

P-M

CREST-ARIZ HELIUM #1 Santa Fe
SE SE 25-20N-27E, Apache County 471

sl

COUNTY Apache AREA 7 mi. E/Navajo LEASE NO. Santa FE #9650

WELL NAME Crest-Ariz. Helium #1 Santa Fe

LOCATION SE/4 SE/4 SEC 25 TWP 20N RANGE 27E FOOTAGE 660 FSL and 660 FEL

ELEV 5820 GR _____ KB _____ SPUD DATE 9-20-68 COMP. DATE 11-20-68 DEPTH 1225'

CONTRACTOR Drake Well Service Company

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	<u>0-1214' 1218-1225</u>
<u>7"</u>	<u>34'</u>	<u>10 SKS</u>	<u>NA</u>	DRILLED BY CABLE TOOL	<u>1170-1218</u>
<u>4 1/2"</u>	<u>1171</u>	<u>70 SKS</u>		PRODUCTIVE RESERVOIR	
				INITIAL PRODUCTION	<u>Dry</u>

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Chinle Shale	168'			
Shinarump	1036'	X	X	
Moenkopi Shale	1111'			
Coconino	1215'			

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG <u>Am Strat</u>
<u>Schlumberger Induction</u>	<u>1100-1110'</u>	<u>1215-1225'</u>	SAMPLE DESCRP.
<u>Gamma Ray Caliper</u>	<u>1046-1060'</u>		SAMPLE NO. <u>1478</u>
			CORE ANALYSIS _____
			DSTs _____

REMARKS _____	APP. TO PLUG _____
	PLUGGING REP. <u>X</u>
	COMP. REPORT <u>X</u>

WATER WELL ACCEPTED BY _____

BOND CO. Maryland Casualty Company BOND NO. 94-174782
 BOND AMT. \$ 5,000 CANCELLED 2-17-78 DATE _____ ORGANIZATION REPORT 11-19-67
 FILING RECEIPT 9555 LOC. PLAT X WELL BOOK X PLAT BOOK X
 API NO. 02-001-20083 DATE ISSUED 9-19-68 DEDICATION SE/4 Section 25

PERMIT NUMBER 471

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 Eastern Petroleum Company Address P. O. Box 291, Carmi, Illinois 62821

Federal, State or Indian Lease Number or name of lessor if fee lease Crest Santa Fe Well Number 1 Field & Reservoir East Navajo Springs-Shinarump

Location 660' FSL; 660' FEL County Apache

Sec. TWP-Range or Block & Survey 25-20N-27E

Date spudded Date total depth reached Date completed, ready to produce 2-3-71 Elevation (DF, RFB, RT or Gr.) 5820 GR Elevation of casing hd. flange feet

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

Producing interval (s) for this completion Shinarump Rotary tools used (interval) Cable tools used (interval)

Was this well directionally drilled? 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) Welex-Gamma-Caliper Date filed 3-19-71

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

LINER RECORD

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

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Amt. & kind of material used	Depth Interval
2	Strip Jet	1100-10		
2	Strip Jet	1046-60		

INITIAL PRODUCTION

Date of first production 2-4-71 Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:) Flowing

Date of test	Hrs. tested	Choke size	Oil prod. during test	Gas prod. during test	Water prod. during test	Oil gravity
Feb. 2 & 3, 1971	48	5/16	-0- bbls.	102 MCF	-0- bbls.	* API (Corr)

Tubing pressure	Casing pressure	Cal'd rate of Production per 24 hrs.	Oil	Gas	Water	Gas-oil ratio
150#			-0- bbls.	51 MCF	-0- bbls.	-0-

Disposition of gas (state whether vented, used for fuel or sold): Connected to Western Helium pipeline

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

April 21, 1971
Date

Signature *J. Edwards*

RECEIVED
APR 23 1971
O & G CONS. COMM.

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

Form No. 4

File One Copy

Permit No. 471

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 **Crest Oil Company** Address **P. O. Box 57 Alton, Ill. 62002**

Federal, State or Indian Lease Number or name of lessor if fee lease **Santa Fe Pacific Railroad Co. SFP-9650** Well Number **#1** Field & Reservoir **Undesignated**

Location **660' FSL and 660' FEL** County **Apache**

Sec. TWP-Range or Block & Survey **Section 25-20N-27E**

Date spudded **9/20/68** Date total depth reached **11/8/68** Date completed, ready to produce **11/20/68** Elevation (DF, RKB, RT or Gr.) **5820 GL** feet Elevation of casing hd. flange **5824** feet

Total depth **1225'** P.B.T.D. **Single** 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 **1215'-1225'** Rotary tools used (interval) **0-1214; 1218-1225** Cable tools used (interval) **1170' - 1218'**

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

Type of electrical or other logs run (check logs filed with the commission) **Schlumberger Induction-Electrical Log** Date filed **12/5/68**

CASING RECORD

Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)						
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	8-3/4"	7"	20 lb.	34'	10 sacks	None
Production	6-1/8"	4-1/2"	9.5 lb.	1171'	70 sacks	None

TUBING RECORD

LINER RECORD

Size EUE	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
2-3/8 in.	1198.9 ft.	No	in.	ft.	ft.		

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth interval	Am't. & kind of material used	Depth interval
	Open Hole	Completion	Natural Completion	

INITIAL PRODUCTION

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

Date of test **11/20/68** Hrs. tested **24** Choke size **2"** Oil prod. during test **None** bbls. Gas prod. during test **469.7** MCF Water prod. during test **100** bbls. Oil gravity *** API (Corr)**

Tubing pressure **20 psi** Casing pressure **135 psi** Cal'd rate of Production per 24 hrs. **None** Oil **None** bbls. Gas **200-250** MCF Water **0-25** bbls. Gas-oil ratio

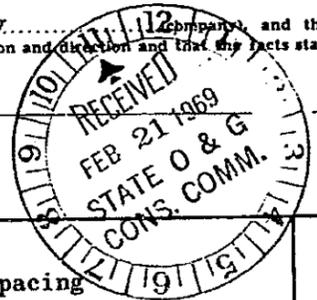
Disposition of gas (state whether vented, used for fuel or sold): **Shut In**

Under contract to Arizona Helium Corporation. Awaiting completion of Plant

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Owner** of the **Crest Oil 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 **2/5/69**

Signature **C. F. Swain**
C. F. Swain



Permit No. **471**
160-Acre Spacing
Case 33, Order 34

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*
<p>DETAILED SAMPLE DESCRIPTION EVERY 10' FROM 100' to TOTAL DEPTH INCLUDED IN GEOLOGICAL BROCHURE ATTACHED.....(See pages 5 thru 12)</p>			
<p>PRIMARY FORMATION TOPS SHOWN ON PAGE -2-.</p>			
Chinle Shale	168'		
Shinarump Sand- stone	1036'		
Moenkopi Shale	1111'		
Coconino Sand- stone	1215'		

* 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.

PLUGGING RECORD					
Operator Eastern Petroleum Company			Address P. O. Box 291, Carmi, Illinois 62821		
Federal, State, or Indian Lease Number, or lessor's name if fee lease. Crest-Santa Fe Fee		Well No. 1	Field & Reservoir East Navajo Springs-Shinarump		
Location of Well 660 FSL; 660 FEL		Sec-Twp-Rge or Block & Survey 25-20N-27E		County Apache	
Application to drill this well was filed in name of Crest Oil Company	Has this well ever produced oil or gas Yes	Character of well at completion (initial production): Oil (bbls/day) 0 Gas (MCF/day) 51 Dry? 			
Date plugged: 1-20-75	Total depth 1225	Amount well producing when plugged: Oil (bbls/day) 0 Gas (MCF/day) 0 Water (bbls/day) 0			
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		
Shinarump		1100-1100	10 sax in bottom;		
Shinarump		1046-1060	mud to 50', 10 sax to surface		
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
2 3/8	1140'	900'	240'	Ripped	
4 1/2	1171'	850'	321'	Ripped	One 4 1/2" Packer
Was well filled with mud-laden fluid, according to regulations?			Indicate deepest formation containing fresh water.		
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name	Address		Direction from this well:		
Eastern Petroleum Co.			All		
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Secretary of the Eastern Petroleum Company (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.					
April 21, 1975 Date		<i>J. Edward</i> Signature			
RECEIVED APR 26 1975			STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy		
Permit No. 471		O & G CONS. COMM.		Form No. 10	

Rob
 Letter from R. M. Collier
 Acting Chief
 Western Mapping Center
 Topographic Div.
 345 Middlefield Rd.
 Menlo Park, Calif. 94025
 Dated: October 3, 1974

NAVAJO SPRINGS

Well	Elevations		Differ- ence	Remarks
	Photog.	Bull. 185		
✓ Eastern 21 (234) 20n-28e-31	5853	5832	-21	Well identified at end of road on photo.
OK → ✓ Western (552) Indian 20n-28e-30	5818 ^q	5800	-18	Bulletin 185 position would place well on opposite side of road.
✓ CREST 471 Santa Fe Eastern 2 (547) 20n-27e-25 660 FSL-660 FEL	5821	5773 5820 ^q <i>agrees</i>	-48	Image on photo at end of road and pipe line.

NAVAJO SOUTH

✓ Kerr-McGee 2 (39) ✓ 20n-26e-35 660 FSL-1320 FWL	± 5668*	5662 ^q	-6	Well identified at end of road.
✓ Kerr-McGee (36) ✓ 20n-26e-34 2175 FSL-1700 FEL	± 5779*	5772 ^q	-7	Well identified at end of road.
✓ Kerr-McGee (10) 20n-26e-33 330 FSL-2310 FEL	± 5743*	5743 ^q <i>agrees</i>	0	Well identified at U-bend in road.
✓ Linehan (136) 20n-26e-21 330 FSL-2310 FE	± 5605*	5600 ^q	-5	1500 feet from BM.
✓ Kerr-McGee (37) 19n-26e-4 2310 FSL-1650 FEL	± 5770*	5753 ^q	-17	Well identified at end of road.
✓ Kerr-McGee 1 (167) 19n-26e-14 500 FSL-1320 FWL	± 5741* ^q	5760	+19	Located in a small clearing 350 feet off road.
Kerr-McGee 1A (177) 19n-26e-14 500 FSL-1320 FWL	Not Plotted 5738 ^q	5726		This point is 100 feet down slope from 167 yet elevation indicates it is higher.

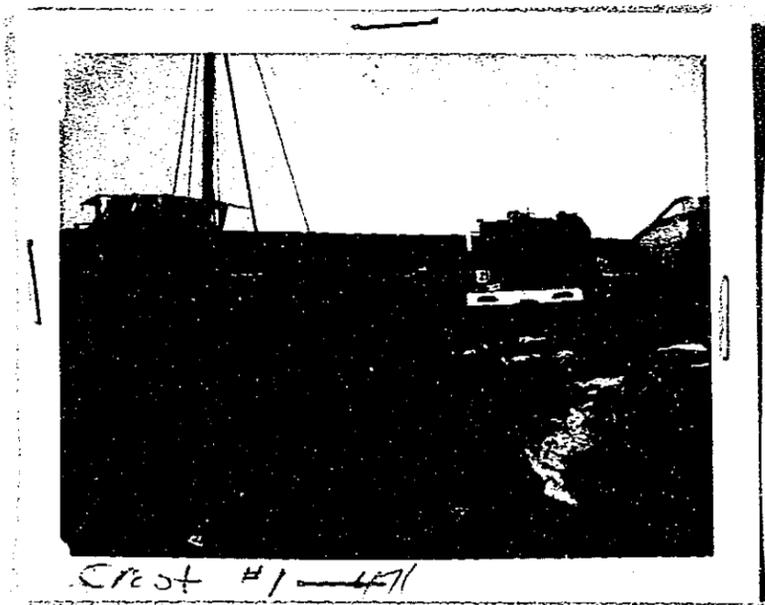
* Interpolated

The "Remarks" column gives justification for our confidence in the fieldman's location of the wells.

Permit No. 471, Crest No. 1

3-27-74

Well shut-in. Still connected to gathering line to Western Helium's plant. There is no master valve on this well. The well is connected to a separator. The separator is connected by 2" rubber hose to meter run and the well closed in by 2" valve on meter run. The fluid dump valve on separator is plugged.



Crest #1-471

1974

471

NAVAJO SPRINGS AREA WELLS EASTERN PETROLEUM COMPANY - OPERATOR

PERMIT NUMBER	WELL NAME	LOCATION	TOTAL DEPTH	FORMATION	INTERVAL PERFORATED	COMPLETION DATE	INITIAL POTENTIAL MCFD	12-31-73 CUMULATIVE PROD. (MCF)	DATE OF LAST PROD.	PROD. CSG. DEPTH & SIZE	HOLE SIZE	NO. CEMENT SACKS USED	ESTIMATED TOP OF CEMENT	OPERATORS EST. OF CSG. RECOVERABLE	REMARKS
✓ 110	Crest Santa Fe #2	NE/SW 33-20N-27E	1140	Coconino	1062-72	6-24-60	12.75			2 7/8" @ 1107	4 3/4"	50			
✓ 184	Eastern Santa Fe #13	NE/SW 31-20N-27E	980	Coconino	Open Hole	6-25-62	6290	1,400,623		4 1/2" @ 967	6 1/4"	50			
✓ 204	Crest Santa Fe #7	SE/NE 6-19N-27E	1060	Coconino	1042-52	9-11-62	185			2 7/8" @ 1060	4 3/4"	25			Navajo Springs
✓ 206	Eastern Santa Fe #14	SE/NW 5-19N-27E	1100	Coconino	1026-56	10-16-62	300	47,594	Oct. 1973	4 1/2" @ 1100	6 3/4"	100			
✓ 234*	Ancon Santa Fe Fee #21	SE/NW 31-20N-28E	1361	Shinarump	1173-94+	9-13-63	3.0	22,005	Sept. 1972	2 7/8" @ 1330	4 3/4"	5	730	1300	East Navajo Shinarump
✓ 236	Santa Fe Fee #17	SW/NW 4-19N-27E	1057	Coconino	1037-57	6-17-63	250	56,948	Dec. 1973	4 1/2" @ 1057	6 1/4"	65			
✓ 235	Kerr-McGee Barfoot #1	NE/SW 32-20N-27E	1057	Coconino	996-1008	7-30-63	1160	225,555		4 1/2" @ 1076	6 3/4"	140			
✓ 235	Santa Fe Fee #31	NW/SE 29-20N-27E	1049	Coconino	992-1006	10-25-63	590			2 7/8" @ 1049	4 3/4"	50			Navajo Springs (Remedial work between 1000' and 1050' - work not reported)
✓ 235	Santa Fe Fee #32	NE/SW 25-20N-27E	1133	Coconino	1096-1100	11-24-63	95			2 7/8" @ 1133	6 1/4"	25			
✓ 235	Santa Fe Fee #35	NE/SW 27-20N-27E	1072	Coconino	Open Hole	1-11-64	1270	27,431	Oct. 1973	4 1/2" @ 1062	6 1/4"	55			
✓ 235	Reece #2 Fee	SW/NE 1-19N-26E	1067	Coconino	1012-16	3-0-66	250-300 Est.			2 7/8" @ 1053	4 3/4"	100			
✓ 271	Crest Santa Fe #1	SE/SE 25-20N-27E	1225	Shinarump	1046-1110	11-20-65	51	34,451	Dec. 1973	4 1/2" @ 1171	6 1/4"	20			
✓ 536*	Santa Fe Fee #24	SE/NW 24-20N-27E	1340	Shinarump	1145-73	9-30-71	Negligible			2 7/8" @ 1303	4 3/4"	20	Enough cement to circulate	1200	Originally in East Navajo Shinarump
✓ 537*	Santa Fe Fee #21-1A	NW/NW 31-20N-28E	1232	Coconino	Open Hole	9-15-70	470	5,299	Oct. 1972	4 1/2" @ 1215	6 1/4"	100			
✓ 560*	Kiya Santa Fe Fee #1	NE/SW 13-20N-28E	1230	Shinarump	1046-56	12-09-71	No Gas Reported			4 1/2" @ 1175	6 1/4"	100	52	1075	
✓ 565*	Santa Fe #6X-1	SE/NW 25-20N-28E	1251	Shinarump	1126-90	1-06-72	No Gas Reported			4 1/2" @ 1265	6 1/4"	100	44	1225	
✓ 565*	Santa Fe Fee Sanders #2	NE/SW 15-21N-28E	516	Coconino	406-420	4-20-72	TSM			4 1/2" @ 516	6 1/4"	100	700	112	
✓ 575*	Szar State #1	NW/NW 36-20N-27E	1215	Shinarump	1154-62	4-25-72	Well On Vacuum During Test			4 1/2" @ 1315	6 1/4"	100	119	41	
✓ 554*	Santa Fe Fee Dreck #1	SE/SW 25-20N-27E	1266	Shinarump		6-21-72	Not Tested			7" @ 1255	8 3/4"	60	62	1075	East Navajo Shinarump Fee #11 well reported 11/72
✓ 592*	Indian Allotted Merde #1	SW/SW 30-20N-28E	1200	Shinarump	1062-93	3-17-72	156	991	Oct. 1972	4 1/2" @ 1200	6 1/4"	100	Circulated Surface	None	
✓ 596*	Indian Allotted Merde #2	SW/SE 30-20N-28E	1343	Shinarump	Completion Report Never Submitted					2 7/8" @ 1197	4 3/4"	No Report	Bottom 726'	1065	Hole in well. This well is abandoned.
✓ 599*	Kiya Santa Fe Fee #2 f	NE/SW 24-20N-28E	1230	Coconino	1155-1215	11-12-72	TSM			4 1/2" @ 1215	6 1/4"	60	57	1075	
✓ 600*	Santa Fe Fee Beacon #1	NW/SE 29-20N-29E	1265	Coconino	No Perfs. Reported	2-25-72	No Test Reported			4 1/2" @ 1265	6 1/4"	55	31	1100	
✓ 601*	Santa Fe Fee #1-11	NE/SE 11-20N-28E	1075	Coconino	Open Hole	11-10-72	TSM			4 1/2" @ 1057	6 1/4"	65	710	1065	

* Applications to Plug have been approved.

Cement bond log indicates bottom of cement at 726'

From Application to Plug

NAVAJO SPRINGS AREA WELLS EASTERN PETROLEUM COMPANY - OPERATOR

TOTAL DEPTH	FORMATION	INTERVAL PERFORATED	COMPLETION DATE	INITIAL POTENTIAL MCFD	12-31-73 CUMULATIVE PROD. (MCF)	DATE OF LAST PROD.	PROD. CSG. DEPTH & SIZE	HOLE SIZE	NO. CEMENT SACKS USED	ESTIMATED TOP OF CEMENT	OPERATORS EST. OF CSG. RECOVERABLE	REMARKS	
1140	PBTD 1105	Coconino	1062-72	6-24-60	12.75	Never Prod.	2 7/8" @ 1107	4 3/4"	50				
980	Coconino	Open Hole	6-25-62	6290	1,400,623		4 1/2" @ 967	6 1/3"	50			Navajo Springs Unit	
1060	Coconino	1042-52	9-11-62	185	Never Prod.		2 7/8" @ 1060	4 3/4"	28				
1100	Coconino	1026-56	10-16-62	300	47,594	Oct. 1973	4 1/2" @ 1100	6 3/4"	100				
1361	PBTD 1330	Shinarump	1173-94+	9-13-63	3.0	22,005	Sept. 1972	2 7/8" @ 1330	4 3/4"	85	730	1300	East Navajo Springs Shinarump Pool
1057	Coconino	1037-57	6-17-63	250	86,948	Dec. 1973	4 1/2" @ 1057	6 1/4"	65				
1057	Coconino	956-1008	7-30-63	1160	225,555		4 1/2" @ 1076	6 3/4"	140			Navajo Springs Unit	
1049	Coconino	992-1006	10-25-63	590	Never Prod.		2 7/8" @ 1049	4 3/4"	90			(Remedial work on this well between completion date & test date - work not reported.)	
1133	Coconino	1090-1100	11-24-63	95	Never Prod.		2 7/8" @ 1133	6 1/4"	75				
1072	Coconino	Open Hole	7-11-64	1570	27,421	Oct. 1973	4 1/2" @ 1062	6 1/4"	95				
1067	Coconino	1012-16	3-07-66	250-300 Est.	Never Prod.		2 7/8" @ 1053	4 3/4"	100				
1225	PBTD 1140	Shinarump	1046-1110	11-20-68	51	34,481	Dec. 1973	4 1/2" @ 1171	6 1/5"	70			Originally completed in Coconino
1340	PBTD 1173	Shinarump	1145-73	9-30-71	Negligible	Never Prod.	2 7/8" @ 1303	4 3/4"	220	Enough cement to circulate	1290		East Navajo Springs Shinarump Pool
1232	Coconino	Open Hole	9-15-70	470	5,299	Oct. 1972	4 1/2" @ 1215	6 1/4"	160	683	1075		
1230	PBTD 1150	Shinarump	1046-56	12-09-71	No Gas Reported	Never Prod.	4 1/2" @ 1177	6 1/3"	100	640	1025		
1261	PBTD 1174	Shinarump	1126-90	1-06-72	No Gas Reported	Never Prod.	4 1/2" @ 1265	6 1/4"	100	730	1125		
516	Coconino	406-420	4-20-72	TSM	Never Prod.		4 1/2" @ 516	6 1/4"	75	116	415		
1215	Shinarump	1154-62	4-25-72	Well On Vacuum During Test	Never Prod.		4 1/2" @ 1215	6 1/4"	100	65	1072		East Navajo Springs Shinarump Pool
1266	Shinarump		6-21-72	Not Tested	Never Prod.		7" @ 265	5 3/4"	65	Circulated Surface	None		This well erroneously reported plugged.
1200	Shinarump	1062-93	5-17-72	156	591	Oct. 1972	4 1/2" @ 1200	6 1/4"	100	Bottom 726**	1060		Hole in case @ 720'
1343	PBTD 1215	Shinarump	Completion Report Never Submitted		Never Prod.		2 7/8" @ 1197***	4 3/4"	No Report		1155		This well flowing water between csg. & lbg.
1230	Coconino	1155-1215	11-12-72	TSM	Never Prod.		4 1/2" @ 1215	6 1/5"	60	577	1072		
1265	Coconino	No Perfs. Reported	2-25-72	No Test Reported	Never Prod.		4 1/2" @ 1265	6 1/5"	85	815	1125		
1075	Coconino	Open Hole	11-10-72	TSM	Never Prod.		4 1/2" @ 1055	6 1/5"	65	710	1005		

1977 PRINT #1 Santa Fe
 JUN-77E, Apache

Well: E. P. C. Crest No. 1
Sec 25, T20N, R27E
Apache County, Arizona

Eastern Petroleum Co.
P. O. Box 226
Farmington, New Mexico
87401

Status: Well S. I. , W.O.P.

RECEIVED

JAN 20 1972

O & G CONS. COMM.

~~333~~ #471

Well: E.P.Co Crest No.1
Sec 25, T20N, R27E
Apache County, Arizona

Eastern Petroleum Company
P. O. Box 226
Farmington, New Mexico
87401

Status: Temporarily S.I.

RECEIVED

FEB 03 1972

O & G CONS. COMM.

#471

Well: E.P.Co Crest No. 1
Sec 25, T20N, R27E
Apache County, Arizona

Eastern Petroleum Company
P. O. Box 226
Farmington, New Mexico
87401

Status: On stream - 1-31-72

RECEIVED

FEB 8 1972

O & G CONS. COMM.

471

Well: E.P.Co Crest No. 1
Sec 25, T20N, R27E
Apache County, Arizona

Eastern Petroleum Company
P. O. Box 226
Farmington, New Mexico
87401

Status: Produced from 2-7-72 to 2-11-72

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FEB 18 1972

O & G CONS. COMM.

471

8

WELL: Crest No. 1
Sec 25, T20N, R27E
Apache Co. Ariz.

Eastern Petroleum Co.
P.O. Box 226
FMN 87401

Status: Placed on Western Helium pipeline 1-08-72,
S.I. pressure taken and flow rate.
Waiting on continual operation of Helium plant.

RAF

#471

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Eastern Petroleum Company, Designee

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name Crest Santa Fe #1

Location 660' FSL; 660' FEL

Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease _____
Santa Fe Fee

5. Field or Pool Name East Navajo Springs - Shiuarump

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) _____				REPAIRING WELL	<input type="checkbox"/>
				ALTERING CASING	<input type="checkbox"/>
				ABANDONMENT	<input type="checkbox"/>
				(OTHER) <u>Work over</u>	<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.)

1-26-71 - Set bridge plug at 1140'. Swabbed well clean. 150' H₂O on top of plug.
 1-30-71 - Perforate from 1100'-1110' w/2 shots per ft. Swabbed well dry, let set for 40 minutes. Re-ran swab, no show of water. Filled well w/100' clear water. Perforate from 1046-1060 w/25 shots per ft. Swab well dry w/2 runs, well blowing slightly. Wait 15 minutes and rerun swab. Well showed no sign of making water. Gas flow increasing. Let well blow for 48 hrs.

Test Results: Recovered 51,000 MCF gas per day
 No water
 Shut-in pressure - 150#
 Orifice size - 5/16" - 2" meter run
 Hooked up to Western Helium line

Welex log run 10/16/70 - Enclosed

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MAR 23 1971

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

Signed J. Edwards Title Secretary Date 3/19/71

cc: Crest Oil Company

Permit No. 471

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File ~~Two~~ Copies
 Form No. 25 1

March 8, 1971

Memo from W. E. Allen, Director
Enforcement Section

Memo to: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County
Our File #471

We have received Form 25 indicating intentions of operator to work this well over. We have had no report of workover operations being started; however, evidence at the location indicates work has recently been done on well. Pressure gauge on top indicated 120 pounds PSI at the wellhead.



Crest Oil Santa Fe #1 #471 February 23, 1971

471

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe-Crest #1	Field East-Navajo Springs	Reservoir Coc onino
Survey or Sec-Twp-Rge 25-20N-27E	County Apache	State Arizona
Operator Eastern Petroleum Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street Box 291	City Carmi	State Illinois
Above named operator authorizes (name of transporter) Western Helium Corporation		
Transporter's street address Box 1358	City Scottsdale	State Arizona
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the helium bearing gas	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer None	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		

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

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

Date December 16, 1970

Signature *J. M. Edwards*

Date approved: 12-21-70

By: *W. E. Allen*
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Permit No. 471

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

DESIGNATION OF OPERATOR

The undersigned is the record holder of Lease:
(Number or name of lease and description of entire lease acreage)

Santa Fe Pacific Railroad Company SFP-9650
All of Section 25-T20N-R27E, 640 Acres, Apache County, Arizona

and hereby designates

Name: EASTERN PETROLEUM COMPANY

Address: BOREN BUILDING
CARM, ILLINOIS 62821

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O & G CONS. COMM.

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and all regulations, whether Federal, Indian, State, or local, applicable thereto and on whom may be served written or oral instructions in securing compliance with all the applicable lease terms, and rules and regulations of the Oil and Gas conservation Commission, State of Arizona, with respect to:

(Describe only the acreage to which this designation applies)

**ALL OF SECTION 25-T20N-R27E
APACHE COUNTY, ARIZONA**

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and with all the applicable rules and regulations of the Oil and Gas Conservation Commission, State of Arizona. It is understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the record holder of the lease remains primarily responsible for and will make full and prompt compliance with all applicable lease terms, the rules and regulations of the Oil and Gas Conservation Commission, State of Arizona, or orders of other appropriate regulatory governmental agencies.

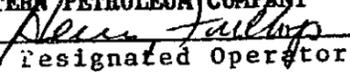
The lessee agrees promptly to notify all proper authorities and appropriate regulatory governmental agencies on any change in the designated operator.

The designated operator agrees to promptly notify all proper authorities of any change of his address during the period in which this designation of operator is in force.

December 14, 1970

(Date)

12/18/70
(Date)


Lessee C. F. SWAIN, d/b/a Crest Oil
EASTERN PETROLEUM COMPANY
BY:  President
Designated Operator

(If this Designation of Operator applies to a State of Arizona Oil and Gas Lease, copy of this designation of operator must be filed with the State Land Department.)

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Crest Oil Company

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name Crest-Arizona Helium Santa Fe #1

Location 660' FSL 660' FEL

Sec 25 Twp 20N Rge 27E County Apache, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease _____
Santa Fe Pacific Railroad Co.

5. Field or Pool Name Undesignated

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) _____	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.)

Test for H₂O shut-off
 Possibly frac treatment
 Possibly perforate
 Possibly repair well
 Possibly alter casing
 Possibly change plans

Attempt to place well on production through various completion techniques not known at this time.

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 DEC 21 1970
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8. I hereby certify that the foregoing is true and correct.
 Signed BY: [Signature] Title President Date December 15, 1970

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File ~~2%~~ Copies
 1
 Form No. 25

Permit No. 471

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Santa Fe Pacific Railroad Company SFP-9650
 5. Field or Pool Name Undesignated

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 checked="" 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) <input type="checkbox"/>		(OTHER) <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.)

- Above described well is shut-in awaiting market. This report covers all the month of November 1970.

RECEIVED

DEC 7 1970

O & G CONS. COMM.

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

Signed C. F. Swain Title Owner Date 12/3/70
C. F. Swain, d/b/a Crest Oil Co.

Permit No. #471

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

15

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) W.P.
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Santa Fe Pacific Railroad Company SFP-9650
 5. Field or Pool Name Undesignated

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 checked="" 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)	<input type="checkbox"/>			(OTHER)	<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.)

1. Above described well is shut-in awaiting market.
 This report covers all the month of October 1970.

RECEIVED

NOV 18 1970

O & G CONS. COMM.

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

Signed C. F. Swain Title Owner Date 11/9/70
C. F. Swain, d/b/a Crest Oil Company

Permit No. 471

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

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company WA
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rgc. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease _____
Santa Fe Pacific Railroad Company SFP-9650
 5. Field or Pool Name Undesignated

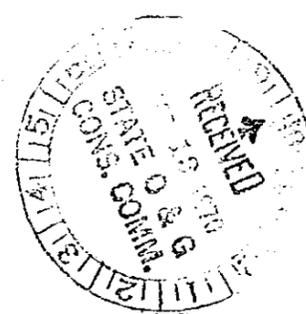
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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 checked="" 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) <input type="checkbox"/>		(OTHER) <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.)

1. Above described well is shut-in awaiting market.
 This report covers all the month of September 1970.



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

Signed C. F. Swain Title Owner Date October 8, 1970
C. F. Swain, d/b/a Crest Oil Co.

Permit No. 471

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File 7 Copies
 Form No. 25

17

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Santa Fe Pacific Railroad Company SFP-9650

5. Field or Pool Name Undesignated

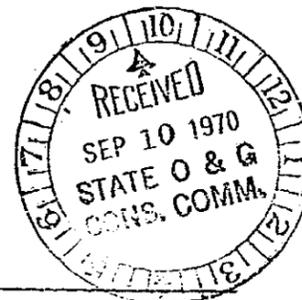
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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 checked="" 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"/>

(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.)

1. Above described well is shut-in awaiting market.
 This report covers all the month of August 1970.



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

Signed C. F. Swain Title Owner Date September 1, 1970
C. F. Swain, d/b/a Crest Oil Co.

Permit No. 471

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

SUNDRY NOTICES AND REPORTS ON WELLS

WA

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease:
Santa Fe Pacific Railroad Company SFP-9650
 5. Field or Pool Name Undesignated

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 checked="" 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"/>

(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.)

1. Above described well is shut-in awaiting market.
 This report covers all the month of July 1970.



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

Signed C. F. Swain Title Owner Date 8/28/70
C. F. Swain, d/b/a Crest Oil Co.

Permit No. 471

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

SUNDRY NOTICES AND REPORTS ON WELLS

WR

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Santa Fe Pacific Railroad Company SFP-9650

5. Field or Pool Name Undesignated

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 checked="" 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"/>

(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.)

1. Above described well is shut-in awaiting market.
 This report covers all the month of June 1970.



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

Signed C. F. Swain Title Owner Date 7/18/70
C. F. Swain, d/b/a Crest Oil Co.

Permit No. 471

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File 1 Copies
 Form No. 25

20

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4 of
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Santa Fe Pacific Railroad Company SFP-9650
 5. Field or Pool Name Undesignated

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 checked="" type="checkbox"/>
(OTHER)	<input type="checkbox"/>			REPAIRING WELL	<input type="checkbox"/>
				ALTERING CASING	<input type="checkbox"/>
				ABANDONMENT	<input type="checkbox"/>
				(OTHER)	<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.)

1. Above described well is Shut-in awaiting market. this report covers ALL month of May 1970.



8. I hereby certify that the foregoing is true and correct.
 Signed C. F. Swain Title Owner Date 6/8/70
C. F. Swain, d/b/a Crest Oil Co.

Permit No. 471

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

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Santa Fe Pacific Railroad Company SFP -9650
 5. Field or Pool Name Undesignated

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 checked="" 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)	<input type="checkbox"/>			(OTHER)	<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.)

1. Captioned well is shut-in awaiting market, all month of April 1970.



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

Signed C. F. Swain Title _____ Date 5/1/70
C. F. Swain, d/b/a Crest Oil Co.

Permit No. 471

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

22

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C.F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location Se/4 Se/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease SFP-9650

5. Field or Pool Name Undesignated

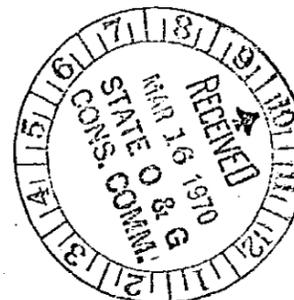
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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>XXX</u>	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.)

1. This well, though capable of production, has been shut-in due to loss of market with Arizona Helium Corporation. (Since mid July 1969)
2. This well will be put back on production as soon as Arizona Helium Corporation plant resumes operation, or if plant resumes operation under a successor Company; until such occurrence well will be held in shut-in status.



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

Signed C.F. Swain Title Owner Date 3/12/70
C. F. Swain

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

Permit No. 471

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE/4 SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease SFP-9650

5. Field or Pool Name Undesignated

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>XXX</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.)

1. No change in status since report of 1/9/70



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

Signed C. F. Swain Title Owner Date 2/16/70

Permit No. 471

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

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SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest-Arizona Helium #1 Santa Fe
 Location SE4 SE4
 Sec. 25 Twp. 20N Rgc. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease SFP-9650

5. Field or Pool Name Undesignated

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>XXX</u>	<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.)

1. Well has been shut-in since mid July 1969 due to major plant breakdown delay.
 - a. Plant did not go back into production due to financial problems and reorganizational procedures.
 - b. We are awaiting completion of the re-organization of the plant either by Arizona Helium Corporation, or any successor owner if such is the case, and will then attempt to go back into production.



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

Signed C. F. Swain Title Owner Date 1/9/70
 C. F. Swain

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

Permit No. 471

25

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

Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe Pac RR Co. SFP-9650		Field Undesignated	Reservoir Coconino
Survey or Sec-Twp-Rge Section 25-20N-27E		County Apache	State Arizona
Operator C. F. Swain, d/b/a Crest Oil Company			
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:			
Street P. O. Box 57		City Alton,	State Illinois 62002
Above named operator authorizes (name of transporter) Arizona Helium Corporation			
Transporter's street address P. O. Box 14427		City Phoenix,	State Arizona 85031
Field address Navajo, Arizona 86509			
Oil, condensate, gas well gas, casinghead gas			
To transport One Hundred % (100%) of the Gas from said lease.			
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:			
Name of gatherer	% transported	Product transported	
NONE			
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.			
This certificate covers First Production from above lease. Operator is new and always has been as above.			

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Owner of the Crest Oil (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 April 16, 1969 Signature C. F. Swain

Date approved: 4-17-69
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: [Signature]
Permit No. 471,473

Orig returned for sig on 4/17/69
92

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

26

Y-Chemo

April 10, 1969

MEMO TO: Arizona Helium File

FROM : James Scurlock

Mr. Robert MacTough was in the office this date. Reports Arizona Helium Corporation started production last night. They have been beset with much trouble in the past few months. Replacing CO₂ scrubbing unit and relaying some field pipe. The Poly Vinyl Chloride piping blew up on two occasions during testing periods. The laboratory specs had indicated that this pipe would withstand pressures up to 1100 pounds per square inch; but, it failed when subjected to 200 pounds of line pressure by Arizona Helium Corporation. The pipe exploded and caused a rip in the line over long distances.

The company now has begun to use fiberglass pipe which seems to work well.

At present, three wells are tied into the plant: the Eastern #21 Accon Santa Fe, section 31, T20N, R28E; the Eastern #35 Santa Fe, section 27, T20N, R27E; and the new Crest #1 Santa Fe, section 25, T20N, R27E. These three wells now are delivering approximately 450,000 cubic feet of raw gas per day to the plant. A compressor located approximately 1/2 of a mile from the plant strengthens the line pressure to 200 pounds as it enters the plant. The raw gas consists of about 8.8% helium. If these wells can continue to deliver at this steady rate, the plant theoretically should be able to produce about 1,000 MCF of grade A helium per month. We understand from Mr. MacTough that about 1,500 MCF per month would be required to break even economically. Therefore, the plant will be producing initially at a loss.

Immediate plans include working over the Crest #2X Santa Fe, section 25, T20N, R27E. This well has had some problems with water; however, the operator has great hopes in this well as a good producer. This #2X Well is already tied into the plant but is not yet on production.

234
263
271-✓
273

piping

Type Spans

We started with the intention of all (by Vinyl Chloride (plastic) pipes 3, 4 and 4 pipes buried 10' into the ground in an 18" wide trench. The laboratory pipe has a well resistance pressure up to 1100 lbs/sq in but it has blown under 200 lbs pressure. As it does appear, it appears up to approximately 75% of the actual pipe line necessitating ~~the~~ ~~can~~ let out for repairs and replacements.

The weight of the plastic pipe is 11 lbs/foot (there were some 40-foot lengths) liquid proved hard to handle it but, on the other hand, fiberglass weighing 1 lb/foot, can be handled easily by one man. The difference in price, shown in the next paragraph, is enough higher, more than off sets the saving in repairs and handling time in a limited quantity.

The price of 1" 2" is 10 times as much as 1/2" 3/4" 1" 1 1/2" 2" 3" 4" 5" 6" 8" 10" 12" 14" 16" 18" 20" 24" 30" 36" 42" 48" 54" 60" 72" 84" 96" 108" 120" 144" 168" 192" 216" 240" 288" 336" 384" 432" 480" 540" 600" 648" 720" 792" 864" 936" 1008" 1080" 1152" 1224" 1296" 1368" 1440" 1512" 1584" 1656" 1728" 1800" 1872" 1944" 2016" 2088" 2160" 2232" 2304" 2376" 2448" 2520" 2592" 2664" 2736" 2808" 2880" 2952" 3024" 3096" 3168" 3240" 3312" 3384" 3456" 3528" 3600" 3672" 3744" 3816" 3888" 3960" 4032" 4104" 4176" 4248" 4320" 4392" 4464" 4536" 4608" 4680" 4752" 4824" 4896" 4968" 5040" 5112" 5184" 5256" 5328" 5400" 5472" 5544" 5616" 5688" 5760" 5832" 5904" 5976" 6048" 6120" 6192" 6264" 6336" 6408" 6480" 6552" 6624" 6696" 6768" 6840" 6912" 6984" 7056" 7128" 7200" 7272" 7344" 7416" 7488" 7560" 7632" 7704" 7776" 7848" 7920" 7992" 8064" 8136" 8208" 8280" 8352" 8424" 8496" 8568" 8640" 8712" 8784" 8856" 8928" 9000" 9072" 9144" 9216" 9288" 9360" 9432" 9504" 9576" 9648" 9720" 9792" 9864" 9936" 10008" 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Geological & Drilling Report
of
CREST OIL COMPANY
Crest-Arizona Helium #1 Santa Fe
Section 25 T20N - R27E
Apache County, Arizona

E. A. Clement
Consulting Geologist
Farmington, N. M.
October 8, 1968

WELL DATA

Operator: Crest Oil Company

Well Name: Crest-Arizona Helium #1 Santa Fe

Location: 660' from the South line and 660'
from the East line of Section
25, T20N, R27E
Apache County, Arizona

Elevation: 5820 ground

Contractor: Drake Well Service
Farmington, N. M.

Starting Date: September 20, 1968

Total Depth: 1225' (Driller)

Hole Size: 9" - 0 to 34'
6-1/8" - 34' to 1225'

Casing Program: 7" from surface to 34' cemented
with 10 sks cement 4 1/2" from surface
to 1171' cemented with 70 sks ce-
ment.

Fresh Water Zones: 278'

Drill Stem Tests: None

Cores: None

Logs: Schlumberger - Induction - Electrical
Log from 34' to 1213'

Completion: Not yet completed

GEOLOGY

Identification of the formation tops encountered in this well were made from the Schlumberger logs and are presented below. The surface formation at the well site is recent wind blown sand.

<u>Formation</u>	<u>Depth</u>	<u>Sea Level Datum</u>
Chinle Shale	168'	Plus 5652
Shinarump Sandstone	1036'	Plus 4784
Moenkopi Shale	1111'	Plus 4709
Cocchino Sandstone	1215'	Plus 4605

Drill cutting samples were taken at 10 foot intervals from 100' to 1080' and at 5 foot intervals from 1080' to 1225'. All samples were microscopically examined and checked at the well site as drilled. Sample quality was good except for several intervals where considerable caving was experienced.

Drilling time was recorded at 5 foot intervals by the driller from 300' to 1225'.

Sample descriptions along with the drilling time and a log of the daily drilling operations are included with this report.

During the drilling of this well, the Shinarump formation did not show up in the samples as it usually does, due to the zone being broken into thin layers of sandstone as shown by the electric log. It was planned to core this formation but due to the beds being so thin a point was

was never found where it could be decided the true massive Shinarump beds were being drilled. On reaching the Coconino sandstone circulation was lost and the drill cuttings were flushed back into the formation with the drilling mud, therefore, cuttings from the Coconino sandstone were not seen. It is believed this sandstone horizon was reached due to the increase in drilling time, the number of feet drilled in the interval below the Shinarump and by the break in the electric log in the last 1 foot logged.

Lost circulation zones were encountered at depths of 342', 405', 415', 505', and 1217'. Considerable time was lost due to having to suspend drilling to mix mud and regain lost circulation. This also resulted in considerable more drilling mud and water being used than was anticipated. On wells drilled in the past in this area there has not been a record of lost circulation zones at these shallow depths.

On reaching a depth of 687', the bit was being pulled and when it was at a depth of 453', the well blew out through the drill pipe. The well continued to blow until clear water was being blown to the surface. After blowing for approximately 15 minutes, the drill pipe was raised and the blow was shut off.

At a depth of 780' the drill pipe became stuck in the hole but was worked loose and drilling continued.

When the present depth of 1225' was reached, circulation

was lost and upon attempting to pick up the drill pipe it was found to be stuck. The pipe could not be worked loose and was backed off at 766' after Dia-Log found the free point in the drilling string. It was necessary to wash over the entire string of drill pipe before it could be removed from the hole, which resulted in a loss of 6 days.

A Schlumberger log was run and 4½" casing was put in the hole to keep the walls from caving. An attempt was made to drill deeper but circulation could not be maintained. Casing was cemented in the hole at 1171 as circulation could not be maintained at a deeper depth. It is planned to move in a cable tool rig and drill 20' of Coconino sandstone and complete the well if gas is found in sufficient quantities.

A detailed report of the daily drilling operations is included with this report.

E. A. Bennett
Consulting Geologist

SAMPLE DESCRIPTION

<u>Depth</u>	<u>Company Drilling time</u>	<u>Description</u>
100-110	Crest Oil Company	Crest-Arizona Helium #1 Santa Fe
100-110		100% wh. to clr. & red, cherty, blow sand
110-120		As abv.
20-30		100% wh. to pale grn., fine friable s.s.
30-40		100% wh. to clr., fine s.s. -- Abund. loose qtz. grns.
40-50		As abv.
50-60		As abv. with v/calc. cement
60-70		As abv. w/abund. loose qtz. grns - Tr. Petr. wood
70-80		As abv.
80-90		100% wh. to clr. loose qtz. grns.
190-200		50% wh. to clr. fine s.s. -- 50% loose qtz. grns.
200-210		95% wh. to clr. fine s.s. -- 5% red sft. shale
10-20		As abv.
220-250		As abv.
250-280		30% wh., med., v/ang., s.s. w/blk. & grn. incl. 40% pnk. to red, med., ang., s.s. w/incl. of red, blk. & grn. 30% red & brn. shale
280-290		90% wh., med., crse., v/ang., v/friable s.s. with incl. of red & grn. -- 10% red & brn sh.
290-300		90% wh. to pale grn., crse., v/friable, ang., some w/incl. of red & grn. 5% wh. to tan l.s. -- 5% red-brn. sh.

Depth	Drilling time	Description
300-310	13	80% s.s. as abv. -- 20% sh. as abv.
10-20	13	50% s.s. as abv. -- 30% wh. to clr., crse., w/rnded., v/friable s.s. -- 40% red-brn sh.
20-30	13	As abv.
330-40	12	25% wh., med., friable, ang., s.s. 25% red-brn., med. to crse., ang., friable, s.s. 50% pnk, red, brn. sh.
342		Lost circulation. -- approx. 50 bbls. -- Down 1½ hrs.
340-50	13	As abv.
50-60	12	30% wh. fine med. -- v/friable s.s. Abund. free qtz. 50% red mottled - med., - friable w/sh. incl. 20% red to brn sh.
60-70	10	As abv.
70-80	10	As abv.
80-90	15	As abv.
390-400	16	95% wh. clr. loose qtz grns. 5% red-brn. sh. -- Tr. wh.-med. s.s.
400-410	15	100% wh. to clr., w/rnded qtz. grains -- Few chips wh. to clr. v/por., v/friable. s.s.
10-20	9	40% wh., med., v/friable -- 40% wh., w/incl. of red & blk. 20% red to brn. sh.
20-30	13	50% s.s., red & wh. as abv. -- 50% red sh.
30-40	8	80% s.s. -- 40% wh. med. -- 40% w/red incl. 20% red sh.
40-50	8	80% s.s. -- 20% sh.

Depth	Drilling time	Description
450-460	9	As abv.
60-70	13	As abv.
70-80	13	As abv.
80-90	14	As abv.
490-500	13	90% free qtz. grns. -- few chips s.s. as abv. 10% red-brn. sh.
500-510	12	As abv.
10-20	10	30% wh., med., hd., s.s. 70% red-brn. -- lav. sh.
20-30	10	As abv.
30-40	11	As abv.
40-50	12	As abv.
50-60	11	50% s.s. as abv. 50% sh. as abv.
60-70	13	As abv.
70-80	14	40% s.s. as abv. 60% sh. as abv.
80-90	12	As abv.
590-600	16	30% brn., red, coarse s.s. 70% red, gry., brn., lav. sh.
600-610	16	10% s.s. as abv. 90% sh. as abv.
10-20	15	30% wh. to brn.--fine. to coarse. hd. tight s.s. 70% gry., lav., brn. sh.
20-30	15	70% gry., brn., fine s.s. -- hd. & tight 30% sh. as abv.

Depth	Drilling time	Description
630-40	15	80% snd. as abv. -- but very shaly 20% sh. as abv.
40-50	16	80% gry., brn., s&p, - med., friable, s.s. 20% sh. as abv.
50-60	17	70% s.s. as abv. 30% sh. as abv.
60-70	18	60% gry. brn. & Lt. gry. s.s. 40% sh. as abv.
70-80	15	60% as abv. 40% as abv.
80-90	13	20% brn., red crse. s.s. 80% sh. purple, green. brn., red, gry.
690-700	14	20% as abv. -- & wh., med. friable 80% sh. as abv.
700-710	17	20% brn., red crse. & wh. med. 80% sh. as abv.
10-20	17	As abv.
20-30	19	As abv.
30-40	17	As abv.
40-50	18	As abv.
50-60	20	As abv.
60-70	14	30% wh. to gry., fine. to med. s&p, s.s. 70% sh. as abv.
70-80	12	As abv.
80-90	16	20% wh. to gry., fine. to med. s&p, s.s. 80% sh. as abv.
790-800	24	As abv.
800-810	22	As abv.

Depth	Drilling time	Description
810-820	28	30% loose qtz. grns. -- abund. clear qtz. 70% As abv.
20-30	23	20% loose qtz. grns. -- abund. clear qtz. 70% As abv.
30-40	26	As abv.
40-50	7	As abv. --w/free clear ang. qtz. grns.
50-60	6	As abv. w. d. k. gry.-blue sh.
60-70	6	100% sh. as abv.
70-80	7	100% sh. -- gry., grn., brn., ppl.
80-90	9	100% sh. -- lt. gry., dk. gry., blue, ppl., brn.
890-900	9	As abv.
900-910	11	As abv. Pred. dk. gry-blue
10-20	14	As abv.
20-30	10	As abv. Pred. lt. to dk. gry.
30-40	8	As abv. Pred. lt. gry.-grn.
40-50	13	As abv.
50-60	29	As abv.
60-70	18	As abv.
70-80	16	As abv.
80-90	8	10% lt. gry. to lt. grn. - part s&p s.s. -- some clr. qtz. grns. 90% sh. as abv.
990-1000	27	20% s.s. as abv. 80% sh. as abv.

Depth	Drilling time	Description
1000-1010	23	As abv.
10-20	20	10% s.s. as abv. 80% sh. as abv.
20-30	20	10% lt. gry. to grn. s.s. -- 90% sh. red, brn, gry., grn., & ppl.
30-40	14	As abv.
40-50	9	As abv.
50-60	10	30% wh., med. to crse., v/friable rounded. 70% sh. as abv.
60-70	20	50% wh. as abv. 50% sh. as abv.
70-80	16	As abv.
1080-85	11	40% wh. s.s. 60% sh.
85-90	11	30% wh. s.s. 70% sh.
90-95	17	5% wh. s.s. 95% sh.
1095-1100	10	10% wh. crse. rnded. s.s. 90% sh. as abv. pred. gry
1100-05	6	As abv.
1105	10 min sample	10% wh. as abv. some s&p 90% sh. as abv.
1105-10	7	As abv.
10-15	10	As abv. becom. finer grained
15-20	11	15% s.s. as abv. 85% sh. as abv.

Depth	Drilling time	Description
1120-1125	44	10% s.s. as abv. 90% sh. as abv.
25-30	11	As abv.
30-35	9	100% sh. gry., ppl., brn.
35-40	12	As abv.
40-45	13	As abv.
45-50	14	5% fine. med. gry. 95% sh. as abv.
50-55	12	As abv.
55-60	14	As abv.
60-65	12	100% sh. gry., gry.-grn., brn., ppl.
65-70	12	As abv.
70-75	14	5% brn., silty, s.s., fine gr. 95% sh. as abv.
75-80	17	10% brn. - fine. - silty s.s. 90% sh. as abv.
80-85	15	10% brn. s.s. as abv. 90% sh. as abv.
85-90	15	25% brn. s.s. as abv. Tr. coarse wh. some s&p. 75% sh. as abv.
90-95	15	40% brn. - fine. - silty - friable s.s. 60% sh. as abv.
1195-1200	17	As abv.
1200-05	16	As abv.
05-10	15	As abv.
10-15	10	As abv.

<u>Depth</u>	<u>Drilling time</u>	<u>Description</u>
1215-1220	17	As abv.
20-25	17	30% brn. s.s. as abv. 70% sh. as abv. tr. of lt. tan to wh. well rounded, fairly hard s.s. -- very close to Coconino s.s. description -- had only 4-5 pieces in smpl.
1225	15 min.	circ. smpl. -- as abv.

DAILY DRILLING OPERATIONS OF
CREST OIL CO. - CREST-ARIZONA HELIUM #1 SANTA FE

- 9-19-68 Moved in & rigged up rig. Hauled 2 loads wtr.
- 9-20-68 Drilled 34' of 8 3/4" surf. hole - ran one 34' jnt. of 7" casing with centralizer & Texas pattern shoe - cemented with 10 sks. cement. Moved 300 bbl & 400 bbl. tanks to location. Hauled load of mud from Holbrook. Worked 7 am to 3 pm - Hauled 5 loads water.
- 9-21-68 Put on blow out preventer - mixed mud - went in hole w/S3J Security 6 1/8" bit - drilled to 225'. First 150' drilled fast - slowed to 10" per hour last 41'. Bit locked - pulled bit - was locked w/sticky clay & shale - S.D. at 6 pm. Water truck finished filling tanks at 4 pm. Hauled a total of 12 loads from Thurs thru Sat. Truck left Farmington at noon, 9-19-68- hauled two loads on 19th & S.D. for nite. Hauled 5 loads on 20th and S.D. for nite. Hauled 5 loads on 21st. Rig crew worked 7 am to 6 pm.
- 9-22-68 Went in hole w/S4 Security 6 1/8" bit, after putting different flange on blow out preventer. On bottom drilling at 8 am. Drilled to 342' and lost circul. Down for 1 1/2 hrs. mixing mud - lost approx. 50 bbls. Had 5 sks. of hulls on loc. mixed all plus 2 sks. mica flakes - regained circul. but losing slowly all the time. Lost returns at 405' - down 20 min., lost

20 bbls mud - regained circul. cont. drilling but losing mud slowly all the time. Drilled to 508' - est. we lost 100 bbls. mud. Pulled out of hole - worked 7 am to 8:30 pm.

9-23-68 Hauled 44 sks. Hulls from Henderson's stock- est. bags weigh 25 lbs. each - mixed pit of mud - put in 16 sks. (400 lbs.) hulls - went in hole with new S4 Security 6 1/8" bit. Hit bridge at 180' - had to drill approx. 300 ft. Lost circulation at 328' - mixed mud 2 times - regained circul. after getting on bottom. On bottom drilling at 12:45 pm - drilled to 687' with no more lost circul. Started out of hole at 5:55 pm - pulled all but 6 drill collars & 9 jnts pipe - well blew out thru drill pipe - blew mud, then water. Bit was at 453' - picked up 1 jnt - well stopped blowing - came out of hole - blew on breaking each joint. Shut in for nite. Crew worked 7 am to 7:30 pm.

9-24-68 Mixed mud - went in hole w/ same bit (#2), - worked on blow out preventer - on bottom drilling at 10:07 AM - drilled to 790' - drill pipe stuck - pulled up 11 jnts. before pipe was free - went back to bottom - drilled to 840'. Pulled out of hole and SD at 6:30 pm. Crew worked 7 am to 6:30 pm

9-25-68 Mixed mud - water truck started hauling wtr. - put on new Security S3J bit with 9/32" jets - on

bottom drilling at 9 am - drilled to 1093'. No
lost circul. no trouble. Pulled bit - bit worn
out. Hauled 8 loads water today. Crew worked 7 am
to 6:30 pm.

9-26-68 Went in hole with bit #5, which is a re-run on bit
#2, (S4 Security) - mixed mud, (4sks.). Hauled 1
load of water, all tanks full, (21 loads total to
date). Drilled to 1220' - lost circul. at 1217'
after 2' drilling break. Pulled out of hole, out
at 6:45 pm. Tractor arrived at 6 pm to make locations
for #2 and #8-x wells. Crew worked 7 am to 6:45 pm.

9-27-68 Went in hole with new S3J Security bit and drilled
to 1225' - lost circulation - added 3 sks. hulls to
mud over suction and started circulating - returns
were full - circulated for approx. 30 min - returns
were not steady - started to pick up on pipe, dragged
for 20 ft. then stuck, (11 am), Pulled on pipe and
attempted to work loose while attempting to circulate.
Pulled up to 120,000 pounds- mud pump would build
up to 750 psi and then break back. Mixed mud and
hulls to very thick consistency - could not get
returns. Could not move pipe up or down or turn.
Crew worked from 7 am to 6 pm.

9-28-68 Called Dia-Log and AAA Fishing Tool Co. Dia-Log
arrived at 6:45 am - checked for free point- pipe
practically free at 791', completely free at 770'

stuck at 800'. Backed off drill pipe at 786'
and attempted to pull - pulling 30 to 50 thousand
pounds - pulled 80 ft. out of hole by noon.
Mixed mud in small pit and added 6 sks. gel -
pumped down hole through braden head - pressure
went to 75 psi. Mixed 28 sks. gel & 10 sks.
fiber tex - pumped appr. 25 bbls. down, pressured
to 50 psi. mud came out around surface pipe.
S.D. for nite. Mud standing in hole. Crew worked
7 am to 7 pm.

9-29-68 On location 7:15 am with wash over pipe, started
cleaning out around head to set timbers under
Blow out preventer. Cement very soft around pipe.
Pulled 80,000 on drill pipe, no movement.
Sent core barrel and 2 core heads back to Farmington
by Beasley. Raised flow line to mud pits. Mixed
15 sks. gel, 5 sks. fiber. Rigged up wash over
pipe and started in hole at 12:45 pm. Ran 9 jnts.,
approx. 286'. Rotating and circulating, - hit 2
tight spots, drilled out. pulled wash over pipe
and stood in derrick. Mixed 80 bbls. mud- 20 sks
gel- 3 sks fiber and chemicals- pumped into first
pit, filled 2nd pit with water - shut in for nite.
Hauled 3 loads water. Crew worked 7 am to 7 pm.

9-30-68 On location at 6:40 am - mixed 15 sks. gel, 3 sks.
fiber tex, 1sk. hy-seal and chemicals. Went in hole

with wash pipe, ran 9 jnts, tagged bridge on 1/2 of 10th jnt. Rig up to rotate and circulate. Fluid to fill hole, 3 bbls. Fish dropped 11:55 am - circulated 30 min, hole clean, lost 40 bbls. mud while washing over. Layed down 7 jnts wash pipe, pulled drill pipe- last 2 jnts. full of sand, pulled wash pipe. Going in hole with drill pipe, tagged fill up at 693'. Rigged up to circulate. Mixed 13 sks. gel and 6 sks of fiber tex. Tagged drill pipe - circul. 30 min - lost 10 bbls mud. Coming out of hole with drill pipe, loaded hole. S.D. at 7 pm. Crew worked 6:40 am to 7 pm.

10-1-68 Went in hole w/wcp --on fish at 9:30 am. First jnt drilled down -- lots of large pieces of shale circulating out. 2nd. & 3rd. jnts went fast -- circulating 10 to 20 min after each joint is down -- hole caving bad -- ordered 25 bbls diesel oil to drop out sand -- Mud Eng. tests 5% sand. Mixed total of 4 sks jel -- 2 sks fiber -- lost approx 4" mud in small pit. Mixed 36 bbls diesel in mud over 3½ hrs period. Mixed 4 sks jel -- 1½ sks cc 16 -- 1 sk fiber tex. Left circulating all nite with 2 men to move pipe and watch. Had 4 jnts over fish. 2 men on crew worked 7 am to 7 pm. 2 worked 7 am to 7 am.

10-2-68 Stirred and jetted mud - started washing over. Run 4 jnts in 1½ hrs. Mud checks O.K. Mixed 1 sk cc 16- continued washing and drilling down. Circul 30 min after each jnt is down. Washed to bit at 12 noon. Cir-

culated 1 hr. Mixed 6 sks jel & 1 sk cc 16 - Raised vis to 90 and pumped in hole. When high vis mud came around started out of hole w/wop -- pulled all wop and went in hole w/overshot and jars. Hooked on and pulled drill pipe and bit. -- Out of hole at 6 pm. Surface pipe loose in hole. Crew worked 7 am to 7 pm.

10-3-68 Cemented surface pipe w/approx. 40 sks cement. Dug out 7' X 5' and 4' deep around top, and welded 2 6' X 2-3/8" pieces of tubing and 4 2' pieces to surf. pipe. Driller made trip to Gallup gone from 7 am to 1 pm. Derrick man was sick - went to Dr. Gone all day. 2 men on crew worked 7 am to 6 pm. Rained all day.

10-4-68 Went in hole w/bit and drill pipe. Went to bottom with no difficulty - no bridges - Circulated at 1221' until 1 pm, when Schlumberger arrived. Mixed 4 sks jel and raised vis to 90 -- came out of hole. Ran ES Ind log to TD of 1214 - no bridges - Ran 4 1/2" casing with shoe for drilling. Ran 1105.22' of casing. Set pipe 4' above ground level and packed off in casing head. Took off blow out preventer and rigged with 4 1/2" X 7" swage to flange for slips.

(Set casing at 1105, due to Schlumberger not being able to log bottom of hole with casing closer than 60' to bottom. Bob Brake left for Farmington--Roads very muddy).

10-5-68 Went in hole with Hughes 3-7/8" SWC bit. Ran 8 3-1/8" drill collars and 33 jnts 2-3/8" tubing. Hit bottom at 1220'. Mixed mud. 15 sks gel, 1 sk cc 16.

4 qts cellex, 2 sks fiber Tex, 1 sk Hy-Seal. Started circulating. Mud circulated w/small stream out flow line. After 5 min started to flow out on ground on outside of surfacepipe. Pulled bit & tbng. Lowered casing to 1217 by running 4 jnts. (133.72'). Stopped on fill-up in bottom of hole, attempted to drill down, made 1 ft. Put pump on and circulated and drilled 1 more foot. Casing at 1219' below ground level. Could not go further. Cut casing off welded on collar 3" above casing head, re-rigged nipple from 7" to mud return line. Will attempt to drill thru csng and let mud circulate to surface on inside and outside of 4½". Ran 8 drill collars, same swc Hughes bit and 33 jnts tubing (1223.56). Stopped going at 1223. Broke circulation O.K. Did not come up around 7", circ for 10 min, started drilling, drilled 6 inches, lost circul. Picked tubing and bit up 30'. Mixed 2 sks fiber tex, 2 sks Hy-Seal, 1 sk hulls, pumped in 70 bbls, could not regain circulation. Shut down for nite. Crew worked 7 am to 7 pm.

10-6-68 Jetted and stirred mud, attempted to circulate, pumped in 35 bbls, could not get returns. Pulled tbng and bit. Picked casing up 52', Ran tbng open ended and tagged bottom, picked up 27'. Haliburton pumped 1 bbl (5 sks), cement w/4% calc chloride, 12½ lbs gil-sonite per sack, 50% poz mix, 4% jel, displaced w/5 bbls wtr. Mud circulated to surface while pumping.

Picked up tbng. 5 jnts. Let cement set for 4 hrs. Picked up tbng and run in to tag top of cement. Found top of cement 77' off bottom, (25' in pipe), pulled tbng and attempted to move pipe. Rotated pipe and pulled pipe up 4 ft, worked pipe up and down 4 ft. Went in hole with bit and tbng, started drilling cement. Drilled to 1198'. Still drilling in cement at 1198'. Pulled tbng and bit, picked up 33' jnt of casing. Drilled down 5 ft, could not circulate to surface. Pump pressures up when casing is lowered to bottom and pressure falls off when pipe is picked up. Believe mud is coming up pipe and being lost in l.c. zone up the hole. Pump pressure variation is from 150 to 250 psi. Decided to cement pipe at 1171'. Pumped in 30 bbls wtr, had air returns, Cemented with 70 sks cement, 50% poz mix, 4% jel, 4% calc. chloride and 12½ lbs gilsonite per sack. Dropped wooden plug and displaced cement w/18½ bbls wtr, plug calcul to be at 1151'. Did not get returns to surface. Pressured to 300 psi during last 5 bbls. and held after shutting in. Calc fill-up to be 1069 feet. Shut down at 1 am. 10-7-68. Crew worked 7 am 10-6 to 1 am 10-7. Released crew to go to Farmington for 2 days. To return 10-10 and move rig to #8-X.

CREST OIL CO. CREST-ARIZONA HELIUM #1 SANTA FE
DAILY COMPLETION REPORT

- 10-25-68 Mesa Drillers, (Dewey Smith) rig arrived approx. 11 am and rigged up. Swabbed water out of hole- Beasley brought 1½" tubing from #8X - Shut down at 4:30 pm.
- 10-26-68 Baker Tool and operator Jim Rowland arrived 5:15 am. On location with crew at 7:15, could not screw stinger on tool, threads bad. Attempted to file and straighten threads, would not go. Baker tool man left at 9:30 to get another stinger. Crew stood by. Baker arrived with stinger at 2 pm. Went in hole and drilled plug and 5' of cement. Started getting black shale cuttings. Made 7 feet. Shut down at 6 pm.
- 10-27-68 On location at 7 am - drilled to 1195' - well started showing gas. Put in 7 soap sticks - unloaded foam and drill cuttings. Could not run Baker drilling tool in hole because of gas pressure, released Baker. Gas gauged 190 MCF, no apparent water. Put on gauge and shut in for nite. Crew left at 6 pm.
- 10-28-68 On location at 7 am - opened well and unloaded some water. Put in 4 soap sticks - unloaded thru 2" - took 2" off and unloaded thru 4½" - blew cement and cuttings - pressured up to 135 psi. Pressured and unloaded well all day, will blow water approx. 35' in air. Crew left loc. at 5 pm. Measured in with depth meter - T.D. 1203'.

- 10-29-68 Beasley arrived with bit, jars, drill stem, rope socket & sand pump before 6 am. Crew on location at 7 am- well had pressure of 130 psi after over nite shut in. Bpened well, poured rope socket to go in hole with sand pump. Tagged bottom and worked sand pump - flow increased. Pulled sand pump - had better flow and unloaded considerable cement. Shut in and blew at 1 hr. intervals. Ran sand pump on depth meter had 1218' for T. D. - Ran 1200.26' of 1½" tubing - landed tubing, packed off tubing head and shut well in. Crew left at 5 pm. Could not get bottom plates in tbng head,- left well leaking badly.
- 10-30-68 Crew could not or would not attempt to pack off tubing head and stop leak. Released rig at 10 am. Crew took sand pump, bit, drill stem, jars and rope socket, 1½" slips, spider and elevators to Farmington with rig. Left 4½" casing swab, jars and stem. Opened tubing to blow well, tubing was plugged, left open, gas and water broke thru - blew well for 45 min.
- 11-7-68 Moved on Drake rig, small mud tank and pump. Rigged up rig, killed well with water, run bit and 1217.58' tbng. Swabbed well in thru tbng. started blowing water and gas after 5th run of swab. Hooked up power swivel and started drilling, drilled 2' - no cuttings returned to surface. Opened valve on tubing, would not blow thru tubing.

Tubing is apparently plugged. Pulled bit up in pipe. Shut down for nits at 8 pm.

11-8-68 On location at 7 am - opened well thru tbng. - had good blow. (Apparently casing pressured up over nits). Drilled 5' with good returns of Coconino sandstone cuttings. Pulled bit and ran 1198.93' of 2 3/8" tubing with pin collar on bottom. New T.D. on well after corrections and additional drilling is 1225'. (Killed well with water before pulling bit), swabbed in with 5 runs of swab. Flowed well for 30 min. Shut in and moved rig to #2 well. Crew left location at 3 pm.

Had separator installed on well. Checked with minicorder - Produced 469.7 MCF open flow thru 2" with 1/2" stream of water. Gauged 4702.5 MCF with pitot tube, open flow thru 2". Casing pressure 135 psi.

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) Coconino
 3. Well Name Crest Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec 25 Twp 20N Rge 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease SFP-9650, Santa Fe Pacific RR Co.

5. Field or Pool Name Undesignated

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

NOTICE OF INTENTION TO:

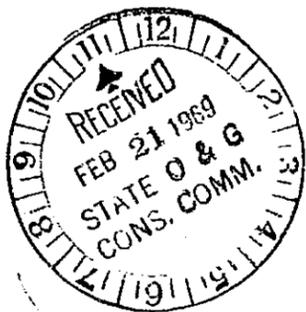
SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input checked="" 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"/>

(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.)

1. Well completed as Helium-bearing Gas well, see well completion report Form 4, dated 2/5/69. (Bureau Mines Analysis enclosed)
2. Hooked up to Arizona Helium Corporation Pipe Line 12/9/68.
3. Meter installed 12/9/68
4. Well not yet on stream. Shut-in awaiting completion of Arizona Helium Corporation Plant.
5. For day by day detailed completion report and drilling report, see enclosed Geological brochure.



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

Signed C. F. Swain Title Owner Date 2/18/69
C. F. Swain, d/b/a Crest Oil Co.

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

29
 Permit No. 471

MEMO: FILES
FROM: J. SCURLOCK

1-29-69

Re: Arizona Helium Plant, Navajo, Arizona

Visited Arizona Helium Plant. Conversation with Mr. Dick McDonald. Mr. McDonald indicated that he hoped to have the plant on production by March 15. According to him, the situation was very favorable. At present four wells have been tied into the plant:

- 234 1. Ancon #21 (a shinarump producer) This well (EASTERN ANCON #21 SANTA FE) is expected to make approximately 1,000 CFG per day with no water.
- 263 2. #35 Santa Fe (located in Navajo Springs Unit) Operator will be allowed to take 70,000 CFG per day from this well; that is to say, 16% of the allocated Navajo Springs production. (EASTERN #35 SANTA FE)
- 471 3. #1 Well (located in section 25, SE) This well (East-Ariz Helium #1 SANTA FE) is expected to produce about 400,000 CFG per day with 25 barrels of water.
- 473 4. #8X Well (located in SW of section 25) This well is expected to produce about 300,000 CFG per day with about 30 barrels of water. (East-Ariz Helium #8X SANTA FE)

Mr. McDonald indicated that these four wells will produce enough gas to put the plant on stream, initially; but that much more raw gas would be needed in the future. Therefore, the company anticipates drilling about 25 wells this year in the south Navajo area on company acreage. They have great hopes for the shinarump production in this area.

34 471

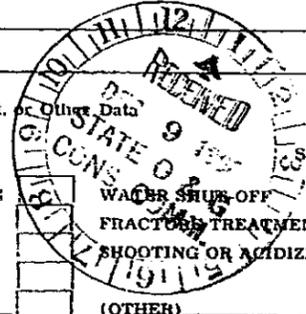
SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator C. F. Swain, d/b/a Crest Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) Test Well to Coconino
 3. Well Name Crest Arizona Helium #1 Santa Fe
 Location SE/4 of SE/4
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease SFP-9650, S. F. Pacific RR Co.

5. Field or Pool Name Undesignated

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 checked="" type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
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REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>



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

14. Monarch construction, Farmington, set up and hooked up separator, 11/18 & 11/19/68. Well now ready for testing and hook up to pipe line

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.)

1. Total depth driller 1221' (10/4/68)
2. " " logger, 1214' (Schlumberger ES-Ind, 10/4/68)
3. Set 4-1/2" J-55 9.5 lb csg at 1171', cemented/70 sacks, 10/6/68.
4. Crew went to Farmington for few days, WOC.
5. Moved Drake rig to #8-X, 10/10/68
6. Moved in cable tools 10/25/68 (Dewey Smith...Mesa Drig Co, Farmington, New Mexico)
7. Drilled to T. D. of 1195' with Baker sand line drilling tool.
8. Well started gassing at this depth---unloaded cuttings. Could not resume drilling with Baker tool due to gas pressure. Pitot tube open flow test at this time showed 190 MCF. Baker released, 6 P. M. 10/27/68.
9. 10/28/68, cleaned up well with soap sticks, unloaded water thru the 4-1/2 casing...unloaded lots of cement and cuttings. Pressured and unloaded all day and cleaned up well.
10. Ran sand pump and cleaned up well. Checked for total depth with depth meter and T. D. is now 1218'. (10/29/68). Shut well in and blow at 1 hr intervals. Ran 1200' of 1-1/4" tubing, but crew did not pack off properly and left well leaking badly.
11. Released crew.
12. Moved Drake rig back over hole, pulled 1-1/4" tubing, and drilled hole deeper. New T. D. is now 1225'. (Coconino sand re-covered in quantity)
13. Ran 1198.93' of 2-3/8" EUE tubing, 11/8/68. Swabbed well in thru tubing. Shut well in and moved rig to #2 location.

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

Signed C.F. Swain Title Owner Date 11/29/68
C.F. Swain, d/b/a Crest Oil Co.

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

Permit No. 471

NA - 1 (2/2/68)

REPORT OF ANALYSIS

F. S. - 11690 M.S. N-43224 ,H 8.60 OBS. PRES. 66.9 CAL. PRES. 67.2
 STATE- ARIZONA COUNTY- APACHE
 FIELD- Undesignated WELL NAME- SANTA FE NO. 1
 LOCATION- SEC. 25, T20N, R27E OWNER- CREST - ARIZONA HELIUM
 DATE COMPLETED- 11/8/68 DATE SAMPLED- 11/26/68

4/ SAMPLED BY- C. F. Swain

NAME OF PRODUCING FORMATION- COCONINO

DEPTH IN FEET- 1225

THICKNESS IN FEET- 1215'-1225'

SHUT IN WELLHEAD PRES., PSIG- 135 psi

OPEN FLOW, MCF/D- 470.5 MCF/D thru 2" orifice
20 psi back pressure on separator

CHECK OF DATA- THE WELL DATA ARE ACCURATE, () WITHOUT CORRECTION, (XX) AS CORRECTED ABOVE.

REMARKS- Well produces approximately 200 bbls slightly salty water per day

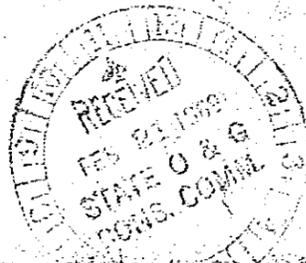
ANALYSIS-

METHANE	TRACE%	NORMAL PENTANE	0.0 %	OXYGEN	0.0 %
ETHANE	0.0 %	ISOPENTANE	0.0 %	ARGON	.8 %
PROPANE	0.0 %	CYCLOPENTANE	0.0 %	HYDROGEN	0.0 %
NORMAL BUTANE	0.0 %	HEXANES PLUS	0.0 %	H2S	0.0 %
ISOBUTANE	0.0 %	NITROGEN	90.0 %	CO2	.7 %
SPECIFIC GRAV	.904			HELIUM	8.61 %
				TOTAL	100.1 %

CALCULATED GROSS BTU/CU. FT., DRY AT 60 DEG. F AND 30 IN. MERCURY- 0.

PERMISSION FOR RELEASE:

Permission is hereby granted for the Bureau of Mines to release the above data, together with similar data released by other operators as public information and as parts of a series of papers on analyses of gases from various fields, states, or regions.



COMPANY Crest Oil Company

BY C. F. Swain

TITLE Owner

30 471

Well #1 Santa Fe

Permit # 471

10-31-68

TD 1214 (Schlumberger depth TD)

Set 4 1/2" w/g to 1171' w/ 70 5x

Set 1 1/4" tbg to 1200.6'

Logging through tbg.

Well #1 Santa Fe

Permit # 471

Telephone Doc Swain:

11-19-68

Setting up separator (to separate gas from water.) Will plan to lay line immediately to new Ariz He Corp plant. Well looks like will make good volume; good pressure; will make some water.

SUNDRY NOTICES AND REPORTS ON WELLS

C F. Swain, d/b/a
Crest Oil Company

1. Name of Operator _____
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Crest Arizona Helium #1 Santa Fe
 Location 660' FSL & 660' FEL
 Sec. 25 Twp. 20N Rge. 27E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe (SFP-9650)
 5. Field or Pool Name Undesignated

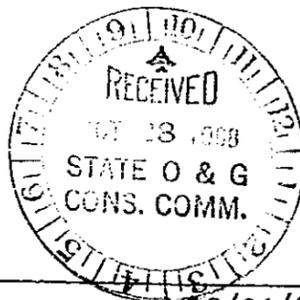
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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 checked="" type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
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REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <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.)

1. 9/19 & 9/20 Moved in, rigged up, set 34' of 7" surface csg.
2. Drilled to 1225' and lost circulation; tools stuck in hole; fishing next days. Recovered fish 6 P. M. 10/2/68.
3. After conditioning hole ran Schlumberger Induction-Electrical log, 10/4/68, loggers T. D. 1214'
4. 10/6/68, set 1171' of J-55 4-1/2" csg, cemented/70 sacks.
5. Waiting on Cable Tools to complete drilling well.
6. Due to excessive lost circulation in numerous zones, we were unable to core or drill stem test this hole.
7. Samples of drilling cuttings have been sent to Farmington sample cut for processing.



8. I hereby certify that the foregoing is true and correct. Crest Oil Company
 Signed C. F. Swain Title Owner Date 10/24/68

Permit No. 471

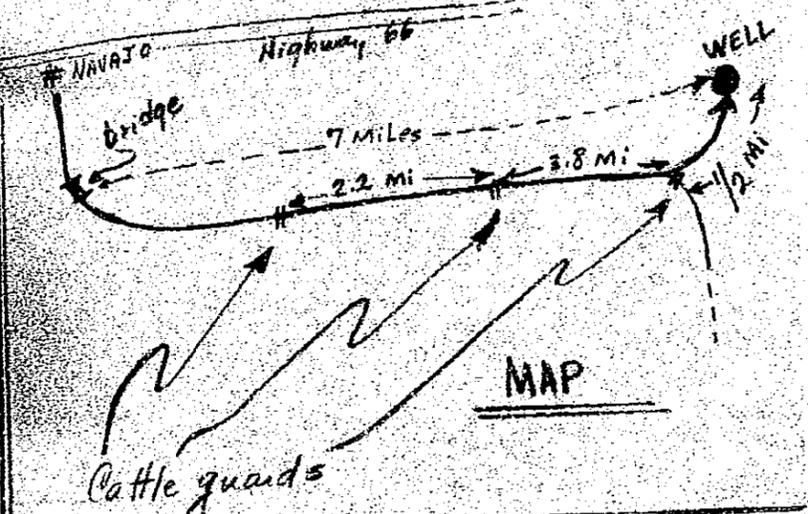
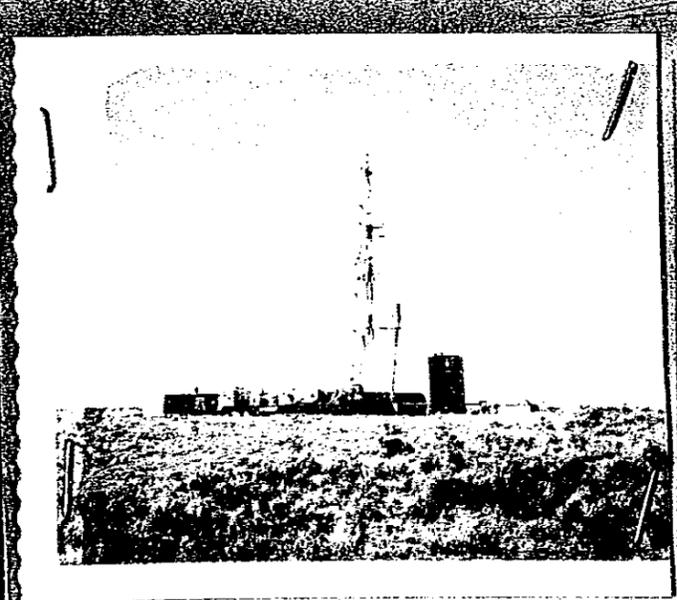
STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
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32

WELL SITE CHECK

Contractor Drake Well Service Person(s) Contacted Ed Clemente, Dr. Swain
 (Farmington)
 Spud date _____ Date 9-26-68
 Type Rig _____ Rotary Cable _____ Present Operations drilling 1225
 Samples Yes catching smpls.
 Pipe Set 7" @ 34' w/ 10 SX Drilling with Air _____ Mud
 Water Zones _____ Size Hole 6 1/4"
 Lost Circ. Zones _____ Size Drill Pipe _____
 Formation Tops _____ Type Bit _____
 Cores, Logs, DST _____ No. Bit _____ Drilling Rate _____
 Formation "Rootbeer" Sand
 Crews _____ Lithology Sandstone

REMARKS, PHOTO, MAP Measurements taken from = Elevation 5820 GR



Drilling @ 1225. Running about 100' high structurally (?). Did not have Shinarump section. Perhaps faulted out? Think they are just above (about 10') Cocanino ss.

WELL NAME Crest - Ariz. Helium #1 Santa Fe Permit No. 471
 Confidential Yes No

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

Crest Oil Company

NAME OF COMPANY OR OPERATOR

P. O. Box 57,

Alton
City

Illinois
State

Address

Drake Well Service Company

Drilling Contractor

Farmington, New Mexico

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

Santa Fe #9650

Well number

1

Elevation (ground)

5820.0

Nearest distance from proposed location to property or lease line:

660 feet

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

3960 feet

Number of acres in lease:

640

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

3

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

Name

Address

Well location (give footage from section lines)

660 FSL - 660 FEL

Section—township—range or block and survey

Sec. 25-T20N-R27E

Dedication (Comply with Rule 105)

SE/4 of Sec 25

Field and reservoir (if wildcat, so state)

Wildcat

County

Apache

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

7 Miles East of Navajo

Proposed depth:

1500

Rotary or cable tools

rotary

Approx. date work will start

9-20-68

Bond Status

issued

Organization Report

Filing Fee of \$25.00

Amount

\$5,000

On file Or attached

Attached

Remarks:

See Case #33 for exception to rule 105.

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

Crest Oil (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.

Signature

9-19-68

Date

Permit Number:

471

Approval Date:

9-19-68

Approved By:

John V. Bannister

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

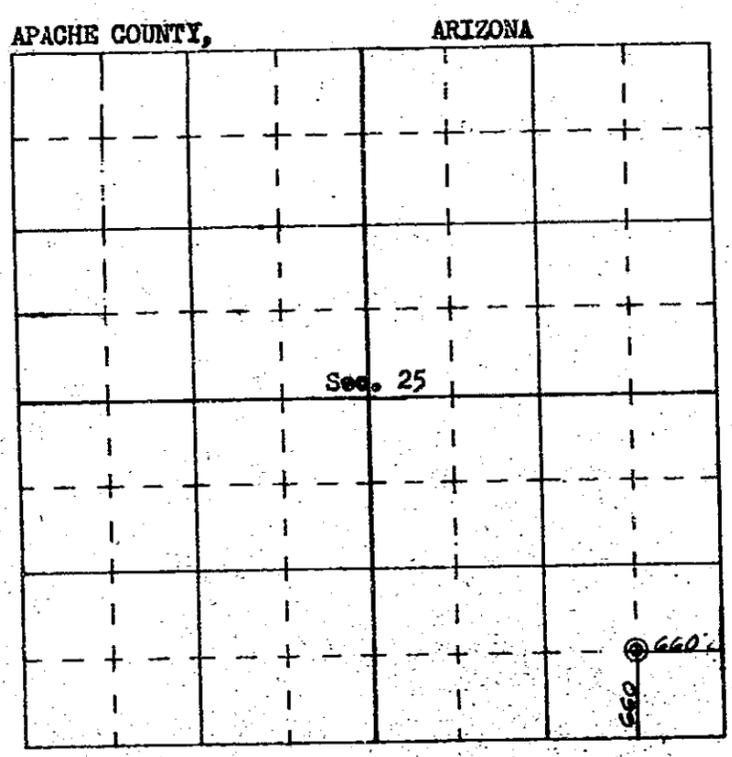
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

Form No. 3

API # 02-001-20083

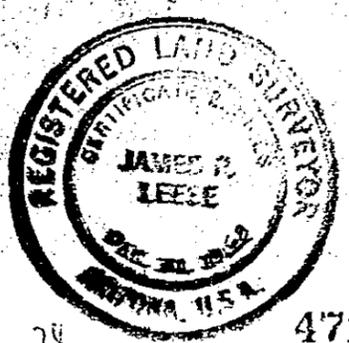
(Complete Reverse Side)

COMPANY CREST OIL COMPANY
 LEASE CREST-ARIZONA HELIUM WELL NO. 1
 SEC. 25 T. 20 NORTH R. 27 EAST, G.&S.R.M.
 LOCATION 660 feet from the South line and
660 feet from the East line
 ELEVATION 5820.0



SCALE—4 INCHES EQUALS 1 MILE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
 FIELD NOTE OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPER-
 VISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
 BEST OF MY KNOWLEDGE AND BELIEF.



SEAL: *James P. Lee*
 Registered Land Surveyor,
 JAMES P. LEESE
 Ariz. Reg. No. 1849

SURVEYED 2 September 1963

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.



PERMIT TO DRILL

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

To: CREST OIL COMPANY
(OPERATOR)

to drill a well to be known as

CREST-ARIZ HELIUM #1 SANTA FE
(WELL NAME)

located 660' FSL and FEL (SE/4SE/4)

Section 25 Township 20N Range 27E, Apache County, Arizona.

The 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 19th day of September, 1968.

160-acre spacing
Case 33, Order 34

OIL AND GAS CONSERVATION COMMISSION

By John L. Emmeter
EXECUTIVE SECRETARY

PERMIT **Nº 471**

RECEIPT NO. **9555**
API02-001-20083

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

SAMPLES REQUIRED

KNOW ALL MEN BY THESE PRESENTS

BOND SERIAL NO. 94-174782

That we: C. F. SWAIN, DBA: CREST OIL COMPANY

of the County of: MADISON in the State of: ILLINOIS

as principal, and MARYLAND CASUALTY COMPANY

of BAITIMORE, MARYLAND
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:

SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 20N, RANGE 27E, APACHE COUNTY
(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. Liability under this bond may not be terminated without written permission of this commission.

Penal sum of FIVE THOUSAND AND NO/100THS-----DOLLARS (\$5,000.00)

Witness our hands and seals, this 16TH day of SEPTEMBER, 1968

C. F. Swain
Principal

Witness our hands and seals, this 16TH day of SEPTEMBER, 1968

MARYLAND CASUALTY COMPANY
BY: *Samuel E. E. Conklin*
SAMUEL E. E. CONKLIN, ATTORNEY-IN-FACT

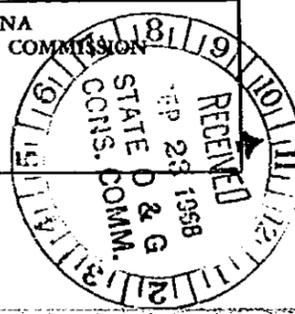
Surety, Resident Arizona Agent
(If issued in a state other than Arizona)

(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 9-19-68
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: *John J. Bannister*

Permit No. 471

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



CERTIFIED COPY

Know all Men by these Presents: That MARYLAND CASUALTY COMPANY, a corporation created by and existing under the laws of the State of Maryland, of Baltimore City, Maryland, in pursuance of the authority set forth in Section 12 of Article V of its By-laws, from which the following is a true extract, and which Section has not been amended nor rescinded:

"The President or any Vice-President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority."

does hereby nominate, constitute and appoint W. J. BUFFINGTON and SAMUEL E. E. CONKLIN, each with full power to act alone,

of PHOENIX State of ARIZONA its Attorney s-in-Fact to make, execute, seal, and deliver on its behalf as Surety, and as its act and deed, any and all bonds, recognizances, stipulations, undertakings, and other like instruments.



Such bonds, recognizances, stipulations, undertakings, or other like instruments shall be binding upon said Company as fully and to all intents and purposes as if such instruments had been duly executed and acknowledged and delivered by the authorized officers of the Company when duly executed by either one of the aforesaid attorneys in fact.

This instrument supersedes power of attorney granted W. J. Buffington and E. J. McKenna dated October 14, 1964.

In Witness Whereof, MARYLAND CASUALTY COMPANY has caused these presents to be executed in its name and on its behalf and its Corporate Seal to be hereunto affixed and attested by its officers thereunto duly authorized, this 13th day of January, 1966, at Baltimore City, Maryland.

ATTEST: (CORPORATE SEAL) MARYLAND CASUALTY COMPANY

(Signed) Rose E. Lutz Assistant Secretary. By (Signed) Albert H. Walker Vice-President.

STATE OF MARYLAND }
BALTIMORE CITY } ss.

On this 13th day of January, A. D., 1966, before the subscriber, a Notary Public of the State of Maryland, in and for Baltimore City, duly commissioned and qualified, came Albert H. Walker Vice-President, and Rose E. Lutz Assistant Secretary, of MARYLAND CASUALTY COMPANY, to me personally known, and known to be the officers described in, and who executed the preceding instrument; and they each acknowledged the execution of the same; and, being by me duly sworn, they severally and each for himself deposed and said that they respectively hold the offices in said Corporation as indicated, that the Seal affixed to the preceding instrument is the Corporate Seal of said Corporation, and that the said Corporate Seal, and their signatures as such officers, were duly affixed and subscribed to the said instrument pursuant to all due corporate authorization.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, at Baltimore City, the day and year first above written.

(NOTARIAL SEAL) (Signed) Clagett R. Reimer Notary Public.

My commission expires July 1, 1967

CERTIFICATE

I, an Assistant Secretary of the Maryland Casualty Company, do hereby certify that I have compared the aforesaid copy of the Power of Attorney with the original now on file among the records of the Home Office of the Company and in my custody, and that the same is a full, true and correct copy, and that the Power of Attorney has not been revoked, amended or abridged, and is now in full force and effect.

Given under my hand as Assistant Secretary, and the Seal of the Company, at Baltimore City, Md., this 16TH day of SEPTEMBER, A. D., 1968.

Clagett R. Reimer
Assistant Secretary.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 271-5161

February 17, 1978

Doris Swift
Bond Department
The Maryland
Suite 270-10 Broadway
St. Louis, Missouri 63102

Re: Crest Oil Company Maryland Casualty Bonds
Nos. 9278739, 94174782 and 94174784

Dear Ms. Swift:

Crest Oil Company has complied with all the rules of the Oil and Gas Conservation Commission on wells covered by the above referenced bonds. This letter is your authorization to cancel these bonds.

Very truly yours,

W. E. Allen
Director
Enforcement Section

WEA/vb

cc - Froemling Agency, Inc.
Crest Oil Company

471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

RECEIVED

FEB 16 1978

O & G CONS. COMM.

February 11, 1978

W. E. Allen
Director Enforcement Section
Oil and Gas Conservation Commission
1645 W. Jefferson Suite 420
Phoenix, Arizona 95007

Dear Mr. Allen:

Re: Wells drilled by Crest Oil Company & or
Operator designee Eastern Petroleum Co.,
in Apache Co., Arizona. See your letter
dated 1/3/78 to Maryland Casualty Co.,
with copy and footnote to C. F. Swain

As suggested in footnote of your letter captioned
above, I would like to have bonds released (Maryland Casualty
Company) as shown below.:

1. Maryland Casualty Bond #94-174782, covering a well
drilled in SE-SE-25, 20N, 27E, Apache Co., Arizona.
Permit No. 471, dated 9/19/68. (Photocopy enclosed)
Plugged 1/20/75. (photocopy of plugging enclosed)
2. Maryland Casualty Bond #94-174784, covering a well
drilled in NW/4 of Section 25, 20, 27E, Apache Co.,
Ariz.;
Permit No. 473, dated 9/19/68. (Photocopy enclosed)
Plugged 1/5/72. (photocopy of plugging enclosed)
3. Maryland Casualty Bond #92-787379, covering a Navajo
Springs Unit well, Crest Santa Fe #7, Section 6,
19N-27E, Apache Co., Ariz. (NE/4)
Permit No. 204, dated 8/7/62. (Photocopy enclosed)
Plugged 10/12/77. (photocopy of plugging by Halliburton
as furnished to Crest by Unit Operator, Eastern Pet. Co.)

I also enclose a photocopy of a letter from my bonding
agent, Froemling Agency, Inc., verifying that their records
show the above bonds still active, and on which I have been
paying the annual premiums.

Will very much appreciate it if you will write the
Maryland Bond department as suggested in the Froemling letter
and authorize release of the above bonds.

Sincerely yours,

C. F. Swain Crest Oil Company

471

Froemling Agency, Inc.



ALL LINES OF INSURANCE

3600 NAMEOKI ROAD - 2ND FLOOR
GRANITE CITY, ILLINOIS 62040
(618) 876-9090 OR 451-9902

January 24, 1978

C. F. Swain DBA
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Dear Mr. Swain:

In regard to your letter of January 20, 1978, we show the following bonds are still in force

- 1) Maryland Casualty Bond #94-174782
Southeast Quarter of Section 25,
Township 20 N, Range 27 E, Apache County, Arizona
(9/16/77 to 9/16/78)
- 2) Maryland Casualty Bond #94-174784
Northwest Quarter of Section 25,
Township 20 N, Range 27 E, Apache County, Arizona
(9/16/77 to 9/16/78)
- 3) Maryland Casualty Bond #92-787379
Sante Fe #7, Apache County, Arizona

Would suggest you have the Oil and Gas Conservation Commission contact:

Doris Swift
Bond Department
The Maryland
Suite 270-10 Broadway
St. Louis, Missouri 63102

Sincerely,

Donald K. Jaffke
Donald K. Jaffke

DKJ:cc

471



OFFICE OF

Oil and Gas Conservation Commission
STATE OF ARIZONA

4515 NORTH 7TH AVE. 6600 N. CENTRAL, SUITE 106
PHOENIX, ARIZONA 85013 PHOENIX, ARIZONA 85020
PHONE: (602) 271-5161

September 3, 1975

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

RE: Crest-Ariz Helium #8X S. F. Crest-Ariz Helium #1 S. F.
SE/4, NW/4 SE/4, SE/4
Sec 25-T20N-R27E Sec 25-T20N-R27E
Apache Co. Ariz. Apache Co., Ariz.
Permit No. 473 Permit No. 471

Dear Dr. Swain

We have your letter of August 14, 1975 requesting release of the bond covering the above referenced wells.

The Crest 8X is eligible for release at the present time. The Crest #1 has been properly plugged, however the regulated dry hole marker has not been installed on this well the last time I checked.

I requested Mr. Fullop in April 1975 and again in June 1975 to have regulation dry hole markers placed on the wells that were recently plugged in this area. As of this date, he has completely ignored this request. Copies of the letters to Mr. Fullop are enclosed.

As quickly as these wells are in compliance with our rules and regulations, we will authorize release of the bond covering these wells.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

Encls.

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

August 14, 1975

RECEIVED

8-18

O & G CONS. COMM.

Mr. John Bannister, Executive Secretary
Arizona Oil & Gas Conservation Commission
8686 N. Central Suite 106
Phoenix, Arizona 85020

Re: Crest-Ariz Helium #8X S.F.
SE/4, NW/4
Sec 25-T20N-R27E
Apache Co., Ariz.
Permit No. 473

Crest-Ariz Helium #1 S.F.
SE/4, SE/4
Sec 25-T20N-R27E
Apache Co., Ariz.
Permit No. 471

Dear John:

I would certainly like to close my files on the captioned wells. They have both been plugged, but I am still being billed by my insurance company for annual Bond renewal premiums.

The plugging was done by Eastern Petroleum Company as directed by Mr. Allen while Eastern was designated Operator of above captioned Section 25. Well #8X was plugged 1/5/72 and well #1,4/21/75, copies of plugging record enclosed.

Will you please look into this matter for me at your earliest convenience and advise me when the Maryland Casualty Company Bonds covering these wells will be released.

With best personal regards to you and yours,

Sincerely,

C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs

encs.



OFFICE OF
Oil and Gas Conservation Commission

STATE OF ARIZONA
~~XXXXXXXXXXXX~~ 8686 N. Central, Suite 106
PHOENIX, ARIZONA 85013 Phoenix, Arizona 85020
PHONE: (602) 271-5161

76
~~May 28~~
June 28

April 28, 1975

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Wells recently plugged by order of Commission

Dear Mr. Fullop:

We recently spot-checked a few of the wells that have been recently plugged to determine if the dry hole markers had been installed. On the six wells we checked, dry hole markers were on location. They were not permanently installed and neither did they have the required information. The only information on these markers were the section number, township and range, and in a few instances the permit number. As you know, the regulation marker is required to have the name of the operator, the state permit number, the well location by quarter/quarter, the numerical designation of the well and the type of lease. Copies of this rule are enclosed.

It will be appreciated if you have the correct dry hole marker permanently installed as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

cc Jess Edwards

June 25, 1975

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

RE: Dry Hole Markers on Plugged
Wells in Navajo Springs area

Dear Mr. Fullop:

On April 28, 1975, I advised you that the majority of wells that you recently caused to be plugged do not have correct dry hole markers. A recent check confirmed that proper dry hole markers had still not been erected.

Please advise this Commission when we can reasonably expect you to have proper identification placed on these plugged wells.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

cc - Jess Edwards

XXXXXXXXXXXXXXXX 8686 N. Central, Suite 106
XXXXXXXXXXXXXXXX Phoenix, Arizona 85020

April 18, 1975

Mr. J. N. Edwards
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Crest Arizona Helium Santa Fe No. 1, Permit 471
SE/SE Sec 25-T20N-R27E, Apache County

Dear Mr. Edwards:

Thank you for the plugging reports on 13 of the wells that you have recently plugged or partially plugged, as in the case of the four wells left open for possible use as water wells. All we need at the present time is the plugging report on the Crest Santa Fe No. 1. You will recall that this well was not on the list of 13 wells that the Commission demanded to be plugged, however, Red Gentles plugged this well on Mr. Fullop's instructions. Will you please forward this report as quickly as possible.

We have had no indication from Mr. Wallace concerning his acceptance of the four wells left open at the top.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



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

April 7, 1975

Mr. J. N. Edwards
Eastern Petroleum Co.
P. O. Box 291
Carmi, Illinois 62821

Re: Commission Ordered Plugged Wells
Navajo Springs Area

Dear Mr. Edwards:

In reply to your letter of April 3, 1975 regarding the wells that Mr. C. G. Wallace has indicated interest in acquiring in order to convert to water wells, this office has had no word from Wallace regarding his intentions. We did, at Mr. Wallace's request furnish him with copies of electric logs of these wells, however, that has been the extent of our communications with him.

On March 13, 1975 we wrote you regarding Plugging Reports on the wells you have recently plugged in the Navajo Springs area. We also requested this information from Mr. Fullop in a telephone conversation on February 20, 1975. As of this date, neither of you have seen fit to furnish this information. I would call your attention to Rule 202, C., Plugging Methods and Procedures of our Rules and Regulations. I would also call your attention to ARS Section 27-527, Penalties, copies of each are attached. The mood of the Commission is such that they could easily decide to enforce these penalties should you continue to fail to respond to our request.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

cc Mr. Fullop

Encs.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE (618) 382-4104 - P.O. BOX 291 - JARMILL, ILLINOIS 62821

April 3, 1975

Mr. W. E. Allen
Oil & Gas Conservation Comm.
4515 North 7th Avenue
Phoenix, Arizona 85013

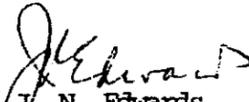
Dear Mr. Allen:

Please refer to our letter of January 24 to C. G. Wallace concerning transfer and acceptance of five wells for water wells.

We've had no response from Mr. Wallace. If he did formally accept these wells or any of them will you please mail us photocopies.

Yours very truly,

EASTERN PETROLEUM COMPANY


J. N. Edwards

JNE:sjn

RECEIVED
APR 07 1975
O & G CONS. COMM.

471



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

March 13, 1975

Mr. J. N. Edwards
Eastern Petroleum Co.
P. O. Box 291
Carmi, Illinois 62821

Re: Commission Ordered Plugged Wells
Navajo Springs Area

Dear Mr. Edwards:

Your letter of March 10, 1975, requesting approved plugging forms for each well has been received. Prior to approving the applications to abandon and plug these wells, it will be necessary for you or some member of your firm to submit these copies detailing the manner in which the wells were plugged and the depth at which they were placed.

In a telephone conversation with Mr. Fullop several days ago we requested that these forms be submitted.

Please submit these forms as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE (515) 333-4104 P. O. BOX 1211 CARROLLTON, ILLINOIS 62821

March 10, 1975

Mr. W. E. Allen
Arizona Oil & Gas Cons. Comm.
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Commission Ordered Plugged Wells

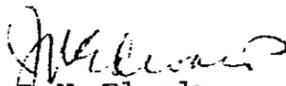
Dear Mr. Allen:

We are informed the wells ordered by the Commission to be plugged have been plugged.

Would you please send approved plugging copies of each well. I would presume the bond on these wells could be released.

Yours very truly,

EASTERN PETROLEUM COMPANY


J. N. Edwards

JNE:sjn

RECEIVED

MAR 10 1975

O & G CONS. COMM.

491

DATE: February 20, 1975
SUBJECT: Eastern Petroleum Company Wells
TO: 13 Eastern Files
FROM: W. E. Allen, Director, Enforcement Section

Called Henry Fullop this date requesting plugging reports on all wells plugged and completion report on the Merde No. 2 well. Also asked him to find out status of the placement of dry hole markers and cleanups.

January 20, 1975

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Eastern and Crest wells in the general area of Navajo Springs

Dear Mr. Fullop:

Attached is a list of wells drilled by Eastern and Crest in Apache County. According to our files this list reflects all wells that have been drilled by Eastern in this area. You will note that the list indicated the wells that have reportedly been plugged and abandoned, shut-in helium wells, production helium wells, some strat tests and also wells for which a permit was issued but were never drilled and the permits cancelled.

We have previously supplied you with lists of all the unplugged wells in this area and also the wells that have been ordered plugged by the Commission.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Enc.

December 24, 1974

Memo to Eastern Petroleum File

Memo from W. E. Allen, Director, Enforcement Section

Henry Fullop called December 20th. At that time he said that they planned on starting plugging operations on the 24th of December. Fullop called again this morning and asked for a brief extension in time. He said his father was seriously ill in the hospital and that he felt he could not leave him at that time. He also said he felt it was necessary that he be here during the plugging operations since he was familiar with the well locations and the completion method. Fullop asked John Bannister and myself if he could have his equipment in the Navajo Springs area and ready to start plugging immediately after the first of the year if not before. We agreed to grant Fullop this additional time due to the illness of his father.

After talking with Fullop I checked with the contractor who is to do the work, Albert Gentles. Gentles assured me that they were going to do the plugging for Eastern and had already dispatched some equipment to the area. The other equipment along with the personnel would be leaving Carmi, Illinois, within the next few days.



UNITED STATES FIDELITY AND GUARANTY COMPANY

INDIANAPOLIS OFFICE
456 N. MERIDIAN ST., INDIANAPOLIS, IND. 46204
FOSTER & MESSICK, MANAGERS

December 23, 1974

WA
~~Attorney General's Office~~
~~State of Illinois~~
~~Phoenix, Arizona~~

ATTENTION: Mr. Mousel

RE: Bond No. 27716-13-3983-65 - Eastern Petroleum Company -
State of Arizona

Dear Mr. Mousel:

This will confirm our telephone conversation on December 19, 1974 in regard to the plugging of the oil wells for the Eastern Petroleum Company in reference to the order of the Oil and Gas Commission, Case No. 48, Order No. 47.

We are attaching hereto a copy of the letter from Mr. Henry Phullop of the Eastern Petroleum Company concerning the plugging of the 13 wells listed in the order.

Very truly yours,

FOSTER & MESSICK, MGRS.

Harold E. Uhrig
Claim Supervisor

HEU:ja

Enc.

cc: Oil and Gas Conservation Commission
State of Arizona
4515 North Seventh Avenue
Phoenix, Arizona 85013
ATTN: Mr. W. E. Ellen, Director

RECEIVED
DEC 26 1974
O & G CONS. COMM.

471



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE (618) 362-4104 - P. O. BOX 291 - CARMI, ILLINOIS 62321

December 20, 1974

RECEIVED

DEC 23 1974

Mr. Harold E. Uhrig
Foster & Messick, Mgrs.
456 N. Meridian Street
Indianapolis, Indiana 46209

Re: Case No. 48
Arizona O & G Comm.

Dear Mr. Uhrig:

We intend to commence plugging the thirteen wells this coming week as ordered by the Commission and expect to have at least one, if not two, plugged by December 25, 1974.

We've had difficulty in engaging contractors. All have been afraid to tackle the job without definite assurance they would be free of possible suits. The action of the state should minimize this possibility.

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fullop

HF:sjn

cc: Mr. Glenn Becker
McCallister, Becker & Hall
Carmi, Illinois

DATE: December 19, 1974
MEMO: Eastern Petroleum Company File
FROM: W. E. Allen, Director, Enforcement Section
SUBJECT: Plugging - Eastern Petroleum Company's wells

Craig Mousel from the Attorney General's Office called this date to tell me that he had talked with Mr. Uhrig of U.S.F.&G. regarding the Commission's order to plug certain of Eastern's wells. Mr. Uhrig told Craig that Fullop had told him he was leaving Carmi either the 20th or the 21st to come down here and make arrangements for these wells to be plugged. Uhrig said that Fullop would call the Attorney General's Office when he was in town, however, since Craig will be out of town for the holidays, he will leave word for him to contact me. Uhrig also told Craig that it was his opinion that Eastern Petroleum was solvent in that there would be no trouble in them plugging these wells.

If work has not started by December 30, Craig is to contact Uhrig again.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

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

CERTIFIED MAIL

December 9, 1974

Mr. Harold E. Uhrig
U. S. F. & G. Company
456 Meridian Street
Indianapolis, Indiana 46209

Re: Oil & Gas Conservation Commission, State of Arizona
Order No. 47, Eastern Petroleum Company

Dear Mr. Uhrig:

The above referenced order names U. S. F. & G. Company as surety under Bond No. 27716-13-3983-65. This bond guarantees Eastern's compliance with the Commission's orders, rules and regulations.

This order stipulates that work required to bring Eastern Petroleum Company into compliance with this Commission's orders shall be started by December 25, 1974. Since the issuance of this order, this Commission has had no direct communication with Eastern. The purpose of this letter is to remind you that if Eastern has not started positive action by the compliance date, this Commission will expect U. S. F. & G. to initiate plugging operations on the various wells listed in the order. Enclosed for your information is a copy of this order.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Enc.

cc - Mr. Henry Fullop and Jess Edwards

471

DATE: December 9, 1974
MEMO: John Bannister, Executive Secretary
FROM: W. E. Allen, Director, Enforcement Section
SUBJECT: Eastern Petroleum Company - Navajo Springs

I contacted Dan Leavell this morning regarding his intentions to plug Eastern's wells in the Navajo Springs area. Mr. Leavell had previously contacted me regarding this operation. When I talked with him this morning, he told me that Henry Fullop had changed his mind in regards to using Mr. Leavell and he thought that Eastern was considering a fellow by the name of Red Gentles to perform this work.

Gentles is the fourth person that has been mentioned as the contractor for the plugging of these wells. After talking with Leavell, I wrote a letter to U.S.F. & G. reminding them that if Eastern had not started plugging the wells by December 25, this Commission would expect U.S.F. & G. to initiate the plugging of these wells.

/rlb



OFFICE OF
Oil and Gas Conservation Commission

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

December 2, 1974

The Prentice-Hall Corporation System, Inc.
521 Fifth Avenue
New York, New York 10017

Attention: Mr. John F. Byrne, Jr.
Vice President

Re: IN THE MATTER OF THE HEARING CALLED BY THE
OIL AND GAS CONSERVATION COMMISSION OF THE
STATE OF ARIZONA FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 48

ORDER NO. 47

THE MOTION OF THE OIL AND GAS CONSERVATION
COMMISSION THAT EASTERN PETROLEUM COMPANY,
UNITED STATES FIDELITY AND GUARANTY COMPANY,
AND THE PRENTICE-HALL CORPORATION SYSTEM
SHOW CAUSE WHY THEY SHOULD NOT BE ORDERED
TO PLUG CERTAIN WELLS AS BELOW LISTED

Gentlemen:

In reply to your letter of November 26, 1974, please be advised that the Oil and Gas Conservation Commission realizes that the position of The Prentice-Hall Corporation System, Inc. is merely that of statutory agent. The Commission has no intent to call upon Prentice-Hall for any reason whatsoever under our Order No. 47. You will note that in the body of the order, wherein Eastern Petroleum Corporation is required to perform certain tasks, no mention is made of Prentice-Hall.

Consequently, let us assure you that the Commission is aware

The Prentice-Hall
Corporation System, Inc.
December 2, 1974
Page 2

of your position and realizes that you are not involved in any
manner in the performance of the requirements of this Order.

Sincerely,

John Bannister
John Bannister
Executive Secretary

JB/vb

cc - Mr. Hubert E. Kelly
Kelly & Corbin
550 W. Washington Street
Phoenix, Arizona 85003

Mr. Henry Fullop
Eastern Petroleum Company
P.O. Box 291
Carmi, Illinois 62821

The Attorney General
State Capitol
Phoenix, Arizona 85007

THE PRENTICE-HALL CORPORATION SYSTEM, INC.

212-687-7660

521 FIFTH AVENUE, NEW YORK, NEW YORK 10017

CABLE PRENSYSTEM

AIR MAIL =
CERTIFIED MAIL NO. 170186

November 26, 1974

Hon. Ralph W. Bilby, Chairman
Oil And Gas Conservation Commission
State of Arizona
Phoenix, Arizona 85003

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

THE MOTION OF THE OIL AND GAS
CONSERVATION COMMISSION THAT EASTERN
PETROLEUM COMPANY, UNITED STATES
FIDELITY AND GUARANTY COMPANY, AND
THE PRENTICE-HALL CORPORATION SYSTEM
SHOW CAUSE WHY THEY SHOULD NOT BE
ORDERED TO PLUG CERTAIN WELLS AS
BELOW LISTED

CASE NO. 48

ORDER NO. 47

Dear Sir:

Enclosed is a copy of the Order of your Commission, referred to above, which we have just received, indirectly, through our correspondents, Messrs. Kelly & Corbin of Phoenix, Arizona.

It is noted that "THE PRENTICE-HALL CORPORATION SYSTEM" has been, by this Order, directed to show cause why it, together with certain other corporations, including EASTERN PETROLEUM COMPANY, should not be ordered to "Plug Certain Wells."

According to our records, our company, THE PRENTICE-HALL CORPORATION SYSTEM, INC. is and has been serving as the "Statutory Agent" (see

Hon. Ralph W. Bilby, Chairman

-2-

November 26, 1974

Section 10-127, ARIZONA GENERAL CORPORATION LAW) since the date that the corporation so represented was qualified as a foreign corporation in Arizona, to wit: October 16, 1959.

Our relationship with said EASTERN PETROLEUM COMPANY is, and has been during that entire period, limited to the duties and responsibilities of a "Statutory Agent" under your law and never, in any way, involved in the business affairs or corporate objectives of said EASTERN PETROLEUM COMPANY.

Therefore, as it was error on the part of your Commission to designate THE PRENTICE-HALL CORPORATION SYSTEM, INC. in the above Order as a party thereto, we respectfully request that your Commission take immediate action to qualify or amend such Order to the extent necessary and appropriate to eliminate THE PRENTICE-HALL CORPORATION SYSTEM, INC. from the force and effect of the Order and, indeed, to eliminate our company from any involvement whatsoever in the proceedings underlying or resulting in the issuance of said Order.

To reiterate, our company does not, in any way, participate in the business activities of any of the corporations for which it acts as statutory process agent, its function being to merely provide the Registered Office as a place where process against corporations represented may be served and the forwarding of such process to the person or law firm which has been designated by the corporation or corporations so represented.

Please take immediate action in this matter and provide us with a copy of your amended Order.

Respectfully yours,

THE PRENTICE-HALL CORPORATION SYSTEM, INC.


John F. Byrne, Jr.
Vice-President

JFB:es

cc: Hubert E. Kelly, Esq.
Kelly And Corbin, Esqs.
550 West Washington Street
Phoenix, Arizona 85003
Henry Fullop, Esq.
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

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

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

CASE NO. 48

ORDER NO. 47

THE MOTION OF THE OIL AND GAS
CONSERVATION COMMISSION THAT EASTERN
PETROLEUM COMPANY, UNITED STATES
FIDELITY AND GUARANTY COMPANY, AND
THE PRENTICE-HALL CORPORATION SYSTEM
SHOW CAUSE WHY THEY SHOULD NOT BE
ORDERED TO PLUG CERTAIN WELLS AS
BELOW LISTED

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause was considered at 10:00 a.m. on November 15, 1974
at Phoenix, Arizona, by the OIL AND GAS CONSERVATION COMMISSION of
the STATE OF ARIZONA, hereinafter referred to as the COMMISSION.

The COMMISSION, a quorum being present, having considered the
facts presented and being fully advised in the premises, finds as
follows:

FINDINGS:

(1) THAT the COMMISSION has jurisdiction of the subject
matter thereof.

(2) THAT the COMMISSION did order EASTERN PETROLEUM COMPANY,
as operator of the below-listed wells and as principal under Bond
Number 27716-13-3983-65, to plug the below-listed wells:

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
560	Kiva Santa Fe Fee #1	NE/SW Sec 13-20N-28E
565	Santa Fe #6X-1	SE/NW Sec 25-20N-28E
568	Santa Fe Fee Sanders #2	NE/SW Sec 15-21N-28E
578	Szar State #1	NE/NW Sec 36-20N-27E
584	Santa Fe Fee Dreck #1	SE/SW Sec 25-20N-27E
592	Indian Allotted Merde #1	SW/SW Sec 30-20N-28E
596	Indian Allotted Mdrde #2	SW/SE Sec 30-20N-28E
599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

(3) THAT EASTERN PETROLEUM COMPANY has failed to comply with the orders of the COMMISSION.

(4) THAT UNITED STATES FIDELITY AND GUARANTY COMPANY is surety under United States Fidelity and Guaranty Bond No. 27716-13-3983-65 and, as such, guarantees compliance of EASTERN PETROLEUM COMPANY with the COMMISSION'S orders, rules and regulations.

(5) THAT, in order to prevent waste and to protect underground water stratas which have been penetrated by the above-identified wells, EASTERN PETROLEUM COMPANY should plug said wells in accordance with the Application to Plug as filed by EASTERN

PETROLEUM COMPANY with this COMMISSION as to each of the above-identified wells.

IT IS THEREFORE ORDERED:

(1) THAT EASTERN PETROLEUM COMPANY plug the following wells:

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
560	Kiva Santa Fe Fee #1	NE/SW Sec 13-20N-28E
565	Santa Fe #6X-1	SE/NW Sec 25-20N-28E
568	Santa Fe Fee Sanders #2	NE/SW Sec 15-21N-28E
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599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

(2) THAT EASTERN PETROLEUM COMPANY commence the plugging operations on or before the 25th day of December, 1974 and complete said plugging operations as soon thereafter as is possible in accordance with reasonable and acceptable standards of the oil and gas industry.

(3) THAT any Certificate of Clearance or Certificate of Compliance which may have been issued to Eastern Petroleum Company

comply with this order, THE UNITED STATES FIDELITY AND GUARANTY COMPANY is to bring the above-identified wells into compliance with this order and with the rules and regulations of this COMMISSION

DONE at Phoenix, Arizona, on the 15th day of November, 1974.

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

By (Original signed)
Ralph W. Bilby, Chairman

(S E A L)

ATTEST:

(Original signed)
John Bannister
Executive Secretary

APPROVED AS TO FORM
Craig Myrland
Assistant Attorney General
Date Nov. 19, 1974

I would suggest that maybe within the order part a reference be made to the possibility of revoking a certificate of compliance; the order, however, is fine on its face without the above suggestion.



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

NOTICE OF HEARING

CASE NO. 48

Notice is hereby given to all interested parties, and specifically but not limited to EASTERN PETROLEUM COMPANY, Post Office Box 291, Carmi, Illinois 62821, as operator of the below listed wells and as principal under United States Fidelity and Guaranty Company Bond Number 27716-13-3983-65, to UNITED STATES FIDELITY AND GUARANTY COMPANY of 456 North Meridian Street, Indianapolis, Indiana 46209, as surety under the above specified bond, and to THE PRENTICE-HALL CORPORATION SYSTEM, 550 West Washington, Phoenix, Arizona 85003, as statutory agent for the above identified Eastern Petroleum Company, that the OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF ARIZONA, pursuant to the authority granted in ARS 27-516.B, will hold a hearing on its own motion, at its offices at 4515 North 7th Avenue, Phoenix, Arizona 85013, at 10:00 a.m. on November 15, 1974 to ^{show cause} ~~consider~~ why EASTERN PETROLEUM COMPANY as operator of the below listed wells, and as principal under USF&G bond, above identified, and UNITED STATES FIDELITY AND GUARANTY COMPANY as surety under USF&G bond, above identified, should not be ordered to plug the below identified wells for violations of the Commission's rules and regulations, and the applicable statutes of the State of Arizona, to wit, but not limited,

to ARS 27-503.A, ARS 27-516.A.1.a.,b.,c.,d.,4 and 6, and to the Commission's rules and regulations (1971) to wit, but not limited to 3,107.A.,B.; and 202.B:

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
560	Kiva Santa Fe Fee #1	NE/SW Sec 13-20N-28E
565	Santa Fe #6X-1	SE/NW Sec 25-20N-28E
568	Santa Fe Fee Sanders #2	NE/SW Sec 15-21N-28E
578	Szar State #1	NE/NW Sec 36-20N-27E
584	Santa Fe Fee Dreck #1	SE/SW Sec 25-20N-27E
592	Indian Allotted Merde #1	SW/SW Sec 30-20N-28E
596	Indian Allotted Merde #2	SW/SE Sec 30-20N-28E
599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

ATTEST

By (Original Signed)

Ralph W. Bilby, Chairman

(Original Signed)

John Bannister
Executive Secretary

Done this 1st day of November, 1974

November 22, 1974

Mr. Dan LaBell
300 South Walnut
Carmi, Illinois 62821

Re: Eastern Petroleum Company Wells - Navajo Springs Area

Dear Mr. LaBell:

Attached are copies of Form 9, Application to Abandon and Plug, for Eastern's 13 wells in the Navajo Springs area. You will note that these applications were submitted by Eastern and approved by this office. Also attached are completion reports on 12 of the 13 subject wells. A completion report was never filed on one well.

We are also attaching tabulations on 24 of Eastern's 26 unplugged wells in this area. The remaining two wells, Eastern Santa Fe No. 13 located in Section 31-T20N-R27E and Barfoot No. 1 in Section 32-T20N-R27E are currently producing into Kerr-McGee's helium extraction plant. All figures and estimates on the tabulation were either submitted by Eastern or derived from information submitted by Eastern to this office.

Please notify this office prior to commencing any plugging operations. A representative from this office will witness the plugging of all wells.

Please advise if we can be of any further assistance.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rib

Encs.

November 18, 1974

Office of the Attorney General
State Capitol
Phoenix, Arizona 85007

Attention: Mr. Craig Mousel

Re: Case No. 48

Gentlemen:

Attached please find the order the Oil and Gas Conservation Commission intends to issue on the captioned case. You are requested to approve this order as to form and content. I would appreciate your earliest comments, inasmuch as we have established a deadline of December 25th and want ample time to notify the people responsible.

Should you have any questions, please advise.

Yours truly,

John Bannister
Executive Secretary

JB/vb

Enc.

November 1, 1974

REGISTERED, RETURN
RECEIPT REQUESTED

Eastern Petroleum Company
P.O. Box 291
Carmi, Illinois 62821

U.S. Fidelity & Guaranty Company
456 N. Meridian St.
Indianapolis, Indiana 46209

The Prentice-Hall Corporation System
550 W. Washington
Phoenix, Arizona 85003

Gentlemen:

Attached please find a copy of Notice of Hearing wherein each of you is involved. Eastern Petroleum Company has been ordered to plug the wells listed in the Notice of Hearing and have failed to comply with the Oil and Gas Commission's orders.

Should Eastern Petroleum Company be ordered after the hearing to plug these wells and fail to do so, it will be necessary for the United States Fidelity and Guaranty Company to make good on their bond and see that the requested plugging is accomplished.

The hearings before this Commission are informal by nature and it is not necessary that appearance before this Commission be made by an attorney. Of course, you are free to use an attorney should you so desire.

Should you have any questions, please advise.

Sincerely,

John Bannister
Executive Secretary

JB/vb

Enc.

October 29, 1974

The Attorney General
State Capitol
Phoenix, Arizona 85007

Attention: Mr. John McGowan
Special Assistant Attorney General

Dear Sir:

You are well aware that it has been necessary for this Commission to repeatedly request Eastern Petroleum Company to comply with our rules and regulations. Several times this Commission has found it necessary to request aid from your office to force Eastern to comply with certain of our rules.

Eastern has some 26 known unplugged wells in the Navajo Springs helium area that have been drilled over the past several years. Some of these wells have never produced and tests indicate them to be incapable of production. Other wells have produced but are presently shut-in for various reasons. Eastern has only two wells producing in this area at the present time.

On February 1, 1974 we advised Eastern and their bonding company, United States Fidelity and Guaranty, 456 North Meridian Street, Indianapolis, Indiana, that unless positive steps were taken to activate these wells, the Commission would of necessity order the wells plugged. A brief reply to the above letter was received by this office on February 19, 1974. It stated that the nonproducers would probably be plugged. After receiving this reply, Eastern was notified to submit Form 9, application to abandon and plug, certain of these wells for our approval. Following this interchange of correspondence, no further communication was received from Eastern. On April 12, 1974 Eastern, the bonding company and certain other interested partners were notified by registered mail of the necessity to plug a number of these wells. We received no response to this letter. On June 21, 1974, Eastern and the bonding company were notified by registered mail that a plugging program must be started by August 31, 1974. The original of this letter addressed to Mr. Henry Fullop, president of Eastern, was returned "unclaimed". Following the return of this letter, a copy was submitted to Eastern's Arizona statutory agent, the Prentice Hall Corporation, 550 West Washington, Phoenix, Arizona. On August 15, 1974, Mr. Fullop submitted a list of 13 wells that he proposed to plug. Our reply to this letter dated

Mr. John McGowan
October 29, 1974
Page 2

August 22, 1974, requested that application to abandon and plug the suggested wells be submitted immediately and plugging operations commence by September 30, 1974. We received these forms on September 3, 1974. After studying the suggested plugging program, the applications were approved and copies returned to Eastern on September 9, 1974. Following the return of these approved applications to abandon and plug, Mr. Fullop brought to this office a contractor he had supposedly engaged to perform the plugging operations. On September 19, 1974, Mr. Jess Edwards and an Eastern representative called and told me that the contractor that had been engaged was hesitant to do the work for fear of legal conflicts with Eastern's partners. Mr. Edwards was informed during this conversation that insofar as the Commission was concerned, Eastern and Eastern alone was responsible and the wells must be plugged by either Eastern or the bonding company. Since this conversation, we have had no further contact concerning this subject with Eastern. Eastern has, however, submitted copies of three letters that they have written to their alleged partners informing these people of the Commission's stand on this matter.

The above is a brief summary of our attempts to have Eastern Petroleum plug certain wells drilled for helium that are incapable of production in their present condition. The letter from Mr. Bannister that I left with you this morning states the desire of this Commission regarding the action that the Commission wishes to be taken.

We would appreciate a written reply informing us of the action you plan to take concerning this matter. If you need any further information, please call me at 271-5161.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

October 18, 1974

The Attorney General
State Capitol
Phoenix, Arizona 85007

Attention: Mr. John McGowan, II
Special Assistant Attorney General

Re: Eastern Petroleum Company, Navajo Springs Area

Dear Sir:

Attached please find a schedule setting forth a list of wells by permit number, location, etc. All of these wells were drilled by Eastern Petroleum Company under U.S. Fidelity and Guaranty Company Bond No. 27716-13-3953-65. Also attached is the original bond, as captioned.

Eastern Petroleum Company has failed to comply with the Commission's request to plug thirteen wells, said wells being indicated by an asterisk on the schedule. At the regular Commission meeting of October 18, 1974, the Commission instructed me to request the Attorney General to institute a show-cause proceeding against Eastern Petroleum Company and their bonding company to accomplish plugging of these wells.

There are, in all likelihood, unknown principals, and the proceedings should be to such end to force disclosure of said principals and force their compliance with our regulations.

Should you need anything further, please advise.

Respectfully,

John Bannister
Executive Secretary

JB/vb

Enc.

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OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

October 11, 1974

MEMO: John Bannister, Executive Secretary
FROM: W. E. Allen, Director, Enforcement Section
SUBJECT: Eastern Petroleum Company Operations - Navajo Springs Area

Mr. Fullop has informed me that prior to plugging certain wells in the Navajo Springs area, he needs approval from his partners. We have information that indicates his partners to be John F. Staver, Daniel L. Schwetz, Western Helium Corporation, Dr. C. F. Swain--operating as Crest Oil Company and, of course, Kerr-McGee is involved in the Navajo Springs Unit (Coconino). Eastern has two wells in the Navajo Springs Unit producing into Kerr-McGee's helium extraction plant. These two wells are Eastern Santa Fe No. 13 and Kerr-McGee Barfoot #1.

Of the 13 wells for which Eastern has submitted Applications to Plug and Abandon, none of these are in the Navajo Springs Unit and only three of these wells have ever produced. These wells produced into Western Helium's plant. This plant shutdown December 31, 1973 and no gas has been taken from any wells in this area since that date. The above mentioned partners with the exception of Kerr-McGee and Swain apparently have no interest in the Navajo Springs Unit.

The land owners or lessees of acreage on which these wells are located are Wayne Wallace, Spurlocks, Reece, Santa Fe Railroad and the State of Arizona. I have no knowledge of any other lessees or land owners.

Prentice Hall Corporation System is the statutory agent.

United States Fidelity and Guaranty Company is the surety.

Western Helium Corporation has been advised of the necessity to plug their Connelly #1 KM State, Permit #553, NE/NE Section 36-T20N-R27E, Apache County. This well is covered under Western Helium's bond of \$25,000. Travelers Indemnity Company is surety.

471

ML Allen
Recd 9/26/74



September 23, 1974

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

ABANDONMENT OF SHUT-IN WELLS
NAVAJO SPRINGS UNIT
APACHE COUNTY, ARIZONA

This is in response to your letter dated September 10, 1974, which advised that the Arizona Oil and Gas Conservation Commission had requested abandonment of all shut-in wells within the subject unit. Kerr-McGee is of the opinion that these wells should not be abandoned at this time as they may be needed in the future as producing wells or for reservoir performance monitoring.

Mr. Bill Allen, with Arizona Oil and Gas Conservation Commission, indicated by telephone on September 23, 1974, that the Commission has given additional consideration to its request that the shut-in unit wells be abandoned, and will not require abandonment of these wells at this time. It is therefore recommended that abandonment of the shut-in unit wells be deferred indefinitely.

Very truly yours,

KERR-MCGEE CORPORATION

John I. Fisher
John I. Fisher, Manager
Outside Operations
Oil & Gas Production Division

JIF/IDG/kb

cc: Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Mr. J. F. Schlafly
First National Bank Bldg.
Alton, Illinois 62002

Estate of G. R. Barfoot
Ehmann, Olsen & Lane
2500 First Federal Savings Bldg.
3003 N. Central Avenue
Phoenix, Arizona 85013

September 19, 1974

Memo from W. E. Allen, Director
Enforcement Section

Memo to file
Eastern wells in Navajo Springs area

Jess Edwards called this date to say that he had run into some difficulty with the contractors that were to plug these wells. He said that Wayne Carr was hesitant to start plugging the subject wells without receiving an OK from all of Eastern's partners. Edwards said he was also contacting the partners to advise them that this Commission had ordered the wells plugged. He wanted to know if we could jointly order Eastern and partners to plug the wells. I was not sure about this and so informed him. I also told him that insofar as the Commission was concerned, Eastern was the owner of these wells and this Commission would hold Eastern and the bonding company responsible for the plugging, not the partners. I also told him that in my opinion if the Commission should continue to insist that the wells be plugged, their only recourse was to call a hearing and attempt to convince the majority of the Commission that this action was not necessary. If unable to do this, they could appeal the Commission's order to the Supreme Court. Eastern said they would attempt to get an agreement from the partners. He also promised to keep me informed.

August 22, 1974

CERTIFIED MAIL

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Apache County Wells

Dear Mr. Fullop:

We have your letter of August 15, 1974 together with a list of wells you propose to plug immediately. It is my opinion that if the list of wells, as submitted by you, are plugged very quickly that this operation will probably satisfy the Commission for the near future. Especially if there are plans to produce the remaining wells in the Navajo Springs area. The above statement cannot be taken as absolute, for I have been instructed by motion of the full Commission to order the plugging of all inactive wells in the Navajo Springs--Sanders area.

I talked with Mr. Noah Reynolds this morning. Mr. Reynolds informs me that final arrangements have not been made for him to undertake the plugging and abandonment of the 13 listed wells. As you know, prior to plugging a well the operator must submit Form 9, Application to Abandon and Plug, for the Commission's approval. Enclosed is a supply of these forms.

We will expect to receive a completed Form 9 for our approval on each of the 13 wells by September 4, 1974; and furthermore, the actual plugging operations must begin by September 30, 1974. If the above instructions are not complied with on a timely basis, this Commission will order the bonding company to plug all wells not now producing and operated by Eastern Petroleum Company in Apache County.

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Mr. Henry Fullop
August 22, 1974
Page 2

This Commission must be notified prior to any plugging operations so we may have a representative present to witness the plugging. Your cooperation in this matter is urgently requested.

Very truly yours,

W. E. Allen, Director
Enforcement Section

Encs.

cc: Mr. Noah Reynolds
Mr. Jess Edwards, certified mail
Prentice-Hall Corporation System, certified mail
Mr. Harold E. Uhrig, U.S.F.&G., certified mail

Form 9 mailed under separate cover



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE 618 382 RICHMOND BOULEVARD CARROLLTON, MISSISSIPPI 39260

August 15, 1974

Mr. W. E. Allen
Oil & Gas Conservation Comm.
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Apache County Wells

334-2867

Dear Mr. Allen:

We have made arrangements with Mr. Noah ^{Reynolds} Richards, Aztec, New Mexico, to salvage and plug the wells listed on the attached schedule.

Mr. ^{Reynolds} Richards has to fit this into his busy work schedule and it is possible that he may be unable to start until after the 31st. I understand that he will contact you in this regard.

The shut-in wells in the Navajo Springs Unit are not scheduled. I am sure the various owners of the Unit would not want to take such action now. It is entirely possible these wells may be required to sustain the normal take in the future. As you know the Spurlock case has cast, temporarily at least, a shadow over future operations, with the trial scheduled for 1975.

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fulkop
Henry Fulkop

HF:sjn

Enc.

cc: Mr. Noah Richards ^{Reynolds}

Mr. Harold E. Uhrig
Foster & Messick, Mgrs.
456 N. Meridian Street
Indianapolis, Indiana 46209

RECEIVED

AUG 19 1974

O & G CONS. COMM.

471

APACHE COUNTY WELLS SCHEDULED OR PLUGGING

PERMIT #	WELL NO & LOCATION	PIPE IN HOLE
110	1- SF*24 - 1650 FNL, 2640 FNL, 24-20N-27E	1303 - 2 7/8" 315 - 7"
536	2 SF 21-1A - 660 FNL, 660 FNL, 31-20N-28E	1218 - 4 1/2" 244 - 7"
234	3 SF*21 - 1650 FNL, 1650 FNL - 31-20N-28E	1330 - 2 7/8" 228 - 7"
565	4 KIVA 6X-1 - 2378 FNL, 2364 FNL, 25-20N-28E	1262 - 4 1/2" 309 - 7"
560	5 KIVA-SF*1 - 1980 FNL, 1966 FSL, 13-20N-28E	- 551' 7" - SFC NO PIPE
599	6 KIVA-SF*2 - 1658 FNL, 1651 FSL - 24-20N-28E	- 1212 - 4 1/2" 616 - 7"
568	7 SANDERO-SF*2 - 1650 FSL, 2310 FNL, 15-21N-28E	- 516' - 4 1/2" NO SFC CSG.
600	8 BEACON-SF*1 - 1980 FNL, 1980 FSL - 29-20N-28E	- 1265 - 4 1/2" 640 - 7"
578	9 SZAR-STATE*1 - 660 FNL, 1980 FNL, 36-20N-27E	1215 - 4 1/2" 300 - 7"
542	10 MEXOS INDIAN*1 - 660 FSL, 660 FNL - 30-20N-28E	1200 - 4 1/2" 282 - 7"
596	11 MEXOS INDIAN*2 - 660 FSL, 1980 FNL, 30-20N-28E	1197 - 2 7/8" 268 - 7"
601	12 SF*1-11, 1650 FSL, 1650 FNL, 11-20N-28E	1055 - 4 1/2" 622 - 7"
	13 DRECK-SF*1 - 1980 FNL, 660 FSL - 20-20N-27E - THIS WELL IS PARTIALLY PLUGGED, BUT THERE IS NO PLUG IN TOP OF 7" SFC (285' W/75)	



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

July 18, 1974

CERTIFIED MAIL

The Prentice-Hall Corp. System
550 West Washington
Phoenix, Arizona 85003

Re: The Prentice-Hall Corporation System, Statutory Agent for
Eastern Petroleum Company, P. O. Box 291, Carmi, Illinois

Gentlemen:

This Commission has requested several times to be advised of your plans for further operations on your unplugged wells in the Navajo Springs area.

Mr. Edwards submitted some Sundry Notices and Reports on Wells, Form 25, indicating that you planned to plug some of the wells. Some others were to be transferred to Dan Schwetz. Still others, some of which have never produced commercially, apparently were to maintain their present status.

You are aware that several wells in this area have never indicated any ability to produce and others that are carried as shut-in helium wells have never produced commercially and no attempt to produce some of these wells was ever made.

At a meeting of the Commission on this date we were instructed to direct you to properly plug, by August 31, 1974, all wells in this area not now producing. Prior to plugging any well, the plugging program must be approved by the Commission and all operations relating to the plugging and abandonment will be witnessed by a member of the Commission staff.

Within this time frame, this Commission will consider any feasible plan that you might have to place whatever wells that are capable of producing back on production.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

cc - Mr. Henry Fullop

471



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

June 21, 1974

CERTIFIED MAIL

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Navajo Springs Area

Dear Mr. Fullop:

This Commission has requested several times to be advised of your plans for further operations on your unplugged wells in the Navajo Springs area.

Mr. Edwards submitted some Sundry Notices and Reports on Wells, Form 25, indicating that you planned to plug some of the wells. Some others were to be transferred to Dan Schwetz. Still others, some of which have never produced commercially, apparently were to maintain their present status.

You are aware that several wells in this area have never indicated any ability to produce and others that are carried as shut-in helium wells have never produced commercially and no attempt to produce some of these wells was ever made.

At a meeting of the Commission on this date we were instructed to direct you to properly plug, by August 31, 1974, all wells in this area not now producing. Prior to plugging any well, the plugging program must be approved by the Commission and all operations relating to the plugging and abandonment will be witnessed by a member of the Commission staff.

Within this time frame, this Commission will consider any feasible plan that you might have to place whatever wells that are capable of producing back on production.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

cc - J. N. Edwards and U.S.F. & G.

471



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

April 12, 1974

CERTIFIED MAIL

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Navajo Springs Area

Dear Mr. Fullop:

We have received Mr. Edward's letter dated March 12, 1974 together with Form 25, Sundry Notice and Reports, on 16 wells in the Navajo Springs area. We are aware that a number of your wells are in the Navajo Springs Coconino Unit. According to our records, several of the wells that are in the Unit have never produced except during testing and are being carried as shut-in helium wells. A number of wells outside the Unit have never produced, and your completion reports indicate the production on the potential test to be zero or TSM. Other wells have been taken off production for various reasons.

The possibility of some of these wells ever being produced commercially again appears negligible. As you know, Western Helium has not taken gas from your wells since December 31, 1973. This company is now in the process of dismantling and moving their plant out of the area. There is a possibility that Kerr-McGee might arrange to take gas from some of the wells in the Navajo Springs Unit as they are now doing from your Santa Fe No. 13 and Barfoot.

It is the opinion of this Commission that all non-commercial wells in the Navajo Springs area, whether in the Unit or not, should be permanently plugged and abandoned as quickly as possible. These wells would include, within the Navajo Springs Coconino Unit, the Crest Santa Fe No. 2, Santa Fe Nos. 31 and 32, and the Reese No. 2. No production has been reported from any of these wells. Also to be plugged should be your Ancon Santa Fe Nos. 21 and 21-1A, Connelly KM State No. 1, Merde No. 1 and all the non-producers that have been drilled within the past three years. Your Merde No. 2 must be plugged immediately. The hole in the casing at approximately 750' has never been repaired and the well is flowing water. Also your Dreck No. 1 has been reported plugged and abandoned, a copy of your plugging report is attached. It is possible that this well has been partially plugged, however there is definitely no plug in the top of the casing and fluid is several hundred feet from the surface. The dry hole marker was never installed. It is on

Mr. Henry Fullop
April 12, 1974
Page 2

location but the casing had a bucket inverted over the open end. The hole you drilled on the original location for the Chambers No. 1 for a "water well" is open with wire line and other junk around the open hole. Mr. Tom Pelton, the owner or holder of the surface rights of the land on which the two Chamber holes are located has expressed the desire to assume responsibility of both the holes for water wells. Mr. Pelton's address is P. O. Box 7, Sanders, Arizona 86512, phone: (602) 688-2930. Our Form No. 24, when executed by Mr. Pelton, will satisfy our requirements. Also Wayne Wallace has some interest in some of the holes on his place for use as water wells.

Recently we found a well some 700' + in a northerly direction of the Merde No. 2, a copy of a photograph is attached. We have no records of a well being drilled at this location. Any information that you could give us on this well would be appreciated. It is being used as a water well.

Either Mr. Bannister or myself will be happy to discuss the above mentioned situation with you. However, we are determined to have the existing conditions in the area brought into complete compliance with the rules and regulations of the Oil and Gas Conservation Commission in the very near future.

We would appreciate your thoughts on the above.

Very truly yours,



W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

cc John Fisher, Kerr-McGee, Oklahoma
Richard J. Gasdaska, Western Helium, Pennsylvania
C. F. Swain, Crest Oil, Illinois
Jess Edwards, Eastern, Illinois
U.S.F. &G., Indiana



UNITED STATES FIDELITY AND GUARANTY COMPANY

INDIANAPOLIS OFFICE

456 N. MERIDIAN ST., INDIANAPOLIS, IND. 46209

FOSTER & MESSICK
MANAGERS

March 1, 1974

TELEPHONE:
317/MELROSE 5-9431

Mr. W. E. Allen
Director, Enforcement Section
Oil and Gas Conservation Commission
State of Arizona
4515 North 7th Avenue
Phoenix, Arizona 85013

RE: Lond No. 27716-13-3983-65 - Eastern Petroleum Company -
State of Arizona

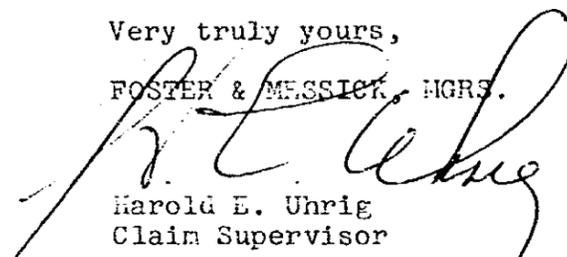
Dear Mr. Allen:

We are forwarding a copy of your letter of February 19, 1974 to this office to Mr. J. N. Edwards of the Eastern Petroleum Company, and we are requesting that he forward a copy of his response to your letter of February 1, 1974 which he indicated he would do in his letter of February 14, 1974.

We are sure that Mr. Edwards will do whatever he deems necessary insofar as the oil well violations are concerned.

Very truly yours,

FOSTER & MESSICK, MGRS.


Harold E. Uhrig
Claim Supervisor

HEU:jg

cc: Mr. J. N. Edwards
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

cc: McCallister, Becker & Hall
Carmi, Illinois

RECEIVED

OIL & GAS COMM.

U. S. F. & G.

411

February 19, 1974

Bond Department
U.S.F.&G.
456 N. Meridian Street
Indianapolis, Indiana 46204

Re: Eastern Petroleum Company - Blanket Off Well Bond 27716-13-3983-65

Gentlemen:

On February 1, 1974 we sent you a copy of our letter to Eastern Petroleum requesting information on their shut-in wells covered by the above bond. A copy of Eastern's reply is attached for your information, (we inadvertently sent this information to your Phoenix office). A copy of all letters addressed to the Phoenix office are enclosed.

Unless Eastern takes immediate action to bring their operations into complete compliance with the Rules and Regulations of the Oil and Gas Conservation Commission and the laws of the State of Arizona, this Commission will have no alternative other than to request the surety to fulfill their obligations to this Commission.

Any assistance that you might give to this Commission to encourage Eastern Petroleum to discharge their obligations will be appreciated.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rib

Encs.

471



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE 23-24104 • P. O. BOX 291 • CARMEL, ILLINOIS

February 14, 1974

Mr. W. E. Allen
Oil & Gas Conservation Comm.
4515 N. 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

Your letters of January 8 and February 1 addressed to Robert Fullop have been referred to me for answer.

I've just been through a month of tax work, am worn out and am leaving tomorrow for a short vacation, a week to ten days. After I return I will answer in detail as well as I can.

At least five of the wells are in the Navajo Springs and East Navajo Springs Units and they are shut-in. The balance will probably be plugged.

Yours very truly,

EASTERN PETROLEUM COMPANY

J. N. Edwards
J. N. Edwards

JNE:sjn

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O & G CON. COMM.

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February 1, 1974

Bond Department
U.S.F. & G.
3605 N. 7th Avenue
Phoenix, Arizona 85013

Re: ~~Eastern Petroleum Company Bond No. 27716-13-3983-65, \$25,000~~

Gentlemen:

We are attaching for your information a copy of a letter to Eastern Petroleum Company. Since you are the surety for this bond, we take this measure to advise you that it may be necessary for this Commission to order all the wells properly plugged and abandoned.

If you need any further information, please advise.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

February 1, 1974

Mr. Robert Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: ~~All Wells Covered Under U.S. F&G Lease No. 27716-13-3982-65, \$25,000~~

Dear Mr. Fullop:

This office has just learned that as of January 1, 1974, Western Helium Corporation is no longer taking field gas from any of your wells in the Navajo Springs area. A recent check of wells that have been producing reveals all of the wells operated by you were shut-in except your Santa Fe Fee #13. The gas from this well is taken by Kerr-McGee.

Since all wells operated by you except the above mentioned Santa Fe Fee #13 are shut-in, it is necessary that you inform this Commission immediately of your plans for the future concerning all the non-plugged wells in this area. According to our records and information submitted to this Commission by your company, many of these non-plugged wells have never produced and several that have been completed in the past couple of years are presently not capable of producing. Unless you have plans to reactivate the wells in this area, this Commission will of necessity order all wells plugged and abandoned.

Again we urge you to advise this office of your plans for this area immediately.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

cc - U.S.F.&G.

471



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

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

September 18, 1973

Mr. Robert Fullop
Eastern Petroleum Company
P. O. Box 226
Farmington, New Mexico 87401

Dear Mr. Fullop:

Will you please supply this Commission with any information that you might have regarding the recoverable reserves in the Navajo Springs Field?

This information will be considered confidential if you so desire.

Thank you for your cooperation.

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/rlb

June 11, 1971

Mr. J. N. Edwards
Eastern Petroleum Corporation
P. O. Box 1358
Scottsdale, Arizona 85052

Re: Wells formerly producing into Western Helium's helium extraction plant.

Dear Mr. Edwards:

As soon as practicable please furnish this office with copies of the production report for the above referenced wells. Since Western Helium has temporarily shut down this plant necessitating the closing in of your wells, please furnish us with Form 25, Sundry Notices and Reports on Wells, indicating your wells shut in awaiting market. We need this information in order to document our files.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

cc: Mr. Henry Fullop, Carmel, Illinois

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EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE 36-24104 • P. O. BOX 291 • CARMEL, ILLINOIS

April 21, 1971

Mr. W. E. Allen
Oil & Gas Conservation Comm.
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Santa Fe #1 - 27-21N-26E 504
Crest S.F. #1 - 25-20N-27E 471
Crest S.F. #8-X - 25-20N-27E 473

Dear Mr. Allen:

Completion and other reports applicable to the above are enclosed.

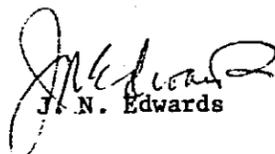
I am sorry of the delay. In case of the Crazy Creek well in Section 27 it took me sometime to get in touch with Mr. Lauth who has been working out of town for some weeks. We did not have a well sitter on this job, but Mr. Lauth kindly read the tops and provided other pertinent information.

In the case of the two test wells these reports furnish only the things Eastern did on the workovers. Other basic information previously furnished by Mr. Swain should be on file in your office.

I hope you find these satisfactory.

Yours very truly,

EASTERN PETROLEUM COMPANY


J. N. Edwards

JNE:sjn

Encs.

RECEIVED
APR 23 1971
O & G CONSV. COMM.

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April 13, 1971

Mr. J. N. Edwards
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Crest-Arizona #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County
Our File #471

Crest-Arizona #8X
SE/4 NW/4 Sec. 25-T20N-R27E
Apache County
Our File #473

Dear Mr. Edwards:

Please refer to our letter of March 23, 1971 requesting a Form 4, Well Completion or Recompletion Report, on the above referenced wells. Please forward these reports as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd

March 23, 1971

Mr. J. W. Edwards
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Crest-Arizona Well #1 Santa Fe
SE/4 SW/4 Sec. 25-T20N-R27E
Apache County
Our File #471

Crest-Arizona Well #2
SE/4 SW/4 Sec. 25-T20N-R27E
Apache County
Our File #473

Dear Mr. Edwards:

We have this date received Form 25, Sundry Notices and Reports on Wells. Thank you for your complete compilation of the work performed on these wells. We notice that on Form 25 concerning Crest-Arizona Well #1 Santa Fe it indicates the well was perforated from 1046-1040' with 25 shots per foot. We are assuming this to be a typographical error. Would you please confirm this assumption.

We also need Form 4, Well Completion or Recompletion Report, on these two wells. Rule 120, Paragraph B stipulates that this form must be filed when certain recompletion work is performed on a well. We will appreciate receiving these Form 4's at an early date.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WHA:jm
Enc.

471

C.F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

March 5, 1971

W. E. Allen, Director
Enforcement Section
Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache Co, File #471

Dear Mr. Allen:

Please refer to your letter written to me dated March 2, 1971 in which you request that I file either a Form 4, Well Completion Report, or a Form 25 Sundry Notices report.

I am not sure as yet if all the work needed to attempt to make the captioned well a producer has been done or not. I do know that Mr. Henry Fullop of Eastern Petroleum Company, who by previous Form filed by me with your office was designated as Operator of Section 25-T20N-R27E, Apache County for the purpose of rework and additional drilling, has been quite ill for a couple of weeks. And this may well be the reason that a report has not been filed.

Since Eastern has been designated as Operator of the captioned Section for the purpose of rework and drilling, I am forwarding a copy of your letter to them, this date.

If further information is desired, please advise.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

Copy: Eastern Petroleum
Carmi, Illinois

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March 8, 1971

Mr. Henry Fullop
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Re: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County
Our File #471

Crest-Arizona Helium #8X Santa Fe
SE/4 NW/4 Sec. 29-T20N-R27E
Apache County
Our File #473

Dear Mr. Fullop:

Please submit a Form 25, Sundry Notices and Reports on Wells, indicating the present status of Crest-Arizona Helium #8X Santa Fe and also Crest-Arizona Helium #1 Santa Fe.

You had previously indicated by filing Form 25 your intentions of working over these wells. On a recent field trip, appearances indicated that each of the above wells had recently undergone workover activities.

It was also noticed that a number of your wells, both those on production and those being presently carried on our reports as temporarily abandoned are still without identifying signs. Please have these conditions corrected as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

March 2, 1971

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County
Our File #471

Dear Dr. Swain:

On December 15, 1970, we received Form 25, Sundry Notices and Reports on Wells, which indicated that you planned to workover the above referenced well. We have received no further word on your progress on this workover.

On February 24 while on a routine field inspection, all indications pointed to the fact that this well had had work performed on it recently. If the workover operations are completed, please file a revised Form 4, Well Completion Report. If you have not completed your remedial efforts on this well, please advise us of the present status by filing an updated Form 25.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

471

C. F. SWAIN
W.P.

Crest
OIL COMPANY
P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

December 16, 1970

RECEIVED
DEC 21 1970
O & G CONS. COMM.

W. E. Allen, Director Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Your photocopy letter dated December 10, 1970
addressed to J. N. Edwards, C. F. Swain and
L. Halter, Crest's via certified No. 213797,
also copies to additional parties including
the Attorney General, Phoenix.

Dear Mr. Allen:

Wish to acknowledge receipt of captioned Certified Mail, and to
advise that contents are duly noted.

Since the items in your letter of December 10 above were pretty
well covered previously by your letters to me dated December 8th, and
December 9th, and to which I responded in my letters dated December 14th
and December 15, I do not feel that any further comment is called for;
with the following exception:

Page 2, your item #8: "Some wells reported plugged and abandoned
still have open pits and pipe and debris on the location." If
you are referring to a Crest well, please advise, as I have no
knowledge of any such condition.

Immediately following your item #8 you state, "Crest #1 has been
called previously to the attention of Dr. Swain." Will you please
advise me just what is meant by this statement. I have received no
phone call relating to "#1", and a search of my file reveals no
correspondence relating to the Crest-Arizona Helium #1 Santa Fe
except to remind me that I was delinquent in the filing of Form
#25 (Your letter dated August 25, 1970).

Since you have advised the Attorney General that your office without
further notice will expect all Operators to be in full compliance with any
and all rules of the Commission by January 8, 1971, I respectfully request
notification of any specific violations or non-compliances to which you
refer; because as far as I know, with the exception of the possibility of
obliterated or missing signs, I am not in violation of any rules.

cc: Henry Fullop, Eastern Petroleum
O. R. Thoreen, Western Helium
Mr. John McGowan, Atty General's Off.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

471

471

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

GARY K. NELSON
THE ATTORNEY GENERAL
FRANK SAGARINO
CHIEF ASSISTANT ATTORNEY GENERAL

December 16, 1970

Mr. W. E. Allen, Director
Enforcement Section
Oil and Gas Conservation Commission
4515 North Seventh Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

If you do not hear in a reasonable time from Eastern Petroleum Company, Crest Oil Company and Western Helium Corporation, please notify this office, and we will write a follow-up letter.

Sincerely,

GARY K. NELSON
The Attorney General

John M. McGowan, II
lyell
JOHN M. MCGOWAN, II
Special Assistant Attorney General

JMM:eli

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DEC 17 1970
O & G CONS. COMM.

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WA
C.F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

December 15, 1970

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W. E. Allen, Director Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Your letter December 9, 1970
Identifying Well Signs
Navajo Springs Area

Dear Mr. Allen:

In paragraph two of your letter of December 9, you state,
"A good number of your wells have no identifying signs."

Crest has four (4) gas wells in the Navajo Springs Area:
(All in Apache County)
#2 Santa Fe.....Section 33-20N-27E, Unit Tract V, Navajo Springs Unit
#7 Santa Fe.....Section 6-19N-27E, Unit Tract II, " " "
Crest-Arizona Helium #1 Santa Fe...SE/4 SE/4 Section 25-20N-27E
Crest-Arizona Helium #8-X Santa Fe...SE/4 NW/4 " "

In conjunction with a similar inspection with Eastern Petroleum
Company personnel, these installations will be checked in the near
future, and any obliterated or missing signs will be replaced.

Sincerely yours,
C. F. Swain
C. F. Swain
Crest Oil Company

cc: Eastern Petroleum Company
Attn: Henry Fullop, Pres.

RECEIVED
DEC 21 1970
O & G CONS. COMM.

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EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE 36-24104 • P. O. BOX 291 • CARMEL, ILLINOIS

RECEIVED

DEC 21 1970

O & G CONS. COMM.

December 15, 1970

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Mr. W. E. Allen
Oil & Gas Conservation Comm.
4515 North 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

This is relative to your letter dated December 10, 1970, concerning violations.

Item 1

The 8X well was drilled by Crest Oil Company some years ago and attempted completion was made in the Coconino sandstone with negative results. I have taken the full responsibility of a re-entry into this well and also the responsibility of not filing Form 25 at the time a rig was moved over the hole inasmuch as I did not know what the conditions and the situations were down hole until I had a chance to evaluate the problem after re-entry. You have been in the oil fields long enough to know that when you re-enter a hole drilled by another party you can expect to find almost anything and you cannot depend on the old completion records. Consequently, filling out and filing Form 25 before we have a chance to evaluate the problem could only call for a falsified report which I have no intention of doing. However, on December 11, 1970, I filled out Form 25 on the 8X well which is somewhat of an educated guess and as soon as I can evaluate all of my problems and can correct same I will file an amended report on said well. I am enclosing Form 25 on the Crest-Arizona Helium Santa Fe #1 with the understanding that I do not know at this filing what will be necessary to attempt a completion of this well.

Item 2

Mr. Allen, as concerning this violation, Western Helium has taken over a helium plant which has never been tested for its capabilities. Needless to say it has many internal problems which have to be corrected.

471

Mr. W. E. Allen
Page 2

December 15, 1970

These problems may or may not be solved, only time will tell. Our gas charts have been sent to an uninterested third party for calculations and upon receiving same we can then file all necessary forms to comply with State regulations. Until then we can only ask your indulgence.

Items 3 & 4

These forms will be filed as soon as the charts have been calculated and returned to this office. Please refer to letter dated November 30, 1970, which brought this to your attention. A copy is enclosed.

Item 5

Mr. Allen, the disappearance of the dry hole marker on the Ancon #21 is news to me. However, I will replace it one more time and you will be notified of its replacement accompanied by a colored photograph of same for your file. If you will make a field trip outside the limit of our present drilling program you will find many dry hole markers missing from their original position inasmuch as somebody has cut them off with a cutting torch and evidently needs the marker more than us or the State.

Item 6

I am sure Mr. Allen that you have repeatedly requested from us various forms to be submitted and repeatedly we have complied. Yes, we may be a little late or slow in doing so, however, we have tried in every way to conform to all regulations. Your letter sounds as though we are perpetual violators, outlaws, moonlighters or what have you. Mr. Allen, we are legitimate operators trying to develop the natural resources from under our leases as well as for the great State of Arizona. Mr. Allen, as of November 15 as reported in the Natural Resources Service, Eastern has four of the eight operations listed. Just a few other statistics, in a 40 township area, totalling one million acres, there has been 180 wells drilled. Eastern has drilled approximately 54 with 17 producers for an average of 31.4%. Eastern has been responsible for Crest Oil Company coming to the State of Arizona a number of years ago and spending money to develop the natural resources of that state. Eastern was also responsible for Western Helium coming to the State of Arizona and activating the old Arizona Helium plant with additional drilling expenditures also. Eastern is now responsible for a new joint venture program in the State of Arizona for a thirty well drilling program.

I have been dressed down by the President of Western Helium for placing that company in an embarrassing position with the state as to the filing of the proper forms mentioned in your letter. The next time you decide to dress me down or this company for not complying to the rules and regulations, I would appreciate you directing your correspondence

471

December 15, 1970

Mr. W. E. Allen
Page 3

directly to this office or to me personally. I think the publication of your letter to Mr. Halter and Mr. Swain was uncalled for.

Violation #8 needs some clarification. Three weeks ago I personally visited some thirty locations for any possible violations pertaining to dry hole markers, pits and so forth and found all of the holes in satisfactory condition. Please define specifically the holes you are referring to.

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fullop

Henry Fullop

HF:sjn

cc: Western Helium Corp.
P. O. Box 1358
Scottsdale, Arizona 85252

Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Mr. John McGowan
Attorney General's Office
Phoenix, Arizona

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

RECEIVED

DEC 16 1970

O & G CONS. COMM.

December 14, 1970

W. E. Allen, Director Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Crest Arizona Helium #8-X Santa Fe
SE/4 NW/4 Section 25-T20N-R27E
Apache County Permit #473

Your letter dated December 8, 1970

Dear Mr. Allen:

Upon receipt of your letter of December 8th, I talked with Mr. Fullop, President of Eastern Petroleum Company as soon possible, and advised him of the contents of your letter, and that inasmuch as work had been commenced on the lease, you had advised me that we were in violation of Rule 120, and that it was necessary that we immediately submit two copies of Form 25 setting forth work done and anticipated to be done.

After checking with his Foreman, Mr. Fullop has prepared Form 25 outlining work program, has discussed same with me by phone, and as we are in agreement we have both executed the Form 25, enclosed herewith.

I assure you that neither Crest nor Eastern had any intention of violating the Commission rules. We are extremely anxious to get this lease into production as there have been many past disappointments and many thousands of dollars over the normal spent in attempting to do so, as well as several years of frustration in obtaining a market.

As with #8-X, the Crest Arizona Helium #1 Santa Fe will also need to be reworked in order to put it back into production. Accordingly Mr. Fullop will prepare another Form 25 attempting to set out what the program of work will be. I'm sure you can appreciate the fact that ^{until} that rig is moved over the hole and some testing done, it is pretty hard to state in advance what has to be done or will be done, whether it is the #8-X, #1 or any other well.

As Crest and Eastern are in agreement for a program of work and development in Section 25-T20N-R27E, I am forwarding to Eastern a "Designation Of Operator" Form executed by Crest as Lessee. After execution they will forward to you.

Sincerely yours,
C. F. Swain
C. F. Swain
Crest Oil Company

cc: Henry Fullop
Eastern Petroleum Co.

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December 11, 1970

Mr. John McGowan
Office of the Attorney General
159 Capitol Building
Phoenix, Arizona 85007

Dear Mr. McGowan:

Attached is a copy of a letter sent to the various offending operators.

The subject operators have been requested to submit the required information both by letter and verbally many times. However, they are seemingly reluctant to comply with our rules on their own initiative.

Should you need or desire any further information pertaining to this situation, please notify me.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

471



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

December 10, 1970

Mr. J. N. Edwards
Eastern Petroleum Company
P. O. Box 291
Carmi, Illinois 62821

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Mr. L. Halter
Western Helium Corporation
P. O. Box 1358
Scottsdale, Arizona 85252

Re: Reports Required by the Oil and Gas Commission, State of
Arizona

Gentlemen:

This letter is being directed to all the above operators because it is felt that you have a common interest in the operations of the wells and helium processing plant in the Navajo Springs area.

This situation was also discussed with Mr. Halter, Western Helium Corporation, earlier today by telephone.

Enumerated below are a number of violations that are occurring or have occurred in the past that affect in some manner all of you:

1. Eastern Petroleum has re-entered Crest Arizona Helium #8X Santa Fe Fee without obtaining permission of the Oil and Gas Commission. This situation is covered by Rule 120.
2. Eastern Petroleum is making deliveries to and Western Helium is accepting these deliveries without the filing of Form 8 in compliance with Rule 801. Neither has Form 22, Request for Gas Allowable, been submitted for the producing wells.

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Page 2
December 10, 1970
Crest Oil Company
Eastern Petroleum Company
Western Helium Corporation

3. Western Helium has failed to timely file Forms 19, Gas Purchasers Monthly Report, and Forms 23, Purchasers Gas Nominations.
4. Eastern Petroleum has of this date failed to file Form 20, Producers Report of Gas Production.
5. The dry hole marker on the Eastern Ancon #21 has apparently been removed.
6. It has been necessary to repeatedly request the various forms that are required to be submitted to the Commission.
7. Very few wells have identifying signs.
8. Some wells reported plugged and abandoned still have open pits and pipe and debris on the location.

Crest #1 has been called previously to the attention of Dr. Swain.

You, as operators, of oil and/or gas properties within the State of Arizona are familiar with the rules and regulations as established by the Commission and are expected to abide by said rules and regulations. Our files contain many requests for forms that should be submitted in a routine manner. Each month it is necessary that that some of you be reminded to submit Forms 25, Sundry Notices and Reports on Wells, for shut in wells. This is necessary in spite of the many letters and reminders that have been sent you regarding this particular situation.

This Commission has no desire to cause any operator unnecessary inconvenience or hardship. We do have rules and regulations that must be adhered to; and, we must insist that you abide by these rules.

This office, without further notification, will expect the above operators to be in full compliance with any and all rules and

Page 3
December 10, 1970
Crest Oil Company
Eastern Petroleum Company
Western Helium Corporation

regulations of the Commission by January 8, 1971. Also, please furnish an explanation of the purpose of the removal of the dry hole marker on the Eastern Ancon #21; and, have this marker replaced before the above mentioned compliance date. Should you not be in compliance with all the rules and regulations, this situation will be referred to the Attorney General for further handling under Arizona Revised Statutes, Section 27-524 and 27-527.

In the future notify this office at least twenty-four hours prior to the actual plugging operations in order that we may have a representative to witness the plugging of the well.

Should you have any questions regarding any of the above, please notify me.

Enclosed are copies of the Rules and Regulations of the Oil and Gas Conservation Commission.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

cc: Mr. Henry Fullop, Eastern Petroleum Company, Carmi, Illinois
Mr. J. N. Edwards, Scottsdale, Arizona
Mr. Thoureen, Western Helium Corporation, Scottsdale, Arizona

Certified No. 231796 - J. N. Edwards, Scottsdale, Arizona
" " 231797 - Dr. C. F. Swain, Alton, Illinois
" " 231798 - Mr. L. Halter, Scottsdale, Arizona
" " 231803 - Mr. Henry Fullop, Carmi, Illinois
" " 231804 - Mr. O. R. Thoureen, Scottsdale, Arizona

cc; Mr. John McGowan, Attorney General's Office, Phoenix

C. F. SWAIN

WPA
/

**CREST
OIL COMPANY**

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618 462 5346

December 3, 1970

W. E. Allen
Director Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

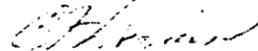
Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Section 25-20N-27E
Apache County
Permit #471

Crest-Arizona Helium #8-X Santa Fe
SE/4 NW/4 Section 25-20N-27E
Apache County
Permit #473

Dear Mr. Allen:

Enclosed herewith, please find Form 25 for each of above wells,
reflecting their shut-in status for the month of November 1970.

Sincerely yours,



C. F. Swain
Crest Oil Company

CFS:fs

RECEIVED

DEC 7 1970

O & G CONS. COMM.

471

C.F. SWAIN

WA

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5345

November 10, 1970

W. E. Allen, Director Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Section 25-20N-27E
Apache County
Permit #471

Crest-Arizona Helium #8-X Santa Fe
SE/4 NW/4 Section 25-20N-27E
Apache County
Permit #473

Dear Mr. Allen:

Enclose please find Form 25 for each of above wells, reflecting their shut-in status for the month of October 1970.

Sincerely yours,

C.F. Swain
C. F. Swain
Crest Oil Company

RECEIVED
NOV 13 1970
O & G CONS. COMM.

471

C.F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

October 8, 1970

W. E. Allen
Director Of Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Crest-Arizona Helium #1 Santa Fe SE/4 SE/4 Section 25-20N-27E Apache County Permit #471
Crest-Arizona Helium #8-X Santa Fe SE/4 NW/4 Section 25-20N-27E Apache County Permit #473

Dear Mr. Allen:

Enclosed please find 1 Form #25 for each of above wells, reflecting their shut-in status for the month of September 1970.

Sincerely yours,

C.F. Swain
C. F. Swain
Crest Oil Company



471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

September 8, 1970

W. E. Allen
Director Of Enforcement Section
Oil and Gas Conservation Commission
1624 W. Adams Bm 202
Phoenix, Arizona 85007

Dear Mr. Allen:

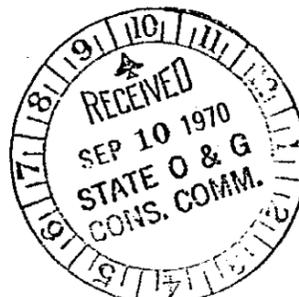
Re: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Section 25-T20N-R27E
Apache County
Permit #471

Crest Arizona Helium #8-X Santa Fe
SE/4 NW/4 Section 25-20N-27E
Apache County
Permit #473

Enclosed please find 1 Form #25 for each of above wells, reflecting their shut-in status for the month of August 1970.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company



471

August 25, 1970

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County
Our File #471

Crest-Arizona Helium #8X Santa Fe
SE/4 NW/4 Sec. 25-T20N-R27E
Apache County
Our File #473

Dear Dr. Swain:

As of this date we haven't received Form #25, Sundry Notices and Reports on Wells, for the month of July, 1970. Please forward this report to this office at your earliest convenience.

As you well know, this Form #25 is required by this Commission each month. In the future please have these reports prepared and sent to this office on a regular basis.

Very truly yours,

W. E. Allen
Director of Enforcement Section

WEA:jd
Enc.

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July 15, 1970

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Arizona Helium #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County
Our File #471

Crest-Arizona Helium #8X Santa Fe
SE/4 NW/4 Sec. 25-T20N-R27E
Apache County
Our File #473

Dear Dr. Swain:

As of this date we haven't received Form #25, Sundry
Notices and Reports on Wells, for the month of June, 1970.
Please forward this report to this office at your earliest
convenience.

Sincerely,

W. E. Allen
Director of Enforcement Section

WEA:jd
Enc.

May 13, 1970

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz #8X Santa Fe
SE/4 NW/4 Sec. 25-T20N-R27E
Apache County, Arizona
Our File #473

Crest-Ariz #1 Santa Fe
SE/4 SE/4 Sec. 25-T20N-R27E
Apache County, Arizona
Our File #471

Dear Dr. Swain:

Will you please submit a Form 25 showing the two captioned wells as shut in for the month of April. Again I remind you that as long as these wells are called shut in these forms must be sent in monthly. The only other alternative is to put these wells on temporary abandoned status. However, in view of Eastern's hopes to put these wells back on production, I would suggest that you continue them as shut in and submit your Form 25 reports the first of each month showing the wells as being shut in. Your cooperation will be appreciated.

Sincerely,

John Bannister
Executive Secretary

JB:jd

471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

March 12, 1970

John Bannister, Exec Sec'y
Oil and Gas Conservation Commission
1624 West Adams Rm 202
Phoenix, Arizona 85007

Dear Mr. Bannister:

Enclosed herewith please find Forms No. 25 for the month of March 1970 covering the status of Crest-Arizona Helium #1 and #8-X Santa Fe wells in Section 25-20N-27E Apache County.

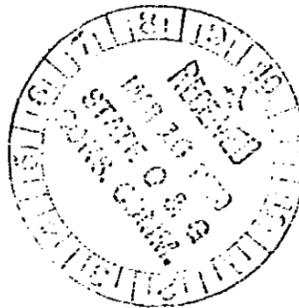
If and when the Arizona Helium Corporation plant resumes operation, either under their own reorganization or by some successor Company, we will undoubtedly put these wells back on production, and I will then resume the filing of the monthly Form No. 16 Producers Report, as suggested in your letter of March 3rd.

Sincerely yours,



C. F. Swain
Crest Oil Company

CFS:fs



471

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March 3, 1970

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz #8X Santa Fe
SE/4 NW/4 Sec. 25
T20N, R27E, G & SRM
Apache County
Our Permit #473

Crest-Ariz #1 Santa Fe
SE/4 SE/4 Sec. 25
T20N, R27E, G & SRM
Apache County
Our Permit #471

Dear Dr. Swain:

Inasmuch as the captioned wells are not now producing and apparently will not produce until such time as Arizona Helium Plant may go on stream, it is my suggestion that you file with this office monthly a Form 25 (enclosed) on each well. Note thereon that these wells are capable of production but are currently shut in due to lack of market. In this manner we can then do without your filing our Form 18, Producers Report, each month until such time as the wells do actually go on production. I believe this will save both you and I considerable work. Inasmuch as we have been carrying the #1 Santa Fe on our Monthly Production Report, we will report it one final time indicating that it will be picked up when it again goes into production. Should you have any questions, please advise.

Sincerely,

John Bannister
Executive Secretary

JB:jd
Enc.

X-Chrons

December 26, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County
Permit #471

Dear Dr. Swain:

We note that on the Monthly Producers Reports you have indicated there has been no production on the captioned well for the past several months. We assume, therefore, that this well is shut in. As long as this well remains shut in you are required to submit a monthly Sundry Notice to this office stating this status and advising of future plans.

Sincerely,

John Bannister
Executive Secretary

jd
Enc.

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C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

AREA CODE 618-462-5346

December 10, 1969

John Bannister, Exec Secretary
Oil & Gas Conservation Commission
1624 West Adams Rm 202
Phoenix, Arizona 85007

Dear John:

Even though every one knows the Arizona Helium Corporation plant has been shut down, I thought you might prefer to have the Form No. 16 filled out for your files, so I am listing them all as shut-in with no gas produced nor sold.

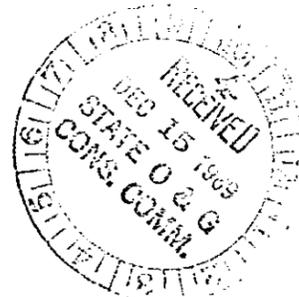
I will continue to send the Form 16 unless you advise me otherwise.

Thank you for your attention to the releasing of the Bonds on the Crest-Ariz #1 and the Crest Spurlock #1.

With best wishes for a joyful Holiday Season,

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company



X-Chrono
X-Lambert

July 21, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County
Permit #471

Dear Dr. Swain:

Enclosed is a copy of a letter I wrote to Mr. Seth Franzen.
You may expect to hear from him concerning the tax ques-
tion you posed in the final paragraph of your letter to
the Commission dated July 15, 1969.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf
Enc.

471

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X-Chrono
X-Lambert

July 21, 1969

Mr. Seth Franzen
Department of Property Valuation
Utilities & Mines Division
4530 North Central Avenue
Phoenix, Arizona 85012

Re: Crest-Ariz Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County
Permit #471

Dear Mr. Franzen:

Enclosed is a copy of a letter from Crest Oil Company.
Take note of the last paragraph wherein they request
information about production taxes. Please reply to
Dr. Swain directly.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Enc.

cc: Dr. Swain, Crest Oil Company, Alton, Illinois 62002

471

471

C.F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

July 15, 1969

James A. Lambert, Adm Asst
Oil and Gas Conservation Commission
1624 W. Adams Room 202
Phoenix, Arizona 85007

Dear Mr. Lambert:

Yesterday evening I mailed you Form No. 16 Monthly Producers Report with a notation thereon that a cover letter would follow.

I primarily wanted you to know that I am concerned that the #1 well is being shut in from time to time and will be finding out why, as well as trying to get the pumper J. D. Hooper to put more information on his meter charts. He is still not too adept at handling the charts, but of course will improve with time. Also I feel sure that if the well is making water along with the gas, you want this information shown on the monthly Form 16, true?

I attach copy of letter to Production Manager MacTough.

94
In connection with last paragraph in said letter copy, I need to know certain information about production taxes which will become due; such as how to figure the amount of tax due, whether the tax is figured on the gross amount of production or after royalty has been deducted etc. Would you kindly find out for me the name and address of the person to whom I should direct my inquiry?

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs



471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

July 15, 1969



Robert B MacTough, Production Mgr.
Arizona Helium Corporation
P. O. Box 14427
Phoenix, Arizona 85031

Dear Bob:

Enclosed please find photocopy of Monthly Producers Report Form No. 16 which I have forwarded to the Commission covering June production from Section 25-20-26 Apache County.

Please note that under the column "Days Produced" I have inserted the figure 21 days. I obtained this figure from figuring it out as best I could from the meter charts you sent me. However it is somewhat difficult to figure, from the condition of the charts, just when the well was shut in and just when it was started back up. J.D. Hooper, pumper, does have some notations on the charts, but not sufficient.

In order that I can accurately report the number of days the well is produced, please relay the message to J. D. to mark in the adjacent margin on the chart date and time the well was shut in. Likewise date and time when it is started up again. This should be done each time of shut in and start up on each chart, so that there will be no doubt of the number of days of production for the month.

In addition to the above, there has been no mention of the amount of water being produced. At the time the well was tested following its completion, a 24 hour open flow test recovered 469.7 MCF of gas and an estimated 100 bbls of water. Under actual producing conditions it was calculated to flow from 200 to 250 MCF of gas daily and anywhere from 0 to 25 bbls of water.

Please have J. D. to measure the amount of water being produced, if any, and to mark same in the margin of each chart.

I acknowledge receipt of Arizona Helium Corporation check No. 1217 dated July 9, 1969, in the amount of \$1,621.90 covering gas purchased from the #1 well for the month of April (2,317 MCF @ \$0.70 per MCF) In order that checks covering May, June and any future purchases can be properly identified, will you please type this information on the face of the check; or, if not sufficient room, append a statement dated and signed identifying what is being covered by the attached check. Thank you.

Sincerely yours,

C. F. Swain
C. F. Swain, Crest Oil Company

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X- Navajo Springs

C.F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

May 21, 1969

James A. Lambert, Adm Asst
Oil and Gas Conservation Commission
1624 W. Adams Rm 202
Phoenix, Arizona 85007

Re: Filing of Form #16, covering 1st production
To Arizona Helium Corporation, Navajo, Ariz.

Dear Mr. Lambert:

94

In response to your letter of May 19th, enclosed please find our report covering first production from Section 25-20N-27E, Apache Co., Arizona.

471

I have been somewhat in doubt as to whether Crest or Eastern should report sales to Arizona Helium from Navajo Springs Unit as per our previous correspondence.

Inasmuch as the Unit Operator has apparently reversed his position from his letter of September 11, 1968 addressed to Richard McDonald, and has directed Arizona Helium through it's production Mgr Robert MacTough to account for gas sales from the Unit (Well 35) to Eastern, by correspondence dated May 16th, 21, & 23, 1969, and has set forth in detail percentages of ownership and manner of distribution, I am of the opinion it is to the best interest of all concerned not to interfere or dissent and further complicate matters.

Therefore pending our accountant's review of the percentages of ownership as worked out by Unit Operator, Crest agrees to the suggested procedure concerning sales of gas from #35 to Arizona Helium Corporation.

Concerning the Crest Arizona Helium #8-X Santa Fe, it has not yet been made clear to me why the well is not producing, what steps have been taken to produce it, or what further measures are contemplated. Since no charts were submitted showing delivery of gas, and no gas was shown as produced from #8-X on Form #19, I have shown ^{the well} as shut-in and no gas produced, on Form No. 16. Am requesting specific information by letter to Mr. MacTough, Production Mgr., this date.

473 - 263

Sincerely yours,

C.F. Swain
C. F. Swain
Crest Oil Company



471

CFS:fs

X-Lambert
X-Chrono

May 19, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County
Permit #471

Dear Dr. Swain:

Please submit a completed Form #16 pertaining to the captioned well. The gas purchaser, Arizona Helium, has rendered their report for the month of April; and, we note that they purchased helium gas from you. This report is due by the 15th day of the following month.

Please show all production; i.e., 8X, 1, etc.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

May 8, 1969

James A. Lambert, Adm Asst.
Oil and Gas Conservation Commission
1624 West Adams Rm 202
Phoenix, Arizona 85007

Dear Mr. Lambert:

Thank you for your letter of May 5, in answer to my letter written April 30, in which I requested your opinion on matters having to do with Crest's sale of gas from the Navajo Springs Unit to Arizona Helium Corporation.

I have since found my copy of the letter written September 11, 1968 by Mr. Fullop, Unit Operator, to Mr. McDonald of Arizona Helium Corporation, which clarifies the situation in my mind considerably. Thank you for the duplicate copy.

I enclose herewith a copy of the Gas Sales Contract executed by J. F. Schlafly, C. F. Swain, and R. H. McDonald.

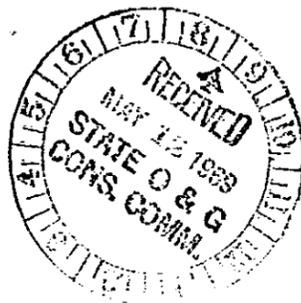
Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs

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473



*in Navajo Springs Unit File
(Case 15)*

X473
X-Lambert
X-CHRONO

May 5, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Dear Dr. Swain:

I have studied your letter dated April 30, 1969. It is our feeling that the Unit Agreement which you signed is the controlling instrument; and, that your dealings perforce must be with the Unit operator.

I call attention to a letter addressed to Richard McDonald, Arizona Helium Corporation, dated September 11, 1968. This letter was written over the signature of Henry Fullop, Chairman, who acted on behalf of Eastern Petroleum Company, the Unit operator. This letter appears to me to authorize Arizona Helium to pay Crest directly. This Commission is not in position to interfere in the internal activities as set out in the plan of Unitization.

Please furnish us a copy of the Gas Sales Contract.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf
Enc.

P. S. We enclose a photocopy of the aforementioned letter to Mr. McDonald should your copy have been lost.

471



September 11, 1968

Mr. Richard McDonald
Arizona Helium Corp.
P. O. Box 14427
Phoenix, Arizona 85012

Dear Mr. McDonald:

File → Crest Oil and Schlafly have been authorized by the Operating Committee, Navajo Springs Unit, to take in kind their proportionate part of the current monthly production of helium bearing gas from Navajo Springs.

As purchaser you are authorized to do those things necessary to take delivery, and in a manner that will not interfere with present operations. Further, Santa Fe Well No. 35 in Section 27-20N-27E has been made available for this purpose. It should be understood the Unit shall not bear any cost or expense of hooking up or laying lines to this well or of operations.

The current monthly authorized production from the Unit is 12,500 MCF. When you are on stream this quantity is to be divided and delivered in the following manner:

Arizona Helium Corp.	16.026% - 2,003 MCF
Kerr-McGee Corporation	83.974% - 10,497 MCF
Crest Oil Co. Ownership	8.552% of Unit
J. P. Schlafly Ownership	7.474% of Unit
	16.026%

You are to pay these owners direct for the entire amount delivered. They will, in turn, be responsible for timely payments to their royalty owner and to overriding royalty owners, if any, and to other owners, if any, not reflected in Division Orders or other public record.

Records - The Unit Operator, Eastern, is charged with the responsibility of keeping true and accurate records of all purchases and furnishing monthly reports of operations and production and pipe

Mr. Richard McDonald
Page 2

September 11, 1968

line runs to Lessees. Therefore, it is most important that all recording charts be forwarded to this office for audit. Same procedure will apply to Kerr-McGee.

Since both purchasers from the Unit are charged with keeping their deliveries in line with the percentages and quantities set forth above it might be well to correlate your activities insofar as it is possible to do so. Over and under production will be adjusted periodically.

During the course of hockup, operations, etc. it is realized there might be problems. These will be dealt with as they arise. Please keep us informed of all progress.

Yours very truly,

EASTERN PETROLEUM COMPANY
UNIT OPERATOR

By Henry Fullop
Chairman

HF:sju

cc: Mr. John I. Fisher
Kerr-McGee Corporation
Kerr-McGee Building
Oklahoma City, Oklahoma

Plant Superintendent
Kerr-McGee Corporation
Navajo, Arizona

Mr. P. W. Smith
Kerr-McGee Corporation
Kerr-McGee Building
Oklahoma City, Oklahoma

Mr. William R. Dickinson, Jr.
120 West Adams, Room 2300
Chicago, Illinois 60603

Mr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois

Mr. J. F. Schlafly
First Nat'l. Bank Bldg.
Alton, Illinois

Mr. John Bannister
Oil & Gas Conservation Comm. ✓
1624 West Adams, Suite 202
Phoenix, Arizona 85007



476

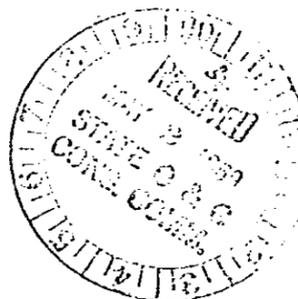
C. F. SWAIN

CREST
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

April 30, 1969



James A. Lambert, Adm Asst
Oil and Gas Conservation Commission
1624 West Adams Room 202
Phoenix, Arizona 85007

Dear Mr. Lambert:

Thank you for sending the Forms #16 and the sample photocopy of Eastern's February report on the Navajo Springs Unit.

8
Crest has a contract with Arizona Helium Corporation (Same contract is entered into and executed by J. F. Schlefly of this City), and since we are taking our gas "in kind" from the Navajo Springs Unit, we have made arrangements with Arizona Helium Corporation to account to us monthly and to pay Crest directly for said gas purchased.

When our gas sales contract with the Kerr-McGee Corporation was in effect, we were paid directly by Kerr-McGee for the percentage of Unit gas assigned to the #7 well, whereas the percentage of gas assigned to the #2 well was accounted for by Kerr-McGee through the Unit Operator. Just why this set-up was made I really don't know, but as no one objected that is the way it was continued until the cancellation of the contract.

This system from the beginning was very unsatisfactory from bookkeeping standpoints both in Eastern's office and Crest's office. So Crest definitely prefers to account for the gas taken in kind from the Unit, and to do so from the beginning of production. This will avoid the previously objectionable double records keeping.

Do you see any objections to Crest being paid directly for all gas taken and in turn accounting to all interested parties? Do you need to be furnished with a copy of the Gas Sales Contract?

I will appreciate your thorough consideration of this matter and your comments and suggestions concerning same.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

471
473-X

CFS:fs

C. F. SWAIN

**CREST
OIL COMPANY**

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

April 16, 1969

James A. Lambert, Adm Asst
Oil & Gas Conservation Commission
1624 W. Adams Rm 202
Phoenix, Arizona 85007

Re: Form #8, Sec 25-20N-27E, Apache Co., Ariz.

Dear Mr. Lambert:

In response to your letter written April 11, 1969,
I enclose herewith executed Form #8 in duplicate.

I have been informed via telephone conversation with
Robert B. MacTough, Arizona Helium Corporation, that their new
extraction plant at Navajo, Arizona was put on stream 1 A. M.
Thursday 4/10/69. I am requesting confirmation and some of the
details of operation by letter. (Copy of my letter requesting
confirmation enclosed)

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

*Returned for signature on
4/17/69
82*
*Recd 4/21/69
82*

CFS:fs

enc. 2



471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

April 16, 1969

Arizona Helium Corporation
P. O. Box 14427
Phoenix, Arizona 85031

Attention: Robert B. MacTough

Dear Bob:

Although we discussed over the phone last Friday that the new plant at Navajo has been placed on stream, would you please write me a letter of confirmation for my files, and in order that I will have authority to notify others; answering the following questions:

1. Date and time on stream.
2. Initial volume of field gas being processed and stored.
3. Percentage of purity of Helium.
4. Names of wells turned into the line.
5. Are all wells individually metered?
6. Is the plant operating satisfactorily....what volumes are now being processed and stored.
7. Any additional pertinent data you may have and care to add.

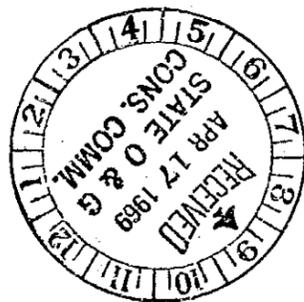
Thank you very much.

Sincerely yours,

C. F. Swain

C. F. Swain
Crest Oil Company

cfs:fs



471

X-Chrono
X-Lambert

April 15, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Crest-Ariz Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473

Dear Dr. Swain:

Enclosed are our Forms #16. Please complete these monthly.

We enclose a photocopy of a report submitted by Eastern covering their February production. You may use this as a model to assist you in completion of your forms.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Enc.

471

K - Lambert
X - Chero

April 11, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #1 Santa Fe Crest-Ariz Helium #2 Santa Fe
T20N, R27E, G & SRM T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4 Sec. 25: C SW/4
Apache County, Arizona Apache County, Arizona
Permit #471 Permit #472 X

Crest-Ariz Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473 X

Dear Dr. Swain:

Enclosed is Form #8 in duplicate. Please complete and return to this office at once. We understand that the #1 and #8X Santa Fe Wells are to be produced. This Form will take care of the three captioned wells.

At such time as the Crest #1 Spurlock is produced we will require a Certificate of Compliance on that well.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf
Enc.

471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

March 22, 1969

James A. Lambert, Adm Asst
Oil and Gas Conservation Commission
1624 West Adams Rm 202
Phoenix, Arizona 85007

Dear Mr. Lambert:

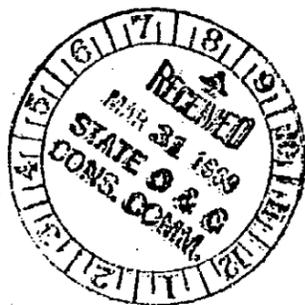
4 ✓
As per your suggestion in one of your letters dated March 17, 1969, I have written to the Four Corners Sample Cut Association, requesting information concerning when we can expect delivery of samples to the Arizona Bureau of Mines, and to please expedite same.

Sincerely,

C. F. Swain

C. F. Swain
Crest Oil Company

CFS:fs



C. F. SWAIN

POST
OIL COMPANY
P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

March 22, 1969

Four Corners Sample Cut Association
P. O. Box 899
Farmington, New Mexico 87401

Gentlemen:

Will you please advise me as to the status of the processing of the samples we sent you on the following wells:

Crest Arizona Helium #1 Santa Fe
Section 25-20-27 SE/4 SE/4
Apache Co., Arizona

Crest Arizona Helium #2 Santa Fe
Section 25-20-27 C SW/4
Apache Co., Arizona

In order that records on these wells may be completed to the Oil and Gas Conservation Commission, I will appreciate any efforts you can extend to hasten the completion of the processing and shipping of the cuts on the above wells.

Sincerely yours,
C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs

Photo: James A. Lambert

471



x - Lambert Log
+ - Chrono Log

March 17, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #8X
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473 *

Crest-Ariz Helium #1
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Dear Dr. Swain:

The only requirements outstanding at this time pertaining to the Crest-Arizona Helium #1 is that we have not received samples on this particular well.

Samples are in the Arizona Bureau of Mines from the Crest Arizona Helium #8X. Both of these wells are being carried as shut-in helium wells.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

X-Lambert Log
+ - Chiono Log

March 17, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 87
Alton, Illinois 62002

Re: Crest-Ariz Helium #8X
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473 X

Crest-Ariz Helium #1
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Dear Dr. Swain:

The only requirements outstanding at this time pertaining to the Crest-Arizona Helium #1 is that we have not received samples on this particular well.

Samples are in the Arizona Bureau of Mines from the Crest Arizona Helium #8X. Both of these wells are being carried as shut-in helium wells.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

471

C. F. SWAIN

Crest
OIL COMPANY
P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 452-5346

March 13, 1969

James A. Lambert, Adm Asst
Oil and Gas Conservation Commission
1624 W. Adams Rm 202
Phoenix, Arizona 85007

Re: Crest-Ariz Helium #2 S. F. Permit #472

Dear Mr. Lambert:

In answer to your letter of March 11, 1969 requesting that I file a Form #25 on above captioned well as of the last day of February, I have done so and attach hereto. 4

I assumed that the form filed 2/18/69, at which time I also filed Form #25 on Crest-Arizona Helium #1 S. F., #8-X S.F., and Crest-Spurlock #1 took care of obligations for February.

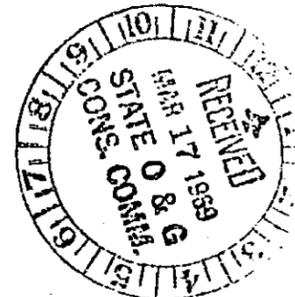
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442 - TA 4/1/69
Samples in

If additional reports are expected for February will you please so advise. Will Form #25 reports be expected on all of above wells on the last day of March? And each month thereafter?

Also Mr. Lambert, when you have the opportunity, please check your files concerning samples saved from the above wells. Crest saved samples from all, and sent them to the Four Corners Sample Cut Association in Farmington for processing and distribution. To this date, I have only received billing from them for samples I finally was able to locate and obtain from Steve Henderson on the Apache Drilling Company #1 Santa Fe. (this was a shinarump test and completion attempted, but plugged and abandoned September 1968 under permit 353). According to billing from Four Corners, they send cuts to the Arizona Bureau Of Mines, and to the Museum of Northern Arizona. Just wanted you to know that samples from all the wells were saved and taken to them for processing and delivery, as each well was drilled to total depth.

Sincerely yours,
C. F. Swain
C. F. Swain
Crest Oil Company



CFS:fs

472

C. F. SWAIN

OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

February 18, 1969



James A. Lambert, Administrative Ass't.
Oil and Gas Conservation Commission
Phoenix, Arizona 85007

Re: Previous correspondence, monthly reports,
ending with your letter dated 2/6/69

Dear Mr. Lambert:

Attached hereto please find the following enclosures:

Permit #442, Crest Spurlock #1, 3-17-26, Apache County.

1. Sundry Notices Form 25 dated 2/18/69.
2. Report of Gas Analysis by Bureau Of Mines, Amarillo, Texas, sample from Supai formation. (See item 2 above report) Report of Analysis received 12/20/68.

Permit #471, Crest Arizona Helium #1 Santa Fe, 25-20-27, Apache Co.

1. Sundry Notices Form 25 dated 2/18/69.
2. Well Completion Report Form Number 4, dated 2/5/69.
5. Report of Gas Analysis by Bureau Of Mines, Amarillo, Texas, sample from Coconino formation. Date of Analysis, 12/20/68. (Date Report of Analysis received)
4. Geological brochure (copy), detailed report of drilling, testing, and completion work, including sample study.

Permit #472, Crest Arizona Helium #2 Santa Fe, 25-20-27 Apache Co.

1. Sundry Notices Form 25, dated 2/18/69.
2. Geological brochure (copy), detailed report of drilling, testing, and attempted completion work, including sample study.

Permit #473, Crest Arizona Helium #8-X Santa Fe, 25-20-27, Apache Co.

1. Sundry Notices Form 25 dated 2/18/69.
2. Well Completion Report Form No. 4, dated 2/5/69.
3. Report of Gas Analysis, sample from Coconino formation, received 12/20/68 from Bureau Of Mines, Amarillo, Texas.
4. Geological brochure (copy) detailed report of drilling, testing, and completion work, including sample study.

Will appreciate receipt of your acknowledgement of having received these reports and enclosures and your comments concerning same.

Sincerely yours,

C. F. Swain
C. F. Swain Crest Oil Company

CFS:fs

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TELEGRAM - NIGHT LETTER
ALTON, ILLINOIS
FEBRUARY 19, 1969

DEAR MR. LAMBERT - PLEASE REFER TO OUR CORRESPONDENCE ENDING
WITH YOUR LETTER DATED FEBRUARY 6 1969. REPORTS ON ALL WELL
INCLUDING VARIOUS ENCLOSURES SENT TO YOU AIRMAIL CERTIFIED THIS
PM. SINCERELY YOURS C F SWAIN

#442
471
472
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February 6, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Permits #442
#471
#472
#473

Dear Dr. Swain:

The Commission has notified the Attorney General to suspend action in your case for another ten days.

We are sympathetic to your series of personal misfortunes that has occurred. However, note that we have asked your cooperation and failed to receive it in December prior to the series of misadventures and maladies that have beset you. Postponement of required reports only compounds the requirements and earns a negative opinion of service commissions that have been set up to help you and conserve resources of the people. Please bring your operations into conformance with the published regulations prior to February 20, 1969.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

C.F. SWAIN

Crest
OIL COMPANY
P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

January 24, 1969

James A. Lambert
Administrative Assistant
Oil and Gas Conservation Commission
1624 W. Adams Room 202
Phoenix, Arizona 85007

Dear Mr. Lambert:

Wish to acknowledge your letters written 1/14/69 requesting reports due the commission on the Crest Arizona Helium #1, #2, and #8-X Santa Fe, and the Crest Spurlock #1.

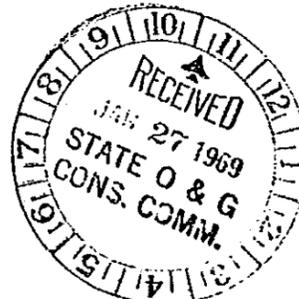
I realize that these reports are due and will get to them soon as I possibly can. I assure you I am not just ignoring your reminders nor just being negligent.

No one can take care of these reports for me. Both Betty (wife and bookkeeper) and I have been really down with the Influenza since very shortly after we arrived back in Alton following our drilling program covering the Subject wells. First I had it and then she, with each of us staying home and taking care of the other. So from mid December until January 15th we were unable to work at the office at all.

Our backlog of work became tremendous as I am sure you can appreciate, particularly at this time of the year. So please bear with me a few more days and I assure you I will bring myself into compliance as soon as possible.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

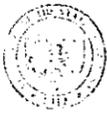


442

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OFFICE OF
Oil and Gas Conservation Commission
 STATE OF ARIZONA
 ROOM 202
 1624 WEST ADAMS
 Phoenix, Arizona 85007

INSTRUCTIONS TO DELIVERING EMPLOYEE

Deliver *ONLY* to addressee Show address where delivered
(Additional charges required for these services)

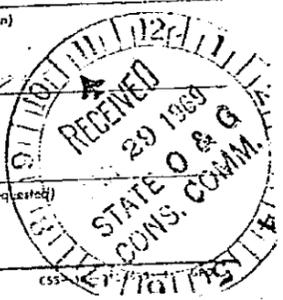
RECEIPT
 Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)
C. F. Swain

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED: JAN 27 1969

SHOW WHERE DELIVERED (only if requested)



and January 16
 letters of
 according to
 rules, Oil and
 section 27-527;
 or order of the
 not more than
 or each day the

By copy of this letter, we notify the Attorney General, State of Arizona, that Dr. C. F. Swain, Crest Oil Company, P. O. Box 57, Alton, Illinois, is in violation of rules and regulations.

Please bring yourself into full compliance with these regulations on or before February 5, 1969.

Yours truly,

James A. Lambert
 Administrative Assistant

JAL:jf
 cc: Attorney General, State of Arizona

(not sent)



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

January 24, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Permits #442
#471
#472
#473

Dear Dr. Swain:

Please refer to our letters dated January 14 and January 13 pertaining to the captioned permits. Note our letters of December 9, 1968, and of December 23, 1968. According to the Arizona Revised Statutes; Title 27, Minerals, Oil and Gas; Article 1, Production and Conservation; Section 27-527; Any person who violates any rule, regulation or order of the Commission is subject to a civil penalty of not more than one thousand dollars for each violation and for each day the violation continues.

By copy of this letter, we notify the Attorney General, State of Arizona, that Dr. C. F. Swain, Crest Oil Company, P. O. Box 57, Alton, Illinois, is in violation of rules and regulations.

Please bring yourself into full compliance with these regulations on or before February 5, 1969.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf
cc: Attorney General, State of Arizona

(not sent)

471

January 14, 1969

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest-Ariz Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: 3E/4 SE/4
Apache County, Arizona
Permit # 471

Dear Dr. Swain:

In reference to the captioned well, this Commission requires that you submit a Form #25, Sundry Notices and Reports on Wells, bearing a December date. A Form #25 must be submitted for January detailing all activities from January 1 through January 15, 1969. Our Form #4, Well Completion Report, is also required. This Form must be completed on both sides in order to be acceptable to this office.

We call attention to our letters dated December 9 and 23. You are not in compliance with the regulations of the Commission. Please comply with the requirements immediately.

Yours truly,

James A. Lambert
Administrative Assistant

jf

491

December 23, 1968

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois 62002

Re: Crest Oil #1 Spurlock
T17N, R26E, G & SRM
Sec. 3: SW/4 NE/4
Apache County, Arizona
Permit #442

Crest-Arizona Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Crest-Arizona Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473

Dear Dr. Swain:

We are still awaiting our form #25, Sundry Notices and Reports on Wells, for the Crest Oil #1 Spurlock, Permit #442. This form must be submitted monthly even though the well is in temporary abandonment. We also require Completion Reports on the #1 and #8X wells. These forms were enclosed in our letter of December 9, 1968. Your cooperation will be appreciated.

Yours truly,

James A. Lambert
Administrative Assistant

jf

471

December 9, 1968

Dr. C. F. Swain
Crest Oil Company
P. O. Box 37
Alton, Illinois 62002

Re: Crest Oil #1 Spurlock
T17N, R26E, G & SRM
Sec. 3: SW/4 NE/4
Apache County, Arizona
Permit #442

Crest-Arizona Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Crest-Arizona Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473

Dear Dr. Swain:

It seems our letters crossed in the mails and we did receive your letter and various forms this date. We are returning an approved copy of the Sundry Notices and Reports on Wells in which you asked that the Crest Oil #1 Spurlock be in temporary abandon status. This status is effective from this date until 4-1-69. You are reminded that our Form #25, Sundry Notices and Reports on Wells must be submitted monthly even though the well is in temporary abandonment. We also require Completion Reports on the #1 and #8X Santa Fe Wells. These forms are enclosed for your convenience.

Yours truly,

James A. Lambert
Administrative Assistant
jf
Enc.

471

C. F. SWAIN



CREST
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

12/5/68



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

Dear Mr. Bannister:

Enclosed please find Form 25 Sundry Notices and Reports on Wells on the Crest Arizona Helium #1 Santa Fe; #2 Santa Fe, #8-X Santa Fe, and also the Crest-Spurlock #1.

Please note that the #8-X was hooked up to the pipe line 10/29/68; #1 ready for pipe line (as soon as line is brought to well); #2 is on the pump in an effort to get out as much water as necessary to allow gas to come in; Crest-Spurlock requested additional time to see if gas will come to well bore, to help determine if additional work is warranted on lease block....also awaiting Bureau of Mines analysis of sample of gas from Supai which might also help above determination. (Hate to be hasty in condemning a large lease block on one Test Well, if any evidence exists at all to warrant additional work.)

I have spoken to Dick McDonald since I last talked to you and relayed your request that he inform you right away as to when the Navajo Springs connection was made to their pipe line.

Along with the Sundry Notices on each well, I am enclosing their respective electric logs, and copies of all test data as taken.

Due to lost circulation problems, it was not possible to Drill Stem Test or Core the #1 Santa Fe.

The same is true of the #2 Santa Fe as relates to the Coconino. As relates to the Shinarump, the well ran 100 feet lower than the #8-X and our Geologist Ed Clement had great difficulty in trying to decide just when to start coring. Finally in desperation, we went in with the core barrel, but recovered nothing but shale. When the true Shinarump sand started showing in the samples, it was too late. The shale corings we did not even send in for analysis as there was nothing to analyze.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

471

December 9, 1968

Dr. C. F. Swain
Crest Oil Company
P. O. Box 57
Alton, Illinois

Re: Crest-Arizona Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Crest-Arizona Helium #2 Santa Fe
T20N, R27E, G & SRM
Sec. 25: C SW/4
Apache County, Arizona
Permit #472

Crest-Arizona Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: Se/4 NW/4
Apache County, Arizona
Permit #473

Dear Dr. Swain:

recd 12/9/68

This office still has not received the completed Form No. 25, Sundry Notices and Reports on Wells, for the Crest-Arizona Helium #1 and #8X wells bearing a November date. We enclosed forms in our November 20, 1968, letter for your use in reporting activities on the wells for the month of December. We would appreciate receiving all these forms as soon as possible.

We have brought this matter to your attention in correspondence dated 11-20-68 and 12-2-68. Please reply.

Yours truly,

James A. Lambert
Administrative Assistant

jf

471

December 2, 1968

Dr. C. F. Swain
Crest Oil Company
Navajo, Arizona 86509

Re: Crest-Arizona Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache County, Arizona
Permit #471

Crest-Arizona Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473

Dear Dr. Swain:

This office still has not received the completed Form No. 25, Sundry Notices and Reports On Wells, for the Crest-Arizona Helium #1 and #8X wells bearing a November date. We enclosed forms in our November 20, 1968, letter for your use in reporting activities on the wells for the month of December. We would appreciate receiving all these forms as soon as possible.

Yours truly,

James A. Lambert
Administrative Assistant

jf

471

November 20, 1968

Dr. C. F. Swain
Crest Oil Company
Navajo, Arizona 86509

Re: Crest-Arizona Helium #1 Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 SE/4
Apache county, Arizona
Permit #471

Crest-Arizona Helium #2 Santa Fe
T20N, R27E, G & SRM
Sec. 25: C SW/4
Apache County, Arizona
Permit #472

Crest-Arizona Helium #8X Santa Fe
T20N, R27E, G & SRM
Sec. 25: SE/4 NW/4
Apache County, Arizona
Permit #473

Dear Dr. Swain:

Please submit a completed form No. 25, Sundry Notices
And Reports On Wells, at once for the Crest-Arizona
Helium #1 and #8X wells. We received your Sundry Report
of 11-9-68 concerning the #2 well. Forms are also
enclosed for report of activities on the three captioned
wells due on or about the 5th of December.

Yours truly,

James A. Lambert
Administrative Assistant

jf
Enc.

471

C.F. SWAIN

CREST
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

Navajo, Arizona

PHONE 462-5346

October 24, 1968

John Bannister, Exec Secy
Arizona O & G Conservation Comm
1624 W. Adams
Phoenix, Arizona 85007

Dear Mr. Bannister:

In answer to your letter of October 22nd, enclosed find reports as requested, and also report requested by Mr. Lambertin his letter dated 10/17/68.

I am sorry if we have not been reporting progress frequently enough and will do my best to complete forms as required when due.

My only excuse is that I arise at 5:30 and after breakfast with Ed and crew I go to the field and generally don't get back to trailer house until after dark. We are doing our best to get as much work done as possible before the weather turns bad, and also office facilities leave a lot to be desired.

Samples and logs are being furnished practically as soon as obtained, and we will forward copies of core and DST reports as soon as we get them.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

P.S. Navajo Address is:
C. F. Swain
P. O. Box 4
Navajo, Arizona 86509
Phone is: 688-2914



October 22, 1968

Dr. C. F. Swain
Crest Oil Company
Navajo, Arizona 86509

Re: Crest-Arizona Helium #1 Santa Fe
Our Permit #471

Crest-Arizona Helium #2 Santa Fe
Our Permit #472

Crest-Arizona Helium #8X Santa Fe
Our Permit #473

Dear Dr. Swain:

I am enclosing some copies of our Sundry Notice Form #25. Will you please fill out one form for each of the captioned wells and return this immediately. We have no written reports from you on any of these wells although we do have Mr. Scurlock's reports. I would remind you that our rules and regulations call for an up to date report at least monthly on all drilling wells. As you know, these wells were permitted September 19, 1968, and a report should be submitted for each permit monthly as long as they are in the drilling status. In the case of the #8X Well, I believe, which has not been commenced, a report should be submitted to this effect. In the case of the other two wells a report should bring us to date from the date of spudding showing in detail what action has been taken. I will appreciate your cooperation.

I would like to take this opportunity to remind you that the permit date of each well is September 19 and should no work be commenced on a permit within 90 days after its date of issuance, then the permit will expire by law unless an extension is granted by this Commission. Consequently, should you find yourself in a position of not having work commenced on each of these wells by December 18, you should notify this office requesting an extension or the permit will expire by operation of law. If we may be of any help, please do not hesitate to ask.

Sincerely,

John Bannister
Executive Secretary
JB:jf
Enc.

471

C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

September 4, 1968

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

Dear Mr. Bannister:

As indicated by enclosed photocopy, I have applied for a Blanket Bond to cover anticipated drilling program being developed between Crest Oil Company and Arizona Helium Corporation, so please be on the lookout for same and hold pending receipt of application to drill a new well in Section 25, T20N, R27E, Apache County.

The location for the new well should have been surveyed and staked by now, and as soon as I receive the plats, I will forward them along with permit to drill application. *Rec'd*

#134 At the same time I plan to forward application to Plug and Abandon the Crest Santa Fe #8 well in the same Section; as this well, after being extensively tested and analyzed a number of times by supposed competent personnel and pronounced commercially productive and ready to go on stream, has developed serious water and sand invasion problems and will not deliver. This well was completed in the Coconino sandstone.

#353 We will also forward application to Plug and Abandon the Apache Drilling Company Santa Fe #1, a Shinarump test drilled and completion attempted, approximately 300 feet north of the Crest Santa Fe #8 well. However, as this well was drilled by Apache, and permit and various records retained by them, the application to Plug and Abandon this well will no doubt be forwarded by Arizona Helium Corporation.

Any comments you may have regarding above will be appreciated.

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs



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C. F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

September 4, 1968

Robert A. Cruce, Account Executive
Illinois Mercantile Agency, Inc.
3210 Nameoki Road
Granite City, Ill. 62040

Dear Mr. Cruce:

Will you please review our previous correspondence concerning supplying Crest Oil Company with a Blanket Bond to cover our anticipated drilling requirements in the State Of Arizona.

Although various things have come to delay our launching of said drilling program, we are now anxious to commence.

I have enclosed herewith three copies of the Arizona Performance Bond form which I have executed. After execution by Maryland Casualty Company, and their Arizona resident agent Mr. Conklin, would you please request the Arizona agent to forward the Bond and the forms direct to:

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

This will expedite the receipt of the Bond by the Commission and Mr. Bannister can forward the Crest copies to me.

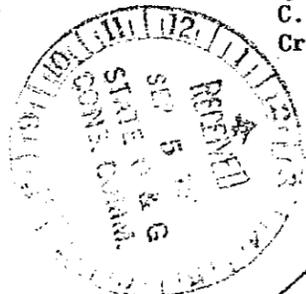
Please advise me immediately in the event you anticipate any delay in the processing of this bond.

Thanking you for past services, I am,

Sincerely yours,

C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs



471

September 5, 1968

Dear Mr. Bannister:

C. F. Swain of Alton, Illinois, requested that I mail the enclosed copies of the surveyor's plat on the well he plans to drill in the Navajo, Arizona area, direct to you. He is sending the intention to drill and other information from Alton.

Sincerely,

E. A. Clement
E. A. Clement



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COMPANY CREST OIL COMPANY

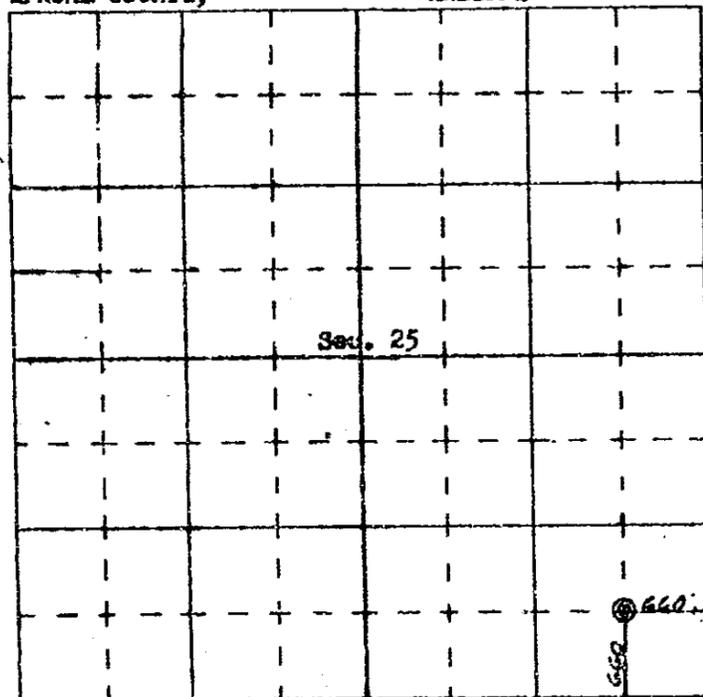
LEASE CREST-ARIZONA HELIUM WELL NO. 1

SEC. 25 T. 20 NORTH R. 27 EAST, G.&S.R.M.

LOCATION 660 foot from the South line and
660 foot from the East line

ELEVATION 5820.0

APACHE COUNTY, ARIZONA



SCALE—4 INCHES EQUALS 1 MILE

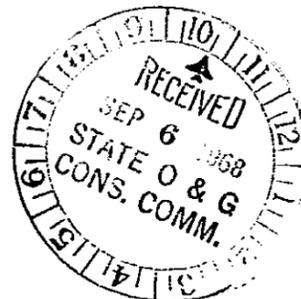
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTE OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:

James P. Lesse
Registered Land Surveyor,
JAMES P. LESSE
Ariz. Reg. No. 1849

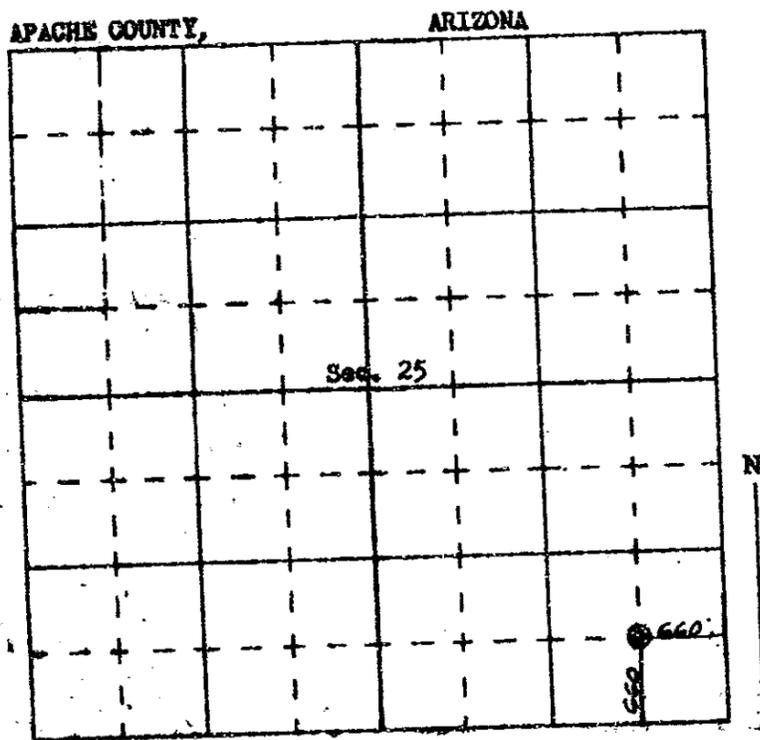
SURVEYED 2 September 1968

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.



471

COMPANY CHEST OIL COMPANY
 LEASE CHEST-ARIZONA HELIUM WELL NO. 1
 SEC. 25 T. 20 NORTH R. 27 EAST, G.&S.R.M.
 LOCATION 660 feet from the South line and
660 feet from the East line
 ELEVATION 5820.0



SCALE—4 INCHES EQUALS 1 MILE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
 FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPER-
 VISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
 BEST OF MY KNOWLEDGE AND BELIEF.

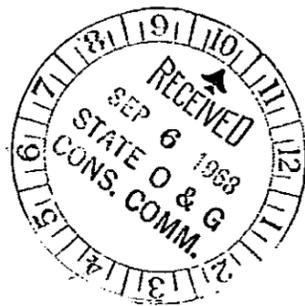


SEAL:

James P. Leese
 Registered Land Surveyor
 JAMES P. LEESE
 Ariz. Reg. No. 1849

SURVEYED 2 September 1968

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.



471

C.F. SWAIN

Crest
OIL COMPANY

P. O. BOX 57
ALTON, ILLINOIS 62002

PHONE 462-5346

Field Office
C.F. Swain, Crest Oil Co.
Navajo, Ariz 86509

July 20, 1968

John Bannister, Exec Sec'y
Oil and Gas Conservation Commission
1624 W. Adams Room 202
Phoenix, Arizona 85007

Dear Mr. Bannister:

Attached please find the Originals of three (3) single well bonds executed by me as Principal and Maryland Casualty Company as Surety covering the recently applied for Permits to drill in Section 25-20N-27E, Apache Co.

I have not yet had the chance to locate the other information from Mr. Henderson, but I understand he is in the Navajo area and will be here for several days.

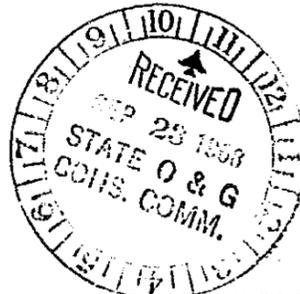
Thank you very much for the time and assistance given to me by you and your staff, especially Mrs. Rushton. Please tell her that Navajo area is in full bloom and seems to have great possibilities for picnic lunches and the like.

Sincerely yours,
C. F. Swain
C. F. Swain
Crest Oil Company

CFS:fs

P.S. May I have copies of the bonds for my file?

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