

CONFIDENTIAL
Release Date 7-21-67

P-M

KALIL ASSOC #1 State ZELIA
SW SE 32-18N-20E Navajo County 256

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: Charles Kahl + Associates Address: 200 E. Waterway #6 Phoenix Ariz. 85012

Federal, State or Indian Lease Number or name of lessor if fee lease: Ariz. State Zelia #1 Well Number: #1 Field & Reservoir: 0

Location: SE 1/4 SE 1/4 #32 T18N R20E County: Navajo

Sec. TWP-Range or Block & Survey: see above

Date spudded: Aug 3-1966 Date total depth reached: Aug 28 1966 Date completed, ready to produce: _____ Elevation (D.F., RKB, R.F. or Gr.) feet: 5100 ft. Elevation of casing hd. flange feet: 5200

Total depth: 1400 ft. P.B.T.D.: _____ Single, dual or triple completion?: single If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion: 0 Rotary tools used (interval): Rota Cable tools used (interval): 0

Was this well directionally drilled?: no Was directional survey made?: no Was copy of directional survey filed?: no Date filed: _____

Type of electrical log run (check logs filed with the commission): GNR log Date filed: _____

CASING RECORD

Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	10 7/8 in	9 7/8 in	?	100 ft.	50 sbs.	none
Log String	7 7/8 in	4 1/2 OD	9 1/2 lbs	1400 ft.	7 1/2 sbs	none

TUBING RECORD

LINER RECORD

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

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Amt. & kind of material used	Depth Interval
4/ft	20	1250 - 1260 ft.		
4/ft	20 (20/100)	749-53 756-59 760-763	none	

INITIAL PRODUCTION

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

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

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

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 operator of the Charles Kahl + Associates (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: Feb. 15, 1967

Signature: Charles Kahl, M.D.

Permit No. #356



STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Well Completion or Recompletion Report and Well Log
File One Copy

Form No. 4

(Complete Reverse Side)

PLUGGING RECORD

Operator <i>Chas Kalil + Associates</i>		Address <i>200 W. Montway Way #6 Phoenix Ariz.</i>	
Federal, State, or Indian Lease Number, or lessor's name if fee lease.		Well No.	Field & Reservoir
Location of Well <i>SE 1/4 SE 1/4 # 32 T 18 N R 20 E</i>		Sec-Twp-Rge or Block & Survey	
County <i>Maricopa</i>			
Application to drill this well was filed by name of <i>Chas Kalil + Associates</i>	Has this well ever produced oil or gas <i>no.</i>	Character of well at completion (initial production): Oil (bbls/day) <i>0</i> Gas (MCF/day) <i>0</i> Dry? <input checked="" type="checkbox"/>	
Date plugged: <i>1/21 1967</i>	Total depth <i>1400 ft</i>	Amount well producing when plugged: Oil (bbls/day) <i>0</i> Gas (MCF/day) <i>0</i> Water (bbls/day) <i>0</i>	
Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging	Fluid content of each formation	Depth interval of each formation	Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement
<i>750-760</i>	<i>Water</i>	<i>—</i>	<i>750-763 squeezed .325 inch</i>

CASING RECORD

Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
<i>9 1/8 in</i>	<i>100 ft.</i>	<i>0</i>	<i>100 ft.</i>	<i>—</i>	<i>—</i>
<i>4 1/2 OD</i>	<i>1400 ft.</i>	<i>0</i>	<i>1400 ft.</i>	<i>—</i>	<i>—</i>
Was well filled with mud-laden fluid, according to regulations? <input checked="" type="checkbox"/>				Indicate deepest formation containing fresh water. <i>45' ft.</i>	

NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE

Name	Address	Direction from this well:
<i>Joe Barnett</i>	<i>Phoenix Ariz.</i>	<i>East</i>

In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.

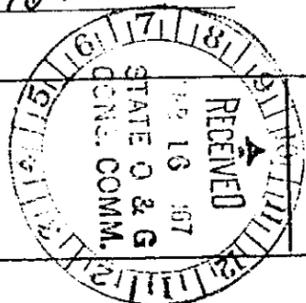
The highest perforation are at 600 ft + there is cement plugged in the well pipe to about 700' level. to from bottom to 700 ft. level.

Use reverse side for additional detail.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the *Operator* of the *Chas Kalil + Associates* (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 *Feb 15 - 1967*

Signature *Charles Kalil, M.D.*



STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Plugging Record File One Copy

Permit No. *# 356*

APPLICATION TO ABANDON AND PLUG

FIELD _____
 OPERATOR Charles Kahl & Associates ADDRESS 200 East. Matney Way Suite #6 Phoenix Ariz
 Federal, State, or Indian Lease Number _____ WELL NO. #1
 or Lessor's Name if Fee Lease Ariz. State Zelia #1
 SURVEY _____ SECTION 32 COUNTY Maricopa
 LOCATION SE 1/4 SE 1/4 #32 T 18N. R. 20E.

TYPE OF WELL Oil and or Gas TOTAL DEPTH 1400'
(Oil, Gas or Dry Hole)
 ALLOWABLE (If Assigned) _____
 LAST PRODUCTION TEST OIL 0 (Bbls.) WATER 0 (Bbls.)
 GAS 0 (MCF) DATE OF TEST _____

PRODUCING HORIZON 0 PRODUCING FROM 0 TO 0
 1. COMPLETE CASING RECORD 100 ft. of 9 5/8 in Surface Casing Circulated to top with 50 sacks cement. 1400 ft. 5 1/2 OD, J 55 9 1/2 lb. oil well pipe with a total of 591 sacks of cement she had the pipe circulated to the surface.

2. FULL DETAILS OF PROPOSED PLAN OF WORK Dry hole work being made a per regulator to put on the pipe.

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

DATE COMMENCING OPERATIONS o/a Jan. 15 1967
 NAME OF PERSON DOING WORK Blackman Cement Co. ADDRESS Farrington New Mexico
 CORRESPONDENCE SHOULD BE SENT TO Charles Kahl & Associates
 Name Operator
 Title _____
 Address 200 E. Matney Way #6 Phoenix Ariz 85012
 Date Feb. 15, 1967



Date Approved _____
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: John Bonmaster
 #356
 Permit No. _____

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

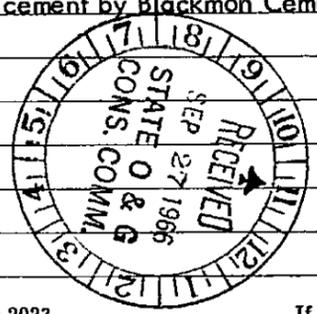
APPLICATION TO ~~ABANDON AND~~ PLUG zone.
Not to ABANDON yet

FIELD Penzance Structure (wildcat)
OPERATOR Charles Kalil, M.D. ADDRESS 200 E. Monterey Way, Phoenix, Arizona.
Federal, State, or Indian Lease Number or Lessor's Name if Fee Lease Arizona State Oil & Gas Lease # 10292 WELL NO. # 1
SURVEY SW 1/4 SE 1/4 SECTION # 32 COUNTY Navajo
LOCATION 4 miles west of Holbrook, Arizona, T. 18 No. R. 20 E.

TYPE OF WELL Oil (Oil, Gas or Dry Hole) TOTAL DEPTH 1400 ft.
ALLOWABLE (If Assigned) Not applicable
LAST PRODUCTION TEST OIL _____ (Bbls.) WATER _____ (Bbls.)
GAS _____ (MCF) DATE OF TEST _____
PRODUCING HORIZON _____ PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD see previous report (sundry notices and reports dated Sept. 17, '66.)

2. FULL DETAILS OF PROPOSED PLAN OF WORK Pumped 38 sacks of cement by Blackmon Cementing Service to displace to the 800 ft. level.



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

DATE COMMENCING OPERATIONS 9/24/66.
NAME OF PERSON DOING WORK see above ADDRESS Holbrook, Arizona
CORRESPONDENCE SHOULD BE SENT TO Charles Kalil, M.D., Phoenix, Arizona.

Name _____
Title Operator Charles Kalil, M.D.
Address _____
Date September 26, 1966.

CONFIDENTIAL
CONFIDENTIAL

Release Date _____
Date Approved 9-27-66
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: John Bonmaster

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

Permit No. 356

CONFIDENTIAL

From the Desk of

JAMES R. SCURLOCK

9-27-66

Memo to files:

Plugging operation will be followed and OK'ed by us step by step.

Squeezed parts; plugged back to 800'.

prep. to perf.

JRS

9-26-66

Telephone report - Kalil
- Squeezed perf.
- Plugged back to 800'
- prep to perf.

STANDARD NOTICES AND REPORTS ON WELLS

1. Name of Operator Charles Kalil, M.D.
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Arizona State "ZELIA" # 1
 Location Approximately 4 miles west of Holbrook Arizona. SW 1/4 SE 1/4
 Sec. # 32 Twp. 18 No. Rge. 20 East County Navajo, Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease Arizona State Oil & Gas Lease # 10292
 5. Field or Pool Name Wildcat

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

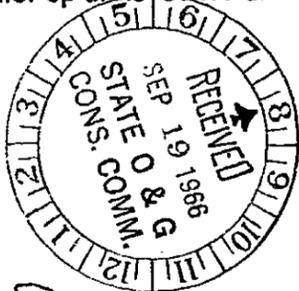
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	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) <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>
(OTHER) <u>Full report from beginning to date.</u>			

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

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

Went on location Aug. 3rd, 1966, spudded in Aug. 5th, 1966. Drilling contractor, Cowley Bros., St. Johns, Arizona, (rotary rig.). 1400 ft. of 7 7/8 inch hole cut after first setting 100 ft. of 8 5/8 inch surface pipe and cemented with 100 sacks to the surface. 1400 ft. was cased with 4 1/2 inch OD, J-55 T&C 11 lb. pipe and cemented with 200 sacks of cement, successfully. Gamma ray neutron log was run on the open hole before it was cased and the casing was perforated with 4 shots to the foot and 20 shots were perforated at 1250 ft. level. Well casing baled and the Dowell Chemical acidized the well with 75 gals of 28 % Hcl per foot of perforation. This was successfully done under 1,000 pounds of pressure which broke down to 500 lbs. This procedure was entirely satisfactory to the Dowell Company. The well was then swabbed and in my opinion not to my satisfaction. This procedure of swabbing is going to be attempted within the next week or two. As soon as competent equipment and personnel are available.

If this procedure does not prove successful, other perforations at other zones further up the hole are going to be attempted. The well never had a salt section and there was never any salt water in the hole. There was a superficial layer of water up at 45-50 ft. and this was cleanly cased off and at no other time did we encounter water in the hole.



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

Signed Charles Kalil, M.D. Title Operator. Date September 17, 1966.

Permit No. 356

CONFIDENTIAL

Release Date _____

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

September 6, 1966

Re: Kalil Assoc #1 State Zelia
SW SE 32-18N-20E, Navajo County
Permit 356

As per telephone conversation Dr. Charles Kalil, the TD is 1400 feet. 100 feet of surface casing was set and completely cemented to surface. The only fresh water encountered was at 45 feet. No other water of any kind was found in hole.

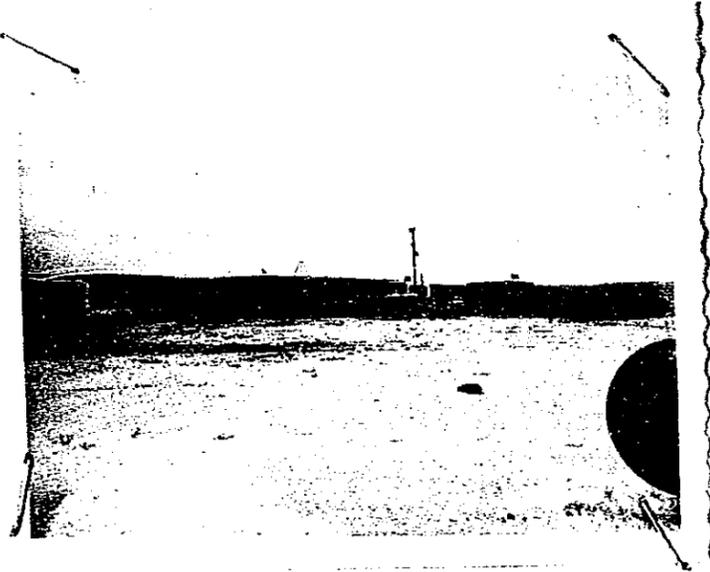
4½" pipe was set to 1400 feet and cemented from 1400 to 800 feet. The well was perforated with 4 shots per foot from the interval 1245 to 1250, or, from 1250 to 1255 feet, Dr. Kalil could not recall exactly.

The well was acidized by Dow Chemical with 300 gallons of Super-X mud acid under an initial pressure of 1000 pounds and the formation broke at 400 pounds.

No blows were encountered in the entire well. So far only a gamma ray neutron log has been run.

Dr. Kalil advised that he intended to do further work on this well and to test zones above the 1250 foot level.

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August 4, 1966

Kalil: preparing location.

August 17, 1966

Kalil: Set pipe @ 1400'

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CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

August 15, 1966.

John Bannister, Executive Secretary
Arizona State Oil & Gas Conservation Commission
State Capitol Annex
Phoenix, Arizona.

Dear John:

I noticed your card in the door when I returned.
Sorry I was not here when you came by to see the well.
We have set 100 ft. of 8 5/8 in surface pipe with
50 sacks of cement. Will you please incorporate this
in the record.

Best wishes,

Charles Kalil, M.D.

Charles Kalil, M.D.

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APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

APPLICATION TO DRILL DEEPEN PLUG BACK RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

DATE *Lease # 10292*

CHARLES KALIL & ASSOCIATES.

July 15, 1966.

Address

City

State

200 East Monterey Way, Suite # 6, Phoenix, Arizona

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number or name of lessor, if fee lease	Well number	Elevation (ground)
Arizona State ZELIA	No. # 1	5100 ft.
Well location and acreage dedicated to the well (give footage from section lines) Section--township--range or block & survey		
SW 1/4 SE 1/4 : (SE 1/4 SW 1/4 & SW 1/4 SE 1/4) ... 2330.25 ft. WEL & 330 ft. NSL... T. 18 N. R. 00 E. Sec. #32		
Field & reservoir (if wildcat, so state)	County	
WILDCAT	NAVAJO	
Distance, in miles, and direction from nearest town or post office		
Approximately 5 miles west of Holbrook, Arizona		
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearest drilling completed or applied—for well on the same lease:	
330 ft. feet	None around feet	
Proposed depth:	Rotary or cable tools	Approx. date work will start <i>advised 8-3-66</i>
1700 ft.	Probably Rotary	App. end of July '66
Number of acres in lease:	Number of wells on lease, including this well, completed in or drilling to this reservoir:	
80 Ac.	None except this one	
If lease, purchased with one or more wells drilled, from whom purchased:	Name	Address
None		
Status and amount of bond	Organization Report	Filing Fee of \$25.00
\$ 5,000.00	On file Or attached <input checked="" type="checkbox"/>	Attached <input checked="" type="checkbox"/>

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 reverse side

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **OPERATOR** of the **CHARLES KALIL & ASSOCIATES** (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.

CONFIDENTIAL

Signature

Charles Kalil, M.D.
Charles Kalil, M.D.

Date

July 15, 1966

Release Date _____

Permit Number: **356**

Approval Date: *7-29-66*

Approved By: *John Bannister*

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

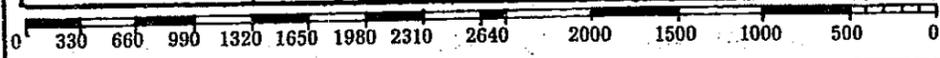
See Instruction on Reverse Side of Form

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill, Deepen or Plug Back and Plat
File Two Copies

Form No. 3

1. Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. All distances shown on the plat must be from the outer boundaries of the Section.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner CHARLES KALIL & ASSOCIATES	Land Description Sec. 32, T.18 N. R. 20 E. Navajo, County,
Well.. SW 35 1/2	
<p style="text-align: center;">See attached Plat.</p> <div style="border: 1px solid black; height: 300px; width: 100%;"></div>	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Charles Kalil & Associates Name</p> <p>Operator Position</p> <p>Charles Kalil & Associates Company</p> <p>July 15, 1966. Date</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed July 6, 1966.</p> <p>Registered Professional Engineer and/or Land Surveyor Greer Engineering Co.</p> <p>Certificate No. 5704</p>



PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
8 5/8"OD	24 lbs.	Standard T&C			To be determined ,report forthcoming.	



PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: CHARLES KALIL & ASSOCIATES
(OPERATOR)

to drill a well to be known as

KALIL ASSOC. #1 STATE BELIA
(WELL NAME)

located (SW/4 SE/4) 2330.25 FSL and 330 FSL

Section 32 Township 18N Range 20E, Navajo County, Arizona.

The SE/4SW/4 & SW/4 SE/4 of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 28th day of July, 19 66.

OIL AND GAS CONSERVATION COMMISSION

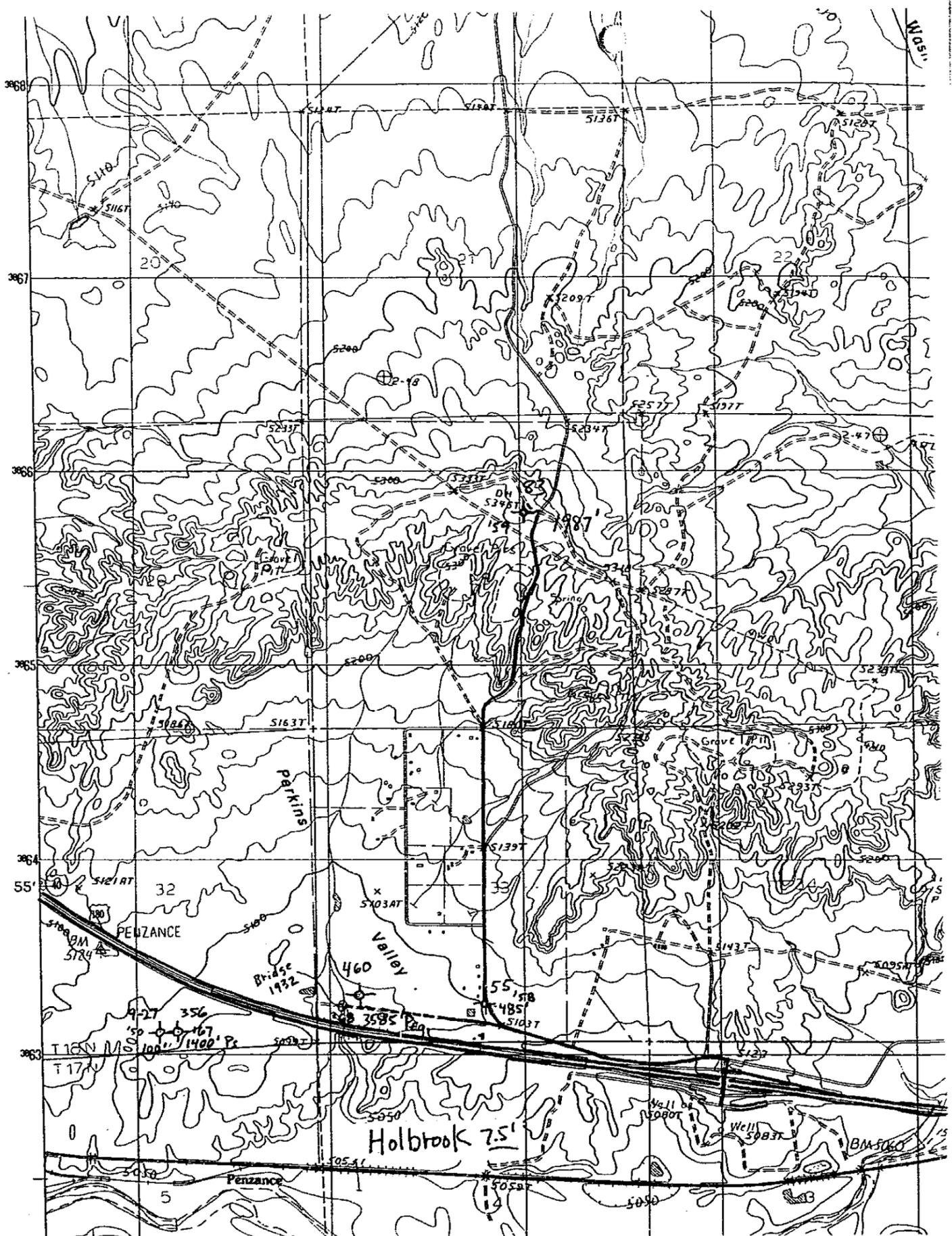
By John Bannister
EXECUTIVE SECRETARY

PERMIT N^o 356

RECEIPT NO. 9454
John Bannister

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27



BOND
KNOW ALL MEN BY THESE PRESENTS

BOND SERIAL NO. B 31 48 71

That we: CHARLES KALIL & ASSOCIATES

of the County of: MARICOPA in the State of: ARIZONA

as principal, and RELIANCE INSURANCE COMPANY

of PENNSYLVANIA
AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the Oil and Gas Conservation Commission, 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, helium, other minerals, or for stratigraphic purposes in and upon the following described land situated within the State, to wit:

SOUTHWEST 1/4 OF SOUTHEAST 1/4 SECTION 32, TOWNSHIP 18N R20E
(May be used as blanket bond or for single well)

GILA AND SALT RIVER BASE AND MERIDIAN, NAVAJO COUNTY, ARIZONA

CANCELLED

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, or 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. Liability under this bond may not be terminated without written permission of this commission.

Penal sum of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.)

Witness our hands and seals, this 14TH day of JULY, 1966

CHARLES KALIL & ASSOCIATES
BY: _____ Principal

Witness our hands and seals, this 14TH day of JULY, 1966

RELIANCE INSURANCE COMPANY
BY: _____ Surety

Jay C. Stuckey Attorney-in-fact
Surety, Resident Arizona Agent
(If issued in a state other than Arizona) JAY C. STUCKEY

(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 July 28, 1966
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: John R. Annister

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

Permit No. 356

264-5533
Jay Stuckey Mrs Agency 4191 N 7 St.

BOND NO. B 31 48 71

RELIANCE INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

Know all men by these Presents, That the RELIANCE INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Joe Kilcourse and J. C. Stuckey, individually, of Phoenix, Arizona,

its true and lawful agent and Attorney-in-fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings, (except bonds guaranteeing the payment of principal and interest of notes, mortgage bonds and mortgages) in its business of guaranteeing the fidelity of persons holding places of public or private trust, and in the performance of contracts other than insurance policies, and executing and guaranteeing bonds or other undertakings required or permitted in all actions or proceedings, or by law required or permitted.

and to bind the RELIANCE INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the RELIANCE INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of RELIANCE INSURANCE COMPANY which became effective May 11, 1962, reading as follows:

ARTICLE VII

Execution of Bonds and Undertakings

SECTION 1. The Board of Directors, the President, or any Vice-President or Assistant Vice-President shall have power and authority to: (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

SECTION 2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

In Witness Whereof, the RELIANCE INSURANCE COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereto affixed.
This 21st day of January 1964

RELIANCE INSURANCE COMPANY

(SEAL)

T. L. SEDWICK

Vice-President

STATE OF PENNSYLVANIA,
COUNTY OF PHILADELPHIA,

ss.

On this 21st day of January, A.D. 1964, before the subscriber, a Notary Public of the State of Pennsylvania, in and for the County of Philadelphia, duly commissioned and qualified, came T. L. SEDWICK, Vice-President of the RELIANCE INSURANCE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of the same, and, being by me duly sworn, deposeth and saith, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the corporate seal of said Company, and the said corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Article VII Section 1 and 2 of the By-Laws of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.

(NOTARIAL SEAL)

JOSEPH A. KUCHENMEISTER

Notary Public.

My Commission Expires January 29, 1967

I, William F. Brunner, Resident Assistant Secretary of the RELIANCE INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said RELIANCE INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 21st day of January, A.D. 1964.



William F. Brunner
Resident Assistant Secretary

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March 1, 1967

Dr. Charles Kalil
200 E. Monterey Way - Suite 6
Phoenix, Arizona

Re: Kalil Associates #1 State Zelia well
SW SE 32-18N-20E, Navajo County
File 356

Reliance Insurance Company Bond B314871

Dear Sir:

Captioned well has been completed in accordance with our Rules and Regulations and, accordingly, this letter constitutes authority from this Commission to terminate captioned bond effective February 28, 1967.

Yours very truly,

John Bannister
Executive Secretary
nr

cc: Reliance Insurance Company
Luhrs Towers Building
Phoenix, Arizona

CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

Mr. John Bannister, Executive Secretary
Arizona State Oil & Gas Conservation Commission
State Capitol Annex -
Phoenix, Arizona -



Dear John -

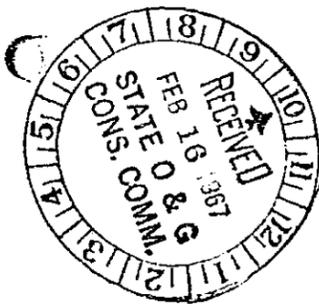
As per request, enclosed please find a copy
of the GNR Log taken on the Zelia #1 well.
Would you please send the bond to Jay C. Stuebel
Insurance, 4141 No. 7th Street Phoenix.

Once again, thanks for the many courtesies
rendered during the drilling of the well.

Very truly yours,

Charles Kalil, M.D.

CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA



Dear Mr. Banister -

Enclosed please find the forms filled out as requested, in addition to the previous letter describing all the procedures. In trying to perforate the 750 ft zone there were a couple of attempts at perforating. The last time, before perforating it was felt that the small interval outside the pipe from 750-800 ft was cemented off, however there came into the hole a small amt of water 1-2 barrels full. We then decided that it was a lost cone and if we were successful in cementing off the small amt of water that we would put cement back into the formation and no amount of perforation would reach the possible zone of gas we hoped for.

We then sealed off the perforation with another 50 sacks of cement and left at least 150 ft of cement in the pipe above the perforation, plugging the well off.

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CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

As soon as I get the regulation marker made
I shall install it. I also will get a
copy of the log made for your records.

Thank you

Charles Kalil, M.D.

CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

February 13, 1967

Mr. John Bannister, Executive Secretary
Arizona State Oil & Gas Conservation Commission
State Capitol Annex
Phoenix, Arizona

Dear John:

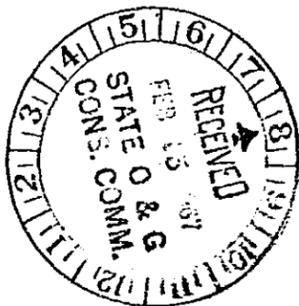
This is to inform the Commission that I finally plugged off the Zelia # 1 Well and am in the process of placing a dry hole marker on the well. There is a total of 491 sacks of cement behind the pipe and all the perforations have been completely plugged off.

Would you please list the Zelia # 1 as plugged and abandoned and return the bond. I appreciate the cooperation rendered by the Geologist, Jim Scurlock and yourself.

Very truly yours,

Charles Kalil, M.D.
Charles Kalil, M.D.

CK:d



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CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

December 22, 1966

Mr. John Bannister, Executive Secretary
State Capitol Annex
Phoenix, Arizona



Dear John:

This is to inform the Commission that I plan re-working of my Zelia # 1 Well. If you recall I failed to get anything on the perforation of the pipe at 1,250 feet. I then had the Cement Contractor cement off the lower perforation and plug the pipe to the 800 feet level. Then I perforated at 780 Feet and secondarily squeezed cement in order to accomplish the cementing of the pipe a couple of hundred feet above the zone to be perforated. Then I perforated at the 750 feet level and when I swabbed the pipe, the upper or secondary cement job channelled and mud came into the pipe.

I have since re-cemented the pipe and have succeeded in breaking circulation through the perforation to the top with some 10-15 sacks of cement circulated up through the annulus and into the pit. Now I have a hole 1,400 feet in the ground with $4\frac{1}{2}$ in. O.D. J 55 II lb. oil well pipe in the ground with a shoe in the bottom. There is cement on the outside of the pipe all the way to the top and cement in the pipe from 1400 feet to 738 feet.

I plan to drill out some of the cement and then re-perforate at the 750 feet level. I also have 100 feet of surface pipe in place with 50 sacks of cement on the outside which was circulated to the surface and the superficial fresh water table is and has always been properly cemented off. All in all I have used 466 sacks of cement to properly cement the pipe all the way to the surface.

I trust this information will bring my records up to date. If there is any other information needed, I should be pleased to comply. Would you please change the status of the well to the present status.

Thank you

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Merry Christmas,

Charles Kalil, M.D.
Charles Kalil, M.D.

November 14, 1966

Chas. Kalil and Associates
Monterey Medical Plaza
200 East Monterey Way, Suite 6
Phoenix, Arizona

Attention: Dr. Charles Kalil

Re: Kalil & Associates #1 State Zelia well
SW SE 32-18N-20E, Navajo County
Permit 356

Gentlemen:

Pursuant to your request of November 7, 1966 this letter will constitute permission of this Commission that captioned well may continue on a temporarily abandoned status until July 1, 1967.

It is noted that you indicate that the hole is completely plugged with cement. However, our records reflect that the hole is plugged only up to the 800-foot level. When your plans are completed and if it is decided to abandoned this well, then it will be necessary that the complete plugging be accomplished.

Very truly yours,

John Bannister
Executive Secretary
nr

CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 8
PHOENIX, ARIZONA

November 7, 1966

John Bannister, Executive Secretary
Arizona State Oil & Gas Conservation Commission
State Capitol Annex
Phoenix, Arizona

Dear John:

In keeping with our phone conversation of this date, the following request is being submitted. With reference to the Arizona State Zelia #1 well I would like for the status of the well to be kept active at this time even though the present hole is completed and plugged with cement.

As I mentioned over the phone, I shall deposit a copy of the log (GNR) of the well before I'm through. I shall have to have that done. Mr. Hunt, who has the lease on the ranch where I drilled specifically asked that I not fill the pits, since he wished them that way.

Trusting the above is in keeping with your request and hoping to arrive at some sort of a decision relative to the status of the well by the end of the year.

Very truly yours,

Charles Kalil, M.D.
Charles Kalil, M.D.

CK:D

grant Ext to 7-1-67
KB

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From the Desk of

JAMES R. SCURLOCK

10-20-66
Visited Kahl location. No rig on
hole. JRS (location is a mess.)

Kahl - will Request extension
per phone 11-7-66
JB

September 8, 1966

Chas. Kalil and Associates
Monterey Medical Plaza
200 East Monterey Way, Suite 6
Phoenix, Arizona

Attention: Dr. Charles Kalil

Re: Kalil & Associates #1 State Zelia well
SW SE 32-18N-20E, Navajo County
Permit 356

Gentlemen:

Your letter of September 7, 1966 requested that captioned well be continued in a temporarily abandoned status inasmuch as you plan some further tests in the very near future.

This letter constitutes authority from this Commission to suspend operations until November 7, 1966. If operations have not resumed by that date the well of course must be properly plugged and abandoned.

As you are aware, this Commission is to be kept currently informed, in writing, as to the operations on all wells. In this connection, progress reports should be submitted monthly.

However, when a well is spudded, tested, logged, or if operations are suspended for any reason and when operations are resumed, we are to be notified whether or not any of these coincide with the monthly report. If a well is confidential, this information of course is kept confidential by this office.

For your convenience in reporting the operations on the captioned well, we are enclosing a supply of Form 25, Sundry Report. Will you please report the work on this well from date of spudding up to the time your operations were suspended. We should receive reports monthly during the period that your

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Chas. Kalil & Associates
September 8, 1966
Page 2

operations are suspended; and when you resume operations we should of course be notified.

If you have any questions, or if this office can be of assistance to you, we will be pleased to do all that we may.

Very truly yours,

John Bannister
Executive Secretary
nr
enc

CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

Sept. 7, 1966

John Bannister
Executive Secretary
Oil & Gas Conservation Commission
State Capitol Annex
Phoenix, Arizona

Dear John:

Following our telephone conversation of yeasterday at which time I made available to you the pertaining confidential information requested on Arizona State Zellia # 1 Well, this letter is being submitted.

I am requesting that you put this well on a continuing status since I am not abandoning or plugging it at this time.

There are a couple of zones that remain to be tested further in the very near future as soon as I can find the time to do so. I trust that this will meet with your and the commission's approval and that my request will be granted.

I have saved all the cutting's from the well and will make them available to you very shortly.

Very truly yours,

Charles Kalil, M.D.
Charles Kalil, M.D.

CK:D



356 9-8-66
grant extension until
Nov 7th JB

July 28, 1966

Dr. Charles Kalil
P.O. Box 474
Pinetop, Arizona

Re: Kalil Associates #1 State Zelia
SW SE 32-18N-20E, Navajo County
Permit 356

Dear Dr. Kalil:

Enclosed herewith please find Permit 356 covering the drilling of the captioned well and Receipt 9454 in the amount of \$25.00 covering the filing fee.

You advised by telephone that the probably spud date of said well will be approximately August 3, 1966. Will you please advise this office immediately upon spudding of this well.

You have advised that your proposed casing program will be forthcoming; and this should be cleared with the Commission prior to the actual spudding of this well in order that we may make certain that sufficient precautionary steps are taken.

The names of your associates have been secured and will be attached to your organization report.

We wish you the best of luck in your endeavor.

Very truly yours,

John Bannister
Executive Secretary
nr
etc

CHARLES KALIL, M. D.
MONTEREY MEDICAL PLAZA
200 EAST MONTEREY WAY
SUITE 6
PHOENIX, ARIZONA

July 26, 1966.

Mr. John Bannister, Executive Secretary
Arizona State Oil & Gas Conservation Commission
Arizona State Capitol Annex
Phoenix, Arizona.

Dear John:

Enclosed please find a properly executed permit to drill,
Registered survey plat of the drilling location, the bond,
and an organization report, and last but not least the check for \$25.00.
The driller is going to start on or before August 3, 1966.

Would you please take care of this matter and mail the
necessary mail to me in care of my post office Box in
Pinetop, Arizona. I trust that everything is in order
and if there is any question I can be reached at Pinetop,
336-2346 or per mobile phone number 774-7473.

The well is to be called the Arizona State ZELIA # 1,
and I hope that there will be many more to come. Since there
has been no acreage contribution on the part of many lease
holders in the vicinity, I am asking you to keep this hole
as a "tight hole".

Respectfully yours,

Charles Kalil, M.D.
Charles Kalil, M.D.
P.O. Box # 474
Pinetop, Arizona.

location SW/4 SE/4 32-18N-20E
dedication SESW/4 SW SE



32 18 N 2DE

1D 292 S1/2SW SWSE ^{Kalil} Leonard Nelson

1D 119 N1/2SE SESE Kalil

9886 N1/2 Leonard Nelson

