

~~CONFIDENTIAL~~

P-W
CONFIDENTIAL

Release Date 7-20-67

permit # 278

Richard F. Harless 27/3 Federal
NW/4-NW/4 Sec. 4 -Twp. 17N
Yavapai County

s1

COUNTY Yavapai AREA Verde Valley LEASE NO. Fed AR 022988

WELL NAME Richard F. Harless Federal ²⁷⁸

LOCATION NW NW SEC 4 TWP 17 N RANGE 4 E FOOTAGE NW Cor 4 S 58° E, 1200

ELEV 4412 GR 4415 DF DB SPUD DATE 4-16-64 STATUS 580FN 900 FW TOTAL COMP. DATE 10-14-68 DEPTH 1751'
1958

CONTRACTOR USGS - CED per 10-1-64 report

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	DRILLED BY CABLE TOOL	PRODUCTIVE RESERVOIR	INITIAL PRODUCTION
12"	100'			<input checked="" type="checkbox"/>			
10"							
7"	1794						
5" liner from 1589 to 1912							

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Penn	254			
Granite	1100			
Fault	1694			

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
Sonic Log: IE	1713-1858 per USGS records		SAMPLE DESCRP.
Logs lost by Newton			SAMPLE NO. <u>Tucson</u>
			CORE ANALYSIS
			DSTs

REMARKS	APP. TO PLUG	PLUGGING REP.	COMP. REPORT
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

WATER WELL ACCEPTED BY _____

BOND CO. USFG Company BOND NO. 22757-13-703-64

BOND AMT. \$ 2,500 CANCELLED 11-19-68 DATE _____ ORGANIZATION REPORT

FILING RECEIPT 9376 LOC. PLAT WELL BOOK PLAT BOOK

API NO. _____ DATE ISSUED 5-6-64 DEDICATION N/2 NW/4

PERMIT NUMBER 278

CONFIDENTIAL

(over)

Release Date 7-20-67

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 **Richard F. Harless** Address **Suite 1000, Financial Center
3443 N. Central, Phoenix, Arizona 85012**

Federal, State or Indian Lease Number or name of lessor if fee lease **Federal AR 022988** Well Number **27-B** Field & Reservoir **Un-named**

Location **NW 1/4 NW 1/4** County **Yavapai**

Sec. TWP-Range or Block & Survey **Sec. 4-T17N-R4E**

Date spudded **May 16, 1964 (approx)** Date total depth reached _____ Date completed, ready to produce **Dry** Elevation (DF, RKB, RT or Gr.) **4412** feet Elevation of casing hd. flange **4412** feet

Total depth **1751** P.B.T.D. Single, dual or triple completion? **X** If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion **X** Rotary tools used (Interval) **to TD** Cable tools used (Interval) _____

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

Type of electrical or other logs run (check logs filed with the commission) **Schlumberger (attached)** Date filed _____

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

TUBING RECORD **None**

LINER RECORD **None**

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

PERFORATION RECORD **None**

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD **None**

Number per ft.	Size & type	Depth Interval	Am't. & kind of material used	Depth Interval

INITIAL PRODUCTION **No test**

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

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

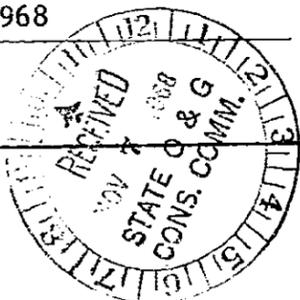
Tubing pressure	Casing pressure	Cal'ed rate of Production per 24 hrs.	Oil bbls.	Gas MCF	Water bbls.	Gas-oil ratio

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Representative** of the **Yavapai** (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 6, 1968**

Signature **Richard F. Harless**



Permit No. **278**

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

DETAIL OF FORMATIONS PENETRATED

Formation	Top	Bottom	Description*
			No record. Logs lost by Newton

* 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 drillers log or other acceptable log of well.

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

Ferm No. 4

Hartwell Canyon is priceless to nature buff

Hartwell Canyon, one of the newest preserves acquired by The Nature Conservancy in Arizona, intrigued me. I had never heard of it, and I've been around awhile.

I asked Bob Erb, new Central Arizona representative for TNC, about visiting Hartwell. We planned an exploratory hike to the remote canyon west of Oak Creek in the Red Rock country.

The Nature Conservancy recently received Hartwell as a gift from Bob and Mary Kittredge of Sedona with the provision that the Kittredges may continue to live in their home at the mouth of the canyon as long as they live.

Hartwell is a gem for several reasons, most importantly as a wildlife area because it harbors a substantial nesting population of peregrine falcons in the white cliffs that rim the upper canyon walls. It has some unusual Indian ruins and beautiful rock carvings.

Fifty acres were homesteaded in the early 1900s by Charles Rysinger, blocking off the mouth of the canyon. It received its name because a man named Hart dug an 80-foot well for Rysinger's 400 head of



12-25-87

Ben
Avery

cattle. The water had so much petroleum in it cattle wouldn't drink it.

Rysinger sold the 50 acres to Sam and Minnie Hunter of Missouri during the Depression for something like \$400. Hunter raised hogs in Missouri and hoped to do the same in Arizona. When he got to the little rock cabin at the mouth of Hopewell Canyon, he found nothing to feed hogs and no chance of a slop route.

Kittredge knocked on his door one night. Kittredge was trying to recruit members for the old Verde Valley Electric Co-op for \$5 so power could be brought to the rural residents of Verde-Sedona.

Hunter's response was that he wouldn't

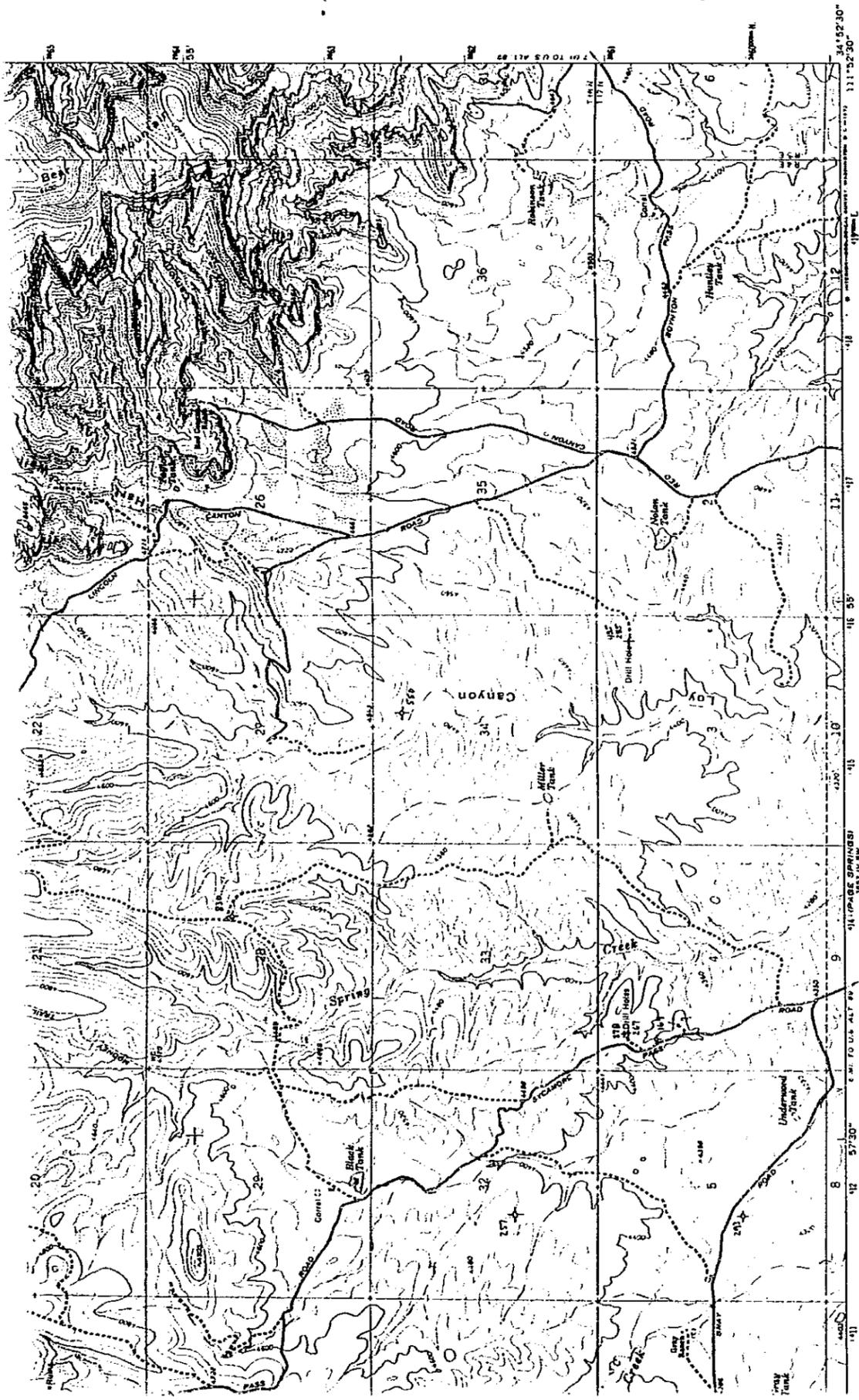
"put another nickle into this worthless place, let alone \$5," and if he could just get his money out of it he would go back to Missouri to raise hogs. Kittredge paid \$600 for the 50-acre homestead. That was 50 years ago.

The Kittredges loved the canyon and set about building a place to live.

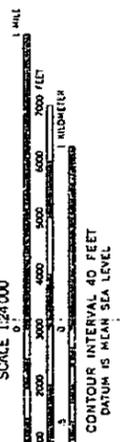
Everything was about finished when Kittredge realized he was 77 years old, and when the U.S. Forest Service tried to acquire the 50 acres so Hartwell Canyon could be turned over to ORVs, he started worrying about what would happen to the canyon after he and his wife were gone. That's when someone told him about how The Nature Conservancy acquires and preserves areas vital to wildlife.

The Canyon is a haven for mountain lion, bear, deer, small game and birds. It also has a wide variety of plants. We even found a Douglas fir among the pinon, juniper, oak and ponderosa pine. Water is scarce, but there is a spring-fed pool near the mouth of the 4-mile-long canyon.

A firm's conservative appraisal valued the 50-acre worthless homestead at \$750,000. For a nature buff, it is priceless.



ROAD CLASSIFICATION
 Light-duty road, all weather, ————
 Improved road, all weather, ————
 Improved surface, ————
 weather,



CONTOUR INTERVAL 40 FEET
 DATUM IS MEAN SEA LEVEL

LOY BUTTE, ARIZ.
 N3452.5—W11152.5/7.5

THIS MAP COMPLETES WITH NATIONAL MAP ACCURACY STANDARDS
 FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR WASHINGTON, D. C. 20242

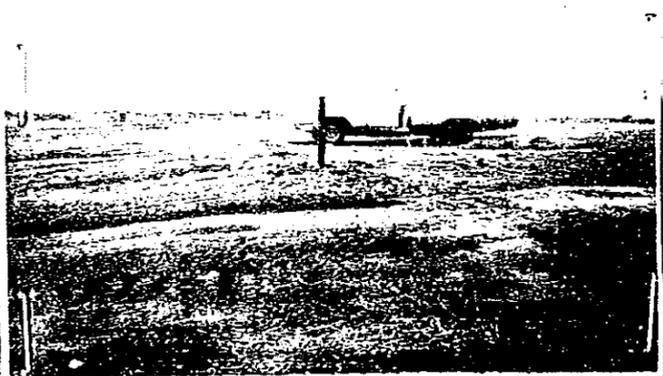
UTM GRID AND 1975 MAGNETIC NORTH
 DECLINATION AT CENTER OF SHEET

WELL SITE CHECK

By JRS
Date 11-13-68

Contractor _____ Person(s) Contacted _____
 Spud date _____
 Type Rig _____ Rotary Cable _____ Present Operations _____
 Samples _____
 Pipe _____ Drilling with Air _____ Mud _____
 Water Zones _____ Size Hole _____
 Lost Circ. Zones _____ Size Drill Pipe _____
 Formation Tops _____ Type Bit _____
 Cores, Logs, DST _____ No. Bit _____ Drilling Rate _____
 Formation _____
 Crews _____ Lithology _____

REMARKS, PHOTO, MAP



Harless Fed #27-B
AR 02298
NW/4 - NW/4 Sec 4
T 17N - R 4E
Permit #278

(info on cap of marker pipe; welded) Cap spot

Good inspection = P&A

*Marker OK ✓
Location clean ✓*

*ALL OK
JRS*

WELL NAME HARLESS #27B FED.

Permit No. 278
Confidential: Yes No

Form 9-331
(May 1963)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SURMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Form approved
Budget Bureau No. 42-R1424

5. LEASE DESIGNATION AND SERIAL NO.

ARIZONA 022988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

27-B

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., OR E.L.K. AND SURVEY OR AREA

4-T17N-R4E G&SRM

12. COUNTY OR PARISH

Yavapai

13. STATE

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
Richard F. Harless

3. ADDRESS OF OPERATOR
1000 Financial Center, 3443 No. Central, Phoenix, Arizona

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
580/N & 900/W, sec. 4, T. 17 N., R. 4 E., G&SRM

14. PERMIT NO.
Arizona #278

15. ELEVATIONS (Show whether DF, ST, OR, etc.)
3900 gl

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 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 checked="" 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.)

Plugged and abandoned as follows:

1. Ran tubing to 1751' and pumped 31 sacks of cement.
2. Circulated heavy mud to surface.
3. Erected dry hole marker in cement.
4. Cleaned surface and filled pits.

Plugging witnessed by P. T. McGrath 10-14-68. Final inspection by M. Seelinger 10-22-68.

RECEIVED

NOV 4 1968

U. S. GEOLOGICAL SURVEY
CARMINGTON, N. C.



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

SIGNED Eriel Garrison TITLE _____

DATE 11/1/68

(This space for Federal or State office use)

APPROVED

TITLE _____

DATE _____

OCT 22 1968

P. T. McGRATH
DISTRICT ENGINEER

*See Instructions on Reverse Side

278

December 4th, 1967

Today met Mr. George C. Blount (Engineer from Clarkdale) on the Harless lease. Had been directed by Harless to stake locations in the NW NW Sec. 4-17N-4E (Between the Harless # 27 and the Harless # 27B locations) and in the SE SE Sec 32-18N-4E.

Dropped rock down into the well #27 and #27B. Counted approx. 12 seconds to hear rock hit the water. Thus:

s equals $1/2 AT^2$

Water must then be on the order of 1600ft. in both wells. (Wells apparently clear of junk.)

Driller will be Mr. Galen Anderson

WELL SITE CHECK

By JRS
Date 9-25-67

Contractor _____ Person(s) Contacted FLORES

Spud Date _____

Type Rig _____ Rotary Cable Tool Present Operations _____

Samples _____

Pipe _____ Drilling with Air Mud _____

Water Zones _____ Size Hole _____

Lost Circ. Zones _____ Size Drill Pipe _____

Formation Tops _____ Type Bit _____

Cores, Logs, DST _____ No. Bit _____ Drilling Rate _____

Formation _____

Crews _____ Lithology _____

REMARKS, PHOTO, MAP

*Visited location - Took pictures.
pit and location need filling
Location should be cleaned up.
(Junk, tanks, dog house on location)*

WELL NAME

Zarless 27-B 278

Permit No. 278

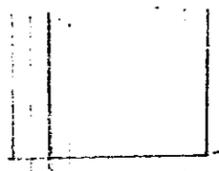
Confidential: yes No

Flaring # 27-B

278

278

5' 0"



10" To??



TD
1650

Recommended
(fill with mud)
surface
plug

Per 1713-
1868

PB To 1779???

7" -1794

5" To
-1912

TD
1958

15



Harless # 27-B

Date: 6-21-65

16
Saw 03310
at nig

Monday Jan 11th

Acidized with 1000 gal
Dowell 15% acid (with
inhibitor). Set over
night. Pump off shoes
morning; Got $\frac{1}{2}$ acid back.

Pump back remainder acid
Fri. a.m. ; Treated with
50 gal tarsol; set 5 hrs;
started circ.; Recovering at
present 8-10 BWPD.

38
 SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Richard F. Harless
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Harless #27B Federal
 Location NW/4NW/4
 Sec. 4 Twp. 17N Rge. 4E County Yavapai Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease Federal Lease
 5. Field or Pool Name Wildcat

6. 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"/>
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)	<input type="checkbox"/>		
		WATER SHUT-OFF	<input type="checkbox"/>
		FRACTURE TREATMENT	<input type="checkbox"/>
		SHOOTING OR ACIDIZING	<input type="checkbox"/>
		(OTHER) <u>Progress to date</u>	<input checked="" type="checkbox"/>
		MONTHLY PROGRESS	<input type="checkbox"/>
		REPAIRING WELL	<input type="checkbox"/>
		ALTERING CASING	<input type="checkbox"/>
		ABANDONMENT	<input type="checkbox"/>

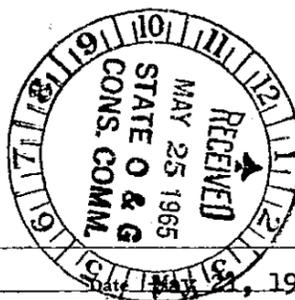
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)

Some reports have heretofore been filed on this well. The well is drilled to a depth of about 1960 feet. There was a cave-in on top of a drill bit. The line was cut and the well bottomed at 1912. A log was taken by Schlumberger. Five and one-half inch line was cemented and perforated. The well was acidized and chemically treated. We had a showing of oil. Because of excess water, we were not able to measure it or place it on commercial production. A plug was placed in the well at about 1779. The well was reacidized and is now awaiting further chemical treatment. Additional reports on the well will be filed from month to month.

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

Signed Richard F. Harless Title Operator Date May 25, 1965



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

Permit No. 278

CONFIDENTIAL

22
 SUNDY NOTICES AND REPORTS ON WELLS

1. Name of Operator Richard F. Harless
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Harless #27B Federal
 Location NW/4NW/4
 Sec. 4 Twp. 17N Rge. 4E County Yavapai Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease Federal Lease
 5. Field or Pool Name Wildcat

6. 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"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
(OTHER)	<input type="checkbox"/>			REPAIRING WELL	<input type="checkbox"/>
				ALTERING CASING	<input type="checkbox"/>
				ABANDONMENT	<input type="checkbox"/>
				(OTHER)	<input checked="" type="checkbox"/>

(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.)

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

Signed _____ Title Operator Date May 21, 1965

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

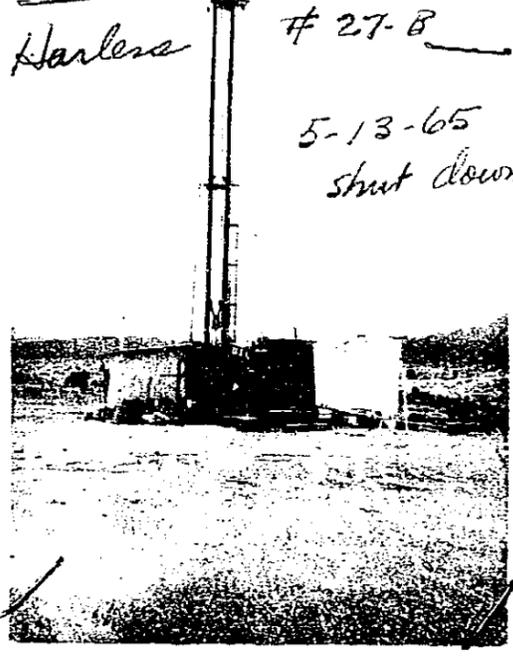
Permit No. 278

CONFIDENTIAL

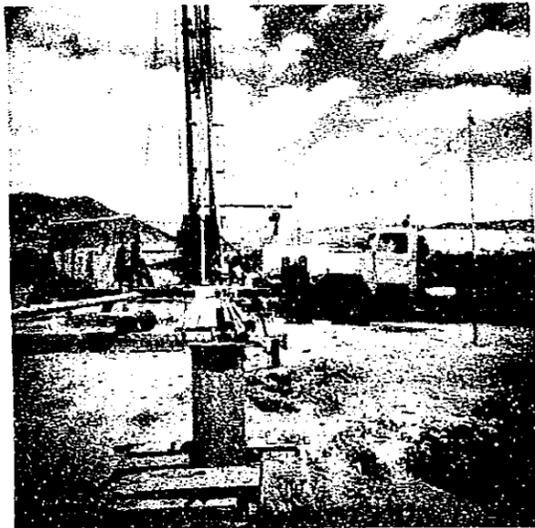
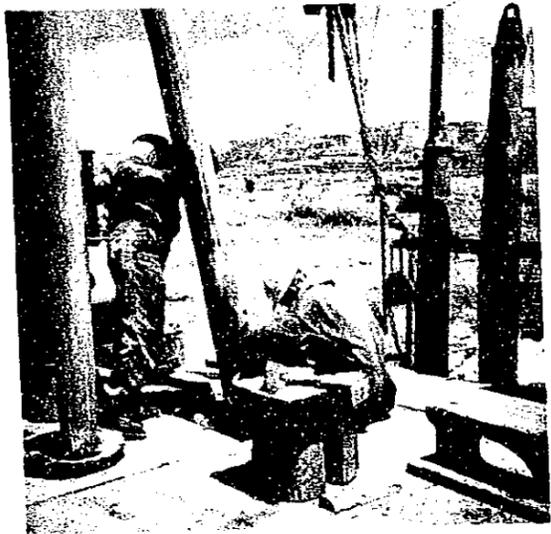
Harless

27-B

5-13-65
shut down



278



5-5-64



HARLESS FEDERAL #27B
T17N, R4E, G & SRM
SEC. 4: NW/4 NW/4
YAVAPAI COUNTY, ARIZONA
PERMIT #278

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN THIS CATEGORY
(Other instructions on reverse side)

Form approved,
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
AR 022988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.
27-B

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 4, T17N, R4E, G&SRB&M

12. COUNTY OR PARISH 13. STATE
Yavapai 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
Richard F. Harless

3. ADDRESS OF OPERATOR
1218 N. Central Ave., Phoenix, Arizona

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface Approx 580' from N line, approx 820' from W line of NW 1/4 Sec. 4, T17N, R4E, G&SRB&M, Yavapai County, Arizona

14. PERMIT NO. 278 15. ELEVATIONS (Show whether DF, RT, GR, etc.)
Derrick Floor 4,412'

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"/>	FULL 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 type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	WATER SHUT-OFF ACIDIZING <input checked="" type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(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.)

Acidized well from 1713' to 1754', with 1,000 gallon, 15% acid, Dowell system. Displaced this acid with 9 barrels water, put acid away 1500 pressure at the rate of 1/4 barrel per minute. Held pressure for 28 minutes. Pressure dropped back from 1500 ~~to~~ to 800. Closed well in and waited until next day to run rods and pump acid off. Pump jack engine broke down. Will continue as soon as repaired.

RECEIVED
MAY 20 1965
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

RECEIVED
MAY 6 1965
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

18. I hereby certify that the foregoing is true and correct
SIGNED Richard F. Harless TITLE Operator DATE Apr. 30, 1965
(This space for Federal or State office use)

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

*See Instructions on Reverse Side

278

Philips - 1982
6000' / 9000'
2 wells - SW of Tucson
1 " - near Marana
1 " - 50 mi W of Phx
1 " - east of Alamo Lake
in Yavapai County
1 " - SW of Kingman
(2)
Kirkland

~~~~~  
\$14 MM - rental fees w/ 2 yrs.  
up fr. less than \$5 MM in  
1981

~~~~~  
AZ prod. - 1981 - 400,000 bbls
Peak yr. - 1968 - 3 MM bbls.

~~~~~  
5 active prod. co's  
~~~~~  
38 prod. wells

Form 2-311
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Form approved
Budget Bureau No. 42-11424

5. LEASE DESIGNATION AND SERIAL NO.

AR 022988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.

27-B

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 4, T17N, R4E, G&SRB&M

12. COUNTY OR PARISH 13. STATE

Yavapai

Ariz.

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Richard F. Harless

3. ADDRESS OF OPERATOR
1218 N. Central Ave., Phoenix, Arizona

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface Approx 580' from N line and approx 820' from W line of NW 1/4, Sec. 4, T17N, R4E, G&SRB&M, Yavapai County, Arizona

14. PERMIT NO.
278

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
Derrick floor 4,412'

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 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) <u>Progress Report</u> <input type="checkbox"/>	

(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.)*

No progress has been made on this well since our report made December 8, 1964.

RECEIVED
JAN 11 1965
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

RECEIVED
JAN 7 1965
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

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

SIGNED Richard F. Harless TITLE Operator

DATE Jan. 5, 1965

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

NOTED - DRYAN

278

Form 9-331
(May 1963)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN THIS DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DENOMINATION AND SERIAL NO.

AR 022988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.

27-B

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 4, T17N, R4E, G&SRB&M

12. COUNTY OR PARISH 13. STATE

Yavapai Arizona

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Richard F. Harless

3. ADDRESS OF OPERATOR
1218 N. Central Ave., Phoenix, Arizona

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface Approx. 580' from N line a approx. 820' from W. line of NW 1/4 Sec. 4, T17N, R4E, G&SRB&M, Yavapai Co., Arizona. 4,412' above sea level.

14. PERMIT NO.
278

15. ELEVATIONS (Show whether DF, ET, GR, etc.)
Derrick Floor 4,412'

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

~~ACIDIZE~~ ACIDIZE

REPAIR WELL

(Other)

PULL 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.)

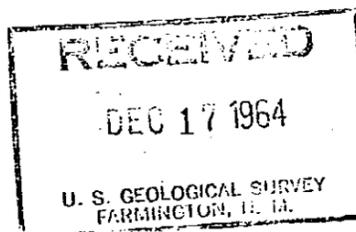
Subsequent Report of work accomplished:

7" casing ran and cemented at 1696', 250 sacks Portland cement, Halliburton system. 5" OD liner ran from 1588' to 1914', 100 sacks Portland cement, Halliburton system. Liner squeezed from top, 25 sacks Portland cement, Halliburton system. Water Shut-off completely. Well logged Schlumberger, electric, sonic and induction. Well then perforated by Schlumberger, 4 shots per foot from 1713' to 1752', 2 shots per foot from 1752' to 1868'. Water coming in at rate 1/2 bbl per hour. Well now ready to be acidized.

Notice of Intention to:

Acidize at the production zone from 1713' to 1868' through perforations in liner, 4 shots per foot. Very probably Dowell Acidizing system.

CONFIDENTIAL INFORMATION



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

SIGNED Richard F. Harless TITLE Operator DATE 12-8-64

(This space for Federal or State office use)

APPROVED BY **APPROVED** CONDITIONS OF APPROVAL, IF ANY.

DEC 1 1964

P. T. McGRATH
DISTRICT ENGINEER

TITLE

RECEIVED

*See Instructions on Reverse Side JAN 11 1965

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

NOTED - BRYAN

278

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Richard F. Harless
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Federal No. 27B
 Location _____
 Sec. 4 Twp. 17 N Rge. 4 E County Yavapai Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease _____
AR-022988 Federal lease
 5. Field or Pool Name Wildcat

6. 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 checked="" type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input checked="" type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
(OTHER)	_____	(OTHER)	_____	REPAIRING WELL	<input type="checkbox"/>
				ALTERING CASING	<input type="checkbox"/>
				ABANDONMENT	<input type="checkbox"/>

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

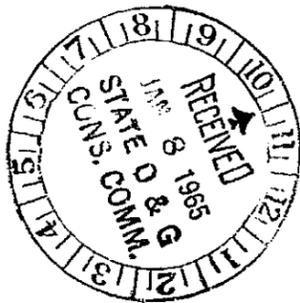
7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to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

Subsequent Report of Water Shut-off:

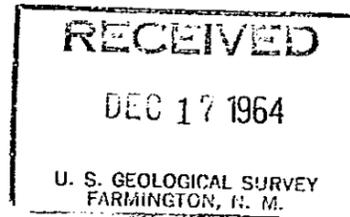
(Last report 10-1-64) Since 10-1-64 Water shut-off completely. Well logged Schlumberger, electric, sonic and induction. Well then perforated by Schlumberger, 4 shots per foot from 1713' to 1752', 2 shots per foot from 1752' to 1868'. Water coming in at rate 1/2 bbl per hour. Well now ready to be acidized.

Notice of Intention to:

Acidize at the production zone from 1713' to 1868' through perforations in liner, 4 shots per foot. Very probably Dowell Acidizing system.



CONFIDENTIAL INFORMATION



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

Signed

Richard F. Harless

Title

Operator

Date

12-8-64

Permit No. 278

Form No. 25

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File Two Copies

P. O. BOX 593

YAPUNCICH, SANDERSON & BROWN LABORATORIES
BILLINGS, MONTANA

13 N. 32ND ST.

LABORATORY REPORT

Lab. No. 6581

To ARIZONA OIL & GAS COMMISSION

Date 11-6-64

Address 8231 EAST PALM LANE, SCOTTSDALE, ARIZONA

IDENTIFICATION OF LIQUID SAMPLE
SAMPLE RECEIVED NOVEMBER 4, 1964

API GRAVITY @ 60°F - - - - - 30.0°

SPECIFIC GRAVITY @ 60°F/60°F - - - - - 0.876

SOLUBILITY:

DISSOLVES IN ACETONE

PARTIALLY DISSOLVES IN GASOLINE

FIA ANALYSIS

AROMATICS - - - - - 91.6%

OLEFINS - - - - - 8.4%

ENGLER DISTILLATION @ 27.04 IN. HG

IBP - - - -	450°F	60% - - - -	546
5% - - - -	470	70% - - - -	562
10% - - - -	484	80% - - - -	584
20% - - - -	496	90% - - - -	619
30% - - - -	508	95% - - - -	638
40% - - - -	520	ENDPOINT -	640
50% - - - -	532		

% RECOVERED - - - 98.0

% RESIDUE - - - - 2.0

REMARKS: THIS MATERIAL IS NOT A CRUDE OIL. IT IS A HYDROCARBON LIQUID SIMILAR TO A NO. 2 DIESEL FUEL BUT IT IS EXCEPTIONALLY HIGH IN AROMATICS. HIGH AROMATIC CONTENT IS TYPICAL OF REFINERY CYCLE OILS AND SPECIAL PARAFFIN SOLVENTS.

CONFIDENTIAL

Release Date _____

298

#169

10.2364

pumping wtr.

Trickle of wtr (approx $\frac{1}{8}$ strength of
faucet flow)

wtr does not taste salt. Has
taste of chemicals (sulfur?)

Re: Permit 278

October 6, 1964

1722-26 >	4	1715-18----	3'
55-58 >	3	1724-28----	4'
60-64 >	4	1755-59----	4
76-68 >	2	74-76----	2
83-87 >	4	1814-17----	3
1797-1802 >	5	16'	aggregate pay???
1807-10 >	3		
25'	aggregate pay????		

Conclusion (@ Mr. Tom Obenchain - chief engineer w/Slunberger in Farmington)

Mr. Obenchain was unable to determine the lithology--whether the formation was granite, limestone, etc. The induction kicks within the interval 1715'-1817' (see above intervals) may indicate porosity and oil saturation; but, in any case, the formation whether saturated with oil, gas, or water is so tight and poorly developed that in all probability it is capable of producing very little fluid. Mr. Obenchain indicated a very negative attitude regarding possibilities here.

278

SUNDRY NOTICES AND REPORTS ON WELLS

CONFIDENTIAL

1. Name of Operator Richard F. Harless
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Richard F. Harless Federal #27B
 Location _____
 Sec. 4 Twp. 17N Rge. 4E County Yavapai Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease _____
AR-022988 Federal lease
 5. Field or Pool Name Wildcat

6. 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"/>	MONTHLY PROGRESS	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	(OTHER) <u>Progress report</u>		ABANDONMENT	<input type="checkbox"/>
(OTHER)							

(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.)

7" casing was set at 1,794' and cemented. Thereafter the well was drilled to 1,958', a 5" liner was run and cemented. Some water still in well, so we are re-cementing to complete water shut off. Then will perforate for testing. Upon the completion of the well, logs and other pertinent data will be supplied, in accordance with the rules and regulations of the oil and gas commission. Electric and gamma ray sonic log was run.

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

Signed Richard F. Harless Title Operator Date October 1, 1964

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

Permit No. 278

CONFIDENTIAL

August 14, 1964

Memo to the Files

From: John K. Petty, Petroleum Geologist

Re: File 278
Harless Federal 27-B

The following is a sample description of some pay zone sample cuttings from this Harless 27-B well, Yavapai County, given to us by Ed Foster, The Nutro Chemical distributor at Farmington, New Mexico:

1720-22 interval cuttings were composed of sand. Some is clear, light and dark gray, pink in color (some of the pink is feldspar)--sub angular and sub round in shape, very fine to medium size grains, very loose and unconsolidated. There's no fluorescence to denote live oil--but there is a substance which resembles dark tarry oil which congeals some of the fine silty sand particles. It does not resemble live oil, is not gilsonite and is waxy and sticky. I can't determine if it was drilled up with the cuttings or not. Since it has no odor of crude I think it is a tarry substance derived from decomposed organic material and cannot be classed as having petroleum content without chemical examination for hydrocarbon content.

1738-41: Sand, same color as above only more silty, very fine, fluffy, unconsolidated. The fine particles, bentonitic in appearance, are very calcareous. This material is not the formation but was used in some of the drilling thus contaminating the samples. There is no fluorescence in this sample.

1750-52: Sand, clear, light gray, light pink, pink (some of this pink is feldspar from possibly granite wash--bed could have been only an inch thick), some medium gray particles. Trace of white line resembling bentonite. About half this sand is fine and half is medium in size, with poorly assorted grains.

A PAY ZONE SAMPLE (no depth).

Same sand as in the 1738-41 interval, only there is the tarry substance--black, waxy, sticky, but has no fluorescence nor crude oil or odor. It is not dead oil. The same as I said in the first sample 1720-22 can be applied to this. This substance congeals some of the otherwise unconsolidated sand; very fine and silty material plentiful.

Summary

Since these samples are said to have all undergone acid treatment, all the limestone has been dissolved and is absent, leaving only siliceous material and calcareous contamination.

30
Re: File 278
Harless Federal 27-B

Page 2

August 14, 1964

Summary (continued)

I believe this material is of Pennsylvanian age with some small stringers of granite wash included. These stringers of granite wash can appear in any formation from Peruvian through Cambrian, which are the ages of present formations.

278

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN THIS MANNER
(Other instructions on reverse side)

Form approved
Budget Bureau No. 42-11424

5. LEASE DENOMINATION AND SERIAL NO.

ARO22988

6. IF INDIAN, ALLEGED OR TRIBE NAME

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

Richard F. Harless

3. ADDRESS OF OPERATOR

1218 N. Central Ave., Phoenix, Arizona

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

Approximately 580' from north line, and approximately 820' from west line of NW 1/4 Sec. 4, Twp. 17N, R4E, Yavapai County, Arizona, El. 4412'.

14. PERMIT NO.

278

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

Derrick floor 4412'

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.

27B

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 4, Twp. 17N, R4E

12. COUNTY OR PARISH

Yavapai

13. STATE

Ariz.

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)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

(Other)

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.)*

7" casing set 1694'; cemented 250 sacks cement to shut off water prior to drilling pay formation. Drilled same and plan perforation open hole.

RECEIVED
JUL 30 1964
U. S. GEOLOGICAL SURVEY
ALBUQUERQUE, NEW MEXICO

RECEIVED
JUL 27 1964
U. S. GEOLOGICAL SURVEY
WASHINGTON, D. C.

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

SIGNED Richard F. Harless

TITLE Operator

DATE 7/17/64

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

278

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
AR 022988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.
27-B

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 4, T17N, R4E, G&SRB&M

12. COUNTY OR PARISH 13. STATE
Yavapai 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
Richard F. Harless

3. ADDRESS OF OPERATOR
1218 N. Central Ave., Phoenix, Arizona

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
Approx. 580' from N line and approx. 820' from W line of NW 1/4 Sec. 4, T17N, R4E, G&SRB&M, Yavapai County, Arizona. 4,412' above sea level.

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)
278 Derrick Floor 4,412'

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 checked="" type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input 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"/>	
(Other) <input type="checkbox"/>		(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.)

We are setting 7" casing at 1,694' and will cement it in with 250 sacks of cement. The casing is being set in order to shut off the water ~~in~~ at the top of the pay.

RECEIVED
JUL 27 1964
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

RECEIVED
JUL 22 1964
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

18. I hereby certify that the foregoing is true and correct
SIGNED Richard F. Harless TITLE Operator DATE 7-14-64

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

278

*See Instructions on Reverse Side

MEMO FOR THE FILE

June 29, 1964

RE: Richard F. Harless - Harless Federal #27-B
File No. 278

From: John Bannister, Executive Secretary

Mr. John Petty reported at approximately 1:45 p.m. on June 29, 1964, that the captioned well was visited. At this time tubing had been pulled and the rods removed from the hole. The hole had nutro chemicals in it. Nutro chemicals were placed in the hole with a bailer and runs were made with the bailer to agitate the chemical.

Mr. Petty examined the drillers log and reported no shows of oil or gas shown on the log; however log revealed that the hole was in green shale at 1696 feet where it then went into a sand and limestone to 1754, the current total depth. The operator of the well felt that they were in Pennsylvanian formation, but Mr. Petty reported the lack of the usual Pennsylvanian bugs present. He said that there was no oil in the tank and there were no signs of formation oil. Consequently it is the report of this Commission that as of this date there has been no production from this well but that the operator is attempting to complete the well as a producer.

John Bannister

JB:mkc

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN THIS MANNER*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

AR 022988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.

27-B

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR B.E. AND SURVEY OR AREA

Sec. 4, T17N, R4E, G&SRB&M

12. COUNTY OR PARISH 18. STATE

Yavapai

Ariz.

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

RICHARD F. HARLESS

3. ADDRESS OF OPERATOR

1218 N. Central Ave., Phoenix, Arizona

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

AT surface 4412' above sea level
Approx. 580' from N line and approx. 820' from Wline
of NW 1/4 Sec. 4, T17N, R4E, G&SRB&M, Yavapai County
Arizona

14. PERMIT NO.

278

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

Derrick Floor 4,412'

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) Intention to run casing

PULL 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.)

It is the intention to run 7" OD 23# casing to a depth of 1,694'. We will set the casing with 150 sacks of cement. There will be a Texas Shoe placed at the bottom of the hole. The purpose of running the casing is to shut off water.

CONFIDENTIAL

RECEIVED

JUN 23 1964

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

RECEIVED

JUN 22 1964

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

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

SIGNED

Richard F. Harless

TITLE Operator

DATE June 18, 1964

(This space for Federal or State office use)

APPROVED

JUN 22 1964

P. T. McGRATH
DISTRICT ENGINEER

TITLE

DATE

*See Instructions on Reverse Side

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

APPLICATION TO DRILL DEEPEN PLUG BACK

NAME OF COMPANY OR OPERATOR

DATE May 1, 1964

Richard F. Harless 1218 N. Central Ave., Phoenix, Arizona

Address City State

1218 N. Central Ave., Phoenix, Arizona

DESCRIPTION OF WELL AND LEASE

Name of lease Harless Federal AR-022988 Well number # 27-B Elevation (ground) 3,900

Well location (give footage from section lines) Section--township--range or block & survey
580' from N line and 900' from W line of Sec. 4, T17N, R4E, Yavapai County

Field & reservoir (if wildcat, so state) Wildcat County Yavapai County

Distance, in miles, and direction from nearest town or post office
Approximately 12 miles West of Sedona, Arizona

Nearest distance from proposed location to property or lease line: 580 feet
Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: 80 feet

Proposed depth: 3,000 ft Rotary or cable tools Cable Approx. date work will start Immediately

Number of acres in lease: 960 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

Status of bond
Applied for

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)

* Fill in Proposed Casing Program on other side

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the individual of the

(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.

The NW 1/4 of NW 1/4 of Sec 4 T17R4E. B, SRB+M is dedicated to other well 27B

May 1, 1964

Richard F. Harless
Signature

Permit Number: 278
Approval Date: May 6, 1964
Approved By: John Benninger

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus 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

Effective Feb. 28, 1962.

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
12" 10"			0' 100"	100' bottom		with proper cementation

Form No. P-1



Forms are being returned
for signature.

According to location plat the
27-B well is approximately 630'
from the north and 850' from the
west.

P. J. M.

R. 6 E.

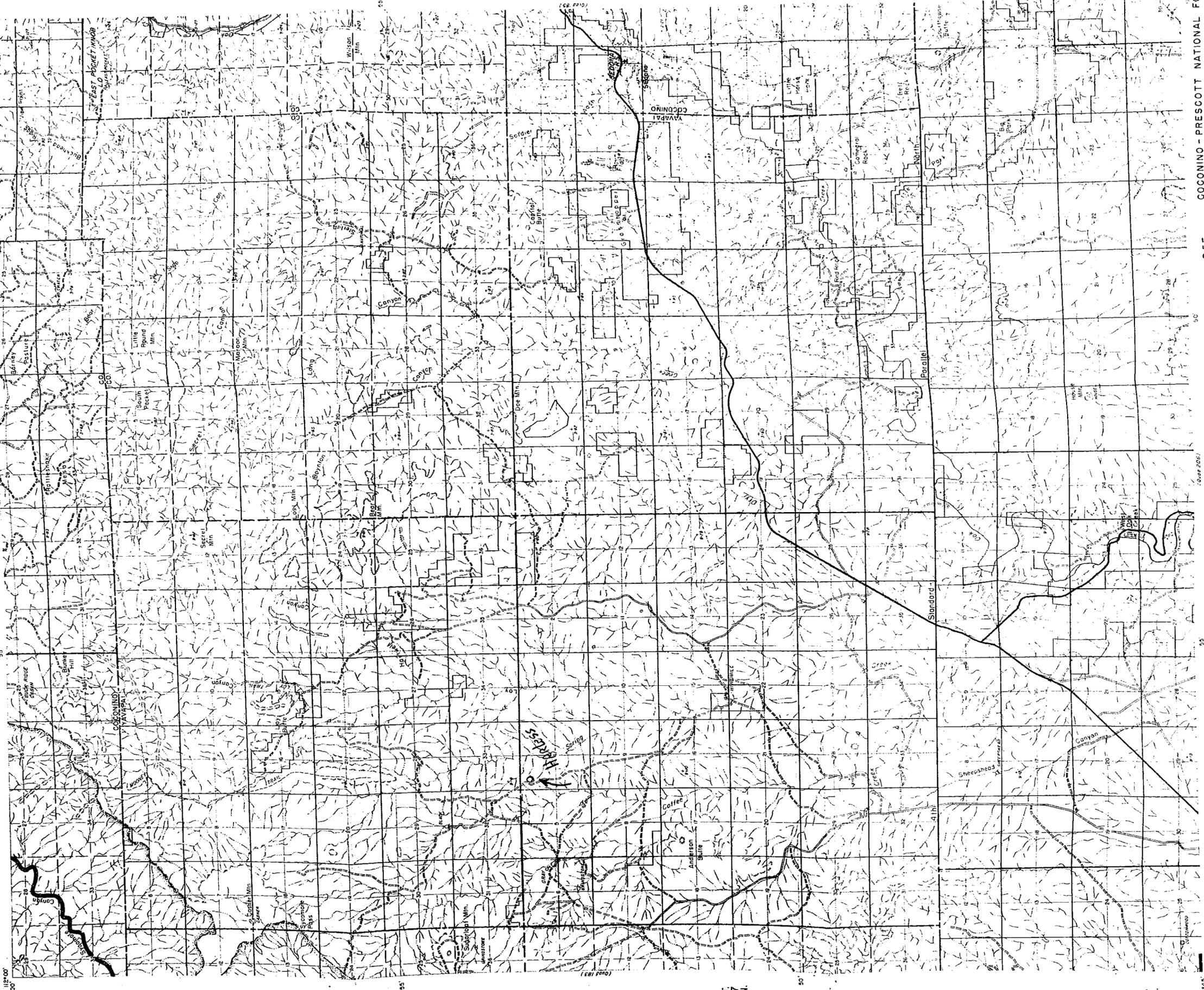
R. 5 E.

R. 4 E.

T. 18 N.

T. 17 N.

T. 16 N.



COCONINO - PRESCOTT NATIONAL FOREST
AERIAL PLANIMETRIC QUADRANGLE

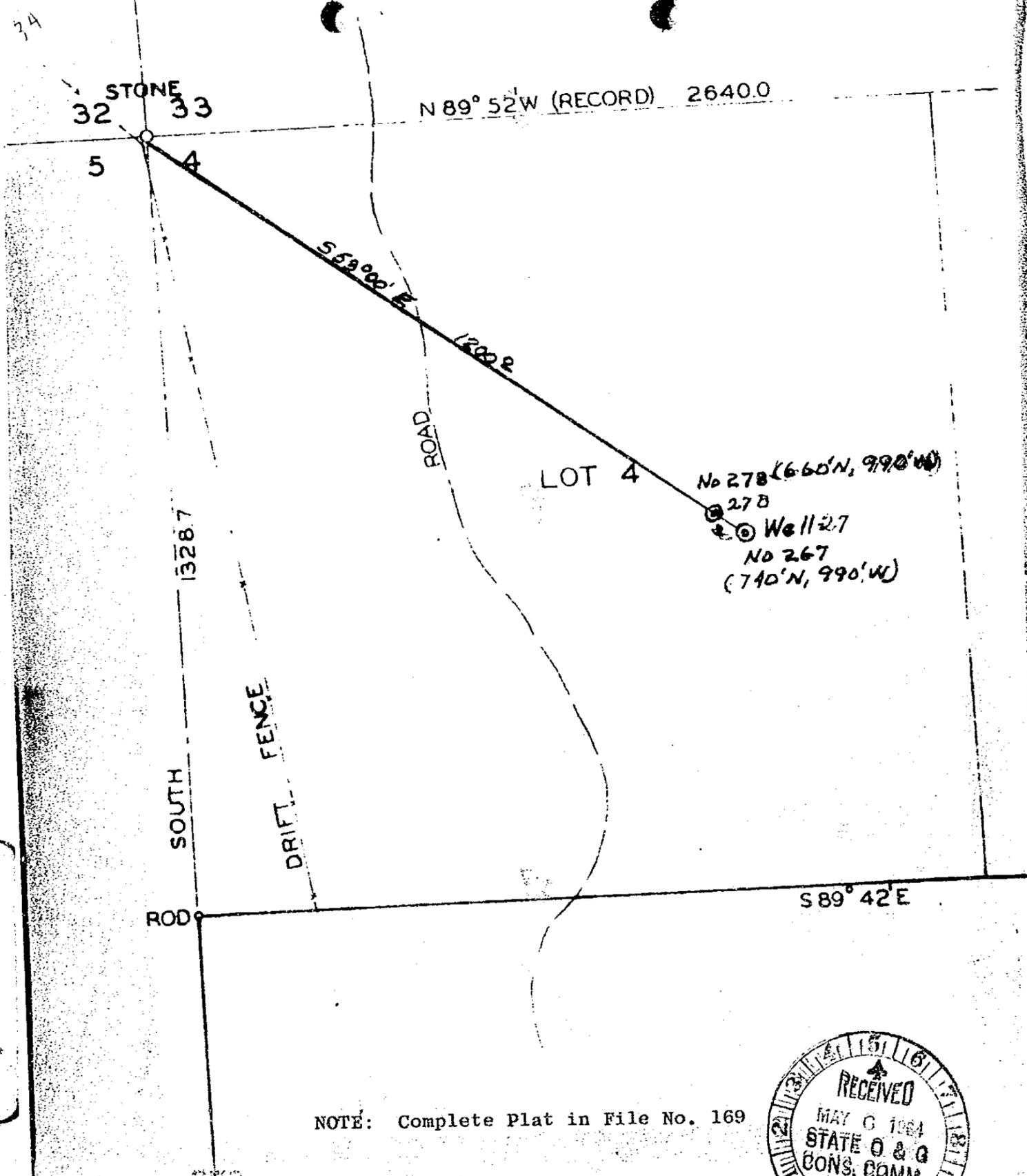
R. 5 E.

R. 4 E.

1952
Scale
6-16-52 B

Map compiled by A.C. Hays from contour & oblique
photographs by A.F. Hays, O.N. Kneiff, Regional
Office, Albuquerque, New Mexico

DATE: 7-1-52
BY: [illegible]



NOTE: Complete Plat in File No. 169



BOND

KNOW ALL MEN BY THESE PRESENTS

BOND SERIAL NO. 2757-17-1 1-64

That we: Richard F. Harless

of the County of: Maricopa in the State of: Arizona

as principal, and United States Fidelity & Guaranty Company

of Baltimore, Maryland
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:

Section 4, T17N, R4E, Q2R8M, Yavapai County, Arizona
(May be used as blanket bond or for single well)

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 TWO THOUSAND FIVE HUNDRED (\$2,500.00) DOLLARS

Witness our hands and seals, this 1st day of May, 1964

Richard F. Harless
Principal

Witness our hands and seals, this 1st day of May, 1964

UNITED STATES FIDELITY & GUARANTY COMPANY
By: [Signature]
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 _____ STATE OF ARIZONA

6/20/64
14825
cc file
5/5/64

RECORDED
11-19-64

UNITED STATES FIDELITY AND GUARANTY COMPANY
 BALTIMORE, MARYLAND
 (A Stock Insurance Company)

NOTICE OF NEW BOND CHARGE

Permit No. 278

BOND NUMBER	22757-13-703-64	Agent Code - Line Code - Contract No. - Year	BOND FORM CHARACTER	Stat.
TO: Agent (Name and Address)	KEN CLARKE & ASSOCIATES 207 Luhrs Central Bldg. Phoenix, Arizona		INSURED (as Principal or Agent or Principal and Agent)	HANLESS, Richard F. 1218 N. Central Ave. Phoenix, Arizona
FROM (Branch Office)	Phoenix		EXPIRES	
PREMIUM PERIOD	5-1-64 5-1-65		State of Arizona	
CONTRACT		AMOUNT	PREMIUM	CM
Performance Bond		13 2,500.	25.00	02 82 429 32
Labor and Materials				
Contract Price				
Maintenance Amt.				
Terms Year				
RENEWAL PROCEDURE	<i>11. 11/19/68</i>		Nature of Bond	Section of Title
County & State			Oil Lease Bond - Section	4, T17N, R4E, G&SR&M,
			Yavapai, County, Arizona	
			Date	5-15-64 W&RP:KW

*Contract Bonds 3-D or Blanket Crime Policies - Details shown for accounting and statistical purposes. Premiums appear in spaces to right of amount.
 **Indicate 3-D or BC (Blanket Crime)
 Remarks:

CANCELLED
 DATE 11-19-68

#278

November 19, 1968

Mr. Richard F. Harless
Suite 1900, Financial Center
Central Avenue at Osborn Road
Phoenix, Arizona 85012

Re: Harless #27-B Federal
NW NW 4-T17N-R4E
Yavapai County, Arizona
Permit #278

U. S. Fidelity & Guaranty Company
Bond #22757-13-703-64

Dear Mr. Harless:

The work performed by Mr. Ersel Garrison in plugging this well has met the requirements of this Commission. The captioned bond may now be cancelled.

Sincerely,

John Bannister
Executive Secretary

JB:jf

cc: U. S. Fidelity & Guaranty Company
3605 North 7th Avenue
Phoenix, Arizona

Mr. Ersel Garrison
Cottonwood, Arizona 86326

PHONE 325-9232

641 WEST BROADWAY

FOUR CORNERS SAMPLE CUT ASSOCIATION

P. O. BOX 899
FARMINGTON, NEW MEXICO

November 12, 1968

Mr. Jim Scurlock
Oil & Gas Conservation Commission
State Of Arizona
1624 West Adams, Room 202
Phoenix, Arizona 85007

Dear Jim:

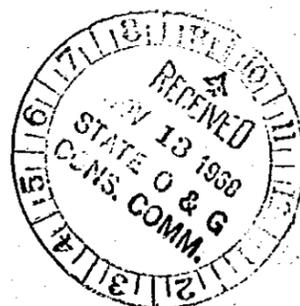
We have a R.F. Harless, #1 Federal - Sec. 4-17N-4S? in Yavapai County. This well was cut the 7-8-64 and three sets made for the state of Arizona. So I rather doubt if this is what you are looking for. The footage is 70-1344 feet.

Mrs. Smith is semi-retired now and only works seven days a month. I have taken her place, however I only work part time. I worked here some years ago so perhaps we know each other.

We will be expecting you by the Sample Cut when you are this way.

Regards,

Jo Ratcliff
Jo Ratcliff
Manager



169
278

November 7, 1968

Mrs. Anna Smith, Manager
Four Corners Sample Cut Association
P. O. Box 899
Farmington, New Mexico

Hello Anna Belle:

Would you please be so kind as to check and see if you have samples on the Harless 27-B Federal, Yavapai County.

Hope you are well. Please don't fall off the ladder this fall while you are gathering apples. Hope to come by to visit with you soon.

Kindest regards,

Jim Scurlock
Geologist

JS:jf

Tucson 624 2389
Some Log - Schindler
3/18/64

John W. ...
Also IES Hall Cir. 6481
Singer Cot
Mr. ...
2nd Fl. Lulu ...
Norton & ...

Small



17th
 18th
 19th
 20th
 21st
 22nd
 23rd
 24th
 25th
 26th
 27th
 28th
 29th
 30th
 31st

Davis
 Schmittman
 (1911)



TELEPHONE
264-1831

RICHARD F. HARLESS
ATTORNEY AT LAW
SUITE 1000, FINANCIAL CENTER
CENTRAL AVENUE AT OSBORN ROAD
PHOENIX, ARIZONA 85012
November 6, 1968

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

Re: Yavapai Alsbury #18
Harless Fed. #1
Harless Fed. #27
Harless Fed. #36-C
Harless Fed. #27-B

Dear Mr. Bannister:

Enclosed herewith are completion reports on the above named oil and gas wells. I have made diligent search for the driller's logs on all these wells and have been informed that Mr. Newton left the logs in a house at Sedona, which was later repossessed and the furnishings were stored. We have not been able to locate any of the driller's logs and they are presumed to be lost. Mr. Newton's health has deteriorated considerably and that his memory is impaired and, in fact, he does not know where logs are now located.

I am enclosing herewith the log made by Schlumberger on 27-B. This is the only logging information I have in my possession. I have made diligent search for all other logging information and have not been able to locate it.

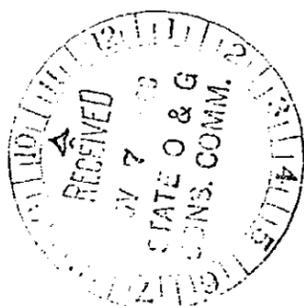
I trust you will close these files and give me a complete release for all the leases above named.

Sincerely yours,

Richard F. Harless
RICHARD F. HARLESS

RFH/dw

Encl.



Memo: File
From: J. Scurlock

11-6-68

Yavapai Alsbury #18
Permit #257

Harless Federal #1
Permit #169

Harless Federal #27
Permit #267

Harless Federal #36-C
Permit #285

Harless Federal #27-B
Permit #278

Talked with Mrs. Thames, Harless's secretary, (a good country girl from Arkansas). She has been in Dick's office for two months. Says she will get completion forms, plugging reports, and so forth out as fast as she can.

Gordon Fleetwood came by today and said that he would proceed to Harless's office this afternoon to expedite the above mentioned reports. Gordon apparently clearing the way so that his group can drill another well in this (Sedona) area.

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

October 24, 1968

Mr. Ersel Garrison
Box 97
Cottonwood, Arizona 86326

Dear Mr. Garrison:

The following information should appear on the marker pipes of the wells which you have plugged:

Yavapai Alsbury #18
NE/4-SW/4 Sec. 32-T18N-R4E
Permit #257

Harless Fed. #1
SW/4-NW/4 Sec. 4-T17N-R4E
Permit #169

Harless Fed. #27
NW/4-NW/4 Sec. 4-T17N-R4E
Permit #267

Harless Fed. #36-C
NE/4-NE/4 Sec. 3-T17N-R4E
Permit #285

Harless Fed. #27-B
NW/4-NW/4 Sec. 4-T17N-R4E
Permit #278

We were well satisfied with your plugging operations on these wells and with the way that the locations were cleaned up.

Yours truly,

jf James Scurlock, Geologist

cc: United States Fidelity & Guaranty Company (Mr. Curtis Jennings)
Hartford Accident & Indemnity Company (Mr. William Haug)

278

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

October 24, 1968

Mr. William F. Haug
Jennings, Strouss, Salmon, & Trask
111 West Monroe
Phoenix, Arizona

Re: Harless Fed. #1
SW/4-NW/4 Sec. 4-T17N-R4E
Yavapai County, Arizona
Permit #169

Harless Fed. #27
NW/4-NW/4 Sec. 4-T17N-R4E
Yavapai County, Arizona
Permit #267

Dear Mr. Haug:

Enclosed is a carbon copy of a letter to Mr. Ersel Garrison informing him as to the manner in which he should mark the Harless wells which he already has plugged. I will be making a final inspection of these wells in a few days; but meanwhile we need Completion Reports and copies of all electric logs, sample logs, and driller's logs available on each of the Harless wells.

These wells have now been plugged, and it is now but a matter of marking them properly and finishing the cleanup operation.

Yours truly,

James Scurlock
Geologist

JS:jf
Enc.

278

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

October 24, 1968

Mr. Curtis Jennings
Moore, Romley, Kaplan, Robbins, & Green Lawyers
1600 Arizona Title Building
111 West Monroe
Phoenix, Arizona

Re: Yavapai Alsbury #18 Harless Fed. #36-C
NE/4-SW/4 Sec. 32-T18N-R4E NE/4-NE/4 Sec. 3-T17N-R4E
Yavapai County, Arizona Yavapai County, Arizona
Permit #257 Permit #285

Harless Fed. #27-B
NW/4-NW/4 Sec. 4-T17N-R4E
Yavapai County, Arizona
Permit #278

Dear Mr. Jennings:

Enclosed is a carbon copy of a letter to Mr. Ersel Garrison informing him as to the manner in which he should mark the Harless wells which he already has plugged. I will be making a final inspection of these wells in a few days; but meanwhile we need Completion Reports and copies of all electric logs, sample logs, and driller's logs available on each of the Harless wells.

These wells have now been plugged, and it is now but a matter of marking them properly and finishing the cleanup operation.

Yours truly,

James Scurlock
Geologist

JS:jf
Enc.

CHARLES L. STROUSS (1891-1958)

IRVING A. JENNINGS
OZELL M. TRASK
CLARENCE J. DUNCAN
FRANK B. CAMPBELL, JR.
CHARLES L. STROUSS, JR.
EARL F. GLENN, JR.
CHARLES R. ESDEB
JOHN S. HOBBS
A. J. PFISTER
ROBERT E. HURLEY
WILLIAM R. JONES, JR.
TIMOTHY W. BARTON
GARY G. KILTNER
REX E. LEE
RICHARD L. LASSEN
T. PATRICK FLOOD
THOMAS C. KLEINSCHMIDT
I. DOUGLAS DUNIPACE
HAMILTON E. M'RAE III

RINEY B. SALMON
J. A. RIGGINS, JR.
REX H. MOORE
NICHOLAS UDALL
WILLIAM T. BIRMINGHAM
WILLIAM F. HAUG
CHARLES R. HOOVER
JOHN R. CHRISTIAN
THOMAS J. TRIMBLE
ROBERT L. JOHNSON
RINEY B. SALMON II
DAVID H. EATON
CHARLES E. JONES
LEE E. ESCH
JAY C. STUCKEY, JR.
W. MICHAEL FLOOD
JON L. KYL
RONALD H. MOORE
GARY L. STUART

LAW OFFICES
JENNINGS, STROUSS, SALMON & TRASK
111 WEST MONROE
PHOENIX, ARIZONA 85003
TELEPHONE (602) 258-7011

WASHINGTON, D. C. OFFICE
THE MILLS BUILDING
1700 PENNSYLVANIA AVE. N.W.
WASHINGTON, D. C. 20004
TELEPHONE 202-295-4325

WALLACE L. DUNCAN
STEPHEN A. WEST

October 4, 1968

Mr. James A. Lambert
Administrative Assistant
Oil and Gas Conservation Commission
1624 W. Adams Street
Phoenix, Arizona 85007

Re: Harless Wells - Federal #1, #36 C,
#27 B and Yavapai Oil Company Permit #257

Dear Mr. Lambert:

Thank you for your letter of October 2,
1968 with reference to the above matter.

As you were advised by Mr. Curtis A.
Jennings, the principals, Mr. Harless and Mr. Garrison, have
moved equipment to the well sites and are ready to commence
immediate plugging of the wells. We have been further
advised by Mr. Harless that the Federal Government has been
notified of this and that you, too, will be notified immediately
so that you may have representatives at the well sites during
the plugging procedure which we understand is to commence
immediately.

169
285
278
257
Consent

Very truly yours,
JENNINGS, STROUSS, SALMON & TRASK

William F. Haug
By William F. Haug

WFH:mm

cc: Curtis A. Jennings



278

September 26, 1968

Mr. K. Norton
Cottonwood
Arizona 86326

Re: Harless #1 Federal
T17N, R4E, G & SRM
Sec. 4: NW/4 NW/4
Yavapai County, Arizona
Permit #169

Harless #27-B
T17N, R4E, G & SRM
Sec. 4: NW/4 NW/4
Yavapai County, Arizona
Permit #272

Harless-#36-C
T17N, R4E, G & SRM
Sec. 3: NE/4 NE/4
Yavapai County, Arizona
Permit #285

Dear Mr. Norton:

A copy of your letter of September 25, 1968, concerning the captioned wells has been received. Please be advised that this Commission should be notified at least 24 hours prior to commencement of plugging operations in order that a representative of this office may be present. You may notify this office by letter or by telephoning 271-5161.

Sincerely,

John Bannister
Executive Secretary

JB:jf
cc: Phil McGrath
cc: John Anderson

August 21, 1968

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard F. Harless
1000 Financial Center
3443 North Central Avenue
Phoenix, Arizona 85012

Dear Mr. Harless:

On July 19, 1967, the Oil and Gas Conservation Commission entered its final order directing you, the operator of record, to plug the following oil wells:

Harless - Federal #1
NW/4, NW/4, Sec. 4, T17N, R4E

Harless - Federal #27B
NW/4, NW/4, Sec. 4, T17N, R4E

Harless - Federal #36C
NE/4, NE/4, Sec. 3, T17N, R4E

Yavapai Oil Co. - Alsbury #18
NE/4, SW/4, Sec. 32, T18N, R4E

This order was entered after a finding of fact that these wells were in violation of Commission Rule 202 B, which provides:

"When drilling operations have been suspended for 60 days, the well shall be plugged and abandoned unless written permission for temporary abandonment shall be obtained from the commission."

Mr. Richard F. Harless
August 21, 1968
Page Two

As you are aware, the order of July 19, 1967, was preceded by other hearings before the Commission which resulted in the granting to you of numerous extensions of time within which to begin drilling operations again or else make appropriate arrangements to plug the wells. Since you accepted neither alternative, the Commission was forced to enter its final order.

The order of July 19, 1967, was appealed to the Superior Court of Maricopa County. The appeal was found to be without merit and on May 15, 1968, formal written judgment was entered denying all relief and dissolving the temporary restraining order which had suspended the Commission order pending appeal.

On July 15, 1968, more than 30 days ago, the time period allowed for further appeal expired. Therefore, this matter has reached a final determination.

Following the entry of Judgment by the Superior Court, demands were again made upon you to comply with the Commission order. No significant response followed and, therefore, on June 18, 1968, formal notice and demand was sent to the United States Fidelity and Guaranty Company and Hartford Accident and Indemnity Company, as sureties on your bonds which were given to insure compliance with lawful Commission orders pertaining to the plugging and abandonment of wells.

The bonds involved are as follows:

United States Fidelity and Guaranty Company

#22757-13-703-64

(May 1, 1964 - \$2,500)

#22755-13-963-64

(January 25, 1964 - \$2,500)

#22757-13-1651-63

(November 19, 1963 - \$2,500)

Hartford Accident & Indemnity Company

#3186294

(November 27, 1961 - \$2,500)

Mr. Richard F. Harless
August 21, 1968
Page Three

To date, the Commission order remains unsatisfied and the Commission has no reasonable expectation that you will obey it.

Therefore, this letter is written to make final demand upon you, as the operator of those wells listed in this letter, and upon your surety companies to commence actual plugging operations as prescribed by the Commission order not later than October 1, 1968.

Your failure to do so will result in immediate action to declare and enforce a forfeiture of the bonds put up to secure your performance. The Commission will see to the plugging of the wells and will hold you and your sureties responsible for all costs incurred therewith.

You have been extended every courtesy in this matter. Additional delay cannot and need not be tolerated. Of necessity, we are sending copies of this final notice to your bonding companies with the intent that it serve as notice to all involved that plugging operations must be commenced within the stated time or a forfeiture will be sought.

Sincerely,

GARY K. NELSON
The Attorney General

JOSEPH E. CLIFFORD III
Assistant Attorney General

JEC:ell

cc: United States Fidelity and Guaranty Company
Hartford Accident and Indemnity Company

278



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

August 27, 1968

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Richard F. Harless
1000 Financial Center
3443 North Central
Phoenix, Arizona 85012

Dear Mr. Harless:

By letters of August 29, 1967; December 28, 1967; and June 27, 1968, we called upon you to plug and abandon wells Nos. 1, 27, and 27-B in sec. 4, T. 17 N., R. 4 E., Yavapai County, Arizona, on land included in expired oil and gas lease Arizona 022983, which were drilled by you or in your behalf under a designation of operator from Ersel Garrison, lessee. To date you have not commenced the abandonment work.

You and Ersel Garrison, lessee and principal on the lessee's bond in the amount of \$5,000 with Hartford Accident & Indemnity Company, surety, are in default under the terms of the lease. If plugging operations on one or more of the wells have not been started before October 1, 1968, we shall take the necessary steps to do the abandonment work at Government expense. We will then call upon you and the surety on the lease bond for reimbursement for the actual cost of the work plus an additional 25 percent to compensate the Government for administrative costs in accordance with Title 30 CFR 221.54(a).

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Mr. Ersel Garrison
Cottonwood, Arizona 86326
Hartford Accident & Indemnity Company
c/o Mr. William F. Haug
111 West Monroe
Phoenix, Arizona 85003
Mr. John Bannister ✓
Arizona Oil & Gas Cons. Comm.
1624 West Adams
Phoenix, Arizona 85007
BLM, Phoenix, Arizona
Mr. McGrath, Farmington, N. Mex.





UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Hartford Accident & Indemnity Company
Hartford Plaza
Hartford, Connecticut 06100

Gentlemen:

You are the surety on a \$5,000 oil and gas lessee's bond for expired lease Arizona 022988 covering certain lands in secs. 4 and 5, T. 17 N., R. 4 E., G.&S.R.M., Yavapai County, Arizona, Ersel Garrison, lessee. The bond is dated March 22, 1962.

Under a designation of operator from Garrison, Richard F. Harless, 1000 Financial Center, 3443 North Central, Phoenix, Arizona 85012, drilled or caused to be drilled well No. 1 (renumbered No. 9) to a depth of 1,760 feet; well No. 27 to a depth of 1,320 feet; and well No. 27-B to a depth of 1,958 feet on lands in sec. 4 covered by the lease.

On August 29, 1967, this office called on Harless to plug and abandon the wells. Copies of the demand were sent to Ersel Garrison, Cottonwood, Arizona, and to you. Harless took no action to abandon the wells, and on December 23, 1967, we again made demand on Harless and Garrison. No abandonment work was started. On June 20, 1968, representatives of this office, our Farmington District Office, and the Oil and Gas Conservation Commission of the State of Arizona met with Mr. Harless in Phoenix, at which time we told Harless that unless well plugging operations were started by July 20, we would call upon the surety under the lease bond to perform the plugging work. Plugging operations have not been commenced.

Ersel Garrison, principal on the lease bond, and his designated operator, Richard F. Harless, are in default under the terms of the lease and the Oil and Gas Operating Regulations Title 30 C.F.R. Part 221 applicable thereto, and have continued such default after written notice given at several intervals over the past year. In the circumstances, we are calling upon you as surety on the lease bond which covers the drilling and proper plugging and abandonment of the three wells to take the necessary action to secure their abandonment.



169
27B
267

278

There is attached a list of minimum requirements for the plugging and abandonment of the wells. District Engineer P. T. McGrath of our Farmington Office, P. O. Box 959, Farmington, New Mexico, will be in direct charge of the plugging operations. You must communicate with him and receive his approval before starting the operations.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Mr. Richard F. Harless
1000 Financial Center
3443 North Central
Phoenix, Arizona 85012

Mr. Ersel Garrison
Cottonwood, Arizona 86326

Mr. John Bannister ✓
Arizona Oil & Gas Cons. Comm.
1624 West Adams
Phoenix, Arizona 85007

Mr. McGrath, Farmington, New Mexico

Bureau of Land Management
3022 Federal Building
Phoenix, Arizona 85025

Minimum requirements for plugging and abandoning the wells are as follows:

Well No. 1 (9) - sec. 4, T. 17 N., R. 4 E., G.&S.R.M.

Run tubing with cement retainer to 1,550 feet. Squeeze 50 sacks cement. Shoot or cut 7-inch casing at 1,200 feet, plus or minus, and pull. Fill hole to surface with mud-laden fluid. Cap stub of 7-inch casing with 10 sacks cement. Place 15-foot cement plug at the surface and erect 4-inch marker 4 feet in height. Remove junk and level ground surface disturbed.

Well No. 27 - sec. 4, T. 17 N., R. 4 E., G.&S.R.M.

Run tubing to bottom of hole and pump in 100 sacks of cement. Fill hole to surface with mud-laden fluid. Place 15-foot cement plug at surface and erect marker as in well No. 1. Remove junk and level land surface disturbed.

Well No. 27-B - sec. 4, T. 17 N., R. 4 E., G.&S.R.M.

Run tubing to top of fish and pump in 30 sacks of cement. Fill hole with mud-laden fluid to surface. Shoot or cut 7-inch casing at free point and pull. Place 15-foot cement plug at surface and erect marker. Remove junk and level land surface disturbed.

278

TEC:hc
1/13/68

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

1
2
3 RICHARD F. HARLESS,)
4)
5 Plaintiff,)
6 vs.)
7 THE OIL AND GAS CONSERVATION)
8 COMMISSION OF THE STATE OF)
9 ARIZONA, et al.,)
10 Defendants.)

NO. 204340

JUDGMENT

11 Defendants having filed their motion for summary judgment,
12 and plaintiff having responded thereto, the matter came on for
13 hearing on January 4, 1968, the plaintiff and defendants present
14 by counsel. After hearing oral argument, the court took the
15 matter under advisement, granting the parties additional time
16 within which to file supplementary memoranda of law. These
17 memoranda were filed and reviewed by the court, and there now
18 appearing to be no genuine issue as to any material fact and
19 there being no just reason for delay, defendants are entitled to
20 judgment as a matter of law;

22 NOW THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that all
23 relief sought in the complaint filed in the above numbered action
24 on September 18, 1967, be denied.

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the temporary
27 restraining order issued by the court on October 4, 1967, be
28 dissolved.

29 IT IS FURTHER ORDERED that judgment be entered at this time.
30 DONE in open court this _____ day of April, 1968.

31
32

Judge of the Superior Court

278

1 Lodged with the court this
2 _____ day of April, 1968.

3 /s/ JOSEPH E. CLIFFORD, III
4 Joseph E. Clifford, III

5
6 Copy of the foregoing mailed
7 this 17 day of April, 1968,
8 to:

9 Richard F. Harless
10 Suite 1000
11 3443 North Central Avenue
12 Phoenix, Arizona 85012

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19 /s/ JOSEPH E. CLIFFORD, III

C 204340

4-22-68
Judge
Chabwin,
Div. 8,
V. Ehlquist,
Deputy Clerk.

RICHARD F. HARLESS

FILE R-68
DOCKET _____

Richard F. Harless

vs

THE OIL AND GAS CONSERVATION
COMMISSION OF ARIZONA, ET AL

APR 22 1968

Joseph E. Clifford, I

Formal written Judgment denying all relief and dissolving
the Restraining Order issued on October 4, 1967 is lodged with
the Court this date.

ATTORNEY GENERAL
STATE OF ARIZONA

1
278

DEPARTMENT OF LAW
OFFICE OF THE
Attorney General
STATE CAPITOL
Phoenix, Arizona 85007

DARRELL F. SMITH
THE ATTORNEY GENERAL
WILLIAM E. EUBANK
CHIEF ASSISTANT ATTORNEY GENERAL

June 18, 1968

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

United States Fidelity & Guaranty Co.
3605 North Seventh Avenue
Phoenix, Arizona 85013

Gentlemen:

On May 15, 1968, the Superior Court for Maricopa County, Arizona, entered its judgment denying all relief to Richard F. Harless on his appeal from an order of the Oil and Gas Conservation Commission. This Court dissolved the temporary restraining order which had suspended previous attempts to secure enforcement of that order. A copy of the judgment is enclosed. Also enclosed is a copy of the discussed order of the Oil and Gas Conservation Commission, dated July 19, 1967.

Despite repeated demands from the Commission that Harless respond to this order by plugging certain wells and furnishing appropriate logs and drilling records, to date no compliance has occurred. The Commission has no reasonable expectation of compliance in the future.

Therefore, by this letter demand is made upon United States Fidelity & Guaranty Company upon its Bonds No. 22757-13-703-64 executed May 1, 1964 in the amount of \$2500, No. 22757-13-963-64 executed June 25, 1964 in the amount of \$2500, No. 22757-13-1651-63 executed November 19, 1963 in the amount of \$2500, to comply at once with the order of the Oil & Gas Conservation Commission referred to above, or forfeit the full amount of the bond. Specifically, the surety is requested to plug the following oil wells:

Harless - Federal #27B
NW/4 NW/4, Sec. 4, T17N, R4E

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United States Fidelity & Guaranty Co.
June 18, 1968
Page Two

Harless - Federal #36C
NE/4 NE/4, Sec. 3, T17N, R4E

Yavapai Oil Co. - Alsbury #18
NE/4 SW/4, Sec. 32, T18N, R4E

in the manner specified by the Commission order and to furnish the appropriate drilling records and logs as provided for by A.R.S. § 27-516.

The Commission requires that it be given notice of your intent to plug at least twenty-four hours in advance of performance so that it may arrange for one of its representatives to be in attendance at the site for supervisory purposes.

Additional information concerning access to the well site as well as mandatory and suggested plugging procedures may be obtained by contacting Mr. John Bannister, Oil & Gas Conservation Commission office in Phoenix. You are urged to contact Mr. Bannister.

As the legal representative of the Commission this office should be contacted with regard to any other matters pertaining to the bond or the Commission order.

Very truly yours,

DARRELL F. SMITH
The Attorney General

Joseph E. Clifford, III
JOSEPH E. CLIFFORD, III
Assistant Attorney General

JEC:hc
encl.

278



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

January 15, 1968

Mr. John Bannister
Arizona Oil and Gas
Conservation Commission
1624 West Adams
Phoenix, Arizona 85007

Dear Mr. Bannister:

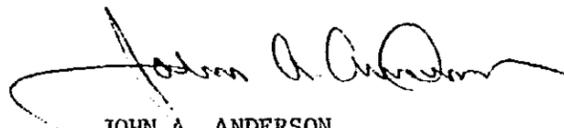
By letters of December 28, 1967, this office called on Richard F. Harless to plug and abandon three wells in sec. 4, T. 17 N., R. 4 E., G.&S.R.M.; one well in sec. 3, T. 17 N., R. 4 E., G.&S.R.M.; and one well in sec. 32, T. 18 N., R. 4 E., G.&S.R.M., all in Yavapai County, Arizona. We advised Mr. Harless that unless the abandonment work were done promptly we would call on the sureties on the lease bonds for the wells in secs. 3 and 4 to do the abandonment work. The well in sec. 32 was drilled without our approval and no lease bond was filed.

As of this date Mr. Harless has not commenced any of the abandonment work. If such work has not been commenced by February 1, 1968, we plan to call on the sureties on the lease bonds to abandon the wells.

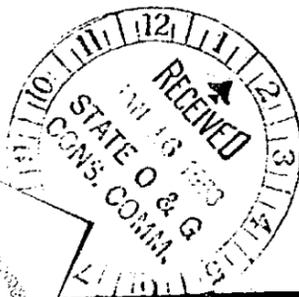
The Bureau of Land Management in Phoenix, Arizona, has informally advised us that Mr. Harless has filed an application for an oil and gas lease on sec. 4, T. 17 N., R. 3 E. The lease will not be issued unless (1) the three wells in sec. 4 are properly plugged and abandoned, or (2) a \$10,000 surety bond with retroactive provisions covering the abandonment of the three wells is furnished by Mr. Harless.

There is some question as to whether the three wells in sec. 4 can be properly plugged and abandoned with the \$5,000 provided by the Federal lessee's bond. Perhaps we can cooperate in getting the work done under the Federal lessee's bond and the \$2,500 drilling bonds required by the Arizona Oil and Gas Conservation Commission. We shall keep you advised of our actions in this matter.

Sincerely yours,



JOHN A. ANDERSON
Regional Oil and Gas Supervisor



4-854
(Dec. 1951)

\$5000 bond

Forest Supervisor

Oil and Gas, n.c.	(Kind of entry and acts) Coconino National Forest Flagstaff, Arizona	(Serial No.) 022988
(Name and address)		
T. L. Sexton P. O. Box 1106 Cottonwood, Arizona	Ersel Garrison Cottonwood, Arizona Box 97	Richard F. Harless -- Agent 1218 N. Central Ave. Phoenix, Arizona
(Description of land)		
T. 17 N., R. 4 E., sec. 4, (all) Lots 1,2,3,4, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$; sec. 5, (E $\frac{1}{2}$) Lots 1,2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$.		
Covers # 1 Fed - 169 # 27 " - 267 # 27 B - 278		
954.67 acres		
5-year extension 11-1-64		
NOV 1 1959		
DATE	ACTION TAKEN	
Aug. 31, 1959	Application filed. Pd \$490 Rec 739217.	
SEP 1 1959	FS report requested	
Oct. 1, 1959	FS report received.	
OCT 7 1959	5-yr. lease issued effective NOV 1 1959	
OCT 12 1959	REFUNDED <u>\$2.50</u>	
MAY 21 1962	Assignment filed, to Ersel Garrison.	
May 29, 1962	Assignment from T. L. Sexton to Ersel Garrison approved effective 6-1-62; \$5000 lease bond filed by Ersel Garrison.	
OCT 20 1962	RENTAL PAID FOR <u>4 1/2 yr</u>	
Sept. 24, 1963	Richard F. Harless designated as agent for Ersel Garrison.	
Oct. 16, 1964	Notation of September 24, 1963 is erroneous. Copy of Designation of Operator received Sept. 24, 1963. (Richard F. Harless designated as operator by Ersel Garrison).	
OCT 22 1964	Application for extension filed.	
Nov. 4, 1964	5-year extension effective Nov. 1, 1964.	
NOV 1 1967	Lease term. Under Provisions of PL 555. Eff. NOV 1 1967	

Form 1274-2
(March 1965)
(formerly 4-954)

SERIAL REGISTER PAGE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Legal Reference	File Code	Serial Number
Oil and Gas, n.c. 2/25/20	12.3	A 1532
Name and Mailing Address		
Richard F. Harless 3443 N. Central Avenue Phoenix, Arizona 85012		
Description of Land		
T. 17 N., R. 4 E. Sec. 4: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all). Sec. 5: Lots 1,2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$. 954.67 Acres.		
DATE OF ACTION	ACTION TAKEN	
Nov. 28, 1967	No. 1 offer for Parcel No. 6 in simultaneous drawing.	



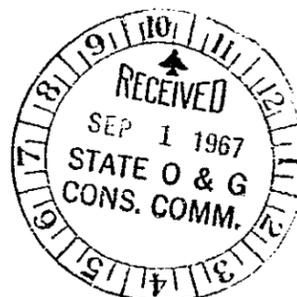
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

August 29, 1967

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

Mr. Richard F. Harless
1000 Financial Center
3443 North Central
Phoenix, Arizona 85012



Dear Mr. Harless:

Office records show that you have drilled certain wells for oil and gas on land included in lease Arizona 022988, Ersel Garrison of Cottonwood, Arizona, lessee, under a Designation of Operator dated March 23, 1962, from Garrison. The operations are covered by a Bond of Oil and Gas lessee, dated March 22, 1962, in the sum of \$5,000, Ersel Garrison, principal, and Hartford Accident & Indemnity Co., Surety. The wells are as follows:

Permit 169 Well No. 1 (renumbered No. 9), 1,995 feet from the North line and 950 feet from the West line of sec. 4, T. 17 N., R. 4 E., G.68.R.M., Yavapai County, Arizona. Drilling commenced about March 1962, 10 3/4-inch casing cemented at 1,220 feet, 7-inch casing cemented at 1,612 feet. String of cable tools lost at 1,696 feet. Sidetracked fish with rotary tools and drilled to 1,762 feet. Lost second string of tools in redrilled hole. Oil show reported at 1,716 feet. Suspended operations about December 1962.

Permit 267 Well No. 27, 660 feet from the North line and 900 feet from the West line of sec. 4, T. 17 N., R. 4 E., G.68.R.M., Yavapai County, Arizona. Drilling commenced about February 1964, 10 3/4-inch casing cemented at 104 feet. Drilled to 1,320 feet, lost cable tool bit and stem in hole. Dropped fishing tool slip in hole. Operations suspended about May 1964. Operator reports well to be used for water.

Permit 272 Well No. 27-B, 580 feet from the North line and 820 feet from the West line of sec. 4, T. 17 N., R. 4 E., G.68.R.M., Yavapai County, Arizona. Drilling commenced about June 1964. 10 3/4-inch casing cemented at 100+ feet. 7-inch casing cemented at 1,694 feet, 250 sacks. 5-inch liner cemented at 1,914 feet, top at 1,538 feet. Total depth 1,958 feet. Gamma ray-sonic and induction-electrical logs run to 1,906 feet. Liner perforated, 1,713-1,863 feet. Acidized perforations. Pumped water. Operations suspended about May 1965. Fish in hole - top 1,915 feet. Well apparently drilling in granite 1,830 feet to bottom.

Part 221.34 Title 30, Code of Federal Regulations, applicable to lease Arizona 022988 provides that "The lessee shall promptly plug and abandon or condition as a water well any well on the leased land that is not used or useful for the purposes of the lease."

You are hereby ordered to plug and abandon wells Nos. 1 (9), 27, and 27-B, the abandonment work to start within 60 days from the date of receipt of this letter. Notices of intention to abandon the wells, outlining the work to be done in the abandonments, must be filed with District Engineer P. T. McGrath, U. S. Geological Survey, Box 959, Farmington, New Mexico, and his approval must be obtained before beginning the work.

Attached is a list of minimum requirements for plugging and abandoning the wells assuming that no casing is pulled.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Mr. Errel Garrison
Cottonwood, Arizona (Cert. Mail)

Hartford Accident & Indemnity Co.
Hartford, Connecticut (Cert. Mail)

Mr. John Bamister ✓
Arizona Oil & Gas Conservation Commission
1624 West Adams
Phoenix, Arizona 85007

Mr. McGrath, Farmington, New Mexico

Bureau of Land Management
3022 Federal Building
Phoenix, Arizona 85025

Minimum requirements for plugging and abandoning the wells are as follows:

Well No. 1 (9) - sec. 4, T. 17 N., R. 4 E., G. & S. R.M.

Run tubing with cement retainer to 1,550 feet. Squeeze 50 sacks cement. Fill 7-inch casing 1,550 feet to surface with mud-laden fluid. Place 15 foot cement plug at the surface and erect 4-inch marker 4 feet in height. Remove junk and level ground surface disturbed.

Well No. 27 - sec. 4, T. 17 N., R. 4 E., G. & S. R.M.

Run tubing to bottom of hole and pump in 100 sacks of cement. Fill hole to surface with mud-laden fluid. Place 15 foot cement plug at surface and erect marker as in well No. 1. Remove junk and level land surface disturbed.

Well No. 27-B - sec. 4, T. 17 N., R. 4 E., G. & S. R.M.

Run tubing to top of fish and pump in 30 sacks of cement. Fill hole with mud-laden fluid to surface. Place 15 foot cement plug at surface and erect marker. Remove junk and level land surface disturbed.

August 16, 1967

John Anderson, U.S.G.S., Roswell, N.M.

Re: Harless #27B Federal
Permit 278

Recommends: Cement ~~xxxxx~~ total depth to 1650'
Fill with mud
Surface plug

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
ON ITS OWN MOTION FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 21
ORDER NO. 22

WHY THE COTTONWOOD OIL CO. INC. #1
STATE WELL, THE RICHARD F. HARLESS
#1 FEDERAL WELL, THE YAVAPAI OIL
CORP. #18 ALSBURY FEDERAL WELL, THE
RICHARD F. HARLESS #27B FEDERAL
WELL, AND THE RICHARD F. HARLESS
#36C WELL, SHOULD NOT BE ORDERED
PLUGGED FOR VIOLATION OF THE DULY
ADOPTED RULES AND REGULATIONS OF
THE OIL AND GAS CONSERVATION COM-
MISSION.

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause having come regularly on for hearing at 11:00 a.m.
on July 19, 1967, at Phoenix, Arizona, before the OIL AND GAS CON-
SERVATION COMMISSION of the STATE OF ARIZONA, hereinafter referred
to as the "COMMISSION".

Now, on this 19th day of July, 1967, the COMMISSION, a
quorum being present, having considered the testimony presented, and
being fully advised in the premises, finds as follows,

FINDINGS:

(1) THAT due public notice having been given as required
by law, the COMMISSION has jurisdiction of the cause and the subject
matter thereof.

278

Page 2
Case No. 21
Order No. 22

(2) THAT as to each of the wells subject hereto the operator of record is in violation of Rule 202.B of the duly adopted Rules and Regulations of the COMMISSION.

(3) THAT it is in the best interests of the State of Arizona and of the health and welfare of the people of the State of Arizona that said wells be plugged and abandoned or converted to a water well as indicated in the order below, and that the permits for each well as issued by this COMMISSION should be terminated.

(4) THAT upon full and timely compliance with the provisions of this order and all other obligations to this COMMISSION the various bonds may be released in accordance with provisions of Rule 101.E.

(5) THAT the operator of each of the captioned wells be given sixty (60) days from receipt of this notice within which to bring himself into compliance with this order and all other Rules and Regulations.

(6) THAT the plea of Richard F. Harless as an individual, as President of Yavapai Oil Corp., and as President of Cottonwood Oil Company, Inc., is without merit and fails to excuse the violations of Rule 202.B.

IT IS THEREFORE ORDERED:

(a) THAT the request of Richard F. Harless as an individual, as President of Yavapai Oil Corp., and as President of Cottonwood Oil Company, Inc., for additional time in which to commence work on these wells is hereby denied.

(b) THAT the Cottonwood Oil Co. Inc. #1 State well, located NW/4 NW/4 Section 20-Township 16 North-Range 4 East, Yavapai County, Arizona, Permit 96, has been accepted by Mr. Frank Gyberg, Cornville, Arizona, as a water well. This well need not be plugged.

All samples and a copy of any logs which may have been run together with a copy of the driller's log, shall be furnished to the COMMISSION within the time herein allowed.

Permit 96 is hereby terminated. Fireman's Fund Insurance Company bond M605 2443 in the amount of \$2,500.00 may be released upon the full and timely compliance with this order and the Rules and Regulations of this Commission and upon written application as provided in Rule 101.E.

(c) THAT the Richard F. Harless #1 Federal well, located SW/4 NW/4 Section 4-Township 17 North-Range 4 East, Yavapai County, Arizona, Permit 169, shall be plugged and abandoned in the following manner:

Cement plugs shall be set at the following intervals:
from total depth to 1700 feet;
from 1250 feet to 1200 feet;
from 750 feet to 700 feet;
from 550 feet to 500 feet;
from 250 feet to 200 feet;
from 15 feet to surface.

The intervals between the plugs shall be filled with heavy mud-laden fluid. A surface marker shall be set in accordance with Rule 104.A and Rule 202.A.7. Well site shall be leveled, the pit back filled, and all debris removed.

Page 4
Case No. 21
Order No. 22

Plugging Record (Form 10) and Well Completion Report (Form 4), as well as all samples and a copy of all logs which may have been run, together with a copy of the driller's log, shall be furnished to the COMMISSION within the time herein allowed.

Permit 169 is hereby terminated. Hartford Accident & Indemnity Company bond 3186294 in the amount of \$2,500.00 may be released upon the full and timely compliance with this order and the Rules and Regulations of this COMMISSION and upon written application as provided in Rule 101.E.

(d) That the Yavapai Oil Corp. #18 Alsbury Federal well, located NE/4 SW/4 Section 32-Township 18 North-Range 4 East, Yavapai County, Arizona, Permit 257, shall be plugged and abandoned in the following Manner: the entire hole from total depth to surface shall be set with cement. A surface marker shall be set in accordance with Rule 104.A and Rule 202.A.7. Well site shall be leveled, the pit back filled and all debris removed.

Plugging Record (Form 10) and Well Completion Report (Form 4), as well as all samples and a copy of all logs which may have been run, together with a copy of the driller's log, shall be furnished to the COMMISSION within the time herein allowed.

Permit 257 is hereby terminated. U.S. Fidelity & Guaranty Company bond 22757-13-1651-63 in the amount of \$2,500.00 may be released upon the full and timely compliance with this order and the Rules and Regulations of this COMMISSION and upon written application as provided in Rule 101.E.

Page 5
Case No. 21
Order No. 22

(e) THAT the Richard F. Harless #27B Federal well, located NW/4 NW/4 Section 4-Township 17 North-Range 4East, Yavapai County, Arizona, Permit 278, shall be plugged in the following manner:

cement plugs shall be set at the following intervals:
from total depth to 1700 feet;
from 1250 feet to 1200 feet;
from 750 feet to 700 feet;
from 550 feet to 500 feet;
from 250 feet to 200 feet;
from 15 feet to surface.

The intervals between the plugs shall be filled with heavy mud-laden fluid. A surface marker shall be set in accordance with Rule 104.A and Rule 202.A.7. Well site shall be leveled, the pit back filled, and all debris removed.

Plugging Record (Form 10) and Well Completion Report (Form 4), as well as all samples and a copy of all logs which may have been run, together with a copy of the driller's log, shall be furnished to the COMMISSION within the time herein allowed.

Permit 278 is hereby terminated. U.S. Fidelity & Guaranty Company bond 22757-13-703-64 in the amount of \$2,500.00 may be released upon the full and timely compliance with this order and the Rules and Regulations of this COMMISSION and upon written application as provided in Rule 101.E.

(f) THAT the Richard F. Harless #36C Federal well, located NE/4 NE/4 Section 3-Township 17 North-Range 4 East, Yavapai County,

Page 6
Case No. 21
Order No. 22

Arizona, Permit 285, shall be plugged in the following manner: the entire hole from total depth to surface shall be filled with cement. A surface marker shall be set in accordance with Rule 104.A and Rule 202.A.7. Well site shall be leveled, the pit back filled, and all debris removed.

Plugging Record (Form 10) and Well Completion Report (Form 4), as well as all samples and a copy of all logs which may have been run, together with a copy of the driller's log, shall be furnished to the COMMISSION within the time herein allowed.

Permit 285 is hereby terminated. U.S. Fidelity & Guaranty Company bond 22757-13-963-64 in the amount of \$2,500.00 may be released upon the full and timely compliance with this order and the Rules and Regulations of this COMMISSION and upon written application as provided in Rule 101.E.

(g) THAT prior to commencing plugging operations notice shall be given to the COMMISSION in ample time to enable the COMMISSION to have a representative present to witness these operations.

IT IS FURTHER ORDERED:

THAT full compliance with the conditions of this order and all other applicable Rules and Regulations of the COMMISSION shall be made within sixty (60) days of receipt of this order.

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

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

(S E A L)

(Original signed)
By _____
Lucien B. Owens, Vice Chairman

November 23, 1966

Memo to: Files
From: John Bannister

On November 22, 1966, I visited the sites of the Harless #1 Federal and Harless #278 Federal. A watchman was on location. However, no work was begun and no effort made as yet to prepare the Walker-Neer cable tool rig on location for any future work.

The watchman advised me again that one load of new equipment was in Cottonwood and was being held by Mr. Ersell Garrison.

From the Desk of

JAMES R. SCURLOCK

10-20-66

Visited Harless # 27B location.
Rig on hole. No one on location.
Rig rusty - obviously has not been
in operation for months. JRS

10-31-66

Visited location. No one on
location. Shut down. Mrs. Ozzie
Young reported Ozzie (@ telephone)
as being on coast prep to being
outgoing for Soderas area - due in
this week. Visited Newton's
house in Soderas. Apparently
no one living there while Newton
is away. JRS

September 26, 1966

Telcon Mr. Bannister from Okla. City

Memo to: File 96

169

~~278~~

~~257~~

285

I personally inspected each of the five well sites involved in our orders to Mr. Harless and found that no attempt had been made to comply with the orders of this Commission.

The only rig on site was the Walker-Neer rig on the #247B Federal. The excessive rust noted on the equipment and on the wire line indicated that this rig had been sitting idle for quite some period of time.

In my opinion there has definitely been no work on any of the wells within the period required by our Rule 202.B.

BT



SAMUEL P. GODDARD
GOVERNOR
LYNN LOCKHART
CHAIRMAN
ORME LEWIS
VICE CHAIRMAN
HIRAM S. CORBETT
MEMBER
LUCIEN B. OWENS
MEMBER
GEORGE T. SILER
MEMBER

OFFICE OF
Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202
1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

JOHN BANNISTER
EXECUTIVE SECRETARY
J. R. SCURLOCK
PETROLEUM GEOLOGIST

CERTIFIED MAIL
No.

September 24, 1966

U.S. Fidelity and Guaranty Co.
3424 N. Central Avenue
Phoenix, Arizona
**No. 231520*

Firemans Fund Insurance Co.
3800 N. Central Avenue
Phoenix, Arizona 85012
** No. 231519*

Hartford Accident and Indemnity Co.
P.O. Box 2945
Phoenix, Arizona 85002
** No. 231518*

Re: Yavapai Oil Corp. #18 Alsbury Federal well
NE SW 32-18N-4E, Yavapai County, Arizona, Permit 257
U.S. Fidelity & Guaranty Co. Bond 22757-13-1651-63

Harless #27B well
NW NW 4-17N-4E, Yavapai County, Arizona, Permit 278
U.S. Fidelity & Guaranty Co. Bond 22757-13-703-64

Harless #36C Federal well
NE NE 3-17N-4E, Yavapai County, Arizona, Permit 285
U.S. Fidelity & Guaranty Co. Bond 22757-13-963-64

Cottonwood Oil Co. #1 State well
NW NW 20-16N-4E, Yavapai County, Arizona, Permit 96
Fireman's Fund Insurance Company Bond M6052443

Harless #1 Federal well
SW NW 4-17N-4E, Yavapai County, Arizona, Permit 169
Hartford Accident & Indemnity Co. Bond 3186294

Gentlemen:

The principals on your captioned bonds have failed to comply with this Commission's order sent by letter on August 17, 1966. Copy is attached for your files.

Inasmuch as principals have failed to comply, you are hereby ordered to plug the captioned wells under your bonds. The plugging

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Deliver <i>ONLY</i> to addressee	<input type="checkbox"/> Show address where delivered
<i>(Additional charges required for these services)</i>	
RECEIPT	
Received the numbered article described on other side.	
SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)	
<i>Heath</i>	
SIGNATURE OF ADDRESSEE'S AGENT, IF ANY	
<i>Michael Wilson</i>	
DATE DELIVERED	SHOW WHERE DELIVERED (only if requested)
SEP 26 1966	
<small>CSS-16-71548-5-F GPO</small>	

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Deliver <i>ONLY</i> to addressee	<input type="checkbox"/> Show address where delivered
<i>(Additional charges required for these services)</i>	
RECEIPT	
Received the numbered article described on other side.	
SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)	
<i>Finn Ford</i>	
SIGNATURE OF ADDRESSEE'S AGENT, IF ANY	
<i>Andy Decker</i>	
DATE DELIVERED	SHOW WHERE DELIVERED (only if requested)
SEP 26 1966	
<small>CSS-16-71548-5-F GPO</small>	

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Deliver <i>ONLY</i> to addressee	<input type="checkbox"/> Show address where delivered
<i>(Additional charges required for these services)</i>	
RECEIPT	
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SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)	
<i>OS-76</i>	
SIGNATURE OF ADDRESSEE'S AGENT, IF ANY	
<i>Perry</i>	
DATE DELIVERED	SHOW WHERE DELIVERED (only if requested)
9-26-66	
<small>CSS-16-71548-5-F GPO</small>	

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

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

POSTMARK OF
DELIVERING OFFICE
SEP 26 1966
U.S.

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED. Print on

REGISTERED NO. _____ NAME OF SENDER _____

CERTIFIED NO. **231518** STREET AND NO. OR P. O. BOX _____
OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA

INSURED NO. _____ CITY, STATE, AND ZIP CODE **1824 WEST ADAMS - SUITE 202**
TELEPHONE: 271-5161
PHOENIX, ARIZONA, 85007

POD Form 3811 Sep. 1963

RETURN TO

CSS-16-71548-6-F

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

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

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DELIVERING OFFICE
SEP 26 1966

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REGISTERED NO. _____ NAME OF SENDER _____

CERTIFIED NO. **231519** STREET AND NO. OR P. O. BOX _____
OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA

INSURED NO. _____ CITY, STATE, AND ZIP CODE **1824 WEST ADAMS - SUITE 202**
TELEPHONE: 271-5161
PHOENIX, ARIZONA, 85007

POD Form 3811 Sep. 1963

RETURN TO

CSS-16-71548-6-F

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

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

POSTMARK OF
DELIVERING OFFICE
SEP 26 1966

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED. Print on

REGISTERED NO. _____ NAME OF SENDER _____

CERTIFIED NO. **231520** STREET AND NO. OR P. O. BOX _____
OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA

INSURED NO. _____ CITY, STATE, AND ZIP CODE **1824 WEST ADAMS - SUITE 202**
TELEPHONE: 271-5161
PHOENIX, ARIZONA, 85007

POD Form 3811 Sep. 1963

RETURN TO

CSS-16-71548-6-F

U.S. Fidelity & Guaranty Co.
Firemans Fund Insurance Co.
Hartford Accident & Indemnity Co.
September 24, 1966
Page 2

of each of the wells involved is set out in detail on the attached letters.

The plugging of these wells must be accomplished within thirty days of receipt of this letter by you. Should this order be ignored, we of course have no alternative but to turn to the Attorney General for further action.

Inasmuch as these wells are located within close proximity of each other, it is suggested that in order to conserve costs a joint effort of the bonding companies be made and the cost perhaps prorated. If this method of compliance is used, one plugging team could accomplish the whole project at a greatly reduced cost.

Please be assured of the cooperation of this Commission in any way possible.

Very truly yours,

John Bannister
Executive Secretary
BT
encs

cc: Mr. Richard F. Harless,
Cottonwood Oil Co., Att
Yavapai Oil Corp., Atte

Attorney General, Atten
U.S. Geological Survey,
State Land Department

cc: Dennis DeConcini,

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Deliver ONLY to addressee	<input type="checkbox"/> Show address where delivered
(Additional charges required for these services)	
RECEIPT	
Received the numbered article described on other side.	
SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)	
<i>Harless Offices</i>	
SIGNATURE OF ADDRESSEE'S AGENT, IF ANY	
<i>by Betty Gault</i>	
DATE DELIVERED	SHOW WHERE DELIVERED (only if requested)
9-26-66	

CS-16-71548-3-F GPO

U.S. Fidelity & Guaranty Co.
Firemans Fund Insurance Co.
Hartford Accident & Indemnity Co.
September 24, 1966
Page 2

of each of the wells involved is set out in detail on the attached letters.

The plugging of these wells of receipt of this letter by of course have no alternative for further action.

Inasmuch as these wells are other, it is suggested that fort of the bonding companies If this method of compliance plish the whole project at a

Please be assured of the completion possible.

Very truly yours,

John Bannister
Executive Secretary
mr
encs

cc: Mr. Richard F. Harless, 1000 Financial Center, Phoenix, Arizona
Cottonwood Oil Co., Attention: Mr. Richard F. Harless
Yavapai Oil Corp., Attention: Mr. Richard F. Harless

Attorney General, Attention: Mr. John McGowan

U.S. Geological Survey, P.O. Box 959, Farmington, New Mexico

State Land Department

cc: Dennis DeConcini, Governor's Office

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PREPAYMENT
PAYMENT

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

REGISTERED NO. NAME OF SENDER

CERTIFIED NO. 23157 STREET AND NO. OR P. O. BOX

INSURED NO. CITY, STATE, AND ZIP CODE

RETURN TO

OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA
1824 WEST ADAMS SUITE 202
TELEPHONE: 271-5161
PHOENIX, ARIZONA, 85007

POB Form 3817 Sep. 1963

CS-10-71548-8-F

September 22, 1966

Mr. Richard F. Harless
Attorney at Law
1000 Financial Center
3424 N. Central Avenue
Phoenix, Arizona 85012

Re: Cottonwood Oil #1 State
NW NW 20-16N-4E, Yavapai County
Permit 96

Harless #1 Federal
NW NW 4-17N-4E, Yavapai County
Permit 169

Yavapai Oil Corp. #18 Alsbury Federal well
NE SW 32-18N-4E, Yavapai County, Arizona
Permit 257

Harless #27B well
NW NW 4-17N-4E, Yavapai County,
Permit 278

Harless #36C Federal well
NE NE 3-17N-4E, Yavapai County
Permit 285

Dear Mr. Harless:

Your letter of September 21, 1966 concerning this Commission's plugging orders for captioned wells is hereby acknowledged.

As you were advised, on Monday September 19, 1966, this Commission met at its regular meeting on September 21, 1966. You failed to appear before this Commission at that time. Consequently I remain under their specific orders to proceed with the plugging of these wells and I will fulfill their orders.

Mr. Richard F. Harless
September 22, 1966
Page 2

As you were advised, should these orders not be timely complied with, I will have no alternative but to immediately request that the bonding companies bring these wells into compliance with our Rules and Regulations and orders.

Should you have any questions, would you please advise.

Very truly yours,

John Bannister
Executive Secretary
nr

cc: Attorney General, Attention: Mr. John McGowan
U.S. Geological Survey, P.O. Box 959, Farmington, N.M.
State Land Department
U.S. Fidelity & Guaranty Co., 3424 N. Central Avenue, Phoenix
Firemans Fund Insurance Co., 3800 N. Central Ave., Phoenix
Hartford Accident & Indemnity Co. P.O. Box 2945, Phoenix

bcc: Dennis Deconcini, Governor's Office

RICHARD F. HARLESS
ATTORNEY AT LAW
SUITE 1000, FINANCIAL CENTER
CENTRAL AVENUE AT OSBORN ROAD
PHOENIX, ARIZONA 85012

TELEPHONE
254-1831

September 21, 1966

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

Attn: Mr. John Bannister
Executive Secretary

Re: Harless #1 Federal Well
NW NW 4-17N-4E Yavapai County
Permit 169

Cottonwood Oil #1 State
NWNW 20-16N-4E, Yavapai County
Permit 96

Yavapai Oil Corp. #18 Alsbury Well
NE SW 32-18N-4E, Yavapai County
Permit 257

Harless #27B Federal Well
NW NW 4-17N-4E, Yavapai County
Permit 278

Harless #36C Federal Well
NE NE 3-17N-4E, Yavapai County
Permit 285



Dear Mr. Bannister:

This is in response to your letters dated August 17, 1966 pertaining to the above entitled matters. Although I am the designated operator and am on the bonds for these particular wells, in each instance other parties have an interest, and I deemed it advisable to confer with all interested parties before taking final action pursuant to your order to have each well plugged and abandoned. I find that the other interested parties are making requests to have a hearing before the commission with reference to all of these items. Therefore, I

Oil and Gas Conservation Commission
September 21, 1966
Page 2

must give consideration to the desires and wishes of these interested parties and await the outcome of the hearing before taking final steps in these matters.

I understand you will receive within the next two days requests for hearings from various interested parties. Please advise me of the date of the hearings.

Very truly yours


RICHARD F. HARLESS
Attorney at Law

(See ARS 27-516(b) As amended
and ARS 27-517)

RFH:jt

cc: Hartford Accident & Indemnity Co.
Fireman's Fund Insurance Company
U.S. Fidelity and Guaranty Company
U.S. Geological Survey
Attn: Mr. Phil McGrath

RICHARD F. HARLESS
ATTORNEY AT LAW
SUITE 1000, FINANCIAL CENTER
CENTRAL AVENUE AT OSBORN ROAD
PHOENIX, ARIZONA 85012

Attn: Mr. John Bannister
Executive Secretary

Arizona Oil & Gas Conservation Commission
Room 202, 1624 W. Adams
Phoenix, Arizona 85007



September 22, 1966

Mr. Ersel Garrison
P.O. Box 97
Cottonwood, Arizona 86326

Re: Harless #1 Federal well
NW NW 4-17N-4E, Yavapai County
Permit 169

Harless #27B Federal well
NW NW 4-17N-4E, Yavapai County
Permit 278

Dear Mr. Garrison:

Your letter of September 21, 1966 concerning captioned wells is acknowledged.

This Commission looks to its operator of record of the well in question for compliance with its Rules and Regulations. Inasmuch as you are the lease owner and not the operator of record the Commission's orders were addressed to its operator of record.

Please be advised that this Commission has ordered these wells plugged and abandoned for violation of our Rules and Regulations and I remain under these orders. Consequently, these wells must be plugged in accordance with our letters of August 17, 1966 or we shall be forced to go to the bonding companies to secure compliance.

Should you have any questions would you please advise.

Very truly yours,

John Bannister
Executive Secretary
nr

cc: Attorney General, Attention: Mr. John McGowan
U.S. Geological Survey, P.O. Box 959, Farmington, N.M.
U.S. Fidelity & Guaranty Co., 3424 N. Central Ave., Phoenix
Hartford Accident & Indemnity Co., P.O. Box 2945, Phoenix

ERSEL GARRISON

PHONE MEDFORD 4-2291

SALES  SERVICE

COTTONWOOD, ARIZONA

September 21, 1966

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

ATTENTION: Mr. John Bannister
Executive Secretary

RE: Harless #27B Federal well
NW NW 4-17N-4E, Yavapai County, Arizona
Permit 278

Harless #1 Federal well
NW NW 4-17N-4E, Yavapai County, Arizona
Permit 169

Dear Mr. Bannister:

It has come to my attention that Orders to plug and abandon the above mentioned oil wells were made, and on the 17th day of August, 1966, notice was mailed to various persons. I did not receive any Notice.

I am the owner of Federal Oil and Gas Lease, Serial No. AR-022988, which covers the land on which said wells are located; and, I hereby respectfully request a hearing before the Commission on this matter before the Orders referred to are complied with.

Yours truly,


Ersel Garrison
P. O. Box 97
Cottonwood, Arizona 86326



After 10 days, return to
ERSEL GARRISON
Box 97
COTTONWOOD, ARIZONA 86326

Attn: Mr. John Bammlster
Executive Secretary

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



September 21, 1966

Memo to: File 96
169
278
257
285

This office received information that it was the intention of Mr. Harless to appear at our regular monthly meeting today to request a hearing as to the plugging orders.

Mr. Harless did not appear, nor are we able to determine that any steps have been taken by him to comply with our orders.

John Bannister
Executive Secretary
BR

September 19, 1966

Memo to: File 96
169
~~278~~
257
285

From: John Bannister, Executive Secretary

At approximately 10:30 a.m. this date, Mr. Richard F. Harless called in person at this office.

He requested additional time, advising that he desired to raise money to do further work on, or to twin, the Harless #1 (aka Harless #9) well. A part of this request was a stay concerning our plugging orders.

He was advised that no extension could be granted and that full compliance with the plugging orders must be accomplished by midnight, Friday, September 23, or that it then would be necessary to go to the bonding companies.

Mr. Harless was informed that this office could expect to receive copies of all logs run, as well as samples, to bring these wells into full compliance with all applicable statutes, Rules and Regulations.

Mr. Harless discussed at length his situation with Mr. Silas M. Newton and advised that he had severed relations with him approximately one year ago. However, due to certain contracts, Mr. Newton was still very much involved and that it was hoped that through the instrumentality of Mr. Ed Garrison, the lessee of record, that the lease containing the Harless #1 (aka Harless #9), the Harless #27 and #27B, that Mr. Newton might be removed from participation in this venture.

This office made it exceedingly clear to Mr. Harless that under no circumstance would the plugging orders be revoked; and it was further explained that correct administrative procedures were being used as to these orders and that a hearing to enforce was not called for under our Rules and Regulations or statutes.

Mr. Harless advised that he would move immediately to bring himself into compliance with our plugging orders.

August 17, 1966

Mr. Richard F. Harless
Attorney at Law
1000 Financial Center
3443 North Central Avenue
Phoenix, Arizona 85012

Re: Harless #17B Federal well
NW NW 4-17N-4E, Yavapai County, Arizona
Permit 278

Dear Mr. Harless:

Captioned well is in violation of Rule 202.B of this Commission's Rules and Regulations. Consequently this well is ordered plugged and abandoned.

This well must be plugged and abandoned in the following manner:

Cement plugs shall be set at the following intervals:
1700 feet to total depth
1200 feet to 1250 feet
700 feet to 750 feet
500 feet to 550 feet
200 feet to 250 feet

The interval between all plugs shall be filled with heavy mud-laden fluid.

A 15 foot cement plug shall be set at the surface; in this surface plug the exact location of the well shall be marked by a piece of pipe not less than 4 inches in diameter, extending at least 4 feet above the general ground level. A permanent sign of durable construction shall be welded or otherwise permanently attached to the pipe and shall contain the following information: (1) The name of the well; (2) Location of the well by quarter-quarter section, township and range; (3) The State's drilling permit number.

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Deliver <i>ONLY</i> to addressee	<input type="checkbox"/> Show address where delivered
<i>(Additional charges required for these services)</i>	
RECEIPT	
Received the numbered article described on other side.	
SIGNATURE OR NAME OF ADDRESSEE (not always be filled in)	
<i>R. F. Harless</i>	
SIGNATURE OF ADDRESSEE'S AGENT, IF ANY	
<i>J. H. ...</i>	
DATE DELIVERED	SHOW WHERE DELIVERED (only if requested)

CS-16-71541-5-F GPO

Mr. Richard F. Harless
August 17, 1966
Page 2

This work must be completed within 30 days of receipt of this order of the Commission. Should this work not timely be completed we will have no choice but to go to the bonding company and order it to plug this well.

In addition, at the time the plugging is accomplished, copies of all logs taken, the driller's log, the Plugging Record (Form 10), and Well Completion Report (Form 4) shall be submitted to the Commission.

Should you have any questions concerning this order, please advise.

Very truly yours,

John Bannister
Executive Secretary
BT

enc: Form 10
Form 4

cc: U.S. Fidelity and Guaranty Company
3424 North Central
Phoenix, Arizona

U.S. Geological Survey
P.O. Box 959
Farmington, New Mexico
Attention: Mr. Phil McGrath

Mr. Silas Newton
Sedona, Arizona

bcc: Mr. Dennis DeCocinini, Governor's Office

May 18, 1966

Memo to Files: Cottonwood Oil #1 State
NW NW 20-16N-4E, Yavapai County
Permit 96

Harless #1 Federal
NW NW 4-17N-4E, Yavapai County
Permit 169

Yavapai Oil #18 Alsbury
NE SW 32-18N-4E, Yavapai County
Permit 257

Harless #27 Federal
NW NW 4-17N-4E = Yavapai County
Permit 267

Harless #27B Federal
NW NW 4-17N-4E, Yavapai County
Permit 278

Harless #36C Federal
NE NE 3-17N-4E, Yavapai County
Permit 285

On-site check reveals this area has no work in progress at this time.

The rig is still located on the #27B but has not been in use for some time. I was unable to locate either Mr. Silas Newton or Mr. Ozzie Young to determine what plans are in effect concerning this area.

John Bannister
Executive Secretary
mr

RICHARD F. HARLESS
ATTORNEY AT LAW
1218 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004
258-8558

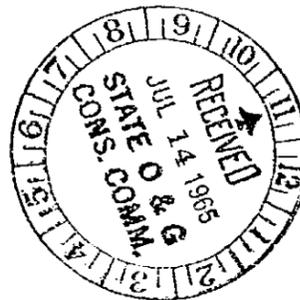
Re 96, 169, 257, 267,
278, 285

July 9, 1965

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

Attn: Mr. John Bannister
Executive Secretary

Re: Permits No. 285, 267, 257, 278,
169 and 96



Dear Mr. Bannister:

In response to your letters of June 3rd and 6th, 1965, following is a report concerning the bonds and applicable power of attorney concerning each of the above permits.

- ✓1. Permit No. 278, Well No. 27B, U.S. Fidelity & Guaranty Company Bond No. 22757-13-703-64.
- ✓2. Permit No. 285, Well No. 36-C, U.S. Fidelity & Guaranty Company Bond No. 22757-13-963-64.
- ✓3. Permit No. 267, Well No. 27, U.S. Fidelity & Guaranty Company Bond No. 22757-13-347-64. (Erroneously called Hartford Accident & Indemnity Bond). (Your letters of June 3 and 6, 1965).

Copies of the above listed bonds along with the Power-of-Attorney of Mr. Durand Eaton who executed the bonds enclosed.

- ✓4. Permit No. 257, Alsbury, U.S. Fidelity & Guaranty Company Bond No. 22757-13-1651-63.

Attached is a copy of this bond. Mr. Eaton's Power-of-Attorney is also applicable to this bond. You will recall that I advised you that after the filing of this bond Mr. Alsbury had this lease transferred to his name and did not file an operating agreement. I requested that he issue the bonds in his name. He did file with the US Bureau of Land Management a \$10,000 bond, and advised me that he would file a bond with you in the amount of \$2,500. I have made numerous requests to

Mr. John Bannister
July 9, 1965
Page 2

Mr. Alsbury and his bonding company to file with you such a bond. Today I have again requested that this bond be filed in order to relieve my bond, and have advised Mr. Alsbury that unless this is done on or before September 1, 1965 I will apply to plug and abandon this well.

5. Permit No. 169, Harless Federal No. 1, Hartford Accident and Indemnity Company Bond No. N 3186294.
6. Permit No. 96, Cottonwood No. 1, Fireman's Fund Bond No. M-6052443.

Copies of the above listed bonds along with the Power-of-Attorney of the appropriate agent executing the bonds enclosed.

With reference to your letter of May 27th, wherein you requested information on several items, the following is supplied.

Permit No. 267, Harless No. 27. Application was made to convert this well into a water well which would release the bond in this instance. My records show that I forwarded to you a letter from the Forest Service giving permission to convert this well. However, I am informed that you do not have such a letter, therefore I have again made a request of the Forest Service for a permit to hold this well as a water well. Enclosed is a copy of a letter dated May 8, 1964, which states in substance that a well drilled for oil and gas may be converted to a water well when there is a shortage of water. There is a need for water in this area and inasmuch as the subject well has ample water it should not be plugged. As soon as the Forest Service accepts this well I will forward a copy of their acceptance to you. You will recall that Mr. Cecil Miller did file a letter of acceptance of the well, but in my letter of May 14, 1964, I requested that you hold Mr. Miller in abeyance because of his failure to also file a letter allowing me to re-enter the well at a later date to deepen the same.

Permit No. 285, Well No. 36C. Although this lease has been terminated since the subject well was started, I have negotiated with the party who acquired Section 3, T17N, R4E, G&SRB&M, which is the area involved, terms have been worked out and I am confident that the area will be acquired within thirty days. I will advise you of the progress on this matter on or before August 14, 1965. Upon the reacquisition of this area a new permit will be applied for, meanwhile our bond continues in force.

If I can be of further assistance, or if further information is necessary, please contact me.

Sincerely,

RICHARD F. HARLESS
Attorney at Law

RFH:jt

Enc.

May 27, 1965

Mr. Richard F. Harless
Attorney at Law
1218 N. Central Avenue
Phoenix, Arizona

Re: Cottonwood Oil #1 State well
Permit 96

Yavapai Oil Alsbury #18 well
Permit 257

Harless #27 Federal well
Permit 267

Harless #36C Federal
Permit 285

Dear Mr. Harless:

We are in receipt of your letter of May 21, 1965.

As to the Cottonwood #1 State well, you are aware that this well has only a steel plate welded on top of the pipe. This of course is not a protection for any water, etc., which may be in this hole.

You indicated in your letter that you feel the well should be completed but you do not indicate positive intention to do this.

Would you please advise us specifically if this is your intention, and if so, give us some indication as to a possible time.

Permit 257 was secured by the Yavapai Oil Corporation under your signature. This office of course must look to you, as permittee, for responsibility of this well. The bond of course is to Yavapai Oil Corporation and not to Mr. Alsbury.

278

Mr. Richard F. Harless

Page 2

May 27, 1965

Would you please advise this office, and in more detail, your intentions concerning this well.

As to the Harless #27 Federal, your letter indicates that this well has been accepted by the U.S. Forest Service as a water well. As we have previously advised, we must have a letter in our files from the U.S. Forest Service reflecting acceptance of this well as a water well. Our files do not contain such a letter. Will you please secure this as soon as possible.

Since this well has been completed, a copy of any logs, including your daily drilling log or other information secured by you, must be filed with this office.

As to the Harless #36C Federal, inasmuch as the original lease upon which this was commenced has expired, the permit involved must be terminated. If it is your desire to re-enter this hole, you must secure a new permit and furnish evidence from the bonding company that the bond now in force covers you operations on the new lease and on the new permit. Of course a completely new bond may be furnished.

In lieu of this, this office will have no choice but to enforce our order to plug this well.

We have no desire to work a hardship on you or your operations; but it is necessary and mandatory that our records clearly reflect all of the items which we have discussed in this letter.

Your earliest cooperation will be greatly appreciated.

Yours very truly,

John Bannister
Executive Secretary
JR

278

RICHARD F. HARLESS

ATTORNEY AT LAW
1218 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004
258-8558

May 21, 1965

Oil and Gas Conservation Commission
State Capitol Annex, Room 202
1624 West Adams
Phoenix, Arizona

Attn: Mr. John Bannister
Executive Secretary

Dear Mr. Bannister:

I have your letters of March 2 and April 29, 1965, with reference to the following oil and gas wells:

Harless #1 Federal well
NW/4NW/4 S4-T17N-R4E, Yavapai County
Permit 169

Harless #27B Federal
NW/4NW/4 S4-T17N-R4E, Yavapai County
Permit 278

Harless #36C Federal
NE/4NE/4 S3-T17N-R4E, Yavapai County
Permit 285

I am filing herewith Sundry Notices and Reports on the aforesaid wells. Although there has been a temporary cessation of activity on some of these wells, it is our plan and intention to complete all of them except Harless #27 Federal which was drilled under Permit 267. That well has been designated a water well and was released to and accepted by the U. S. Forest Service. The Cottonwood Oil Well #1 drilled under Permit 96 has been inactive for several years. I have maintained the bond on this well because I feel the well should be completed. Presently there is a steel plate welded on top of the pipe and a wire fence around the well. I would be glad to discuss this matter with you should you desire.

The Alsbury Well #18 drilled under Permit 257 is really on the lease belonging to and under the control of Mr. Alsbury of Los Angeles. I talked to him recently about plans for this well, and he indicated that he would go forward in the future.



Mr. John Bannister
Executive Secretary
Page Two
May 21, 1965

The Sundry Notices and Reports on the other wells mentioned in your letter are attached hereto. I have held up filing these notices because of the inactivity on the wells for several months. If it is your desire for me to file notices even though the activity has been dormant, I shall do so. Be assured that I will report to you any activity on any of the wells.

I trust that this is satisfactory to you.

Sincerely yours,


RICHARD F. HARLESS
Attorney at Law

RFH:mb

Enclosures





SAMUEL P. GODDARD
GOVERNOR

LYNN LOCKHART
CHAIRMAN

R. KEITH WALDEN
VICE CHAIRMAN

ORME LEWIS
MEMBER

LUCIEN B. OWENS
MEMBER

OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

JOHN BANNISTER
EXECUTIVE SECRETARY

J. R. SCURLOCK
PETROLEUM GEOLOGIST

April 29, 1965

Mr. Richard F. Harless
Attorney at Law
1218 N. Central Avenue
Phoenix, Arizona

Re: Cottonwood Oil #1 State well
NW/4NW/4 S20-T16N-R4E, Yavapai County
Permit 96

Harless #1 Federal well
NW/4NW/4 S4-T17N-R4E, Yavapai County
Permit 169

Yavapai Oil Alsbury #18 well
NE/4SW/4 S32-T18N-R4E, Yavapai County
Permit 257

Harless #27 Federal
NW/4NW/4 S4-T17N-R4E, Yavapai County
Permit 267

Harless #27B Federal
NW/4NW/4 S4-T17N-R4E, Yavapai County
Permit 278

Harless #36C Federal
NE/4NE/4 S3-T17N-R4E, Yavapai County
Permit 285

Dear Dick:

Enclosed are the Sundry Notices and Reports on Wells forms which you should fill out, one on each of the subject wells.

Please give us as complete a report as possible, covering such data as spud date, acidizing, perforating, treatments, present depth, present status, etc.

As I say, we also need from you a written request to suspend

Mr. Richard F. Harless

Page 2

April 29, 1965

operations on Permits 169, 257, and 278 as well as a declaration of your future intentions in these holes.

According to correspondence in the file for Permit 285, you will need a new permit to again commence operations. We also note this hole was ordered plugged. However, since you have stated verbally that you have regained control of this lease, I think the thing for you to do is to advise the Commission of your intentions and request the Commission to set aside the plugging order.

Mr. Bannisster's letter of May 19, 1964 advised you that a written acceptance by the Forest Service of the well drilled under Permit 267 must be furnished this office. To date the Forest Service acceptance has not been received in this office. We again request that it be furnished as soon as possible.

The hole drilled under Permit 96 appears to have been abandoned since April of 1961. Will you please advise of the current status and intention on this well. If it has been plugged, we do need the plugging record, the well completion report, and copies of logs.

All of your requests to the Commission can be handled in one letter if you desire.

You are also probably aware that the Regulations require that you maintain a orderly set of ten-foot drilling samples for our purposes. And of course we would pick these up at the well sites.

Duplicate copies of all logs run are to be filed with the Commission as soon as possible.

The Form No. 25, Sundry Notices and Reports on Wells should be submitted monthly. Since the Commission desires that it be kept informed as to the progress and developments of all wells, it should be notified when a well is spudded, logged or tested, the results of the tests, if operations are being suspended for any reason, etc., whether or not any of these coincide with the monthly reporting. We are enclosing a supply of the form sufficient for your needs to accomplish this; should you exhaust the supply please let us know and we shall furnish you another supply.

If you have any questions, or if we can be of any service to you, please contact us.

Yours very truly,

J.R. Scurlock
Petroleum Geologist

JK
enc

April 13, 1965

Memo: To Files
From: J.R. Scurlock, Geologist

Re: Telcon with Richard F. Harless

Mr. Harless indicated he is waiting for weather to enter the old well, i.e. #27B well, in the Sedona area. They plan to re-acidize.

Permit 278

Mr. Harless just purchased Section 3 on which he had started the #9 well. The title is deposited in escrow with Phoenix Title and Trust Company. They plan to start drilling again on this well, i.e. the #9 well, and carry it on down.

And they hope at the same time to start a deep well immediately to the north of this in Section 35 with a rotary rig, financed by a friend of Mr. Newton's from Illinois-Indiana area.

Mr. Harless hopes that he will be permitted to re-enter the old #9 well under his old permit and under his old bond.

Mr. Harless indicated that he is under contract to start a well in S20-T16N before July 1st.

March 2, 1965

Mr. Richard F. Harless
Attorney at Law
1218 North Central Avenue
Phoenix, Arizona

Re: Harless Federal 27B well
NW/4NW/4 S4-T17N-R4E, Yavapai County
Permit 278

Dear Mr. Harless:

We are in receipt of your letter of February 19, 1965 concerning our request that you furnish logs to this office.

As you are aware, there is a conflict in our Rules and Regulations. Section 119A calls for the filing of logs within six months of the completion of a well, while Section 119.C calls for logs to be filed within a period of thirty days after they have been taken.

Inasmuch as one of the vital functions of this Commission is to secure and maintain records on existing wells, it is again requested that you comply with Rule 119.C and file logs with this Commission as you have already done with U.S. Geological Survey.

Yours Very truly,

John Bannister
Executive Secretary

mr

RICHARD F. HARLESS
ATTORNEY AT LAW
1215 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004
252-1148

February 19, 1965

Oil and Gas Conservation Commission
1624 W. Adams, Room 202
Phoenix, Arizona

Attn: Mr. John Bannister
Executive Secretary

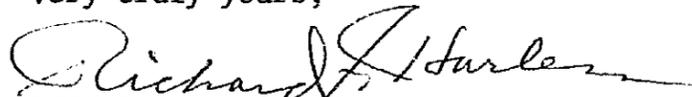
Re: Harless Federal 27B

Dear Mr. Bannister:

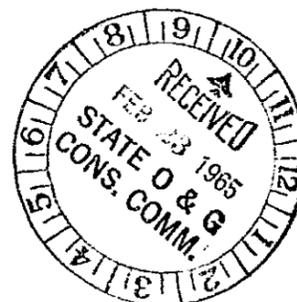
With reference to your letter of February 11, 1965, it is our intention to file our logs within the period prescribed after completion of the above referenced well.

We have before us your Regulation Sec. 119, A, B, and C, and shall act accordingly.

Very truly yours,


RICHARD F. HARLESS
Attorney at Law

RFH:jt



278

RICHARD F. HARLESS
ATTORNEY AT LAW
1218 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004
252-1148

February 19, 1965

Oil and Gas Conservation Commission
1624 W. Adams, Room 202
Phoenix, Arizona

Attn: Mr. John Bannister
Executive Secretary

Re: Harless Federal 27B

Dear Mr. Bannister:

With reference to your letter of February 11, 1965, it is our intention to file our logs within the period prescribed after completion of the above referenced well.

We have before us your Regulation Sec. 119, A, B, and C, and shall act accordingly.

Very truly yours,


RICHARD F. HARLESS
Attorney at Law

RFH:jt



278

February 11, 1965

Mr. Richard F. Harless
Attorney At Law
1218 North Central Avenue
Phoenix, Arizona

Re: Harless Federal 27B w-11
NW/4NW/4 S4-T17N-R4E, Yavapai County
Our file 278

Dear Mr. Harless:

On September 18, 1964 the captioned well was logged by Slumberger. The well was then shot and acidized.

To date no official copy of the logs (electrical, sonic, and induction) have been filed with this office, nor has a copy of the shot record nor a report of the acidizing been filed.

As you are aware, according to Commission Rule 119.c, all logs run on oil wells under our jurisdiction must be filed with the Commission within thirty days after logging, and reports of acidizing and shooting should be filed within five days.

Will you immediately furnish this office with two copies of each log run, together with two copies of the shooting records and the records of acidization.

These reports, of course, will be kept confidential.

Yours very truly,

John Bannister
Executive Secretary

mf

December 15, 1964

U.S. Dept of Interior
Geological Survey
P.O. Box 959
Farmington, New Mexico

Attn: Mr. P. T. McGrath
District Engineer

Re: Sec. 4, T17N, R4E, Yavapai County, Ariz.
Yavapai Oil Corporation

Dear Mr. McGrath:

This is a reply to your letter of December 3, 1964. It is noted that you make reference to the substance of Complaint No. 23535 filed in the Superior Court of Yavapai County, Arizona. I reiterate that the substance of that complaint is true. However, this information will clarify certain matters contained in your letter.

First, may I state that although there has been a discovery of oil on Section 4, T17N, R4E, Yavapai County, Arizona, we have not been able to commercially produce oil in this area. Referring to Marless Federal No. 9, you are advised we had a string of tools bottomed at 1696' and we could not recover these tools by cable tool fishing. We secured portable rotary equipment and whipstocked by the bottomed tools, and by means of a small crooked hole, drilled to and encountered a zone of oil at 1716'. We drilled to 1762' and there we acidized and treated the well chemically. I have previously advised you in person of the problems we encountered in this well. The water, basic silt conditions and the crooked hole prevented us from producing oil in commercial quality and quantity. The oil pumped from this well was contaminated with water, chemicals and basic silt in varying degrees. The produced oil was circulated with chemicals in order to dissolve and dislodge silt and other waste. We attempted to redrill the rotary hole and make it larger, and encountered another fishing job. A serious attempt was made to remove the fish, but rather than have extended expenses and delays we decided that we should make no further attempt or expense to complete

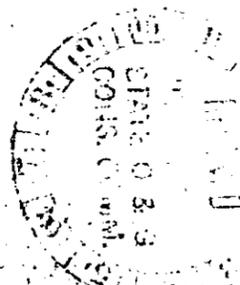
P. T. McGrath, District Engineer
U. S. Dept of Interior
December 15, 1964
Page 2

this test until we could install the proper rotary equipment and thereby recover the tools which were stuck in the hole. When this is done we will re-drill this hole to a depth of 1762', the present bottom, and place this well on production. In the meantime, until we can secure the proper equipment to complete the aforesaid well we decided that we should start a new well, which we did, and Well No. 27B is the ultimate result. There has been no activity on Marless No. 9 for almost a year.

Well No. 27B is now ready for acidizing and completion. You are acquainted with our logging operations, inasmuch as you were present. As you also know, we have run a liner, cemented and perforated it, and enclosed with this letter are the reports and notices of intention to acidize.

Our operations have been, and are, a "tight hole", and we will continue this policy until a well has been completed and shipments are started. We do not think it will be further necessary to our interests and protection to maintain the "tight hole" policy when production is started. We are a private organization and have not sought to publicize our operations. However, we cannot prevent people with ulterior motives from circulating both good and bad rumors. We seek only that we be permitted to pursue our objectives as we deem best, keeping in mind that we are to furnish your office with progress reports, which we will do. Heretofore some reports have been filed by field operations, however, I note pursuant to your letter and after reviewing the regulations that monthly reports must be filed. Hereafter our organization will be tightened and our reports will be routine. We are aware of the hazards of a wildcat operation far removed from the source of supply. We are proceeding as cautiously as possible but because of our isolation, our expenses have been heavy and we have had to move slowly. If you need any information from time to time I shall accurately supply it.

I wish to repeat that the oil discovered and pumped from Marless Federal No. 9 was so-mingled with basin silt, water and chemicals. We have not produced and saved any commercial oil from that well, and the same situation prevails for



P. T. McGrath, District Engineer
U.S. Dpt of Interior
December 15, 1964
Page 3

for Barless Federal No. 278.

We enclose progress reports and sundry notices of intention to acidize. All these reports plus any verbal information I have given you are for your confidential files. I hope this clarified the information you requested and if I can supply any further information, please advise.

Very truly yours,

RICHARD F. BARLESS
Attorney at Law

RFB:jc

cc: Bureau of Land Management
Manager Land Office
3022 Federal Bldg
Phoenix, Arizona

Ariz. Oil & Gas Commission
Executive Secretary
Room 202, 1824 W. Adams
Phoenix, Arizona

District Manager
Oil and Gas Commission
P.O. Box 1397
Reynolds, New Mexico





P. O. Box 959
Farmington, New Mexico

December 3, 1964

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard F. Harless
1218 No. Central Ave.
Phoenix 4, Arizona

Dear Sir:

This is in reference to Complaint No. 23555 filed in the Superior Court of the State of Arizona in and for the County of Yavapai, by Yavapai Oil Corporation, et al, against Mike O'Donnell, et al. On page 3 of said complaint it is stated " . . . Yavapai Oil Corporation, plaintiff, and its predecessor in interest, did drill or cause to be drilled, a test well for oil and gas upon Section 4, T. 17 N., R. 4 E., Yavapai County, Arizona; said well did produce crude oil by repeated tests over a period of approximately two months the fact that said well was a wildcat discovery and did produce crude oil in commercial quantities over such a period of time. . . " On page 5 it is stated " . . . Yavapai Oil Corporation had made an oil discovery in its test well, had crude oil in storage tanks from said well . . . "

According to Code of Federal Regulations - Title 30 - Mineral Resources - Oil and Gas Regulations, a copy of which has been previously furnished to you, you are in violation of articles 221.21(b), 221.58 and 221.60 on your wells No. 1 Federal and No. 27-B, Sec. 4, T. 17 N., R. 4 E., Yavapai County, Arizona. Particular stress is placed on articles 221.60 which states that form 9-329, Monthly Report of Operations must be filed in duplicate with the Supervisor on or before the 6th day of the succeeding month, this report shows the quantity of oil, gas and water produced during the month. On both of the above mentioned wells you have repeatedly performed work without informing this office by filing the necessary reports.

You are hereby notified that within 15 days upon receipt of this letter, you are to submit to this office a complete history of all work

267

278

performed on wells No. 1 Federal and No. 27-8, including the amount of oil produced and what disposition was made of this oil. If this information is not received by that time, whatever action deemed necessary under the terms of the lease will be taken.

Sincerely yours,

P. T. McGrath
District Engineer

cc:
Oil and Gas Supervisor, Roswell, New Mexico
Manager Land Office, BLM, Phoenix, Arizona
John Bannister, Ariz. Oil & Gas Commission

278

11-13-64

Mr. Serabian

WE5-9701

(very new to Ariz) he's wanting to invest, too.

Has been approached to buy some oil leases....what are locations of those already drilled by Yavapai?.....what kind of people are they?.....

Gave him locations, suggested that he contact others in the area concerning them.....gave him Mr. Helmandollar, since the locations were on fed leases.....Mike O'Donnell as publisher of a news service.....and Jim Pickett as a lease broker-developer.

Now that I did it, was that the right thing to do?

O'Donnell reported (11-17-64) that Serabian call him - according to Serabian Mr. Newton is now in Calif. raising money on a 300 b/pt & 600 b/pt wells.

November 10, 1964

U.S. Geological Survey
P.O. Drawer 1857
Roswell, New Mexico
Attention: Mr. John A. Anderson

U.S. Geological Survey
P.O. Box 959
Farmington, New Mexico
Attention: Mr. Phil McGrath

Bureau of Land Management
3022 Federal Building
Phoenix, Arizona 85004
Attention: Mr. Roy T. Helmsdollar

Re: Harless Federal #9 well
Federal Lease AR-022988
SW/4NW/4 Section 4, Twp 17N, R4E, Yavapai County, Arizona
Our file 169

Gentlemen:

I hand you herewith a copy of a lab report concerning an analysis made on a sample sent by this Commission. This sample was obtained from one of the workers on the Harless 27B well, and is reliably reported to be so-called "production" from the Harless #9. However, we cannot definitely say that this did come from the #9 well.

Mr. Brown of the Lab verbally reported that the sample contained large amounts of ring compounds definitely not characteristic of crude oil and also paraffin was almost totally lacking. The lab further informed us that this has all the characteristics of cycle oil. Mr. Brown expressed the opinion that perhaps the sample sent was perhaps cycle oil in which had been dropped some dye.

As you can see, the conclusion is the sample was definitely not a crude oil.

Yours very truly,

John Bannister
Executive Secretary

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10-28-64

Harless # 27 B

Perforations reported as follows:

1710 - 1713

1720 - 1723

1738 - 1740

1750 - 1758

} 2 shots per foot

1790 - 1814

1840 - 1868

} 4 shots per foot

278

September 30, 1964

Mr. Richard F. Harless
Attorney at Law
1218 North Central Avenue
Phoenix 4, Arizona

Re: Permit Numbers 169, 257, 278

Dear Mr. Harless:

On September 8 we wrote requesting the completion of Form 25, Sundry Notices and Reports on Wells, for each of the above wells.

Since these reports have not yet been received in this office, we are enclosing additional forms. Your early attention to this is appreciated.

Yours very truly,

John Bannister
Executive Secretary

mr

encl

278

September 24, 1964

Mr. Silas Newton
Newton Oil Company
Star Route
Sedona, Arizona

Dear Mr. Newton:

I am in receipt of your letter of September 23, 1964.

As mentioned in your letter, Mr. Dick Harless informed me late Friday afternoon that the Harless #27B was to be logged sometime that evening. Inasmuch as the notice came to me quite late I was unable to change certain commitments I had for Friday. Consequently I was not present at the logging.

At approximately 9:00 Friday evening I received a phone call asking me if I were aware this well was being logged. I neither confirmed nor denied my knowledge. I do know that in general the knowledge that this well was being logged Friday night was being circulated in Phoenix late Friday and of course on Saturday.

I proceeded to the well Saturday morning, early, and from there I went to Sedona. In Sedona I of course ran into several people from Phoenix and the Slumberger crew was still there.

To the best of my knowledge the Slumberger crew revealed no information to any of those people present with the exception of me.

Prior to Slumberger giving me any information, the crew chief and I telephoned Mr. Ozzie Young in Cottonwood in order that the crew chief could secure Mr. Young's permission to give me any information. The crew chief and Mr. Young discussed the situation and as the result of the conversation a limited amount of information was given to me. This information has not been revealed by this office.

I have long been aware of your desire to keep information concerning your operations on the Harless well secret. And, I have been concerned that much of the information that you have given me has been of general knowledge upon my return to Phoenix.

I can only assure you that your confidence has at no time been dishonored by myself or any personnel of this office.

Yours very truly,

John Bannister
Executive Secretary

278

NEWTON OIL COMPANY

Executive Offices:
Star Route
Sedona, Arizona
9/23/64

Mr. John Bannister
Executive Secretary
Oil and Gas Conservation Commission
1624 West Adams
Phoenix, Arizona

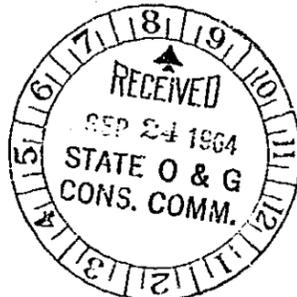
Dear Mr. Bannister:

We have just been informed that quite a collection of characters appeared Saturday morning in Sedona and routed out the representative of the Schlumberger Company and did everything possible to secure information from him. You were informed, of course, that the logging would take place Friday evening but no one else was informed so I have to conclude that Mr. O'Donnell and Company are mind readers.

With kindest regards,

Very truly yours,

JM Newton
"



September 21, 1964

Memo to: File
From: John Bannister, Executive Secretary

Re: Harless-Federal 27B Well
NW/4NW/4, S4-T17N-R4E, Yavapai County, Arizona
File 278

On Friday, September 18, 1964 Mr. Richard Harless notified me that it was the intention of the operator on this well to run logs sometime that evening.

On September 19th I went to Sedona and found that Slumberger had logged the well. The crew chief, Jess B. Maxwell out of Farmington, New Mexico, I contacted. *in Sedona.*

According to the information I received, electrical logs, Gamma Ray Neutron and sonic logs were run.

Total depth of this hole is apparently about 1956 feet. There is a bit laying approximately ten feet off the bottom of the hole and covered by about 15 feet of cave-in granite wash material. Samples of this material are available.

In logging the well the interval 1696 feet to 1907 feet was logged. Apparently the hole is open and useful to 1907 feet, and for all intents and purposes this will be the total depth of the well.

A member of the Harless crew informed me the logs revealed four possible producing intervals. I later examined the logs with Mr. Maxwell and as nearly as I can determine it would be feasible to perforate two zones. Inasmuch as there are no logs in this area with which to correlate the Harless well logs it is difficult to say what the prospects will be. Based upon production reported by Harless from this well, and therefore assuming that there is oil in the hole, the two zones look like possible production.

I would guess that we have a situation of oil floating on water in both the zones. There is apparently a water zone at about 1696 to 1700 feet, accounting for the operator's trouble with water.

One of the Harless crew informed me that it is the intention of Mr. Newton to run pipe to total depth sometime during the week of September 21, to bring in Halliburton to do the cement job, and to bring back Slumberger to perforate the hole. It is anticipated that Early October will give us the full answer to this area.

It is the announced intention of the operator to complete this well into the tank prior to commencing another well.

CONFIDENTIAL

Memo to File

2

September 21, 1964

I spoke to Mr. Ozzie Young by telephone and he and the crew member to whom I spoke were extremely enthusiastic about their prospects. Mr. Young informed me a copy of the logs had been made for the State and will be furnished to us sometime in the future.

I talked to Mr. Phil McGrath, USGS, on September 21 and he in general agrees with me that the picture looks favorable if there has been oil taken from the hole. With nothing to correlate these logs it is difficult to say what will be encountered. He has received no further word as to the plans of Mr. Harless or Mr. Newton and will advise me when he does.

CONFIDENTIAL

XXXXXXXXXXXX
XXXX

XXXXXXXXXX
XXXXXXXXXX

September 8, 1964

Mr. Richard F. Harless
Attorney at Law
1218 North Central Avenue
Phoenix 4, Arizona

RE: Permits Numbers 169, 257, 278

Dear Mr. Harless:

Enclosed please find three of our Form #25, Sundry Notices
And Report On Wells. In order that we may bring the files
up to date on the three referenced wells will you at your
convenience fill in these forms and return them to this
office. Please note that the forms are stamped "Confiden-
tial" and will be handled by this office as that status.

If I may be of further assistance to you, will you please
advise.

Very truly yours,

John Bannister
Executive Secretary

JB/wec
cc/Files

The Arizona Republic

Phoenix, Fri., Aug. 21, 1954

Well Test Deferre

Phoenix, Aug. 21 (AP)—Richard Nixon yesterday said an oil well in the Sedona area will not be tested because "we decided to defer it."

Nixon called for such a test of the well 12 miles west of Sedona more than a month ago.

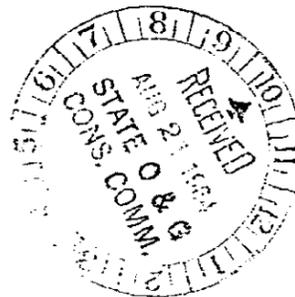
"There will be a test," Nixon had told The Arizona Republic when queried again yesterday. "We'll call you when we're ready."

"We thought we were ready a month ago. But we are solving production problems. We're drilling deeper, and we're expanding. We're trying to make an oil well."

Nixon said the state and federal oil and gas officials are being kept informed of the well's progress. But the law requires that such information be kept secret until after the oil is produced.

210A

P. O. Box 959
Farmington, New Mexico



August 20, 1964

Richard F. Harless
1218 No. Central Ave.
Phoenix A, Arizona

Dear Mr. Harless:

On August 17, 1964 I visited your well No. 27-B and talked to Mr. Newton and Mr. Young. They told me it was their intention to drill to approximately 1922 feet and run and cement a liner through the uncased hole. This is to inform you that before the liner is run you should log the hole. It is recommended that you run a Gamma Ray-Neutron log from total depth to the surface and an Induction Gamma Ray and Formation Density log from total depth up to the 7 inch casing shoe. It is requested that you notify this office of the time the logs will be run so that we can witness the logging of the well.

Sincerely yours,

(Orig. Sgd.) P. T. McGRATH

P. T. McGrath
District Engineer

278

August 19, 1964

To: File
From: John Bannister, Executive Secretary

Re: Harless, Federal 27B
Our File 278

On August 17, 1964 at approximately 5:00 p.m., Mr. Phil McGrath of U.S. Geological Survey, visited this office concerning captioned well. Mr. McGrath had just returned from the well site where he talked to both ⁰²³⁴ ~~Mr.~~ Young and Mr. Newton.

During the time he was at the well drilling operations were in progress. Mr. McGrath advised that they were drilling at approximately 1,870 feet (?) and that on some of the bailer runs a definite oil stain was seen.

Mr. McGrath advised that Mr. Newton definitely promised to run an electrical log on the uncased portion of the well, to run a gamma ray neutron log on the complete hole and upon reach TD to run a pipe, cement the entire string, and based upon his readings of the log, perforate the producing zones.

I expressed the desire of this Commission to give the operator all reasonable chances to make a producer and Mr. McGrath is in agreement as to this point. Consequently no test has been called for or set on this well at this time and Mr. McGrath and this office will confer within a month, providing the operator does not call for a test at a sooner date.

JB

mr

CONFIDENTIAL

XXXXXXXXXXXX
XXXXXX

July 29, 1964

Mr. A. Samuels
Drawer AB
Benson, Arizona

Re: Harless Federal No. 27-B Well
Our File No. 278

Dear Mr. Samuels:

In reply to your letter of July 28, 1964, please be advised that the Oil and Gas Conservation Commission has not been requested as yet to test this well. This office went to the wellsite on July 25th and found that the operator was still chemically treating the well and that a test at this time would not be practical. The operator did advise that at some future date he intended to request this office to witness a test, but no such date has been set.

Should you desire any further information, will you please advise.

Yours very truly,

John Bannister
Executive Secretary

JB:mkc

A. Samuels
Drawer AB
Benson, Arizona

July 28, 1964

Oil & Gas Conservation Comm.
1624 West Adams
Room 202
Phoenix, Arizona

Att: Mr. John Bannister
Executive Secretary

Dear Mr. Bannister;

We thank you and your staff for your prompt response to our recent inquiries regarding the oil & gas situation in the Cottonwood area.

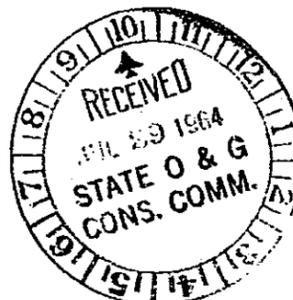
A news article was brought to our attention referencing a request by Mr. Richard Harless, that you and your associates evaluate his oil claims.

Can you please let us know when this survey will take place ... will the results be available to public examination ?

Thank you again for past favors and your kind co-operation.

Very sincerely,


A. Samuels



MEMO FOR THE FILE:

July 29, 1964

FROM: John Bannister, Executive Secretary

FILE: No. 278
Harless Federal 27-B

On Saturday, July 25th, I checked the captioned well and found that the well is not as yet capable of production. There were two tanks at the location -- one in use and one lying on its side. The one currently in use contained approximately three feet of oil and chemical. Mr. Ozzie Young advised that the oil in the tank had been produced from the well in question.

I later contacted Mr. Newton in Sedona who was advised of some of the production problems of this well such as high paraffin content of the oil, bacteria clogging formation exits, heavy gilsonite strata, etc. Mr. Newton also "assured" me that both the first well and this well are capable of production.

I have kept in close contact with Mr. Phil McGrath of the U.S.G.S. concerning this problem and of the fact that this Commission has no authority to call for tests or logs. Mr. McGrath advised Mr. Newton that a test of the well was to be held at eight a.m. on July 28th; however a subsequent telephone call from Mr. Newton assured him that there had not been any production and that the well was not yet in such a condition that a test could be made. Mr. Newton felt that another fifteen days or so would be needed prior to a test being run. This time was granted by Mr. McGrath.

Mr. McGrath of the U.S.G.S. in Farmington, Mr. Roy Helmandollar of the Bureau of Land Management in Phoenix and this office are all under great pressure to make some statement concerning the productivity of this well.

Through cooperation with Mr. McGrath, a test will be called for some time within the next three weeks to a month, as a guess.

It is the sincere desire of both the U.S.G.S. and this office that all reasonable opportunity be given these operators to make a producing well at this location if same is possible.

JB:mkc

For Your Information

JB

RICHARD F. HARLESS
ATTORNEY AT LAW
1218 NORTH CENTRAL AVENUE
PHOENIX 4, ARIZONA
ALPINE 2-1148

RECEIVED
JUL 28 1964
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

July 28, 1964

U.S. Dept of Interior
Geological Survey
P.O. Box 959
Farmington, New Mexico

Attn: Mr. P. T. McGrath
District Engineer

Re: Lease AR-022988

Dear Mr. McGrath:

Pursuant to your letter of July 27th, Mr. Newton has just advised me that he talked to you by telephone today and informed you that the well is not ready for testing at this time.

We will write to you as soon as we know that we are able to make a test.

Sincerely,

Richard F. Harless

RICHARD F. HARLESS
Attorney at Law

RFH:jt

RECEIVED
JUL 30 1964
STATE O & G
CONS. COMM.

278

CONFIDENTIAL

XXXXXXXXXXXXXXXXXX
XXXXXX

July 24, 1964

Mr. Phil McGrath
U. S. Geological Survey
P. O. Box 959
Farmington, New Mexico

Re: Lease AR-022988
Harless Federal No. 27B Well
NW/4 NW/4 Section 4 - T17N - R4E, Yavapai County, Arizona
Our File NO. 278

Dear Mr. McGrath:

I spoke to Mr. Richard Harless on July 23, 1964, and he informed me that they were "still having a little trouble . . . a few more days . . . good of the State of Arizona and all concerned". Consequently, no test date has been set.

Pursuant to our conversation of yesterday, I would suggest, and I do urge, that you exercise your authority and arbitrarily set a date for this test. Inasmuch as your letter will be unable to reach Mr. Harless or Mr. Newton until the 28th or 29th, I would suggest a date no later than August 3rd be set for this test if possible. Should it be possible or feasible to set this test date at some earlier time, this would be all the more acceptable.

As you are aware, the State of Arizona is vitally interested in this well if it is a producer as the operator claims, and consequently we will greatly appreciate any effort that you might be able to make to resolve this situation. This office will stand ready to be present at the test set by you at any convenient time.

Let me express our pleasure and appreciation for the fine cooperation that you have already given to us.

Yours very truly,

John Bannister
Executive Secretary

JB:mkc

Cc: Mr. Roy T. Helmandollar
Bureau of Land Management
3022 Federal Building
230 North First Avenue
Phoenix, Arizona

A FIRST HAND REPORT

Oilmen Confident Sedona Limestone Offers Big Yield

By Patricia Horvath

While Arizona's Oil and Gas Conservation Commission has yet to be asked to confirm officially that a producing well has been struck in on 30,000 acres of limestone in Sedona, the oilmen are confident that the limestone will produce oil and gas in quantities that will make the investment well worth the cost.

The Arizona well is owned by the Sedona Limestone Oil and Gas Co., which is a subsidiary of the Sedona Limestone Oil and Gas Co. The well is located in the Sedona area, which is known for its limestone formations.

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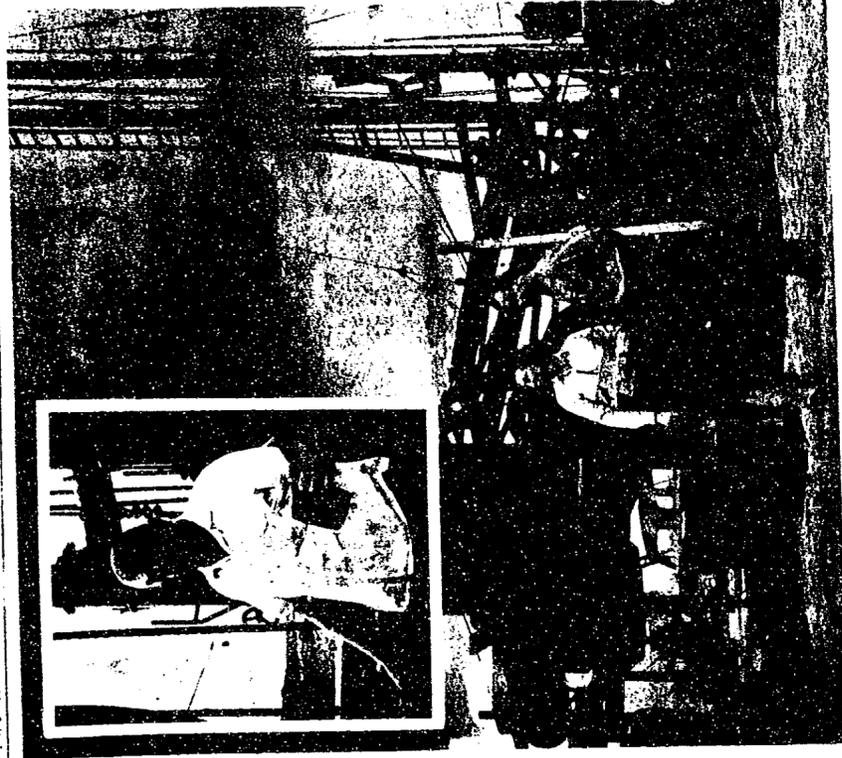
GREEN GOLD

Entrepreneur of the operation is Richard F. Harless, above, former Congressman from Arizona and an attorney in Phoenix. He was a candidate for mayor in last Phoenix election.

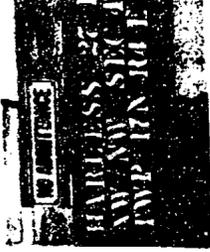
The sign on the third well is Harless No. 27. This reflects an old superstition of St. Newton's. He likes to think of arithmetic in terms of nines. He credits himself with the discovery of the great Rangely oil field in Blanco County, Colorado. However, oil records show it was discovered in 1902 when, according to one account, Newton would have been 10 years old. He started in mid-continent fields in 1918; has been president of several companies such as Indiana Oil and Gas, Newton Pipe Line and Grayburg Oil.

When he found himself over his head financially he formed Indiana Southwestern Gas and

Utility Co., to consolidate debts. Out of sentiment he named one company Oriental Oil. Sentiment he was based on invitation by Nationalist China to explore for oil. War prevented acceptance of invitation.



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The Arizona Republic
Tues., July 18, 1934

Harless Asks Test Of Sedona Wells

The Arizona Oil and Gas Conservation Commission was asked yesterday to set a date soon for an official test of an oil strike claim near Sedona.

The request was made by Richard F. Harless, Phoenix attorney and president of Yavapai Oil Co. He said the wildcat company's drillers have discovered

oil in two wells.

Scheduling of the test will be up to John Bannister, commission chairman, and officials of the U.S. Geological Survey in Farmington, N.M. Representatives of the state commission and the U.S.G.S. must witness the test.

Meanwhile, residents of Sedona have formed a citizens committee to investigate the oil company's application to the state Corporation Commission for permission to construct a crude oil and natural gas pipe-

line in the Verde Valley. If the company's request is granted, it would have exclusive pipeline rights for transmission of gas and oil found within a 50-mile radius of Cottonwood.

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Arizona Republic
July 15, 1963

'Oil Strike' Figure Has Record

By ALBERT J. SITTER

THE MAJOR stockholder in an oil company which claims to have struck oil near Sedona is a convicted swindler who has been sued several times in questionable oil and mining stock deals.

He is Elias M. Newton, 77, formerly of Denver, Phoenix, Los Angeles, who now makes his home at Sedona. The reported wildcat strike was made in two of three wells drilled within a quarter-mile radius, according to Richard F. Harless, Phoenix attorney, who is president of Yavapai Oil Co., Arizona Republic, Harless' client.

Harless, who holds one-third of the company's stock, the remainder belonging to Newton, said a showing of oil was covered in one of the producing wells last fall and the second strike was made within the past month.

If the Yavapai oil strike claim is valid, it will have been the first time oil has been discovered anywhere in Arizona outside an Indian reservation, said Roy T. Fehman, land of five acres manager for the Bureau of Land Management in Phoenix. He was questioned by the Arizona Republic, Harless' client.

Newton has been described, however, as the "dozzle bug swindler" and has claimed knowledge of flying saucers in Venus. Behind him, Harless said, are many years of experience in the oil industry.

Newton's past involvement with the law. He described Newton as an "expert geologist who carried degrees from Baylor and Oxford Universities. Behind him, Harless said, are many years of experience in the oil industry.

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She said this in 1961 in a suit she filed in Denver district court to compel her ex-husband to make \$150 monthly support payments to her and her 10-year-old son, who were living in Phoenix.

In her suit, Mrs. Sharon E. Newton said her former husband was living "very well and spending \$18,000 a month and sometimes more."

Brought to court in connection with the support case, Newton claimed he had neither income nor assets. At that time he was living in a \$75-a-month apartment in Denver.

Newton would repay Bein his investment in a Yuma County gold and silver mine. Harless and Newton had invested in a Yuma County gold and silver mine.

Altogether, Harless and Newton hold U.S. Bureau of Land Management oil and gas leases on about 17,700 acres in Prescott National Forest.

Some of these are in the name of the Magnetic Research Foundation, a nonprofit Colorado corporation which has been given recognition by the Arizona Corporation Commission. Harless said the oil company and the foundation have "contractual connections."

The foundation, according to documents filed with the Bureau of Land Management in Phoenix, is headed by Newton, with all stock issued in his name.

The name of one of the foundation's three Denver officers is identical to an alias Newton's assumed.

Harless served as trustee of Newton's interests, together with Queen Mining Co. and Silver Star Mining Co. The case against Harless was dismissed on the condition that Newton would repay Bein his investment in a Yuma County gold and silver mine.

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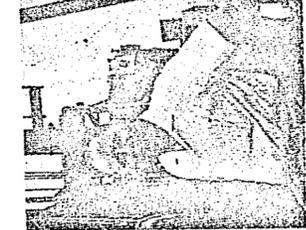
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A FIRST HAND REPORT. Oilmen Confident Sedona Limestone Offers Big Yield



by Patricia Horwell
While Arizona's Oil and Gas Conservation Commission has still to be asked to confirm officially that a producing well has been brought in on 30,000 acres of leased federal land between Sedona and Cottonwood, Richard Harless and his chief associate, Sias Newton, were quietly confident this week that their Verde Valley speculation would prove out - and soon.

The Arizonian went up to see Mr. Newton at the site of the third well, 89 1/2 miles off Route 89A, 10 miles out of Cottonwood. It may not turn out to be the richest oil strike of the decade, but it is certainly the most beautiful oil site, with the red rocks of Sedona looming in the background.

Veteran 72-year-old Sias Newton enjoys the beauty, but depletes the isolation - 450 miles to the nearest depot for oil-drilling equipment - which has caused him to take two years to get on the way.

St. Newton has the charm and some of the past performance of an O. Henry type rugged, never the less, he knows his oil bearing rock and sand. He handles the language of drilling with the ease of an advantage expert discussing the worth of a Singapore dollar.

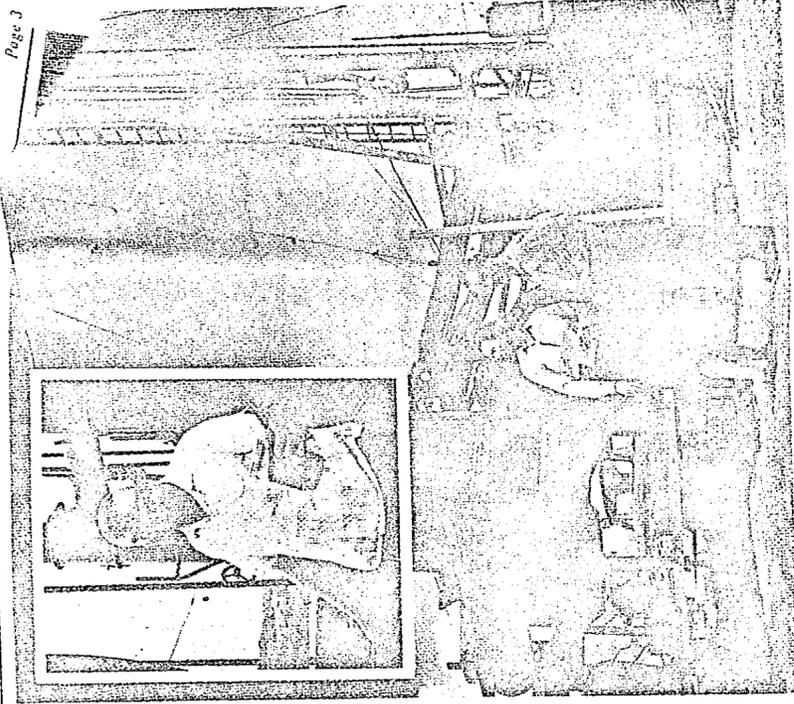
Now on the third effort, Newton believes that his partner has struck the rich oil-bearing limestone strata in the Pennsylvania era. And he has a tank full of oil to prove it.

This week the drilling group, headed by Phoenix attorney Harless, has made application for a pipeline permit to cover a radius of 50 miles. The Commission will rule July 27 on the exclusive permit. (State experts say such a facility would be useful only if the Harless-Newton interests were planning to build a refinery in the area for local processing and a longer pipeline north to or gas to transport it to California.)

Newton's work goes on and in the distance a flag flies, marking the site for the fourth test well. Newton forecasts that in three years he will have 400 wells on their 30,000 acres. He believes he can produce 50,000 barrels of oil to the acre and reminds the listener that decades ago he forecast almost to the barrel the size of the oil pool in the vast Rangely Field in Colorado.

A major oil discovery would mean as much to the state's economy as it would to the Harless investors. The state receives over 50% of royalties from the federal leases which would substantially augment state education funds. New Mexico oil royalties range between \$20-40 million annually, depending on production.

As the 26 issue, considerable interest in the possible Verde Valley strike has arisen among oil speculators in California, Texas and New York. Almost 100,000 acres have been leased surrounding the Harless-controlled acreage by groups interested in developing the land.



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GREEN GOLD
Entrepreneur of the operation is Richard F. Harless, above, former Congressman from Arizona and an attorney in Phoenix. He was a candidate for mayor in last Phoenix election.

The sign on the third well is Harless No. 27. This reflects an old superstition of Sias Newton's. He likes to think of arithmetic in terms of nines, he credits himself with the proving up of the great Rangely oil field in Blanco County, Colorado. However, oil records show it was discovered in 1902 when, according to one account, Newton would have been 10 years old. He started in mid-continent fields in several companies such as Indiana Oil and Gas, Newton Pipe Line and Grayburg Oil.

When he found himself over his head financially he turned to Indiana Southwestern Gas and

The hearing on an application for a pipeline for Yavapai Oil Corporation was indefinitely postponed on the basis of a phone call from Williams, Arizona, by an attorney for the oil corporation. The attorney, Larry Mills, talked to Commissioner Jack Buzzard and read a letter to Mr. Buzard and the postponement was granted on the strength of the letter and the phone call. Mr. Buzard said that he should have the letter in his office by tomorrow. He gave no indication or information as to what the contents of the letter or the phone call concerned.

This information came from Mr. Jack Buzard

7-70-64

27B

'Oil Strike' Figure Has Record

By ALBERT J. BITTER

THE MAJOR stockholder in an oil company which claims to have struck oil near Sedona is a convicted swindler who has been sued several times in questionable oil and mining stock deals.

He is Silas M. Newton, 77, formerly of Denver, Phoenix and Los Angeles, who now makes his home at Sedona.

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If the Yavapai oil strike claim is valid, it will have been the first time oil has been discovered anywhere in Arizona outside an Indian reservation, said Roy T. Holman, chief of office manager for the Bureau of Land Management in Phoenix.

When questioned by the Arizona Republic, Harless said

he missed the significance of his partner's past involvement with the law. He described Newton as an expert geologist who carried degrees from Baylor and Yale and attended Oxford University. Behind him, Harless said, are many years of experience in the oil industry.

Newton has been described, however, as the "Gushe bag swindler" and has claimed knowledge of flying saucers inhabited by tiny people from Venus.

He was convicted of conducting a confidence game and con-

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spiracy on Oct. 23, 1933, by a Denver district court jury. He was accused of bilking a Denver millionaire industrialist, Herman A. Flader, of \$125,000.

The swindle involved a "footele bug" gadget which Newton claimed could locate oil deposits. Released a new trial, he was placed on probation on the condition that he make restitution of \$92,184 to Flader. Although he reportedly never paid any money to Flader, he was released from probation in 1934.

He was quoted extensively by the author of a popular book published several years ago concerning flying saucers. Newton said that the bodies of 30 men, each no taller than 48 inches, had been recovered from flying saucers that had crashed in the United States.

Their corpses, he was quoted as saying, were the subject of secret studies being conducted by the government.

A federal court in Colorado indicted Newton in 1930 on a uranium security sales fraud. He was accused of trying to sell \$125,000 worth of fraudulent stock in two mines. He was acquitted Oct. 9, 1932.

The intent of several other suits, in which Newton figured, also involved Harless. They were based on a \$750,000 mining stock fraud sold in August 1933 by Thomas J.

But, the secretary and former president of a bank in Hughson, Colo.

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former wife said she believed he assumed.

She said this in 1931 in a suit she filed in Denver district court to compel her ex-husband to make \$125 monthly support payments to her and her 14-year-old son, who were living in Phoenix.

In her suit, Mrs. Sharon E. Newton said her former mate was living "very well and spending \$25,000 a month and something more."

Brought to court in connection with the support case, Newton claimed he had neither income nor assets. At that time he was living in a \$175-a-month apartment in Denver.

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The Arizona Republic
Phoenix, Tues., July 14, 1934

Harless Claims Oil Found at Sedona

Claiming a Sedona oil discovery, Phoenix attorney Richard F. Harless yesterday asked Arizona corporation commissioners for an exclusive permit to start a crude oil and gas pipeline.

But, when several other oil and gas lease owners appeared in opposition, Harless asked and got from Commission E. T. Williams Jr. a continuance of his permit application to July 27.

Asked if the Arizona Oil and Gas Conservation Commission has information confirming Harless' claimed oil discovery, the commission secretary, John Baumister, said:

"THE commission has no official notice of any production from the Harless wells."

Harless' claim of a discovery is reiterated in a lawsuit on file in Yavapai County. It accuses some other oil lease purchasers of taking advantage of secret information about his operations.

Bucking Williams at yesterday's hearing, Corporation Commissioner John P. Clark opposed holding any hearing of the application before September. He called for a thorough investigation to show whether the commission would "create a monster" by allowing Harless to pre-empt pipeline rights.

CLARK also asked why he was not invited to Harless' Sedona well as were Commissioners Williams and A. P. Buzard, who was absent from yesterday's proceedings.

Harless replied that Clark would have been invited along with Buzard and Williams, who visited the well, had Clark been present when the invitation was extended. Harless added that his proposal for a common-carrier pipeline open to all would help rather than hinder other lease owners in developing their property.

But Earl Carroll, Phoenix at-

torney for Southern Union Gas Co., declared that the Corporation Commission created one "monster" in recent years by granting a helium pipeline permit without investigating the need or financing. The line never has been built, he added.

CARROLL questioned the legal standing of Harless' Yavapai Oil Corp. on the ground that commission files contain no affidavit of publication of the corporate articles.

Harless indicated this oversight will be looked into during the continuance to July 27. He said he wanted the continuance to get additional witnesses to counter the unanticipated opposition he met yesterday.

The opponents have spent nothing hunting oil, while his Yavapai Oil Corp. has sunk \$250,000 in drilling, Harless declared. The pipeline permit sought in the name of the corporation covers any oil or gas produced in a 50-mile radius of Cottonwood.

From TRUE
Magazine

August, 1956



"Doodlebuggers" deluxe, Silas M. Newton (left) and partner Leo A. Gelbauer, conned an amazing flock of suckers into buying non-producing oil leases.

Maybe these con men didn't know a flying saucer from a hole in the ground. But they used both to sucker their victims. They were almost \$400,000 ahead when TRUE's reporter broke the amazing case of the...

945-2355
278

Flying Saucer Swindlers

By J. P. CAHN

Back in 1952, the September issue of TRUE ran a story of mine titled *The Flying Saucers and the Mysterious Little Men*. It was an exposé of a best-selling book that maintained flying saucers from Venus, manned by 3-foot characters in blue suits, had landed on earth. Despite solemn pretenses by both the author and publisher, the book was a complete hoax. I rounded up proof that the little-men-from-Venus yarn was as phony as a headwaiter's love and smile.

Digging into the story of the bogus flying saucers, I learned that two men—Silas M. Newton and Leo A. Gelbauer—had manufactured the hoax and lobbied it off on a glib author. When we broke the story, TRUE and I had

some pretty good ideas why Newton and Gelbauer had dreamed up their yarn, but we couldn't prove our suspicions. And what you can't prove you don't print. So we said what we could, and hoped for the rest. Thanks to TRUE's vast readership, we got the new leads we were hoping for, and now we can give you the wrap-up story on as slippery a pair of swindlers as ever came down the pike. "It happened like this:

As we had suspected, while chasing the flying saucer story to earth, Newton and Gelbauer were more than a couple of fun-loving pranksters. Newton had a record that went back in 1931. It started with an arrest for conspiracy in Montclair, New Jersey, and worked its way through brutal la

teer, false stock statements, and interstate transportation of stolen property. He had never been brought to trial on any of these charges, but he hadn't been bucking for Eagle Scout for the last 20 years either. Newton happened to be a man with a flair for getting off the hook.

Gelbauer had a suspended sentence for violation of the Federal Housing Act.

It was a pretty safe bet that this pair wouldn't have taken time and trouble to pull off the flying saucer bit—complete with "pieces of the saucers"—if there hadn't been a pay-off for them. The pay-off was simple, we found.

Newton and Gelbauer were "doodlebuggers," a term used in the oil industry for men with mysterious devices of one sort or another that are supposed to locate oil.

Newton, the front man for the team, was a doodlebugger deluxe. He set up the Newton Oil Company with offices in Denver, traveled in the right circles, maintained a lavish suite at the Brown Palace Hotel, and drove only a Cadillac. His golf game was good; at one time he was amateur champion of Colorado.

Newton's contribution to the art of doodlebugging was based on the principle that people are inclined to believe what they see in print. As president of the Newton Oil Company, he would persuade petroleum trade publications to print articles he wrote. These inevitably contained one of Newton's own geophysical theories couched in elaborate, pseudo-scientific double talk.

Newton used the articles as convincers. He would line up a prospect, treat him to the floor show of the Cadillac, the offices of the Newton Oil Company, the suite at the Brown Palace and at some point casually hand him the most recent article by that renowned authority on geophysics, Sir M. Newton.

Now that, when Newton's doodlebug indicated the presence of oil on a piece of property, it wasn't hard to believe there was a fortune underfoot. Newton conned an amazing number of suckers into buying oil leases on some of the most fertile territory in the country.

But the technique had its limitations. The only magazines that would print Newton's articles were trade publications. Oil men who thumbed through them shrugged off Newton's weird geophysical double talk as the scribblings of an eccentric.

What Newton needed was some method of presenting his theories to large numbers of people who knew nothing about oil. If he could manage that, he'd have his prospects coming to him.

The book about the flying saucers was the answer. Sir Newton is the kind of salesman who could peddle a steam calliope to a funeral parlor. The story he palmed off on the man who actually wrote the book set Newton up as a world-famous geophysicist and multimillionaire. It gave him a perfect background to operate from.

The flying saucer yarn was bait. When you got through reading the book, you might still have your doubts about the saucers, but you believed Newton was a genius when it came to locating oil—unless you happened to know something about the subject. And Newton wasn't interested in people who knew anything about oil.

Gelbauer, Newton's sidekick, appeared in the book merely as "Dr. Gee," the mysterious and anonymous electronic wizard who had masterminded submarine locating devices for the government. He was now supposed to be on Newton's payroll, developing oil-locating instruments.

The book was just fantastic enough to become a best seller. With access to the letters [Continued on page 69]



Millionaire manufacturer Herman Flader (left) and Dr. A. D. Kleybauer both paid through the nose to learn that oil-locating machines such as this one were worthless.



Eventually Herman Flader was taken for over \$250,000. Here author Cahn examines some evidence—Flader's cancelled checks and his correspondence with the FBI men.

Flying Saucers

(Continued from page 37)

that came in to the author, Newton was able to build up a sucker list that was a man's dream.

Officially, the law couldn't do anything about Newton until someone filed a complaint. And there were no complaints. It takes a lot of character to admit publicly you've been taken for a sucker—and that's the best protection a con man has.

What I needed was someone who had been clipped by Newton and Gellauer and wasn't afraid to admit it. With the help of the editors of *Yours*, I put as much of Newton and Gellauer's background as I could prove into *The Flying Saucers and the Mysterious Little Men*, hoping some reader would turn up the lead we needed.

We hit the jackpot with the first letter that came in.

It was from a Mr. A. J. C. Bernard who enclosed a want ad clipped from a Los Angeles newspaper. The ad read:

"URGENT NOTICE—All persons having dealings with **SILAS M. NEWTON, NEWTON, OIL CO.**, formerly of Denver, Colorado, New York, Illinois, Wyoming, Calif., Ariz., etc. relative to oil investments, 'Cosmic Rays,' and/or 'Flying Saucers,' kindly contact box 15743 by letter or wire. This is most urgent."

I wired.

While I sweated out the answer the mail poured in from all over the country, confirming what we already knew about Newton and Gellauer: that individually, or as a team, they had been hawking phony stock and fake machines in a dozen states for the last 25 years. But in all the letters, there wasn't one that looked like it might turn into a valid complaint.

I was still waiting for an answer to my wire when I got two phone calls. One was from a man named Flader in Denver. The other was from a Herman Corson in Phoenix, Arizona. Both men had had Newton-Gellauer trouble. The answer to my wire, when it came, was also from Denver, surprisingly enough. A Dr. Kleyhauer there had been placing the ads in newspapers all over the country. He wondered if I could come and see him immediately.

Since it appeared that it was going to be a Denver story, I made arrangements with the Denver Post to work on it for them on special assignment.

Dr. Kleyhauer turned

me over to a promoter who had been clipped by Newton for \$9,000 on the strength of an oil-locating machine Newton had. It was exactly what I wanted—except for one thing. There is a legal time limit on filing complaints. It's fixed by a law called the statute of limitations, and in a case like this one, if you're going to file a complaint, you've got to do it within three years of the date of the last transaction. Thanks to Newton's glib tongue, the statute had run out on any case Dr. Kleyhauer might have had.

The doctor knew it, but he had kept right on running these ads in the hope he could keep Newton from clipping anybody else. Kleyhauer knew Flader, my other Denver lead; Flader had answered one of the doctor's ads.

"You ought to talk to him," Kleyhauer said. "I understand he lost quite a piece of money to Newton, some of it as recently as the fall of 1949."

It was now September 12, 1952. If Flader had a case, the three-year statute might run out any minute—if it hadn't lapsed already. I had to get busy fast.

I went out to the Herman Flader at his home in Denver. It was an impressive two-story glass brick and tile structure on the edge of Denver. Meeting him was quite a shock. From the research I'd done on Flader—a millionaire who'd invented and now manufactured a wire clamp used to attach hose to pipe—I expected the man to look something like the Hollywood version of a tycoon. Instead I found a man wearing baggy, oil-stained slacks, a work shirt and a pair of shoes the Salvation Army would have thought twice about accepting. Flader is in his late 60's; his gray hair is cropped close. Only in the throat of his jaw was there anything to indicate that this man was the boss.

Herman Flader arrived in this country before World War I. His assets consisted of a mechanical talent bordering on genius and a pair of hands with an un-

usually steady with machinery. He calls his "mallets."

Flader kept exercising and unclenching while he told me about Newton and Gellauer. Flader's story was a classic example of the old con game known as "the cross fire." Early in 1949 he met Gellauer through some small-time oil operators. They gave him the old routine about Gellauer being a topflight government scientist who had developed a fabulous electronic device for locating oil.

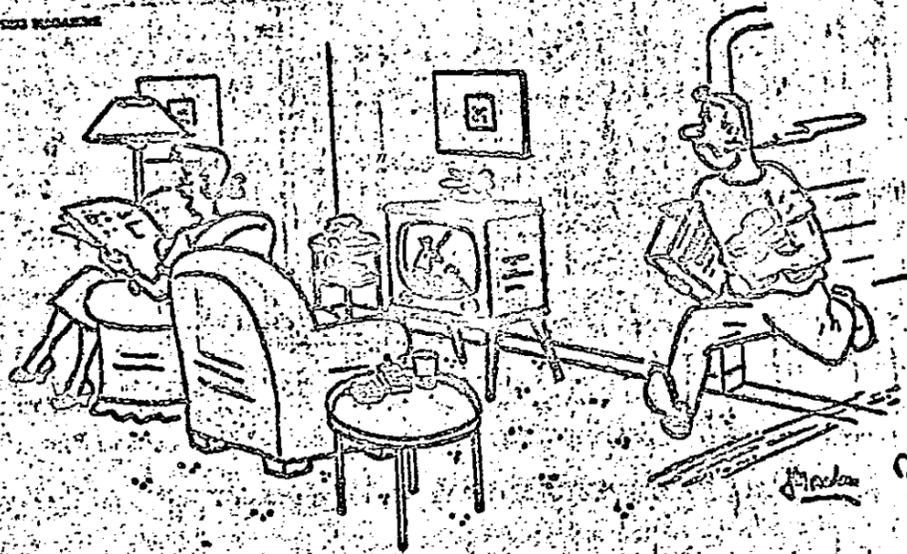
When Gellauer turned up at Flader's, he had his machine with him, a metal box about 18 inches square with antennae protruding from either end. The antennae were tipped with small metal balls about the size of marbles. These, Gellauer insisted, were plutonium and worth \$3,000 apiece. One side of the box was covered with dials, knobs and small lights.

Gellauer didn't tell Flader what the box could do. He showed him. Flader had recently dug five water wells on one of his ranches. Just by twisting the machine's dials until the lights lit, Gellauer located each well and read its exact depth. A couple of times a red light on the machine would flash and Gellauer announced they were over oil, reeling off the precise depth of the deposit. It was an impressive demonstration.

Flader wasn't one to be taken in so easily. Having memorized the readings, he rigged and rigged to be managed to drive Gellauer over the same spot a couple of times. Each time the reading was exactly the same.

"Old Betty," Gellauer's pet name for his machine, was apparently infallible. It never occurred to Flader that Gellauer could have found out the depths of his water wells in advance.

When Flader tried to buy "Old Betty," it was not for sale. The machine, according to Gellauer, was a version of a submarine detector he had developed for the government and was, in fact, U.S.



Flader cleared off the table while the sample was loaded.

ment, pro-...
ze would be g...
surveys of Fla...
to get the chan...

By coincidence...
character to enter...
was Silas Newton...
Newton Oil Comp...
turned up, oil was app...
thing from his mind; he wanted a few
treatments for his arthritis. Flader had
rigged up an electrical gadget in his sleep
and he felt was beneficial to a number
of ailments including arthritis. He didn't
charge anything for the use of the ma-
chine, nor did he solicit any business.

Newton and Flader's conversation led
from one thing to another and finally
wound up with—you guessed it—oil.

When Flader told Newton about Ge-
bauer and his miraculous machine, New-
ton laughed. In his years in the oil fields,
he'd seen thousands of oil-divining ma-
chines. All of them, with one notable
exception, were worthless doodlebugs.
The exception was a machine Newton
now had, a device built for him by a
great physicist at a cost of \$800,000.

It wasn't long before Flader and New-
ton were out testing Newton's machine,
a great gleaming dial-studded affair in
a handsome mahogany box. When Ge-
bauer and "Old Betsy" also turned up
one day, considerable technical discussion
led to a field test between the two ma-
chines.

In the course of the tests, Gebauer re-
vealed—confidentially, of course—that
"Old Betsy" operated on the same mag-
netic principles as the flying saucers. As
a matter of fact, he added casually, when
the first saucer had landed on earth, he
had been called into consultation by the
government because of his outstanding
work in the field of magnetics.

The result of the battle of the doodle-

bug was that Silas Newton, president
of the Newton Oil Company, had to ad-
mit humbly that Flader had found a
scientist with an oil-locating device far
superior to the one he had paid \$800,000
for. And not only could "Old Betsy" lo-
cate oil, gas and water; by taking a firm
grip on her plutonium-tipped antennae,
Gebauer could give you a reading on the
state of your health.

Caught in the cross fire between New-
ton and Gebauer, Flader was sold.

He bought a sister machine to "Old
Betsy" for \$4,000 and then set up the
Colorado Geophysical and Development
Company, Inc., so he and Gebauer could
realize the full financial advantages of
Gebauer's equipment.

Ultimately, Flader paid Gebauer
\$28,522.30 for one-half interest in three
more machines. One of them, in the
hands of the master, Gebauer, could
take what Gebauer liked to call an un-
derground photograph—a chart-like af-
fair that showed exactly where the oil
was. The only hitch was that every time
Gebauer made one of these photographs,
one of the tubes in the machine had to
be exploded—at a replacement cost of
\$517.

Gebauer was a little leary of letting
Flader have the machines. He told
Flader that their circuits were so secret
the government had insisted he put de-
molition charges in each machine. Ge-
bauer was concerned about his new
friend and business associate. If Flader
so much as tried to peek inside the ma-
chines, he would be blown to bits.

Flader promised not to peek.

He insisted, however, that Gebauer
show him how to operate the machines.
Gebauer obliged with a set of instruc-
tions that might have been lifted out of
the cabal.

The Colorado Geophysical and De-

velopment Company was an interesting
business venture. With a few exceptions,
its clients for whom Gebauer did
geophysical surveys were friends of
Flader's who had known and trusted him
for years. Flader also supplied all the
capital in the company.

All the income, however, was immedi-
ately drawn out by Gebauer who was
always a little short on his plutonium
payments or something equally as im-
portant.

Newton wasn't part of the Colorado
Geophysical Company—except as a kind
of non-paying client. He had some
property up on Dutton Creek in Wyo-
ming that he felt was practically seeping
oil. Gebauer zipped up there with his
machines and turned in more oil than
even Newton had dreamed existed.

Flader was allowed to put up some
capital and provide drilling equipment.
Dutton Creek eventually cost him
\$152,000.

In the middle of the Dutton Creek
operation, Newton sold Flader an oil
lease near Newhall, California, for a
piddling \$1,500 and began hinting that
Gebauer and "Old Betsy" had turned in
on one of the most tremendous oil fields
on earth just outside Mojave, California.
When Gebauer was sure of his data,
Flader was cut in. It ultimately cost him
\$49,400.

All told, Newton and Gebauer drained
\$231,452.30 out of Flader before they
were through with him, and they didn't
produce as much oil as you can wipe off
the mainspring of your wristwatch.

When Flader began to show signs of
being disillusioned, Newton and Ge-
bauer poured on the double talk and got
out of range. The Newton Oil Company
in Denver closed its doors. Herman
Flader decided all he could do was write
it off to experience.

For a minute right after he finished his
story, Flader looked like a tired, old man.
"How could a man who knows as much
about machinery as you do, fail for a deal
that was built on phony machines that
didn't work?" I asked.

"When I build a man a machine," he
snapped, "it works. I never thought that
the other fellow wouldn't do the same."

I asked Flader if he could prove the
story he told me. He produced a pack
of canceled checks, every one of them
endorsed by Newton or Gebauer. Then
he dragged out a pair of black boxes
with dials on them.

"These are Gebauer's machines.
Look here."

Inside one of the boxes was a small
battery.

There's the joker that worked the
lights. It wasn't plutonium—just this
little battery. I got tired of waiting and
priced the damn thing open one day.
That business about dynamite was just
more of Gebauer's lies. This is what I
found, a little 20-cent battery that cost
me all that money.

The machines turned out to be the
tuning units of U.S. Army radio trans-
mitters. They still had the Signal Corps
identification plates on them.

I checked through the dates on the
canceled checks. Flader's case was within
the three-year statute—just.



Herman Corran, another Newton-Gebauer victim, displays the oil samples and "underground" photograph which convinced him he was buying into a good thing.

...there was just one question...
 ...was the big one... could you file
 ...complaint, Mr. Flader, even if it me,
 ...sounding publicly you'd been taken for
 ...aker?

Fladers began working again. "I'll
 ...ing if it helps stop Newton and
 ...
 ...to see the Denver D.A.—Bert
 ...e listened to Flader's story,
 ... a plan of action. Witnesses
 ... located and the actual site of
 ... Flader's leases in the Mojave had to be
 ... pinned down. Flader had never seen the
 ... operation that had cost him nearly
 ... \$50,000 and the D.A.'s office wanted to
 ... know what really happened out there.
 ... Since I was going to check in both
 ... Phoenix and Mojave, I agreed to do a
 ... little unofficial leg work. The assignment
 ... was to gather as much information as
 ... possible without tipping Newton or Ge-
 ... Bauer that an investigation was under
 ... way.

Herman Corson, the man who had tele-
 phoned me in San Francisco, met me at
 the Phoenix airport. Corson, the pro-
 prietor of a delicatessen, apparently was
 given to sampling his wares. He stands
 6' 3" and weighs 285. At his place, be-
 tween mouthfuls of four-layer pastrami
 sandwiches, he told me his story.

It was the same old routine—flying
 saucers and super-secret government in-
 struments converted to locate oil. The
 only difference was that GeBauer had
 conducted this little foray on his own.
 Corson had only seen Newton once when
 GeBauer had introduced him as a multi-
 millionaire oil associate.

Corson paid GeBauer \$3,350 for a
 nebulous oil lease near Casper, Wyo-
 ning. For this investment, GeBauer gave
 him a couple of jugs of oil, supposedly
 samples from the well, one of his \$517
 underground photographs, (valued for
 Corson's benefit at \$1,500) and a trip to
 Casper during which GeBauer waved a
 lordly hand at an oil storage tank and
 announced grandly, "That tank is yours,
 Herman!"

Corson never did find out who owned
 the tank. The only thing he's sure of now
 is that it wasn't his, or GeBauer's either.

Corson was boiling mad and ready to
 have his attorney take action against
 GeBauer. Which was exactly what the
 Denver D.A. was afraid of. The Denver
 case, if it worked out, stood a good chance
 of putting two con men out of circula-
 tion. Corson's case only involved one.
 The Denver case involved enough money
 so it would be almost impossible for
 Newton and GeBauer to raise the cash
 to repay Flader and quash the suit.
 Corson's case involved only \$3,350.

One rumble out of Corson would set
 Newton and GeBauer to inspecting all
 their fences. They would certainly find
 out what was going on in Denver. If that
 happened before Keating and his office
 had all the information they needed,
 there was a good chance Newton and
 GeBauer could so thoroughly cover up
 their tracks the Denver case never would
 come to trial.

I asked Corson if he was willing to
 postpone his complaint until the Denver
 case was set.

TRAVELING



"You're sure you don't mind hearing about my symptoms, Doctor?"

It was a tough decision for him. If he
 hit GeBauer right then, his \$3,350 was
 as good as back in his pocket. If he waited,
 there was no telling when he'd collect.

Finally Herman Corson nodded. He
 agreed to wait.

Two days later I was in California,
 checking at the Mojave lease sites. I
 located a Slim Appleby who had worked
 as a driller for Newton. Appleby—a tall,
 windburned man—has a reputation for
 being on the level. Although he only
 worked for Newton for wages, he regrets
 the association.

"This country's been surveyed by ex-
 perts," Slim said. "It's full of test holes.
 Old ones. Anybody who knows anything
 about this desert knows that a few hun-
 dred feet down there's a layer of granite
 that runs for miles. And here we were
 drilling right into the middle of it. That's
 what I couldn't understand about those
 fellows."

Appleby had heard the flying-saucer
 story, too, the identical story Flader had
 been told. He had seen Dr. GeBauer and
 his machines, and hadn't thought much
 of them; he'd been around oil fields too
 long.

Appleby wasn't impressed with New-
 ton's drilling either. Under Newton's
 supervision, they lost their drilling tools
 down the hole, and occasionally, thanks
 to cave-ins, lost the hole itself. As
 Appleby put it, "At one time or another,
 we had everything down that hole but
 the rig itself. Everything, that is, but oil."

At least I knew Newton had actually
 done some drilling. I had scout reports,
 so I knew when and how deep. I knew
 where the holes were and I knew how to
 get in touch with Slim if he were needed
 for a witness.

That night I was back in Phoenix on
 my way to Denver. I checked to see how
 Herman Corson was holding up. He was
 still sitting tight, but I could see the
 strain was awful.

Our time was running pretty short. On
 Friday, October 10, charges were quietly
 filed in Denver's Justice of the Peace
 Court instead of the District Court where
 they would normally have been filed.
 Warrants were issued for the arrest of
 Newton and GeBauer. By filing in an
 out-of-the-way court there was a chance
 the charges wouldn't be spotted before
 Newton and GeBauer could be picked
 up.

For three days investigators from the
 D.A.'s office quietly checked with police
 departments all over the West, trying to
 locate Newton and GeBauer without
 alarming them. It was a tough assign-
 ment.

About 9:30 on the morning of the
 14th, an attorney strolled into the Dis-
 trict Court and asked if there were any
 charges filed against Newton. Obviously,
 someone had got wind of what was up.

But a few minutes later the FBI, up to
 this point not very enthusiastic about the
 Newton-GeBauer case, had received
 authorization from the U.S. Attorney's
 office to file charges.

"Denverite 'Saucer Scientist' Charged
 in \$50,000 Fraud," was the headline on
 the Denver Post for all editions.

With no more need for secrecy, an all-
 points bulletin went out for Newton and
 GeBauer. That night—October 14, 1952—
 FBI agents in Phoenix grabbed GeBauer.
 Newton was picked up the same evening
 in Hollywood.

The trial date was set for June 9, 1953.
 But before the case actually got into

... was postponed more times... of the bearded lady... out on bail, were... many state citizens as they... returning their boat. Herman... for example, wound up by... \$2,300 and a couple of 17-inch... The boys paid off with anything... they could get their hands on.

The day after the story broke, there were 15 civil suits against Newton totaling over \$1,000,000. They included everything from failure to pay for drilling equipment to a claim for a year's back rent from his landlady.

By now I had been able to figure out why Newton and Gelbauer had gone to all the expense of drilling a pair of holes into solid granite. All the leases Newton and Gelbauer peddled in the Mojave were carefully described by section, township and range. But out in the desert it's a piece of cake to pin-point any given location unless you know exactly what you're about. None of the Newton-Gelbauer clientele did.

A sucker who had already felt the needed assurance his money was being spent for drilling, he could be lulled by the sight of the rig chugging away out in the sage brush. If the location described on his lease happened to be five miles away, how could he tell?

For two years Newton and Gelbauer drilled that pair of tired holes in the granite as window trimming. And a good thing they were in granite too. If they had ever struck oil and all the lease holders who thought they owned a piece of those wells turned up at once, the doodlebuggers would have been trampled to death in the rush.

Once a sucker had been taken, Newton and Gelbauer cooled his fervor with sad stories of collapsed casings, expensive cement jobs and any number of costly mechanical horrors. If that didn't work and a client showed signs of becoming belligerent, he was promised an interest in a sure-fire field in another part of the country, Kansas or Wyoming, anywhere sufficiently inaccessible. And then the cooling-off process started all over again until the sucker finally gave up in despair.

September 10, 1953, a year and a half later, they were arrested. Newton and Gelbauer were brought to trial in the District Court in Denver. The charges: conducting a confidence game and a conspiracy to commit a confidence game.

Herman Flader, the state's first witness, was on the stand for almost a week. He told the court the same story he had told me, lying saucers and all. And he stuck to it through four solid days of rugged cross-examination.

The slugging began in earnest when Edward Hill, the professional archer who was brought to Denver as a witness for the state, was snaggled by the defense through a legal maneuver. Hill wound up testifying that Gelbauer's doodlebug had miraculously located a tank of fuel oil in his back yard.

District Attorney Keating evented it up when the defense produced a photostatic copy of an agreement between

Flader and Gelbauer bearing a date that would put the case outside the three-year statute. Keating produced the original document, stated that the date on the photostat had been altered and called in a handwriting expert who flatly testified the defense photostat was "just a plain forgery."

An electronics expert appeared for the state. With the help of a new battery he got Gelbauer's apparatus to indicate oil under the court room. Under oath, he then identified the machine as a surplus radio-transmitting tuning unit that "couldn't indicate the presence of anything."

The district attorney produced a doodlebug of his own, identical to one Gelbauer sold Flader for \$12,500. Only Keating got his at a more reasonable rate—\$3,500 at a local surplus store.

The trial was delayed a week when Gelbauer, genuinely ill, was unable to appear. When he returned in a wheel chair, he was accompanied by a nurse who spooned medicine into him so regularly that the judge was moved to suggest Gelbauer receive his medication in the hallway, out of the jury's sight. He took his medicine in the hall all right, but at the exact moment the jury was filing by.

Newton distinguished himself in testimony by being unable to recall whether

IN NEXT MONTH'S TRUE

With Germany's secret weapon poised to destroy England, espionage agents race to solve the war's deadliest puzzle.

he owned five or seven Cadillacs between 1945 and 1949 and then got into a corner where he had to admit he hadn't paid an income tax in 12 years. The next day a gentleman from the Bureau of Internal Revenue quietly joined the spectators at the trial.

Gelbauer took the stand and explained he had spent six months in the arctic regions studying the northern lights and that his oil-divining instruments were powered by the same magnetic energy that causes the aurora borealis. But when Gelbauer tried to explain his scientific theories and the defense wheeled in a huge doodlebug to substantiate his statements, the trial turned into a complete rout.

District Attorney Keating produced a scholarly geophysicist from the Colorado School of Mines who calmly dismantled Gelbauer's machines and his theories along with them.

The jury arrived at its verdict in less than five hours. They found both defendants guilty on both charges. Newton and Gelbauer faced maximum sentences of 30 years in prison.

On April 12, 1954, their motion for a new trial was denied, whereupon both Newton and Gelbauer applied for probation. It was granted June 20, the terms

of which were that Newton and Gelbauer make restitution to Flader and pay court costs. The con men were to get up \$82,086.77, starting with an immediate cash payment of \$3,000 and a percentage of their incomes thereafter until the full amount was paid.

Newton claimed he didn't have a cent. Gelbauer scraped up the \$3,000 cash for both of them and dutifully began making small payments to Flader. Not Newton.

On February 7, 1955, less than a year after he was put on probation, Newton made the front pages in Denver again—this time for hawking \$14,500 worth of stock certificates in a Utah uranium claim known as the Tennessee Queen. Eight residents of Denver charged the Queen wasn't the beautiful lady Newton claimed.

A summons was issued for Newton but attorneys who tried to have it served ran into a snag. Although Newton is required to report to Denver's probation officers each month, the process servers were somehow unable to locate Newton to hand him the summons.

It was found that Newton was permitted to report by mail instead of making a monthly trip from Utah to Denver, on the theory that the more time Newton could spend at the Queen the more chance he had of making some money and thus repaying what he commuted out of Herman Flader.

But, two years after his conviction, Newton had as yet to make his first payment. His excuse was that he had no income. He claims all he got for promoting the Queen was an expense account. Since the terms of his probation only require him to pay a percentage of his income—no income, no payments.

At least Newton is consistent. Although it is possible he may have fled elsewhere, the records of the Department of Internal Revenue office in Denver fail to show any income-tax returns filed in 1954 by Newton, the Newton Oil Company or the Tennessee Queen either, for that matter.

As one probation officer succinctly put it, "Newton isn't an ordinary con man. I've been hoping the SEC would grab him. I told them all about his new stock deal a long time ago. I figure now it's up to them."

The Securities and Exchange Commission whose function, among other things, is to scan the sales of new securities for possible violation of the federal law, is conveniently inscrutable behind a lattice of red tape. Silas Newton is at least listed in the securities-violation files of the SEC district office in Denver. However, the most recent entry on his card is dated June 15, 1955. A placid SEC official assured me that any time his office wanted to spring into action he could apply to Washington for more current violations. Aside from that, no information is available to the public. The SEC may be taking some action against Newton and again they may not.

The fact is that since he was convicted no one has done anything to stop Si Newton in what at least eight people in Denver consider to be a one-man crusade to prove Barnum was right.—J. P. Cohen

JB

6/18/64
3:40

Re: Harless 27-B

Mr. Phil McGrath, U. S. G. S., Farmington, called and advised that he first received Harless' papers early in June, but had to send them back for signature and footage. He sent the Intent to Drill back for signature and now has it back on his desk. He will approve it as of June 12th or June 15th, or maybe even back to the early part of June when papers were first received. Anyway there is no question of approval. It is approved.

mkc

For the files:

June 22, 1964

I accompanied Mr. John Bannister to Sedona and the site of the Harless Federal #27B well. Upon arriving at the well site we were met by Mr. Ozzie Young, owner of the Young Drilling Company and he informed us that he was drilling at 1715 feet in hard lime and that the drilling was very difficult. He also informed us that the well was being serviced by a chemical treating company known as Nutro, Inc. Mr. Bannister talked to a Mr. Ed Foster of the Nutro Company and Mr. Foster informed Mr. Bannister that the solution being used in the hole was for the purpose of softening the lime for better drilling. Contrary to numerous rumors the Nutro company was there for softening processes only and not for the reason of completing the well. At the same time Mr. Bannister talked to Mr. Silas Newton and Mr. Newton confirmed the statements of Mr. Young and Mr. Foster. Mr. Bannister was satisfied with what he was told and with what he saw at the site and this information completely dispelled the many rumors that had been circulating about production at the well. Mr. Newton informed Mr. Bannister that he would be in the office with samples and any more information pertinent to the well and that if and when production was in effect he would immediately inform the Commission of such production. As far as the commission is concerned the Harless Federal #27B is a drilling well and all requirements of the Commission are being satisfied. Casing is now set at 1696 feet. We returned to Phoenix at 8:00 P.M. June 19, 1964.

William E. Cooper

William E. Cooper

MT. UNION INDUSTRIES, INC.

P. O. BOX 2549
RENO, NEVADA

June 1, 1964

Dear Stockholder:

The purpose of this letter is to bring you up to date on the activities of your company.

The future looks encouraging. It's been a long time and taken much effort on the part of your company, but our Arizona operation could soon produce the results we have all been hoping for. The following is a short resume about our Arizona oil drilling operation.

The property is in Yavapai County, Arizona, flanking the plateau area commonly referred to as the four corners. The attached map, which many of you saw in the Los Angeles Times on June 1, 1964, shows the proximity of our location to the area in which many major oil companies are interested at this time.

Our Arizona associates are a group headed by the Honorable Richard E. Harless, former Congressman at large from Arizona and a prominent attorney. They have spent much time, considerable money, and only recently installed the latest type rotary and cable drilling equipment at a cost to them in excess of \$200,000.00. Mt. Union has had no expense in this operation. Upon officially testing 50 or more barrels of oil per day, your company is to take over the entire operation on an agreed stock exchange basis. The two wells that have been drilled will both be tested within the next couple of weeks. If the high quality oil samples I have brought home during my several visits the past few weeks are any indication, the outlook is encouraging. The test equipment and tanks are already installed. Competent personnel are operating 24 hours a day to speed this drilling and testing.

This report has been prepared for the sole purpose of answering the many letters I have received and to also give present stockholders information about their company. This report is not a presentation with respect to any sale, or offer to sell or buy stock now or hereafter to be issued.

MT. UNION INDUSTRIES, INC.

Harold E. Marconda,
President.

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Letter 27-B

P. O. Box 959
Farmington, New Mexico

May 21, 1945

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard Harless
1215 So. Central Ave.
Phoenix 4, Arizona

Re: Ar. GR2900

Dear Mr. Harless:

According to records in this office you have started three wells on the above referenced Federal oil and gas lease. Each well was started in violation of the Code of Federal Regulations - Title 30 - Mineral Resources - Oil and Gas Operating Regulations, a copy of which has been previously furnished to you. The violation in each instance being that you had not received approval from this office to drill the wells prior to spudding them. The proper forms and bond had not been filed for approval before commencement of drilling operations and you have not kept us informed as to your operations on these wells as was requested.

Your attention is invited specifically to article 221.21 paragraph (b) of the operating regulations and to section 7 of your oil and gas lease. If you persist in violating the operating regulations the Manager, Bureau of Land Management, Phoenix, Arizona will be requested to take whatever action he deems necessary or advisable. Such action could result in the cancellation of the lease.

Sincerely yours,

P. T. McGrath
District Engineer

278

OO:
Oil and Gas Supervisor
Roswell, New Mexico

Mr. Roy T. Hahnstaller
Bureau of Land Management
1022 Federal Bldg.
230 No. First Ave.
Phoenix, Arizona

Mr. John Banister
Arizona Oil & Gas Conservation Commission
16th West Adams, Rm. 202
Phoenix, Arizona

JB

PAUL FANNIN
GOVERNOR
R. KEITH WALDEN
CHAIRMAN
LYNN LOCKHART
VICE CHAIRMAN
CHARLES KALIL, M.D.
MEMBER
ROBERT B. HEWARD
MEMBER
ORME LEWIS
MEMBER



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
Phoenix 7, Arizona
271-5161

N. A. LUDEWICK
EXECUTIVE SECRETARY
JOHN K. PETTY
PETROLEUM GEOLOGIST

May 13, 1964

Mr. John Bannister
Oil and Gas Conservation Commission
1624 West Adams
Phoenix 7, Arizona

Dear John:

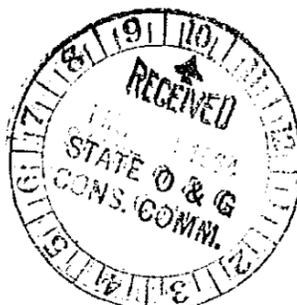
I have received your letter of May 7th with reference to
the Harless Federal No. 27-B.

Congratulations on a job well done!

Sincerely,

R. Keith Walden
R. Keith Walden

RKW:ms





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Land Office
3022 Federal Building
Phoenix, Arizona 85025

IN REPLY REFER TO:

AR 022988
Oil and Gas

Your ref.:
File No. 278 ✓

May 8, 1964

Mr. John Bannister
Executive Secretary
Arizona Oil and Gas Conservation Commission
1624 West Adams
Phoenix, Arizona 85007

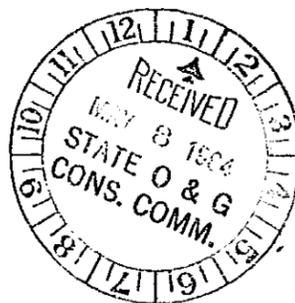
Dear Mr. Bannister:

Thank you for your letter of May 6 concerning the Richard F. Harless Federal No. 4 well in the NW $\frac{1}{4}$ section 4, T. 17 N., R. 4 E., Yavapai County, Arizona.

We are sending copies of your letter to the Oil and Gas Supervisor, Geological Survey, Roswell, New Mexico, and to the District Engineer, Geological Survey, Farmington, New Mexico, for information.

Sincerely yours,

Roy T. Helmandollar
Roy T. Helmandollar
Manager





Office of The Governor
State House
Phoenix, Arizona

PAUL FANNIN
GOVERNOR

May 8, 1964

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

Dear John:

Thank you for the copy of your letter to the Commissioners dated May 7th.

The Governor will see this copy along with the other copy you sent upon his return to the office.

Sincerely,

A handwritten signature in dark ink, appearing to read "John M. McGowan".

John M. McGowan
Administrative Assistant



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MAY 11 1964



Office of The Governor
State House
Phoenix, Arizona

PAUL FANNIN
GOVERNOR

May 7, 1964

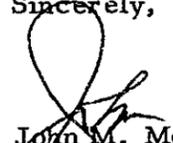
Mr. John Bannister, Executive Secretary
Oil and Gas Conservation Commission
Room 202
1624 West Adams
Phoenix, Arizona 85007

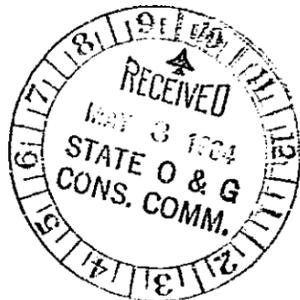
Dear John:

Thank you for the copy of your letter to the Commissioners dated May 6th.

The Governor will see this letter upon his return to the office.

Sincerely,


John M. McGowan
Administrative Assistant



May 7, 1964

TO THE COMMISSIONERS:

Re: Richard F. Harless Federal No. 27-B
580 feet from North Line, 900 feet from West Line
Section 4 - T17N - R4E, Yavapai County, Arizona

Gentlemen:

By letter dated May 6, 1964, I informed you of our closing in of the well referred to as the Harless Federal No. 4 Well.

This is to inform you that Mr. Richard Harless and his drilling contractor, Ozzie Young, came to this office at approximately five p.m. on May 6th bringing with them the necessary evidence and instruments to properly close out the Harless Federal No. 27 Well as a dry hole and to allow this office to issue our Permit No. 27B for the drilling of the No. 4 Well. As a result of this conference, the well in question is no longer shut in by this Commission.

The well which has been referred to as the No. 4 Well has now been renamed the Harless Federal No. 27-B.

Inasmuch as Mr. Harless was able to act promptly, there has been no economic damage to the operator as a result of our shut in order. As reported, I allowed cement to be put into the well when the shut in order was issued and it was necessary that this cement set prior to the operator commencing any other operations. As a result, while waiting for the cement to set, Mr. Harless and Mr. Young were able to put themselves into the position of complying with the rules and regulations of this Commission, and no undue delay to their operations has resulted.

Should you have any questions, will you please advise.

Very truly yours,

John Bennister
Executive Secretary

TO THE COMMISSIONERS

May 7, 1964
Page Two

Commissioners:

Mr. Lynn Lockhart, Chairman
525 West Orchid Lane
Phoenix, Arizona 85021

Mr. R. Keith Walden, Vice Chairman
P. O. Box 1271
Tucson, Arizona 85702

Charles Kalil, M.D., Member
200 East Monterey Way, Suite 6
Phoenix, Arizona

Mr. Orms Lewis, Member
Lewis Roca Scoville Beauchamp & Linton
Ninth Floor, Title & Trust Building
Phoenix, Arizona

Mr. L. B. Owens, Member *M.L.D. to Phoenix address*
P. O. Box 386
Holbrook, Arizona 86025

cc: The Honorable Paul Fannin
Governor of the State of Arizona
State House
Phoenix, Arizona 85007

cc: Mr. Edward I. Kennedy, Assistant Attorney General
Office of The Attorney General
159 Capitol Building
Phoenix, Arizona 85007

cc: Mr. Roy T. Helmandollar
Bureau of Land Management
3022 Federal Building
230 North First Avenue
Phoenix, Arizona

File No. 278

May 6, 1964

TO THE COMMISSIONERS

Re: Richard F. Harless Federal No. 4 Well *Changed to Federal 37B*
560 feet from North Line, 300 feet from West Line
Section 4 - T17N - R4E, Yavapai County, Arizona

Gentlemen:

Please be advised that on May 5, 1964, at approximately 11:50 a.m. I ordered the captioned well be shut in. A notice to this effect was posted by me in the doghouse and all operations upon this well ceased.

On Tuesday, April 28th, this well was reported to us as drilling, and no permit had been issued by this office for same. We located Mr. Richard F. Harless and requested his appearance in this office. On Wednesday, April 29th, Mr. Harless came in ostensibly to secure a permit for the drilling of this new well. At that time he reported that surface casing had been set to 104 feet and cemented to the top and the cement had been allowed to dry for 36 hours; and that at the time of our conversation this well was shut in. Mr. Harless was advised that he had no permit for this well; and that in view of the fact that the Harless Federal No. 27 located some 60 feet to the south of the captioned well and in the same quarter/quarter was still in the process of being drilled, this office could not issue a permit for the No. 4 Well. Mr. Harless promised to have an application for a permit in the following day (i.e., April 30, 1964) and to conduct no operations on the No. 4 Well until such time as he had cleared with this Commission, and further to close out the No. 27. That same week on Thursday, April 30th, we wrote him a letter reiterating our conversation and again pointing out that no action should be taken on the No. 4 Well.

Mr. Harless failed to take any action, and reports were received by this office on Monday, May 4th, that the Harless No. 4 was drilling. Consequently, I and Bill Cooper, a temporary employee of this office, went to the Harless wells Tuesday morning and found that the No. 4 Well was drilling and was then at a total depth of 803 feet. The Harless No. 27 Well, some 60 feet to the south, had a cap lying over the hole, but not welded on. After ascertaining these facts, I ordered the cessation of all operations; however inasmuch as they were preparing to put cement in the well in order to straighten out the hole, I felt it wise to allow this operation to continue in order

TO THE COMMISSIONERS

May 6, 1964
Page Two

to minimize any economic loss due to this shut down order. Consequently, I did allow 50 sacks of cement to be put into this well. However, the possible economic damage to the operator in this particular case cannot be of consequence to this office inasmuch as the drilling of this well is in direct violation of A.R.S. 27-513 which specifically forbids the drilling of any well without a permit from this office. In addition, this well constitutes a direct violation of the Commission's regulations No. 101, No. 102, No. 105A, No. 105C, etc.

When Mr. Cooper and I arrived at this well we found that Mr. L. C. Pope, the pusher, and two of his crew were present and working upon this well. Mr. Cooper, at my instructions, secured a series of photographs evidencing the facts reported herein. Mr. Pope and his crew were extremely courteous to Mr. Cooper and me. At the request of Mr. Pope, we went in to the town of Cottonwood where we located Mr. Ozzie Young, the drilling contractor on this well. After I had explained the situation with which we were confronted to Mr. Young, he requested that we give him time to contact Mr. Richard Harless and Mr. Silas Newton in Sedona. Consequently, a conference was arranged between Mr. Young, Mr. Harless, Mr. Cooper and myself in the town of Sedona. As a result of this conference, it is the intention of Mr. Harless to abandon the Harless Federal No. 27 Well and turn it over to the landowner as a water well. He intends to use water from this well for future drilling operations within the area.

It was pointed out to Mr. Harless that no further operations other than the cementing of the well were under any circumstances to be conducted until such time as the Harless Federal No. 27 was completely abandoned as a drilling oil well and until such time as the Harless Federal No. 4 had been issued a permit by this office. Mr. Harless and Mr. Young said they would come to this office on Wednesday, May 6th, with the necessary papers and instruments to completely close out the Harless Federal No. 27 Well. This office now has an application for a permit on the Harless No. 4 Well together with a bond; however no filing fee has been forwarded nor has at this time the Harless Federal No. 27 been closed out. Consequently, as of this writing, we are unable to issue permit for the Harless Federal No. 4 Well and the well is to remain shut in until such time as there has been full compliance with the statutes and our rules and regulations.

Should you have any questions concerning this action, will you please advise.

Yours very truly,

John Bannister
Executive Secretary

TO THE COMMISSIONERS

May 6, 1964
Page Three

Commissioners:

Mr. Lynn Lockhart, Chairman
828 West Orchid Lane
Phoenix, Arizona 85021

Mr. R. Keith Walden, Vice Chairman
P. O. Box 1271
Tucson, Arizona 85702

Charles Kalil, M.D., Member
200 East Monterey Way, Suite 6
Phoenix, Arizona

Mr. Orms Lewis, Member
Lewis Hoca Scoville Beauchamp & Linton
Ninth Floor, Title & Trust Building
Phoenix, Arizona

Mr. L. B. Orens, Member
P. O. Box 366
Holbrook, Arizona 86025

Cc: The Honorable Paul Fannin
Governor of the State of Arizona
State House
Phoenix, Arizona 85007

Cc: Mr. Edward I. Kennedy, Assistant Attorney General
Office of The Attorney General
152 Capitol Building
Phoenix, Arizona 85007

Cc: File No. 267
File No. 278 ✓

May 6, 1964

TO WHOM IT MAY CONCERN:

I, William Cooper, a temporary employee of the Oil & Gas Conservation Commission accompanied Mr. John Bannister, the Executive Secretary of the commission on a field trip to the location of the Harless wells located in Yavapai County. These wells are located approximately 8 miles West of Sedona and approximately 17 miles East of Cottonwood, Arizona, in Section 4-17N-4E of Yavapai County.

Upon arriving at the location of these wells we were met by a Mr. L. C. Pope, an employee and pusher of the Ozzie Young drilling company of Farmington, New Mexico. At this time two employees of Mr. Young were engaged in bailing the well. Mr. Bannister informed Mr. Pope that the well that he was working was an illegal well and that all operations pertaining to this well must cease at once. Mr. Pope was very amiable and agreeable and quite surprised that he was working an illegal well. He informed Mr. Bannister that both he and Mr. Young had been assured by Mr. Harless that all of the rules and regulations of the commission had been complied with and that the necessary and proper papers had been filed with the commission. Mr. Bannister informed Mr. Pope that his information was incorrect and that as of 11:58 A.M. May 5, 1964, all operations on this well were to cease and under no circumstances was any drilling to be commenced until permission has been granted by Mr. Bannister or a duly authorized agent of the commission. Mr. Pope was in complete agreement and immediately ordered the two employees to put a cap on the well and cease any further operations. At this time I photographed the well known as #4 and the two other wells in the area. The illegal well (#4) had a Walker-Neer cable rig over the hole and the Federal #1 had a Walker-Neer rotary over the hole.

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Page Two (continued)

At this time Mr. Pope suggested that Mr. Bannister and myself accompany him to Cottonwood to inform Mr. Young of the order that was posted and of the action taken because of the failure of Mr. Harless to conform to the rules and regulations of the commission. Mr. Bannister agreed to the proposed meeting.

Mr. Bannister, Mr. Young, Mr. Pope and myself met at the Cottonwood Cafe where-upon Mr. Bannister proceeded to inform Mr. Young of the action just taken and to impress upon Mr. Young that under no circumstances was Mr. Young to permit drilling of any kind until he had either verbal or mailed permission to do so. Mr. Young agreed to these instructions and gave his assurance as the drilling contractor that no further drilling would be done. Mr. Young further agreed that he would comply with the shut in order. At this time Mr. Young informed Mr. Bannister that the current depth of the hole was 802 feet and that the hole was being drilled crooked and to straighten out this matter it would be necessary to fill the hole with cement and let it harden for 24 hours. Mr. Bannister informed Mr. Young that he was aware of the economical and financial feasibility of performing this operation and that it was not the intention of the commission to discourage operators but to help and advise them in their operations. Mr. Bannister granted Mr. Young's request but emphasized once again that there was to be no further operation other than the cementing of the hole.

Mr. Young suggested that we meet with Mr. Harless and A Mr. Newton in Sedona and at that time Mr. Bannister could inform them, as the operators, of the action taken and of the remedial action to be taken before drilling of the hole could commence. Mr. Bannister agreed to this meeting.

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We drove to Sedona for the proposed meeting and after a prolonged period of time we were joined by Mr. Young who informed Mr. Bannister that Mr. Harless was in Sedona and would join us shortly. Mr. Harless arrived.

(Page Three (continued))

Mr. Bannister informed Mr. Harless of the proceedings up to this point and informed Mr. Harless that a shut in order had been posted at the site of the #4 Well. Mr. Bannister spelled out to Mr. Harless the requirements for re-opening this well and guided him step by step as to the procedure to follow to obtain a permit to drill this well. He further informed Mr. Harless that under no circumstances and not until all of the procedures and requirements had been satisfied would he issue Mr. Harless a permit to drill this well. At this point Mr. Harless seemed slightly perturbed at the spacing requirements and mildly suggested that a compromise or a solution could be worked out. Mr. Bannister emphatically informed Mr. Harless that there would be no compromise and that the only solution was that Mr. Harless would satisfy to the letter the requirements of the Oil and Gas Commission. Mr. Bannister further informed Mr. Harless that it was necessary that Mr. Harless obtain a letter of acceptance from the U.S. Forest Service or from a Mr. Miller, a local rancher, to accept his well #27 as a water well. Mr. Harless assured Mr. Bannister that he would obtain this letter of acceptance and that he, with his driller, Mr. Young, would meet with Mr. Bannister in the offices of the commission on Wednesday, May 6, 1964 with this letter and at that time would file the necessary papers to obtain a permit to drill the #4 well. Mr. Bannister agreed to this proposed meeting.

We returned to Phoenix at 9:00 P.M. May 5, 1964.

Signed

William E. Cooper
William E. Cooper

May 6, 1964

Mr. Roy T. Helmandollar
Bureau of Land Management
3022 Federal Building
230 North First Avenue
Phoenix, Arizona

Our File No. 278

Re: Richard F. Harless Federal No. 4 *changed to 27B*
Location: NW/4 NW/4 Section 4 - T17N - R4E
Lease: ARO22988
Yavapai County, Arizona

Dear Mr. Helmandollar:

This is to advise you that Mr. Richard Harless commenced the captioned well sometime ago and has failed to secure a permit from this office for drilling of same. Consequently, on May 5, 1964, this office shut in the captioned well. This well is located 580 feet from north line and 900 feet from west line in the captioned section, which is 80 feet north of the Harless Federal No. 27 Well. As you are aware, the commencing of this well before the completion of the Harless Federal No. 27 is in direct violation of our statutes, and consequently we took the above action.

Should you desire any further information, will you please advise.

Very truly yours,

John Bannister
Executive Secretary

JB:mkc

MEMO FOR THE FILE

May 6, 1964

FROM: John Bannister, Executive Secretary

RE: File No. 169
File No. 257
File No. 267 ✓
File No. 278 ✓

Drilling Contractor for Richard F. Harless:

Ozzie Young
P. O. Box 776
Cottonwood, Arizona
Telephone: 634-5757

Pusher: L. C. Pope

JB:akc

April 30, 1964

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Richard F. Harless
1218 North Central Avenue
Phoenix 4, Arizona

Re: The Harless Federal No. 27 Well
NW/4 NW/4 Section 4 - T17N - R4E, Yavapai County

Dear Mr. Harless:

In verification and clarification of our conversation of April 29, 1964; it is the understanding of the Oil and Gas Conservation Commission that you intend to abandon the captioned well as an oil and gas well and will turn same over to the landowner to be used as a water well.

In contemplation of the abandoning of this location, you are preparing to drill another well in the NW/4 NW/4 Section 4 - T17N - R4E which will be some eighty feet north of the site of the Harless Federal No. 27. The securing of a permit for this new location will of course pend the phasing out of the Harless Federal No. 27 and of course a proper application, bond and filing fee for the new location. The Harless Federal No. 27 must be completely abandoned as an exploratory well; and in order to do this, this office will need a statement from the landowner to the effect that he is taking over the hole as a water well and that you and the Commission are relieved of any further responsibilities thereto. In addition to this, we'll need the attached forms, Well Completion or Recompletion Report and Well Log, filled out and returned at your earliest convenience. This, of course, will apply to the Harless Federal No. 27. Any logs which may have been run on this well should be filed with this office within sixty days after the abandonment of said well. Inasmuch as the well in question will not be plugged, no application to plug or plugging report will be needed. Upon securing the Well Completion Report and the letter from the landowner, and upon written request from you or your surety, the bond covering the Harless Federal No. 27 may then be released.

Mr. Richard F. Harless

April 30, 1964
Page Two

Under no circumstances is your new well to be commenced until such time as a proper permit has been issued by this office and the Harless Federal No. 27 properly phased out. As you are aware, the eighty acres dedicated to the Harless Federal No. 27 being the N/2 of the NW/4 Section 4 cannot be dedicated to another wildcat well as long as this office considers the Harless Federal No. 27 as a drilling well.

I very much appreciate having met you yesterday and I am looking forward to continued association with you, and I wish you the best of luck in your venture.

Yours very truly,

John Bannister,
Executive Secretary

JB:mkc
Encl.