: Lower Ismay - 5,122'-40'
 COMPLETION DATE: 6-63
 INITIAL POTENTIAL: 4559 MCFD/40 BCPD

PRODUCTION HISTORY

Well was originally drilled by Pan American and ERG has no monthly production records before 1970. Cumulative totals up to 1970 are 53.9 MBO, 315 BW, and 341.8 MMCF. Note: In 1982 the change in gas volumes. This was due to changes in allocation brought about by the installation of more fuel efficient equipment.

MONTHLY PRODUCTION
 NAVAJO "O" NO. 1

CUM: 53,880 BQ/341,770 MCF/315 BW

YEAR	MONTH	OIL	WTR	GAS	YEAR	MONTH	OIL	WTR	GAS
1970	JAN	1,133		3,038	1971	JAN	916		2,710
	FEB	1,041		2,792		FEB	744		2,664
	MAR	1,143		5,250		MAR	911		2,107
	APR	1,066		4,897		APR	986		3,337
	MAY	1,130		5,191		MAY	896		3,029
	JUNE	1,071		4,920		JUNE	707		2,390
	JULY	1,096		2,880		JULY	1,075		3,635
	AUG	1,134		3,863		AUG	1,118		3,780
	SEPT	1,104		3,540		SEPT	953		3,222
	OCT	1,082		3,218		OCT	1,056		3,570
	NOV	1,008		3,009		NOV	1,059		3,644
	DEC	962		2,897		DEC	928		3,193
TOTAL		11,970		31,672	TOTAL		11,349		37,281

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MONTHLY PRODUCTION
NAVAJO "O" NO.1

YEAR	MONTH	OIL	WTR	GAS	YEAR	MONTH	OIL	WTR	GAS
1972	JAN	1,136		3,909	1973	JAN	964		2,663
	FEB	1,010		3,475		FEB	787		2,174
	MAR	1,107		3,809		MAR	1,226		3,386
	APR	1,019		1,304		APR	1,471		1,097
	MAY	1,109		1,420		MAY	1,414		1,055
	JUNE	754		965		JUNE	1,357		1,012
	JULY	1,187		1,519		JULY	1,381		1,030
	AUG	1,034		2,856		AUG	1,388		1,035
	SEPT	1,044		2,884		SEPT	1,334		1,009
	OCT	1,084		2,994		OCT	1,371		1,036
	NOV	864		2,386		NOV	1,357		1,026
	DEC	836		2,309		DEC	1,299		982
	TOTAL	12,184		29,830		TOTAL	15,349		17,505
1974	JAN	1,256		950	1975	JAN	1,619		---
	FEB	1,304		986		FEB	1,385		---
	MAR	1,296		980		MAR	1,503		---
	APR	1,357		1,026		APR	1,573		---
	MAY	1,321		999		MAY	1,732		---
	JUNE	1,329		1,038		JUNE	2,023		---
	JULY	1,374		1,073		JULY	1,634		---
	AUG	1,341		1,047		AUG	1,757		1,370
	SEPT	1,542		1,204		SEPT	1,705		1,329
	OCT	1,133		884		OCT	1,743		1,285
	NOV	1,343		1,223		NOV	1,605		1,191
	DEC	1,481		1,349		DEC	1,496		---
	TOTAL	16,077		12,759		TOTAL	19,775		5,175
1976	JAN	1,702		3,639	1977	JAN	1,099	67	3,640
	FEB	1,604		3,215		FEB	944	22	3,492
	MAR	383		758		MAR	1,107	30	3,722
	APR	1,859		3,441		APR	961	27	3,631
	MAY	1,777		3,640		MAY	675	19	2,240
	JUNE	1,314		3,522		JUNE	893	25	3,302
	JULY	1,201		3,640		JULY	861	25	3,749
	AUG	1,607		3,420		AUG	876	25	3,310
	SEPT	1,654	150	3,412		SEPT	606	21	3,451
	OCT	1,702	155	3,640		OCT	791	27	3,446
	NOV	994	54	3,495		NOV	815	28	3,631
	DEC	1,084	62	3,640		DEC	635	28	3,514
	TOTAL	16,881	421	39,462		TOTAL	10,263	344	41,128

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MONTHLY PRODUCTION
NAVAJO "O" NO. 1

YEAR	MONTH	OIL	WTR	GAS	YEAR	MONTH	OIL	WTR	GAS
1978	JAN	608	26	3,396	1979	JAN	533	0	2,963
	FEB	477	21	2,521		FEB	454		3,134
	MAR	633	27	3,749		MAR	685		3,513
	APR	629	0	2,845		APR	609		3,279
	MAY	629		3,749		MAY	611		2,782
	JUNE	604		3,631		JUNE	438		3,333
	JULY	630		3,749		JULY	465		3,645
	AUG	585		3,631		AUG	357		3,762
	SEPT	485		3,162		SEPT	187		3,631
	OCT	545		3,513		OCT	247		3,645
	NOV	509		3,513		NOV	237		3,645
	DEC	532		3,513		DEC	233		3,694
	TOTAL		6,896	74		40,972	TOTAL		5,056
YEAR	MONTH	OIL	WTR	GAS	YEAR	MONTH	OIL	WTR	GAS
1980	JAN	212	0	3,776	1981	JAN	553	0	3,930
	FEB	203		3,514		FEB	487	0	3,567
	MAR	215		3,640		MAR	521	0	3,785
	APR	201		3,822		APR	178	106	3,748
	MAY	63		3,950		MAY	153	245	3,939
	JUNE	53		3,410		JUNE	149	238	3,822
	JULY	92		3,950		JULY	136	217	3,368
	AUG	82		3,950		AUG	135	27	3,889
	SEPT	74		3,330		SEPT	136	217	3,822
	OCT	663		3,093		OCT	150	244	3,949
	NOV	532		3,792		NOV	152	242	3,822
	DEC	494		3,584		DEC	242	242	3,802
	TOTAL		2,884			43,811	TOTAL		2,992
YEAR	MONTH	OIL	WTR	GAS					
1982	JAN	81	108	3,452					
	FEB	70	94	600					
	MAR	86	35	740					
	APR	82	49	704					
	MAY	80	52	508					
	JUNE	229	90	630					
	JULY	341	97	1,349					
	AUG	267	113	1,085					
	SEPT	232	90	1,188					
	OCT	175	73	670					
	NOV	191	55	1,187					
	DEC								
	TOTAL								

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