

P-W

CONSOLIDATED #2-11 NAVAJO
SW NW 11-41N-28E APACHE CO. 518

COUNTY Apache AREA 25 mi. Shiprock, NM LEASE NO. Navajo 14-20-603-227
East Boundary Butte
 WELL NAME Merrion & Bayless (9/74) Merrion Oil & Gas (8-30-82)
CONSOLIDATED OIL & GAS 2-11 NAV

LOCATION SW NW SEC 11 TWP 41N RANGE 28E FOOTAGE 1950' FNL 520' FWL
 ELEV 5474 GR 5486 KB SPUD DATE 10-11-69 STATUS Producing TOTAL DEPTH 5057'
 COMP. DATE 11-7-69
 CONTRACTOR Loffland Brothers, Farmington, N.M. P+A 3-10-81

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY
8 5/8	319	165 SK	NA	<input checked="" type="checkbox"/>
5 1/2	5053	400 SK		<input type="checkbox"/>
INITIAL PRODUCTION <u>4674-4905</u>				
85B0-366BW-537MCEG				

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
San Rafeal	surface	X	X	
Shinarump	1569			
Coconino	2090			
Hermosa	4060			
Ismay (Upper)	4770			
Ismay (Lower)	4840			
Desert Creek	4890			
Akah	5030			
TD	5057			

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
Fracture Finder MSG; IE; Acoustic Velocity	NA	NA	Am Strat SAMPLE DESCRP. *SAMPLE NO. 1494 CORE ANALYSIS DSTs <u>4</u> * Phx. 1494 Tuc. 2574

REMARKS Consolidated solds its interest to Merrion & Bayless effective August 1, 1974 covering well # 22,69,490,514 & 518
 APP. TO PLUG
 PLUGGING REP.
 COMP. REPORT

WATER WELL ACCEPTED BY _____
 BOND CO. United States Fidelity & Guaranty BOND NO. 010130-972-74
 BOND AMT. \$ 25,000 CANCELLED _____ DATE _____ ORGANIZATION REPORT 1-19-68
 FILING RECEIPT 9600 LOC. PLAT WELL BOOK PLAT BOOK
 API NO. 02-001-20117 DATE ISSUED 9-29-69 DEDICATION W/2 NW/4

PERMIT NUMBER 578

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Form approved.
Budget Bureau No. 1004-0125
Expires August 31, 1985

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

RECEIVED

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Merrion Oil * Gas Corporation

3. ADDRESS OF OPERATOR
P. O. Box 840, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
1950' FNL and 520' FWL

14. PERMIT NO. _____

15. ELEVATIONS (Show whether DF, RT, CR, etc.)
5486' KB

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-227

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo Tribe

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo

9. WELL NO.
2-11 (PIN 518)

10. FIELD AND POOL, OR WILDCAT
East Boundary Butte

11. SEC., T., R., M., OR BLK. AND SUBST OR AREA
Sec. 11, T41N, R28E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

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

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

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

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

Reclamation for this P & A'd well has been completed.

RECEIVED
NOV 24 1986
O & G CONS. CORP.

18. I hereby certify that the foregoing is true and correct
SIGNED [Signature] TITLE Operations Manager
(This space for Federal or State office use)

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

518

*See Instructions on Reverse Side
OPERATOR

APPROVED FOR RECORD
DATE 9/15/86
SEP 24 1986
[Signature]

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

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY & G. CONS. COMM.

NOV 24 1986

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
J. Gregory Merrion & Robert L. Bayless

3. ADDRESS OF OPERATOR
P. O. Box 507, Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 1950' FNL & 520' FWL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

5. LEASE
14-20-603-227

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo Tribe

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo

9. WELL NO.
2-11 (PIN SIP)

10. FIELD OR WILDCAT NAME
East Boundary Butte

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 11, T41N, R28E

12. COUNTY OR PARISH | 13. STATE
Apache | Arizona

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5486' K.B.

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

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

PULL OR ALTER CASING

MULTIPLE COMPLETE

CHANGE ZONES

ABANDON*

(other)

SUBSEQUENT REPORT OF:

RECEIVED
FEB 21 1985
OIL CON. DIV
DIST. 3

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

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

- 3-02-81 Move in, rig up Bedford, Inc. Start pulling rods.
- 3-03-81 Pulled rods, nipple down wellhead. Pick up on tubing.
- 3-04-81 Work tubing.
- 3-05-81 Set hydraulic jacks. Spot 40 sx plug @ 4625-4955.
- 3-06-81 Spot 25 sx plug w/ bottom @ 3200', finish pulling tubing. Weld on 5-1/2" pull nipple.
- 3-07-81 Set hydraulic jacks, work casing. Shot casing off at 1405'.
- 3-09-81 Spot 30 sx plug at stub, (50' in & 50' out). Pull casing to bottom of surface pipe. Spot 35 sx plug, (50' in & 50' out), load out jacks, cut Braden head off. Rig down.
- 3-10-81 Set P & A marker w/ 10 sx surface plug. Clean up location.

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

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

SIGNED [Signature] TITLE Co-Owner DATE 4-23-81

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL IF ANY:

Approved as to plugging of the well bore.
Liability under bond is retained until surface restoration is completed.

OPERATOR

APPROVED
AS AMENDED

FEB 11 1985
[Signature]
M. MILLENBACH
AREA MANAGER

*See Instructions on Reverse Side

Form 9-331
Dec. 1973

RECEIVED

Form Approved
Budget Bureau No. 42-R1424

NOV 24 1986
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
O & G CONS. COMM.

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
J. Gregory Merrion & Robert L. Bayless

3. ADDRESS OF OPERATOR
P. O. Box 507, Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 1950' FNL & 520' FWL
AT TOP PROD. INTERVAL: same
AT TOTAL DEPTH: same

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

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

5. LEASE NO.
14-30-603-227

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo Tribe

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo

9. WELL NO.
2-11

10. FIELD OR WILDCAT NAME
East Boundary Butte

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA
Section 11, T41N, R28E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5486' K, B.

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

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

Will pull rods. Spot 40 sx from 4955 to 4625 across and 50' above perms.
Will attempt to pull casing from 1600'.
Will spot 30 sx across top of stub (50' in & 50' out).
Will spot 35 sx across bottom of surface casing 269-369 (50' in & 50' out).
Will cement dry hole marker in top of surface casing.

*Spot 25 sx cont
slug w bottom @
3200'*

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

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

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

SIGNED J. Gregory Merrion TITLE Co-Owner DATE June 25, 1980

(This space for Federal or State office use)

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

OPERATOR

*See Instructions on Reverse Side

APPROVED

JUL 23 1980
James F. Sims
JAMES F. SIMS
DISTRICT OIL & GAS SUPERVISOR

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 Consolidated Oil & Gas, Inc.		Address 1860 Lincoln Street, Denver, Colorado 80203	
Federal, State or Indian Lease Number or name of lessor if fee lease Tribal #14-20-603-227		Well Number 2-11	Field & Reservoir East Boundary Butte
Location 1950' FNL & 520' FWL		County Apache County	
Sec. TWP-Range or Block & Survey Sec. 11, T-41N, R-28E			
Date spudded 10/11/69	Date total depth reached 10/26/69	Date completed, ready to produce 11/7/69	Elevation (DF, RKB, RT or Gr.) 5486' RKB feet
Elevation of casing hd. flange 5474' feet			
Total depth 5057'	P.B.T.D. 5019'	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 4674' - 4905'		Rotary tools used (Interval) All	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) (Attached Herewith) Induction-Electric, Acoustic Velocity, Fracture-Finder Microseismogram			Date filed Herewith Attached

CASING RECORD

Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)						
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	12-1/4"	8-5/8"	24#	319'	165 sacks	---
Production	7-7/8"	5-1/2"	14#	5053'	200 + 200 sxs	---

TUBING RECORD

LINER RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
2-7/8 in.	4902 ft.	4871 ft.	---	---	---	---	---

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Amt. & kind of material used	Depth Interval
4	Jet	4899' - 4905'	2000 gals. 15% HCl	4899' - 4905'
4	Jet	4674-77', 4700-08', 4725-29', 4736-39', 4859-62' & 4871-76'	5000 gals. 15% HCl	4674-77', 4700-08', 4725-29', 4736-39', 4859-62', & 4871-76'

Date of first production
11/6/69

Producing method (Indicate if flowing, gas lift or pumping—if pumping, show size & type of pump):
Swabbing (testing)

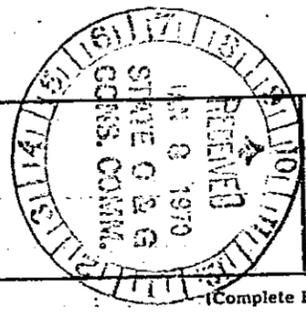
Date of test	Hrs. tested	Choke size	Oil prod. during test	Gas prod. during test	Water prod. during test	Oil gravity
12/8/69	24	Rod Pump	85 bbls.	537 MCF	366 bbls.	39° API (Corr)
Tubing pressure	Casing pressure	Cal'd rate of Production per 24 hrs.	Oil	Gas	Water	Gas-oil ratio
120	180		85 bbls.	537 MCF	366 bbls.	6318

Disposition of gas (state whether vented, used for fuel or sold):
Will be used for fuel and/or sold.

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

Date **1/6/70** Signature **D. E. Smink**

Permit No. **518**



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*
(Hermosa)	4548	4632	DST #1. Tool opened w/weak blow, incr. to good blow on IF. Tool opened w/weak blow on FF and decreased to dead in 120 min.
<u>TIMES</u>	<u>RECOVERY</u>	<u>PRESS.</u>	
30 min. IF	150' M w/	HP 2127/2127	Sampler: 5 psi surf. press. at 55° F.
30 min. ISI	tr. oil on	IFP 85/96	2100 cc M - no oil or gas. $R_m = 3.43$ at
180 min. FF	top.	SIP 764/987	55° F. BHT 106° F. $R_{mf} = 2.28$ at 60° F.
60 min. FSI		FFP 107/120	pH (MF) = 7.5. $R_{mc} = 4.80$ at 60° F.
(Hermosa)	4659	4767	DST #2. Opened tool for IF w/strong blow. Gas to surface in 15 min. Blow remained strong for 15 min. Shut tool in for 30 min. Opened tool for FF w/good blow, remaining good for 180 min. No liquid to surf.
<u>TIMES</u>	<u>RECOVERY</u>	<u>PRESS.</u>	
30 min. IF	420' fluid:	HP 2226-2200	Sampler: 100 psi at 60° F. 0.318 cfg.
30 min. ISI	180' HGCM	IF 133/186	1100 cc total fluid (oil-cut mud: 13.8% oil,
180 min. FF	120' HG &	FF 133/186	7.9#/gal.). GOR = 332 cf/bbl. Cl (MF) =
60 min. FSI	SOCM, &	SIP 1855/929	866 ppm. $R_m = 4.48$ at 88° F. $R_{mf} = TSTM$
	120' VHG&		BHT = 106° F.
	OCM (50%		
	oil, no wtr.)		
(Desert Creek)	4947	4963	DST #3. 30 min. Preflow opened w/immed. strong blow and remained strong thruout period; 30 min. ISI; 180 min. FF opened w/strong blow, gas reached surf in 41 min.
<u>TIMES</u>	<u>RECOVERY</u>	<u>PRESS.</u>	
30 min. IF	100' SOCMW	HP 2287/2274	Sampler: 350 psi at 65° F. Grav. 1.050°
30 min. ISI	(5 gal. oil	IFP 160/346	API at 65° F. 2000 cc wtr. $R_w = 0.110$ at
180 min. FF	on top), 100'	FFP 400/970	65° F. (36,500 ppm chloride). MW 8.8,
60 min. FSI	MCSW w/	SIP 1328/1329	Visc. 40.
	rainblow of		
	oil, and 1900'		
	SW - no shows		
(Akah)	5035	5057	DST #4: 30 min. Preflow opened w/immed. strong blow, gas to surf. in 9 min.; 30 min ISI; 3 hr. FF opened w/good immed. blow, decreased to fair blow at end of 3 hrs., 60 min. FSI.
<u>TIMES</u>	<u>RECOVERY</u>	<u>PRESS.</u>	
30 min. IF	2994' SW w/	HP 2340/2340	Sampler: 400 psi, 0.539 cfg, 2200 cc wtr.
30 min. ISI	slite rainbow	IFP 133/506	- no shows, $R_w = 0.149$ at 59° F., 24,240
180 min. FF	of oil	FFP 559/1302	ppm chloride.
60 min. FSI		SIP 1408/1409	

* 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.

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

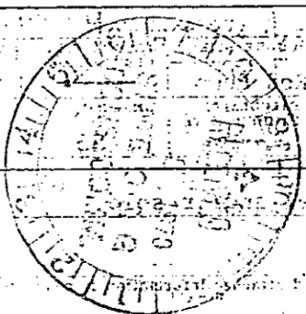
Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sticks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIRM TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES		38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	
			NAME	
			NEAR. DEPTH	
			TRUE VERT. DEPTH	
			surf.	5474'
			1569'	3815'
			2090'	3384'
			4060'	1414'
			4770'	704'
			4840'	634'
			4890'	584'
			5030'	44'
			5057'	417'
			Total Depth	

DST's #1-4: see attached



**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 not lease 10-20-803-227	Field East Boundary Butte	Reservoir Paradox
Survey or Sec-Twp-Rge Sec. 11 T41N, R20E	County Apache	State Arizona
Operator J. Gregory Merrion and Robert L. Bayless		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P.O. Box 507	City Farmington	State New Mexico 87401
Above named operator authorizes (name of transporter) Permian Corporation		
Transporter's street address P.O. Box 1183	City Houston	State Texas 77001
Field address Petroleum Plaza Building Farmington, New Mexico 87401 Oil, condensate, gas well gas, casinghead gas		
To transport 100 % of the Oil from said lease.		
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Merrion & Bayless	100	Casinghead Gas
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change of operator and change of gatherers.		

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 Co-Owner of the Merrion & Bayless (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 October 24, 1974
Date approved: 10-28-74
By: [Signature]
Permit No. 578

[Signature: Gregory Merrion]
Signature

RECEIVED

OCT 29 1974

O & G Commission

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease

File Two Copies

DESIGNATION OF OPERATOR

Nevajo Tribe Oil & Gas
Mining Lease Contract No.
14-20-603-227

The undersigned is the record holder of Lease:
(Number or name of lease and description of entire lease acreage) in Apache
County, Arizona: All of Sections 11, 12, 13 & 14, Township 41 North,
Range 28 East, G&SRM

and hereby designates

Name: J. Gregory Marion and Robert L. Bayless,

Address: 205 Petroleum Center Bldg,
Farmington, New Mexico

RECEIVED

SEP 30 1974

O & G CONS. COMM.

as his operator and local agent, with full authority to act in his be-
half 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)

Same as above (Entire lease acreage)

It is understood that this designation of operator does not re-
lieve 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 des-
ignated operator.

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

September 27, 1974
(Date)

Consolidated Oil & Gas, Inc. *RR*
J. Marion
Lessee Vice-President

(Date)

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.)

POTENTIAL TEST AND REQUEST FOR ALLOWABLE - OIL WELLS

DESIGNATE TYPE OF COMPLETION:

New Well Work-over Deepen Plug Back Same Reservoir Different Reservoir

Other Reason For Filing:

Consolidated Oil & Gas, Inc.

Operator

1860 Lincoln Street

Address

Denver, Colorado 80203

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or Lessor's Name if Fee Lease: Tribal 14-30-603-227 Well Name: Navajo #2-11 County: Apache

Footage Location: 520' FWL, 1950' FNL

Sec. Twp. Rge.: Sec. 11, T41N R28E

Date spudded: 10/11/69 Date completed, ready to produce: 11/19/69 Total depth: 5053' P.B.T.D.: 5015'
Field and reservoir: East Boundary Butte Top of pay: 4674 Producing interval: 4674 to 4905'

TEST DATA

Date of first production: 11/20/69 Date of test: 12/18/69 Length of test: 24 hrs. Producing method (flow pump, gas lift): Pump Amount of load oil injected if any: None

Number of barrels of oil produced from completion or recompletion date to test date: 1340 If well is produced by pumping, give pump size, length of stroke and strokes per minute: 2" x 74 x 16

Tubing pressure: 120# Casing pressure: 180# Choke size: None
*Actual production during test: 85 Oil (tbbls): 85 Water (tbbls): 366 Gas (MCF): 537

*Production must actually equal or exceed wells daily allowable or test must be for full 24 hours

Gas-oil ratio: 6,328 MCF/bbl. Oil gravity: 38.8 * A.P.I. corrected Name of transporter of oil: Permian

Number of acres attributed to this well: 80 Number of producing wells in this reservoir on this lease, including this well: 1 Single, dual or triple completion?: Single Daily allowable requested (tbbls): 85

Plat showing acreage attached—plat should show leases, offset wells, distance from this well to the nearest well on the same lease completed in or drilling to the same reservoir, and the boundaries of drilling and producing, or proration, units attributed to this well and other wells on the same lease completed in or drilling to the same reservoir, the number of acres in each unit and the number of acres in the lease.

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

December 30, 1969

Date

Signature R. L. Flowers, Jr.

Witnessed by: _____ Organization _____

Signature _____

Date _____

Permit No. 5

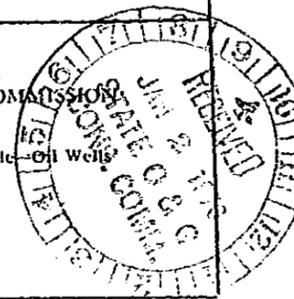
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STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Potential Test & Request for Allowable - Oil Wells

File One Copy

Form No. 6



December 1, 1969

The following wells have been delivered to the
Cut.

Union, #1-11 Navajo (M)
Sec. 11-36N-29E
Apache Co. Ariz. Permit # 519

Consolidated, #2-11 Navajo
Sec. 11-41N-28E
Apache Co. Ariz Permit # 518

Jo Ratcliff
Four Corners Sample Cut

518

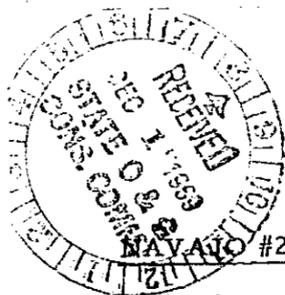
NAVAJO #2-11:

- 11/27/69 - Pumped 29 BO + 277 BW - 12 x 74" SPM
- 11/28/69 - Pumped 36 BO + 289 BW - 12 x 74" SPM
- 11/29/69: Pumped 19 BO + 224 BW. Down 7 hrs. to repair flowline.
- 11/30/69: Pumped 28 BO + 245 BW in 24 hrs. (14 x 74" spm).
- 12/1/69: No report.
- 12/2/69: Pumped 27 BO + 258 BW (14 x 74" spm), in 24 hrs. CP 200 psi, TP 120 psi.
- 12/3/69: 33 BO + 297 BW in 24 hrs. (14 x 74" spm). CP 140 psi, TP 100 psi, Separator = 40 psi.
- 12/4/69: 43 BO + 292 BW in 26 hrs. (14 x 74" spm). TP = 150 psi, CP = 160 psi, Flowline = 140 psi. Gas est. at 500 MCF/D. Final Report. Transferred to Production Department.



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NAVAYO #2-11:

11/17/69: 8:00 AM SITP 500 psi (14 hrs.), CP 1128 psi. Opened tubing, well died in 15 min. Rigged up swab.

TIME	OPERATION	BF	% OIL	TP	CP	CHOKES
9:30 - 11:00 am	Swabbing	60	show	--	1128	--
11:00 - 12:00 am	Flowing	26	10%	125	850	48/64"
12:00 - 2:30 pm	Flowing	63	10%	100	850	48/64"
2:30 - 3:00 pm	Swabbing	15	10%	--	925	--
3:00 - 4:00 pm	Flowing	27	5%	100	800	3/4"
4:00 - 5:00 pm	Swabbing & Flowing	24	5%	--	--	3/4"
5:00 - 5:30 pm	Flowing	10	5%	75	825	3/4"
Left well open on full choke						
5:30 - 9:30 pm	Flowing	3	(well dead)			

SI at 9:30 PM. At 7:30 AM - TP = 150 psi, CP 1100 psi. Opened well and tubing blew down. Started swabbing well.

11/18/69: Moved completion unit to Navajo #2-13, pulled rods and pump from that well. Moved completion unit back to Navajo #2-11 -- now running rods and pump. Will set 228-D pumping unit today.

11/19/69: Finished in hole w/rods and pump. (Ran 2-1/2" x 2" x 16' insert pump, 104 3/4" x 25' rods, 29 3/4" x 30' rods, 54 7/8" x 25' rods. Spaced out at 4862'.): Released unit at 3:00 PM. Now laying flowlines and assembling pumping unit.

11/20/69: Laying down flowlines and erecting pumping unit.

11/21/69: Installing flowlines.

11/22/69: Completed installation of flow line and separator. Will put well on pump today.

11/23/69: Put well on pump at 1:00 PM, 11/22/69. Pumped up at 3:00 PM. At 9:00 PM had filled flow line and heater (water). 9:00 PM - 9:00 AM (12-hr. gauge): 8 BO + 200 BW, 12 x 74" spm.

11/24/69: No gauge this AM.

11/25/69: Produced 48 BO + 300 BSW in 24 hrs. (on pump).

11/26/69: Produced 14 BO + 153 BW in est. 14 hrs. Having engine trouble - cause undetermined.

NAVAJO #2-11:

<u>11/14/69:</u>	<u>TIME</u>	<u>OPERATION</u>	<u>BF</u>	<u>% OIL</u>	<u>FTP</u>	<u>CHOKE</u>
	8 - 9	Flowing	3	80	90	3/4"
	9 - 10	Flowing	2	80	90	3/4"
	10 - 11	Flowing	2	80	90	3/4"
	11 - 11:30	Ran sinker bar to packer - no cups (found no bridge).				
	11:30 -					
	12:00	Flowing	1	90	70	3/4"
	12 - 1	Flowing	0.5	90	60	3/4"
	1 - 2	Ran swab to packer, got 100' fluid.				
	2 - 3	Flowing	0	0	55	3/4"

At 4:00 PM Gas = 440.8 MCF/D. This AM SITP (16 hrs.) = 500 psi.
Will kill well, unseat packer, pick up RBP, round trip, and swab well in for production.

11/15/69: Cut paraffin from 2-7/8" tubing, with knife and swabbed to remove from tubing. Opened by-pass and unseated Baker Model "R" packer. Picked up Baker RBP at 4840'. Well began flowing. Killed well with field salt water. Pulled tubing, packer, and RBP. Ran 2-7/8" J-55 tubing as follows:

mud anchor (bull plugged)
3' perforated nipple
pump seating nipple (cup type)

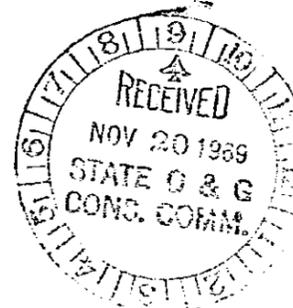
SD for night.

11/16/69: SITP = 900 psi. Bled well. Killed well w/110 bbls. lease salt water. Ran 12 jts. 2-7/8" J-55 tubing, 1 Baker anchor catcher, 101 jts. 2-7/8" J-55 tubing, and 52 jts. 2-7/8" J-55 tubing (plastic-coated). Total = 166 jts. set at 4941' KB. PSN at 4908', tubing anchor at 4548'. Swabbed well from 1:00 - 5:00 PM, recovered 120 bbls. water w/some gas. SI for night. SITP this AM = 500 psi. Opened well and bled down. Will swab well in today.

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NAVAJO #2-11:

11/12/69: 8:00 - 9:00 AM: 20 BF 15% oil FTP 100 psi 3/4" choke
 9:00 - 10:00 AM: 17 BF 15% oil FTP 100 psi 3/4" choke

Flowed to test tank until 12:00 Noon. Unseated packer, lowered and recovered RBP. Reset RBP at 4840'. Set packer at 4828'. Pressured on top of RBP to 750 psi - test OK. Swabbed tubing dry - held OK. Unseated packer and reset at 4653'. Swab tested perforations 4674-77', 4700-08', 4725-29' and 4736-39', as follows:

2:00 - 3:00 PM: Swabbed dry.
 3:00 - 3:30 PM: One run - recovered 100' wtr. w/tr. oil.
 3:30 - 4:00 PM: One run - recovered 100' wtr. w/tr. oil & gas.

Loaded casing and tested to 500 psi - held OK. Preparing to acidize this AM w/Dowell.

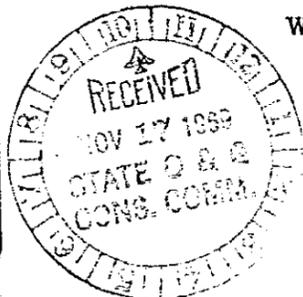
11/13/69: 16 hrs. SITP 200 psi. Bled off. Had 159' fillup. Recovered wtr. w/tr. of oil. Loaded tubing w/acid. Could not break down at 600 psi. Unseated packer and lowered to 4745'. Spotted acid across perforations and lost returns. Reset packer at 4653'. Acidized as follows:

1500 gals. 15% HCl, 750# mothballs in 9 bbls. lease oil.
 1500 gals. 15% HCl, 750# mothballs in 9 bbls. lease oil.
 1000 gals. 15% HCl, 500# mothballs in 7 bbls. lease oil.
 1000 gals. 15% HCl, 500# mothballs in 7 bbls. lease oil.

Displaced w/salt wtr., pump rate thruout treatment = 3 BPM. Pressure increased from 0 to 50 psi when first mothballs hit formation, 0 to 400 psi on 2nd slug, 0 to 600 psi on 3rd slug. ISI = 0 psi. Total load: 5000 gals. acid (119 bbls.), 25 BO, and 28 BSW. Found FL at 1800 w/swab. Recovered as follows:

(PM) 12:30 - 1:30:	45 BTF	SD 4500'	Tr. oil w/acid gas
1:30 - 2:30:	25 BTF	SD 4400'	5 to 50% oil
Well kicked off flowing:		(FTP psi)	(CHOKE)
2:30 - 3:30:	23 BTF	0	3/4" 5 to 40%
3:30 - 4:30:	23 BTF	150-200	3/4" 15 to 50%
4:30 - 5:30:	15 BTF	150	3/4" 50%
5:30 - 6:00:	7 BTF	150	3/4" 65%
6:00 - 7:00:	13 BTF	140	3/4" 65%
7:00 - 8:00:	80 BTF	100	40/64" 57% (34 BW)
{(PM) - (AM) = 13 hrs.			

Will check choke and tubing for possible plugging.



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NAVAJO #2-11:

	TF (bbls.)	OIL	FTP	CHOKE	REMARKS
11/8/69:					
7:30 - 8:30 AM	6.8	5%	180	1/2"	strong gas
8:30 - 10:00	8.3	5%	180	1/2"	strong gas
10:00 - 11:00	8.3	7%	180	1/2"	strong gas
11:00 - 12:00 Noon	8.3	5%	180	1/2"	strong gas
12:00 - 1:00 PM	8.3	5%	180	1/2"	10% mud
1:00 - 2:00	6.7	5%	180	1/2"	10% mud
2:00 - 3:00	8.3	5%	180	1/2"	10% mud
3:00 - 4:00	8.3	5%	180	1/2"	10% mud

Opened by-pass on packer and killed well. Pulled 100 jts. tubing, and shut down for night.

11/9/69: Shut-in pressure 0 psi. Finished out of hole. Rigged up Welex. Perforated 4674-77', 4700-08', 4725-29', 4736-39', 4859-62', 4871-76' (Acoustilog measurements) w/4 JSPF w/casing gun. Ran 2-7/8" tubing and Baker RBP and Model "R" packer. Set RBP at 4890', packer at 4883'. Pressured to 500 psi on tubing - test OK. Swabbed down - RBP leaking. Raised RBP to 4887', packer at 4880'. Pressure on RBP to 500 psi - test OK. Swabbed tubing, RBP leaking. Pulled out of hole and recovered RBP. Found faulty "O" ring and small piece of rubber on seat. Redressed and reran.

11/10/69: Set Baker RBP at 4890', Model "R" packer at 4883'. Pressure tested RBP to 650 psi., test OK. Swabbed tubing down for dry hole test, test OK -- RBP holding. Reset Model "R" packer at 4847'. Swab tested perforations 4859-62' and 4871-76'. Recovered 100 to 200 feet of salt water per hour, for 4 hours, with trace of oil and some gas. Treated perforations 4859-62' and 4871-76' with 2000 gals. 15% HCl acid. Treatment went on strong vacuum when acid was spotted. Tagged FL at 600'. 4:15 PM - 5:30 PM: Swabbed and flowed to pit est. 60 BF. Well died. SI overnight (have 16 bbls. load to recover).

11/11/69: 14 hr. SITP = 325 psi. Opened to pit. Flowed est. 20 BF w/acid and natural gas -- no show of oil. 8:30 - 9:30 AM: swabbed and flowed 30 BW w/tr. of oil.

	BF	% OIL	FTP	CHOKE
9:30 - 10:30 AM	28	5	50 psi	3/4"
10:30 - 11:30 AM	26	5	50 psi	3/4"
11:30 - 12:00 Noon	24	10	80 psi	3/4"
12:30 - 1:30 PM	20	10	100 psi	3/4"
1:30 - 2:30 PM	16	15	110 psi	3/4"
2:30 - 3:00 PM	10	15	110 psi	3/4"
4:00 - 4:00 PM	20	15	110 psi	3/4"
4:00 - 5:00 PM	20	15	110 psi	3/4"



Flowed to pit overnight (13 hrs.), producing at rate of 20 BFPH (15% oil), FTP 100 psi. Gas est. at 200 MCF/D. Turned to test tank at 8:00 AM. Oil est. at 72 BPD.

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NAVAJO #2-11:

10/28/69: Days 17. Depth 5057' (0' in 24 hrs.) 1 hr. circulating to log, 1-3/4 hrs. pulling out to log, 7-1/2 hrs. logging (Welex), 1-3/4 hrs. waiting on orders, 1-3/4 hrs. going to condition for running of 5-1/2" casing, 2 hrs. conditioning, 3-3/4 hrs. laying down drill pipe and collars, 1-1/2 hrs. rigging up to run 5-1/2" casing, 4-1/4 hrs. running 5-1/2" casing. From 2:30 AM to 7:00 AM, running 5-1/2" casing as follows: ran 149 jts. 5-1/2", 14#, J-55, Condition "A", landed at 5053' KB (3' off bottom). Also ran 1 Halliburton guide shoe, and 1 automatic fillup collar (1 jt. up). D. V. at 2595' KB (one basket below one jt.), FC at 5020'. Cemented 1st Stage w/200 sx 50-50 pozmix, 12-1/2% Gilsonite, 10# salt/sx. Bumped plug w/1000 psi at 8:05 AM, released pressure and float held. Dropped bomb at 8:10 AM, D. V. open. Started circulating at 8:10 AM. Present operation: circulating hole and waiting on 1st stage cement. Will commence pumping second stage at 12 Noon.

10/29/69: Circulated through D. V. collar from 8:10 AM to 1:45 PM. Started pumping 2nd Stage cement at 1:45 PM. 2nd Stage: cemented w/200 sx Halliburton lite. Plug down at 2:15 PM, 10/28/69. Bumped plug w/1000 psi -- held OK. Released pressure, float held. Good circulation throughout cementing operations. Released rig.

10/30/69: Waiting on completion rig.

10/31/69: Waiting on completion rig.

11/1/69: Waiting on completion rig.

11/2/69: Waiting on completion rig.

11/3/69: Moving in completion rig.

11/4/69: Moved in and rigged up completion unit. Will drill out DV collar and clean out to float collar today.

11/5/69: Nippled up BOP. Went in hole w/ 4-3/4" rock bit and casing scraper and 2-7/8" tubing. Drilled DV tool at 2592' (3 hrs.). Washed down to 5016'. Drilled 3' of hard cement from 5016 to 5019' (TDPB). Circulated hole clean and shut down for night.

11/6/69: Pulled tubing and bit. Rigged up Welex. Ran Gamma-Ray Neutron and Correlation logs. Perforated 4899-4905' w/4 JSPF w/casing jet gun. Ran 2-7/8" tubing w/Baker Model "R" packer. Packer set at 4871', tail-pipe at 4902'. Rigged up swab. Present operation (this AM): swabbing at 4000', no apparent fluid entry.

11/7/69: Swabbed well dry to 4871' at 9:00 AM. Swabbed well for 4 hrs., recovering 100 to 200' fluid per hour, oil cut increasing from 0 to 90%. Treated perms. 4899-4905' w/2000 gals. 15% HCl acid (well went on vacuum when acid was spotted). Ran swab. Found FL at 1000'. Made 3 pulls from 3000', well began flowing acid water and gas. At 4:30 PM, turned well to tank -- making heavy gas plus 25% oil and 75% acid water. 14-hour test: well flowed 115 BF, 95% water. FTP = 180 psi on 1/2" choke. Gas estimated at 1000 MCF/D. Will continue to test.



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NAVAJO #2-11:

10/24/69: Days 13. Depth 4888' (112' in 16 hrs.). MW 8.9, Visc. 42, WL 8.6, FC 2/32, ph 9. Drilling w/full returns. Bit #14 in at 4767' -- now drilling. DST #2: 4661-4769'. Open 30 min. - good blow, strong in 10 min., gas to surface in 16 min. (flamable), 100 Mcf. SI 30 min. Open 180 min. - weak, w/good blow in 3 min., strong in 5 min., continued strong to end. SI 60 min. Recovered 420' fluid: 180' HCGM, 120' HG&SOCM, and 120' VH&OCM, 50% oil -- no water. Pressures: HP 2226-2200, IF 133-186 and FF 133-186, SIP 1855-929. Sampler: 100 psi at 60° F. 0.318 ft.³ gas. 1100 cc total fluid (oil-cut mud, 13.8% oil, 7.9#/gal). GOR = 332 ft.³/bbl. Cl (MF) = 866 ppm. R_m = 4.48 at 88° F. R_{mf} = TSTM. BHT = 106° F.

10/25/69: Days 14. Depth 4963' (75' in 18-3/4 hrs.). Bit #14 in hole at 4767', out at 4930' (163' in 22-1/2 hrs.). Bit #15 in hole at 4930', out at 4963' (33' in 4-1/2 hrs.). Dev. 1-1/2° at 4890', 2° at 4953'. MW 8.8, Visc. 40, WL 8.7, FC 2/32, ph 8.5. Present operation -- running DST #3: 4947'-4963' (Desert Creek Zone). 30 min. Preflow - opened w/immediate strong blow and remained strong thruout period; 30 min. ISI; 1 hr. and 10 min. into FF at 8:00 AM this date - opened w/strong blow - gas reached surface in 41 min. Sampler: 350 psi. 2000 cc salt wtr. - no show. R_w 0.110 at 65° F. 36,500 ppm chloride.

10/26/69: Days 15. Depth 5033' (70' in 13-1/4 hrs.). MW 8.9, Visc. 43, WL 6.3, FC 2/32, ph 9. Finished out of hole with DST #3. Recovery: 100' SOCMW (5 gal. oil on top), 100' mud cut salt water with rainbow of oil, and 1900' salt water - no show. Total drill pipe recovery: 2100'.

Pressures:

IH	2287
PF	160/346 (30 min.)
FF	1328/1329
FF	400/970 (180 min.)

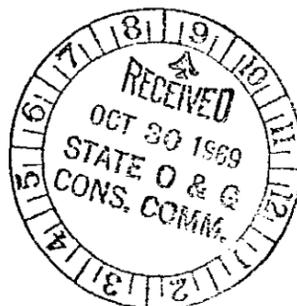
10/27/69: Days 16. Depth 5057' (24' in 3-1/4 hrs.). Bit #5 drilled 127' in 22-1/2 hrs. Dev. 2° at 5044'. MW 8.9, Visc. 40, WL 6.3, ph 9. (19-1/2 hrs. for DST #4). Present operation: conditioning in preparation to log.

DST #4: 5035-57'. 30 min. Preflow - immediate strong blow - gas to surface in 9 min.; 30 min. ISI; 3 hr. FF - opened w/good immediate blow, decreased to fair blow at end of 3 hrs.; 60 min. FSI. Recovery: 2994' salt wtr. w/ slite rainbow of oil.

Pressures:

HP	2340 - 2340
FP	133 - 506 (30 min.)
SIP	1408 - 1409
FP	559 - 1302 (60 min.)

Sampler: 400 psi, 0.539 cu.ft. gas, 2200 cc wtr. - no show, R_w = 0.149 at 59° F. 24,240 ppm chloride.



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CONSOLIDATED OIL & GAS, INC.

Page 2

NAVAJO #2-11:

- 10/18/69: Days 7. Depth 4126' (313' in 17-1/4 hrs.). Bit #7 drilled 276' in 12-3/4 hrs. Bit #8 drilled 232' in 15 hrs. -- now tripping. MW 9.2, Visc. 35, WL 10.5, FC 2/32, 3/4% sand, 9.5 ph. Dev. 1-1/2° at 3854', 2° at 4107'.
- 10/19/69: Days 8. Depth 4400' (274' in 17-1/2 hrs.). Dev. 1-1/2° at 4353'. Bit #8 (7-7/8") in at 4126', out at 4357' (231'). MW 9.1, Visc. 35, WL 12.5, FC 2/32, ph 10. Lost 75 bbls. mud at 4360'.
- 10/20/69: Days 9. Depth 4542' (142' in 17-3/4 hrs.). Bit #9 (7-7/8") in at 4357', out at 4512' (155"). MW 9.1, Visc. 38, WL 8.6, ph 8.5, 4% LCM. Lost 100 bbls. mud at 4406', and 75 bbls. at 4520'.
- 10/21/69: Days 10. Depth 4616' (74' in 9-3/4 hrs.). Bit #10 in at 4512', out at 4561' (49' and plugged). MW 8.8, Visc. 40, 30% LCM (lost 300 bbls. mud at 4561', 600 bbls. from 4561-4593'. Now drilling w/90% returns. (4629' w/full returns).
- 10/22/69: Days 11. Depth 4649' (33' in 4-3/4 hrs.). Bit #12 drilled 74' in 10-1/2 hrs.; Bit #13 on bottom drilling. Dev. 1-1/2° at 4609'. MW 8.9, Visc. 40, WL 10, tr. sd., ph 9.0, 20% LCM. Ran DST #1: 4548-4632' (Hermosa). Tool opened w/weak blow, increasing to good blow on IF. Tool opened w/weak blow on FF and decreased to dead in 120 min.

<u>TIMES:</u>	<u>RECOVERY:</u>	<u>PRESSURES:</u>	<u>SAMPLER:</u>
IF = 30 min.	150' mud w/trace of oil on top.	IH = 2127	5 psi surface press. at 55° F. 2100 cc mud -- no oil or gas. R _m = 3.43 at 55° F. BHT 106° F. R _{mf} = 2.28 at 60° F. pH (MF) = 7.5 R _{mc} = 4.80 at 60° F.
ISI = 30 min.		IF = 85/96	
FF = 180 min.		ISI = 764	
FSI = 60 min.		FF = 107/120 FSI = 987 FH = 2127	

- 10/23/69: Days 12. Depth 4767' (118' in 11-1/4 hrs.). Bit #13 in at 4632', out at 4767' (135' in 12-3/4 hrs.). Present operation: DST #2: final shut-in. DST #2: 4659-4767' (Hermosa). Opened tool for IF w/strong blow. Gas to surface in 15 min. Blow remained strong for 15 min. Shut tool in for 30 min. Opened tool for FF w/good blow, remaining good for 180 min. No liquid to surface. MW 8.9, Visc. 40, WL 10.4, FC 2/32, 15% LCM.



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Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751



Well: NAVAJO #2-11
SW NW Section 11, T41N-R28E
Apache County, Arizona

Elevation: 5474' Ungr. Gr.

Contractor: Loffland Bros. Co.

10/9/69: Building location.

10/10/69: Location finished. Moving in rotary tools.

10/11/69: Should spud this AM.

10/12/69: Days 1. Depth 323' (12-1/4" surface hole). Spudded at 7:00 PM, 10/11/69. Drilled 323' in 12 hrs. Present operation: running 8-5/8" 24# J-55 casing.

10/13/69: Depth this a.m. 687'. Drilled 687' of 7-7/8" hole in 7-1/2 hrs. Ran 319' 8-5/8" 24# J-55 casing set at 319' K. B. Cemented with 65 sacks Halliburton light & 100 sacks regular containing 1/4# flocele per sack, 2% CaCl. Plug down at 8:30 a.m. 10/12/69. Good circulation throughout cementing operations. W. O. C. 12 hrs. 1-1/2 hrs. nipping up. Drilled out from under surface at 10 p.m. 10/12/69. Deviations: 3/4° at 303', 3/4° at 614'. MW 8.8, Visc. 30. Present operation: Drilling ahead.

10/14/69: Days 3. Depth 2030' (1020' in 18-1/4 hrs.). 1° dev. at 1683'. Bit #1 in at 323', out at 1683' (total drilled: 1360'). MW 8.9, Visc. 32, WL 13.6, FC 2/32.

10/15/69: Days 4. Depth 2775' (745' in 19-3/4 hrs.). Bit #2 in at 1683', out at 2140' (457' in 10-3/4 hrs.). Dev. 1-1/4° at 2092', 2° at 2127', and 1° at 2526'. MW 8.9, Visc. 33, WL 11, FC 2/32, ph 8.4.

10/16/69: Days 5. Depth 3320' (545' in 18-1/2 hrs.). 1/2° dev. at 2775', 1/2° at 3197'. Bit #4 in at 2140', out at 2778' (638' in 15-1/2 hrs.). Bit #5 in at 2778', out at 3269' (409' in 14-1/2 hrs.). MW 8.9, Visc. 33, WL 14.

10/17/69: Days 6. Depth 3813' (493' in 24 hrs.). MW 9.0, Visc. 35, WL 11. 1-1/2° dev. at 3618'. Bit #6 in at 3269', out at 3618'.

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Driller's Log

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL DEEPEN PLUG BACK

b. TYPE OF WELL OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR Suite 1300 - 1860 Lincoln St., Denver, Colorado 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface SW NW Sec. 11, T41N-R28E 1950' FNL & 520' FWL
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
25 miles from Shiprock, New Mexico or Montezuma Ck., Utah

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 520

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,988

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5474' Ungr. Gr.

5. LEASE DESIGNATION AND SERIAL NO.
Tribal 14-20-603-227

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME
-

8. FARM OR LEASE NAME
East Boundary Butte

9. WELL NO.
2-11

10. FIELD AND POOL, OR WILDCAT
East Boundary Butte

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 11, T41N-R28E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

17. NO. OF ACRES ASSIGNED TO THIS WELL
80 (W/2 NW/4)

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
October 10, 1969

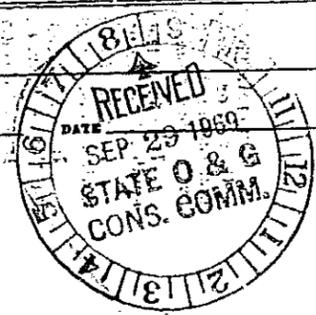
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	32#	300'	150 Sacks
7-7/8"	5-1/2"	14#	5,200'	600 Sacks

It is proposed to drill a 12-1/4-inch hole to approximately 300 feet, set and cement 8-5/8-inch surface casing at approximately 300 feet, and cement 8-5/8-inch casing to surface. It is further proposed to drill a 7-7/8-inch hole to approximately 5,200 feet, set 5-1/2-inch casing to approximately 5,200 feet, and cement with 600 sacks in two stages. A mud weighing approximately 9.0 lbs./gal. will be employed.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED D. E. Smink TITLE Petroleum Engineer DATE 9/25/69
D. E. Smink
(This space for Federal or State office use)
PERMIT NO. 518 APPROVAL DATE _____
APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:



APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL RE-ENTER OLD WELL

Consolidated Oil & Gas, Inc.
NAME OF COMPANY OR OPERATOR

Suite 1300 - 1860 Lincoln St., Denver, Colorado 80203.
Address City State

Loffland Bros. Co.
Drilling Contractor

Farmington, New Mexico
Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor <u>Navajo 8 (Tribal No. 14-20-603-227)</u>	Well number <u>2-11</u>	Elevation (ground) <u>5474</u>
--	----------------------------	-----------------------------------

Nearest distance from proposed location to property or lease line: <u>520</u> feet	Distance from proposed location to nearest drilling completed or applied-for well on the same lease: <u>1,988</u> feet
---	---

Number of acres in lease: <u>2,560</u>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <u>2</u>
---	--

If lease, purchased with one or more wells drilled, from whom purchased:
Shell Oil Co. Name Los Angeles, California Address

Well location (give footage from section lines) <u>1950' FNL & 520' FWL</u>	Section—township—range or block and survey <u>Sec. 11, T41N-R28E</u>	Dedication (Comply with Rule 105) <u>W/2 NW/4</u>
--	---	--

Field and reservoir (If wildcat, so state) <u>East Boundary Butte - Hermosa</u>	County <u>Apache</u>
--	-------------------------

Distance, in miles, and direction from nearest town or post office:
25 miles from Shiprock, New Mexico or Montezuma Creek, Utah

Proposed depth: <u>5,200'</u>	Rotary or cable tools <u>Rotary</u>	Approx. date work will start <u>October 10, 1969</u>
----------------------------------	--	---

Bond Status <u>Performance</u>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/> Check No. <u>05588</u>
-----------------------------------	--	--

Remarks:
It is proposed to drill to a total depth of approximately 5,200' to test the Desert Creek and Akah Formations. A mud weighing approximately 9.2 lbs. / gal. will be employed.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am ^a Petroleum Engineer of the Consolidated Oil & Gas, Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

D. E. Smink
Signature D. E. Smink

9/25/69
Date

Permit Number: 518
Approval Date: 9-29-69
Approved By: John Bannister

Notice: Before using 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 Well
File Two Copies

RECEIVED
SEP 29 1969
STATE O & G
CONS. COMM.

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

Owner	Land Description
<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; margin: 0;">R28E</p> <p style="text-align: center; margin: 0;">T41N</p> </div>	<p style="text-align: center; margin: 0;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: right; margin: 0;"><i>D. E. Smink</i></p> <p>Name D. E. Smink</p> <p>Position Petroleum Engineer</p> <p>Company Consolidated Oil & Gas, Inc.</p> <p>Date September 25, 1969</p> <p style="margin-top: 20px;">T41N</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed _____</p> <p>Registered Professional Engineer and/or Land Surveyor _____</p> <p>Certificate No. _____</p>

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
8-5/8"	24#	J-55	Gr.	300'	300	150
5-1/2"	14#	J-55	Gr.	5,200'	5,200' & 3,600'	600

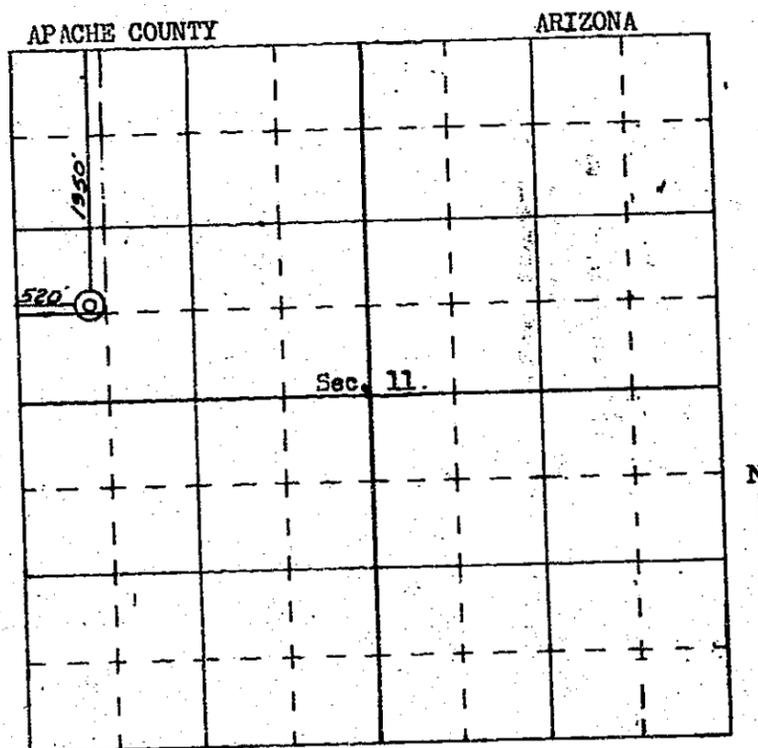
COMPANY CONSOLIDATED OIL & GAS, INC.

LEASE Navajo WELL NO. 2-11

SEC. 11 T. 41 NORTH R. 28 EAST, G. & S.R.M.

LOCATION 1950 feet from the North line and
520 feet from the West line

ELEVATION 5474.0



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 SUPERVISION 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 September 17, 1969

518





PERMIT TO DRILL

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

To: Consolidated Oil and Gas, Inc.
(OPERATOR)

to drill a well to be known as

Consolidated Oil and Gas #2-11 Navajo (227)
(WELL NAME)

located 1950' FNL - 520' FWL

Section 11 Township 41N Range 28E, Apache County, Arizona.

The W/2 NW/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 29th day of September, 1969.

OIL AND GAS CONSERVATION COMMISSION

By John Rannister
EXECUTIVE SECRETARY

PERMIT **Nº 518**

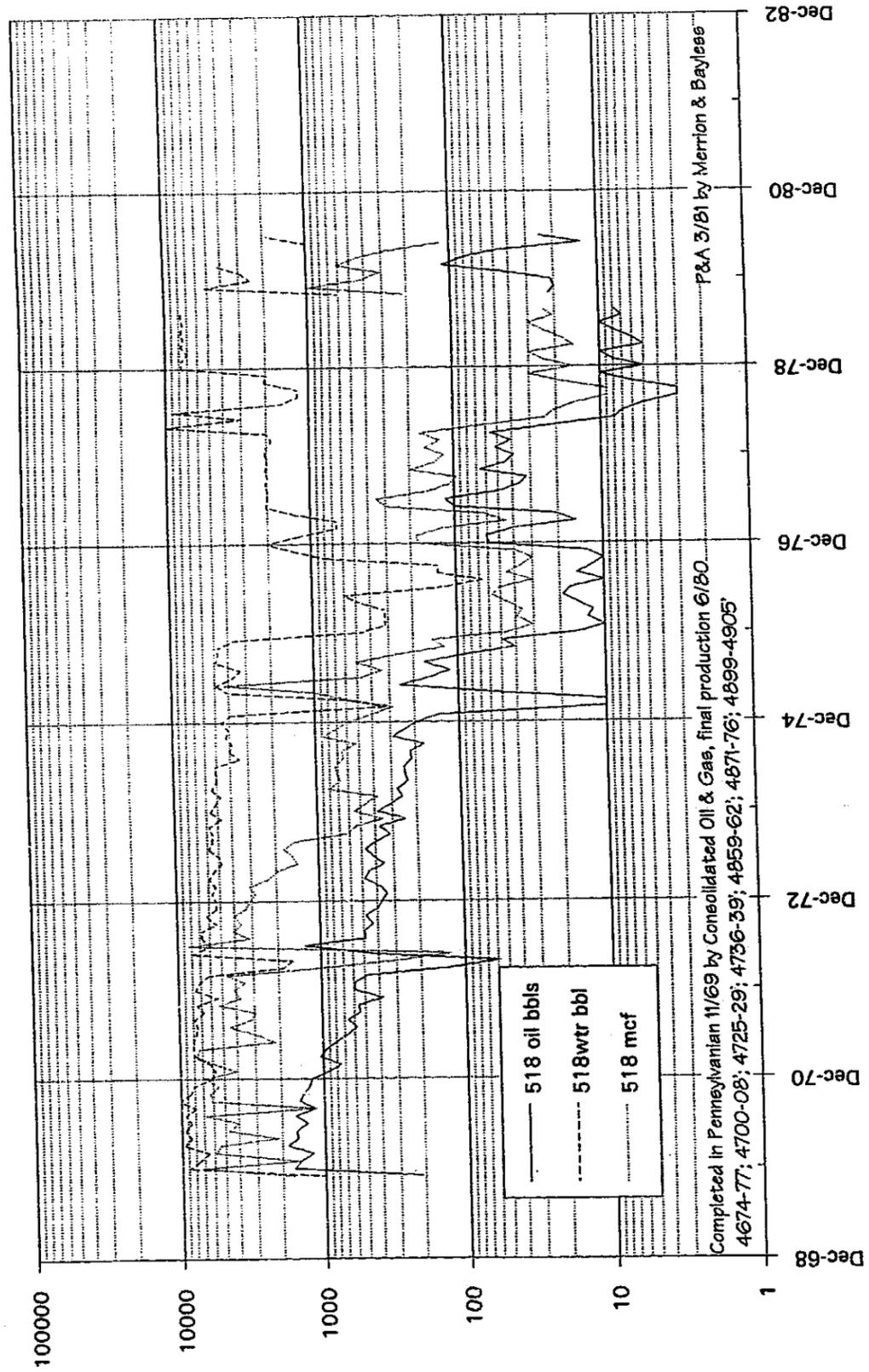
RECEIPT NO. 9600
API No. 02-001-20117

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

Samples are required

MONTHLY PRODUCTION AT 2-11 NAVAJO (518), ARIZONA: NOV 1969 -JUN 1980
 sw nw 11-4 1n-28e, East Boundary Butte Field, Apache County



MERRION OIL & GAS CORPORATION
P. O. BOX 1017 • FARMINGTON, NEW MEXICO 87401 • PHONE 505-325-5093

D4

MESSAGE

REPLY

TO Oil & Gas Conservation Commission
1645 W. Jefferson St., Suite 420
Phoenix, Arizona 85007
DATE September 10, 1982

DATE

RECEIVED

SEP 13 1982

O & G CONS. COMM.

Enclosed please find a Rider to be attached to Bond No. 01-0130-00972-74-1.

→ in active bond file ←

BY *Blanda Strang*
Form N4073 © The Drawing Board, Inc., Box 505, Dallas, Texas 75221

SIGNED

1. KEEP YELLOW COPY. 2. SEND WHITE AND PINK COPIES INTACT.

INSTRUCTIONS TO RECEIVER:
1. WRITE REPLY. 2. DETACH STUB, KEEP PINK COPY, RETURN WHITE COPY TO SENDER.



UNITED STATES FIDELITY AND GUARANTY COMPANY

ALBUQUERQUE BRANCH OFFICE
PETER DIGANGI, JR., CPCU, MANAGER
SAN PEDRO PARK - SUITE 102
2201 SAN PEDRO DR., N.E.
ALBUQUERQUE, NEW MEXICO 87110
TELEPHONE: 505/265-7834

February 17, 1976

JAMES A. LYONS
SUPT. OF CLAIMS

State of Arizona
Oil & Gas Conservation Commission
8686 North Central, Suite 106
Phoenix, AZ 85020

Attn: Mr. W. E. Allen, Director

Re: Robert L. Bayless & J. Gregory Merrion
\$25,000 Blank Performance Bond #01-0130-972-74

Dear Mr. Allen:

This is to state that we agree to assume bonding responsibilities for all wells that the above principals operate in the State of Arizona.

This letter is to clarify the original bond which indicated "any and all oil or gas wells drilled within the State of Arizona".

Regards,

Peter Jordan
Peter Jordan, Supt.
Fidelity-Surety Dept.

PJ/pr

cc: Woods Insurance Service
Farmington, NM
Attn: Herb Dickinson

RECEIVED
FEB 19 1976
O & G CONS. COMM.

February 5, 1976

Mr. J. Gregory Merrion
Merrion & Bayless
P. O. Box 1541
Petroleum Club Plaza
Farmington, NM 87401

RE: U. S. Fidelity & Guaranty Company
Surety Bond #01-0130-972-74

Dear Greg:

Back on October 23, 1974, you requested your surety, USF&G, to notify you of their acceptance of the wells that you had recently taken over from Consolidated Oil & Gas. A check of our files indicates that USF&G never responded to your request.

We have received a request for cancellation of a bond that technically still covers some wells that you as operator have also covered under the above referenced bond. Before, we can comply with the request for the release of this bond, we must have a written statement from USF&G assuming bonding responsibilities of these wells.

Will you please have USF&G write this Commission agreeing to assume bonding responsibilities for all the wells that you operate in this state. The reason that this acknowledgement from USF&G is necessary is because this blanket bond states, "any and all oil and gas wells drilled within the state of Arizona". Our opinion is that legally USF&G could claim that only wells actually drilled by you were covered under Bond #01-0130-972-74.

We will appreciate your cooperation in this matter.

Sincerely,

W. E. Allen, Director
Enforcement Section

WEA/sl



Woods Insurance Service

115 EAST MAIN

325-4541

FARMINGTON, NEW MEXICO 87401

H. G. DICKINSON

GORDON G. WOODS

November 12, 1974

Oil and Gas Conservation Commission
State of Arizona
4514 North 7th Ave.
Phoenix, Arizona 85013

Re: Bayless and Merrion
Bond No. 01-0130-972-74
Blanket Bond

Attention: Mr. W. E. Allen, Director
Enforcement Section

Dear Mr. Allen:

I am in receipt of your letter of November 7th wherein you acknowledge having received the \$25,000 Blanket Bond for Merrion and Bayless. This agency as agents for United States Fidelity and Guaranty Company, executed that bond. We have lost our copy of the bond.

Will you please send us a copy of the bond which you have. We have enclosed a self-addressed envelope for your convenience in sending this to us.

Thank you very much.

Sincerely yours,

WOODS INSURANCE SERVICE


Gordon G. Woods

GCW:c
encl.

RECEIVED

NOV 14 1974

O & G CONS. COMM.



Sent copy of bond 11-15-74



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

November 7, 1974

Mr. Gordon Woods
Woods Insurance Company
115 East Main Street
Farmington, New Mexico 87401

Dear Mr. Woods:

Merrion & Bayless have furnished this Commission with a blanket bond, No. 010130-972-74 in the amount of \$25,000 which covers their oil and gas operations within the State of Arizona. Mr. Merrion has requested that this Commission authorize the cancellation of the four \$5,000 single well bonds that had previously covered their operations within the state.

This letter is your authority to cancel the above mentioned single well bonds, copies of which are enclosed.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

cc Merrion & Bayless

Encs.

OFF. 325-0181
REG. 327-9094

J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 507
FARMINGTON, NEW MEXICO 87401

October 31, 1974

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

ATTENTION: Mr. W. E. Allen
Director

Re: Blanket Arizona Bond

Dear Bill:

Enclosed please find original and one copy of a statewide bond covering all of our wells in Arizona.

We would appreciate your advising USF&G through their agent, Woods Insurance Company, 115 East Main Street, Farmington, New Mexico, of the release of our existing one well bonds.

Yours very truly,

MERRION & BAYLESS

By 
J. GREGORY MERRION

JGM/su

Enclosures: Statewide Bond - 2

RECEIVED

NOV 2 1974

O & G CONS. COMM.

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840
FARMINGTON, NEW MEXICO 87499

RECEIVED PH. 505-327-9801

NOV 24 1986

O & G CONS. COMM.

November 20, 1986

Arizona Oil & Gas Conservation Commission
3110 N. 19th Avenue, Suite 190
Phoenix, Arizona 85007

Attention: Rudy Ybarra

Re: Well Status
East Boundary Butte
Apache Co., Arizona

Dear Mr. Ybarra:

Enclosed please find the "Notice of Intent to" and "Subsequent Report of" sundry notices for the plugging and abandonment of the Navajo 23-11 and the Navajo 2-11. Both wells are located in Section 11, T41N, R28E in Apache Co., Arizona.

The following is a list of the status of the wells which Merrion Oil and Gas operates in the East Boundary Butte Field, Apache Co., Arizona:

LEASE	WELL NAME	STATUS
14-20-603-226	Navajo No. 2 ^{DN} 22	SI Gas Well
	Navajo No. 2-13 451	P & A
	Navajo No. 3-3 514	SI
	Navajo No. 3-11 422	SI
14-20-603-227	Navajo No. 2-11 518	P & A
	Navajo No. 23-11 67	P & A
14-20-603-412	Navajo No. E-1 578	P & A
14-20-603-413	Navajo No. 1 28	Pumping Oil Well
	Navajo No. 3 512	Salt Water Disposal

also 2 Navajo E

If you need any additional information, please advise.

Respectfully yours,

MERRION OIL & GAS CORPORATION

T. Gregory Merrion

T. Gregory Merrion, Production Engineer

TGM/am

Enc.

ORGANIZATION REPORT

RECEIVED

JAN 17 1980

Full Name of the Company, Organization, or Individual

J. Gregory Merrion and Robert L. Bayless

Post Office Address (Box or Street Address)

P.O. Box 1541, Farmington, NM 87401

O & G CONS. COMM.

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Co-Venturers

Purpose of Organization (State type of business in which engaged)

Independent Oil and Gas Producers

If a reorganization, give name and address of previous organization.

n/a

If a foreign corporation, give (1) State where incorporated

(2) Name and post office address of state agent

(3) Date of permit to do business in state

Principal Officers or Partners (if partnership) NAME	TITLE	POST OFFICE ADDRESS
J. Gregory Merrion	Co-Venturer	P.O. Box 507, Farmington, NM 87401
Robert L. Bayless	Co-Venturer	P.O. Box 1541, Farmington, NM "

DIRECTORS NAME	POST OFFICE ADDRESS

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Co-Venturer of the J. Gregory Merrion & Robert L. Bayless (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]
Signature

January 17, 1980
Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Organization Report
File One Copy
Form No. 1

518

February 3, 1978

Mr. Robert R. Rosnik
Consolidated Oil and Gas, Inc.
1860 Lincoln Street
Denver, Colorado 80295

Re: Blanket Performance Bond USP&G 31380-13-99-68

Dear Mr. Rosnik:

Consolidated Oil and Gas, Inc., has complied with all the rules and regulations of the Arizona Oil and Gas Conservation Commission. Therefore, I am authorized to release Consolidated Oil and Gas, Inc., from all responsibilities under this bond.

USP&G is being notified by the Oil and Gas Conservation Commission, by copy of this letter, of the release of the bond.

Very truly yours,

W. E. Allen
Director
Enforcement Section

WEA/vb

cc - USP&G

We do not have the address of the issuing office of the referred bond, therefore we are asking you to forward USP&G's copy of this letter to the correct office.

518



LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80265
(303) 861-5252

Consolidated Oil & Gas, Inc.

RECEIVED
FEB 2 1978
D & G CONS. COMM.

January 24, 1978

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

Re: Blanket Performance Bond
USF&G 31380-13-99-68

Gentlemen:

Enclosed are the following:

Copy of (a) letter of CT Corporation System dated September 29, 1977 attesting to Consolidated Oil & Gas, Inc. withdrawal from doing business in the State of Arizona, (b) Affidavit of Publication, and (c) above numbered bond.

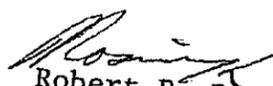
Consolidated has either sold or plugged and abandoned all oil and gas wells previously operated by it in Arizona and disposed of any other property it may have owned located in Arizona.

Would you please send me your letter of approval of cancellation of the above bond so I may furnish it to USF&G and have Consolidated relieved of future premiums under this bond.

Thank you for your assistance in this matter at your earliest convenience.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.


Robert R. Rosnik

RRR:jks
Enclosures
cc: Bernard & Nungesser



Consolidated Oil & Gas, Inc.

RECEIVED
FEB 2 1978
O & G CONS. COMM.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80295
(303) 861-5232

January 24, 1978

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

Re: Blanket Performance Bond
USF&G 31380-13-99-68

Gentlemen:

Enclosed are the following:

Copy of (a) letter of CT Corporation System dated September 29, 1977 attesting to Consolidated Oil & Gas, Inc. withdrawal from doing business in the State of Arizona, (b) Affidavit of Publication, and (c) above numbered bond.

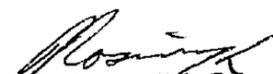
Consolidated has either sold or plugged and abandoned all oil and gas wells previously operated by it in Arizona and disposed of any other property it may have owned located in Arizona.

Would you please send me your letter of approval of cancellation of the above bond so I may furnish it to USF&G and have Consolidated relieved of future premiums under this bond.

Thank you for your assistance in this matter at your earliest convenience.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.


Robert R. Rosnik

RRR:jks
Enclosures
cc: Bernard & Nungesser

C T CORPORATION SYSTEM



Associated with The Corporation Trust Company
1700 BROADWAY, DENVER, COLORADO 80290 • (303) 825-8148

OUR PHONE NUMBER IS BEING CHANGED
As of October 22, 1977,
you can reach us at
303-839-1705

FEB 2 1978

September 29, 1977 D & G CONS. COMM.

Mr. Robert R. Rosnik
Attorney, Legal Department
Consolidated Oil & Gas, Inc.
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado

RE: CONSOLIDATED OIL & GAS, INC. (Colorado Domestic)

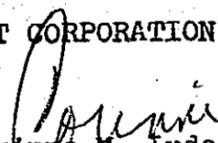
Dear Mr. Rosnik:

Tax clearance having been issued, subject company was formally withdrawn from Arizona as of September 22, 1977. As evidence, we enclose copy of Application for Withdrawal endorsed by the Arizona Corporation Commission. Publication of withdrawal has been completed and we enclose copy of Affidavit of Publication and receipted publisher's bill in the amount of \$14.70. The original Affidavit has been presented to the Arizona Corporation Commission.

For your information, in connection with the filing of the 11/30/76 Annual Report sent to us with your letter of June 30, it was necessary for us to advance \$24.00 penalty, in addition to the \$30.00 filing fee, which amounts will appear on our final accounting.

Yours very truly,

C T CORPORATION SYSTEM


Corinne M. Lude
Service Representative

CML/kmb

Encl.

RECEIVED

FEB 2 1978

D & G CONS. COMM.

The Arizona Legislative Review

P. O. BOX 2260
PHOENIX, ARIZONA 85002

Established 1900 as
El Mensajero

A weekly newspaper of
state government affairs

Affidavit of Publication

STATE OF ARIZONA)
County of Maricopa) ss.

LARRY E. AUGSBURGER, being duly sworn deposes and says:
I am the Editor of THE ARIZONA LEGISLATIVE
REVIEW, a weekly newspaper of general circulation published at Phoenix, Maricopa
County, Arizona that the

Application for Withdrawal of
CONSOLIDATED OIL & GAS, INC.

was published in said newspaper once a week for three successive and/or
consecutive weeks, with publication dates as follows:

July 20, 27 and August 3, 1977

Larry E. Augsburg
Subscribed and sworn to before me this 3rd day of August, 1977

Dorothy M. Thomas

My Commission expires: My Commission Expires July 19, 1978

PERFORMANCE BOND

RECEIVED
FEB 2 1978

KNOW ALL MEN BY THESE PRESENTS

D & G CONS. COMM.

Bond Serial No. 31380-13-99-68

That we: CONSOLIDATED OIL & GAS, INC.

City and of the/County of Denver in the State of Colorado

as principal, and UNITED STATES FIDELITY AND GUARANTY COMPANY,

of Baltimore, Maryland

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of \$25,000.00 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 are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

All Lands

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

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the 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 and Gas Conservation Commission all notices and records required by said Commission, then 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, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

- 1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 19th day of January, 19 68

CONSOLIDATED OIL & GAS, INC.

By [Signature] Principal President

Table with Lease and Legal checkboxes, the Legal checkbox is checked.

WITNESS our hands and seals this 19th day of January, 19 68

UNITED STATES FIDELITY AND GUARANTY COMPANY

By: [Signature] Surety Tom N. Bernard, Atty.-in-Fact

(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 2-13-68 STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION By: [Signature]

Form No. 2 OIL & GAS CONSERVATION COMMISSION STATE OF ARIZONA Bond 1968

Permit No.

Operator Consolidated Oil & Gas, Inc.

Bond Company U.S.F. & G. Amount 25,000

Bond No. 31380-13-99-68 Date Approved 2-13-68

Permits covered by this bond:

- 22
- 69
- 481
- 488
- 490
- 514
- 524
- 528
- 37
- 518
- _____
- _____
- _____
- _____
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- _____
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CANCELLED
DATE 2-2-79 *WJL*

SEE FILE 518
FOR CANCELED
BOND

CANCELLED

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 31380-13-99-68

That we: CONSOLIDATED OIL & GAS, INC.

City and Denver in the State of Colorado

as principal, and UNITED STATES FIDELITY AND GUARANTY COMPANY,

of Baltimore, Maryland

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of \$25,000.00 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 are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

All Lands

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

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the 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 and Gas Conservation Commission all notices and records required by said Commission, then 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, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

- 1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 19th day of January, 19 68.

CONSOLIDATED OIL & GAS, INC.

By [Signature] Principal President

Table with columns for Lease and Legal, with a checkmark in the Legal column.

WITNESS our hands and seals this 20th day of January, 19 68

CANCELLED stamp

UNITED STATES FIDELITY AND GUARANTY COMPANY

By: [Signature] Surety Tom N. Bernard, Atty.-in-Fact

DATE 2-2-78 well

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 2-13-68 STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION By: John Kinnister

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Form No. 2



(CERTIFIED COPY)

GENERAL POWER OF ATTORNEY

No. 61980

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint Tom N. Bernard

of the City of New Orleans, State of Louisiana, its true and lawful attorney in and for the State of Louisiana

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

Tom N. Bernard

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this 24th day of October, A. D. 19 47

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(SEAL) (Signed) Charles C. Conlon Vice-President. (Signed) G. P. Moore Assistant Secretary.

STATE OF MARYLAND BALTIMORE CITY, ss:

On this 24th day of October, A. D. 19 47, before me personally came Charles C. Conlon, Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and G. P. Moore, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said that they resided in the City of Baltimore, Maryland; that they, the said Charles C. Conlon and G. P. Moore were respectively the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company. My commission expires the first Monday in May, A. D. 19 49

(Seal) (Signed) Dorothy S. Drexel Notary Public.

STATE OF MARYLAND, BALTIMORE CITY, } Sect.

I, M. Luther Pittman, Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that Dorothy S. Drexel, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgments, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

In Testimony Whereof, I hereto set my hand and affix the seal of the Superior Court of Baltimore City, the same being a Court of Record, this 24th day of October, A. D. 19 47

(SEAL) (Signed) M. Luther Pittman Clerk of the Superior Court of Baltimore City.

COPY OF RESOLUTION

That Whereas, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces of the Dominion of Canada and in the Colony of Newfoundland.

Therefore, be it Resolved, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

Also, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may be by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces of the Dominion of Canada or of the Colony of Newfoundland, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

I, H. G. Sachse, an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to **Tom N. Bernard**

of **New Orleans, Louisiana**, authorizing and empowering **him** to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 11th day of July, 1910, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

In Testimony Whereof, I have hereto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on **January 19, 1968**
(Date)

H. G. Sachse
Assistant Secretary.



Consolidated Oil & Gas, Inc.

Executive Offices

4150 EAST MEXICO AVENUE
DENVER, COLORADO 80222
PHONE: 757-5441

February 5, 1968

State of Arizona
Oil & Gas Conservation Commission
Phoenix, Arizona

Re: Bond No. 31380-13-99-68

Gentlemen:

We enclose for your filing and approval a \$25,000 Performance Bond covering this company's interest in State of Arizona lands. Please advise us what fee there will be for this service.

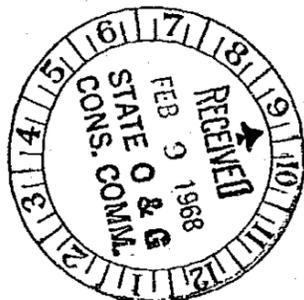
Very truly yours,

CONSOLIDATED OIL & GAS, INC.

Robert R. Rosnik
Robert R. Rosnik

da

Enclosures



February 5, 1976

Mr. J. Gregory Merrion
Merrion & Bayless
P. O. Box 1541
Petroleum Club Plaza
Farmington, NM 87401

RE: U. S. Fidelity & Guaranty Company
Surety Bond #01-0130-972-74

Dear Greg:

Back on October 23, 1974, you requested your surety, USF&G, to notify you of their acceptance of the wells that you had recently taken over from Consolidated Oil & Gas. A check of our files indicates that USF&G never responded to your request.

We have received a request for cancellation of a bond that technically still covers some wells that you as operator have also covered under the above referenced bond. Before, we can comply with the request for the release of this bond, we must have a written statement from USF&G assuming bonding responsibilities of these wells.

Will you please have USF&G write this Commission agreeing to assume bonding responsibilities for all the wells that you operate in this state. The reason that this acknowledgement from USF&G is necessary is because this blanket bond states, "any and all oil and gas wells drilled within the state of Arizona". Our opinion is that legally USF&G could claim that only wells actually drilled by you were covered under Bond #01-0130-972-74.

We will appreciate your cooperation in this matter.

Sincerely,

W. E. Allen, Director
Enforcement Section

WEA/sl

578



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

February 7, 1975

Mr. Robert L. Bayless
Petroleum Club Plaza Building
P. O. Box 1541
Farmington, New Mexico 87401

Re: East Boundary Butte Commingling

We fully concur with Mr. G. R. Daniel's letter of December 26, granting permission to commingle at the surface of production in the ~~Dineh-bi-Keyah~~ ^{East Boundary Butte} Field. As you have mentioned, it will be necessary to meter the produced gas at each well and monthly production tests will be adequate to determine the oil production from each lease.

You mentioned that your plans are to convert the Consolidated No. 3-11 well, Permit No. 490, into a water disposal well. It will be necessary that you receive permission from this Commission prior to this conversion.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

518

Robert L. Bayless
PETROLEUM CLUB PLAZA BUILDING
P. O. BOX 1541
FARMINGTON, NEW MEXICO 87401

February 4, 1975

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

ATTENTION: Mr. W. E. Allen
Director

Re: East Boundary Butte Commingling

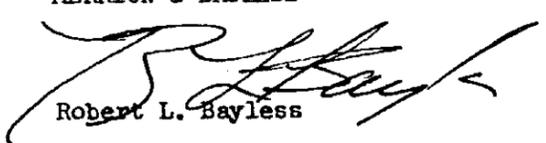
Dear Bill:

Enclosed please find a copy of our letter of October 21, 1974 requesting approval from the United States Geological Survey to commingle production from four Navajo leases and the reasoning behind the request. Also enclosed is a copy of the United States Geological Survey reply approving this request subject to approval by your Commission.

Please consider this a request to commingle the oil and gas produced as set forth in the letter of October 21, 1974.

Yours truly,

MERRION & BAYLESS


Robert L. Bayless

RLB/su

Enclosures: Letter to U.S.G.S. dated October 21, 1974
Letter from U.S.G.S. dated December 26, 1974

518

RECEIVED

FEB 04 1975

O & G CON. COMM.

October 21, 1974

United States Geological Survey
P.O. Box 959
Farmington, New Mexico 87401

ATTENTION: Mr. Phil McGrath

Re: Request for Permission to Co-
mingle Production from Four
Navajo Leases, East Boundary
Butte Field, Apache County, Arizona.

Gentlemen:

We have heretofore operated the Navajo (14-20-603-413) and Navajo E (14-20-603-412) leases in Apache County, Arizona with production going to parallel tank batteries at a location in the SW/4 of the NE/4 Section 10, T41N, R28E.

We have recently acquired the Consolidated Oil & Gas properties on Navajo leases 14-20-603-226 and 14-20-603-227.

With five wells currently producible, there is a necessity for four tank batteries; each with a great amount of equipment.

Operating costs in this field have been extremely high due to:

1. The necessity to lift large quantities of water to produce either gas or oil.
2. Water disposal expense.
3. Scale and corrosion of flow lines and heater treaters.
4. High gathering and compression costs of natural gas produced.

The continued production from the field depends upon streamlining the operation and getting a better price for the gas. We have negotiated a better gas price and provided we can get FPC approval, we would like to re-vamp the flow line, compressor and tank battery facilities as per the attached plat.

RECEIVED

FEB 19 1975

O & G CONS. COMM.

518

United States Geological Survey
October 21, 1974
Page 2

Under this plan we can utilize existing flow lines to the maximum extent, and by adding a small amount of additional flow line, we can separately gather gas and fluid in separate lines. Hopefully, we can back pressure against the wells, eliminate flow line turbulence thus reducing scale and paraffin problems and increase compressor suction pressure thus reducing horsepower requirements.

The new tank battery will be located in the NE/4 of the SW/4 of Section 3 (near the old Consolidated 3-11 well, which will be converted to disposal). A new compressor site will be erected in the SW/4 of Section 2 replacing the two existing sites.

Oil-gas separators will be installed at each well and gas will be metered before commingling. Oil will be accounted for by monthly tests of each well.

We would appreciate your consideration and approval of this plan.

Yours very truly,

MERRION & BAYLESS

By _____
J. GREGORY MERRION

JGM/su

Enclosure

578



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

December 26, 1974

Mr. J. Gregory Merrion
P. O. Box 507
Farmington, New Mexico 87401

*Approval to
Comingle EBB*

Dear Mr. Merrion:

Your letter of October 21, 1974 requests approval to commingle production on leases 14-20-603-412, -413, -226, and -227 located in secs. 1, 2, 3, 4, 10, 11, 12, 13, 14, 15 and 16, T. 41 N., R. 28 E., East Boundary Butte field, Apache County, Arizona.

As set forth in your request, the expense of operating the field does not justify the duplication of equipment and its maintenance. One tank battery would be located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 3, T. 41 N., R. 28 E., and one compressor set in the SW $\frac{1}{4}$ sec. 2. One oil-gas separator would be set at each well where gas would be metered separately and oil volumes would be allocated back to each well based on monthly tests of each well. The working interest and royalty interest on the four leases are identical.

The method of commingling production is hereby approved subject to like approval by the Arizona Oil and Gas Commission. Any change in this system must receive prior approval from this office. Form 9-361-A, "Lessee's Monthly Report of Sales and Royalty", must show all computations used in oil production allocated to each well.

You are requested to notify the Farmington office when the installation has been completed so that a field inspection can be made.

Sincerely yours,

G. R. DANIELS
Acting Area Oil and Gas Supervisor

518



OFFICE OF

Oil and Gas Conservation Commission

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

October 28, 1974

Mr. J. Gregory Merrion
Petroleum Engineer
P. O. Box 507
Farmington, New Mexico 87401

Re: East Boundary Butte Field, Apache County, Arizona

Dear Greg:

If you receive approval from the U.S.G.S. and the Navajo Tribe, this Commission has no objections to the two proposals that you mentioned in your letter of October 23, 1974.

We are enclosing copies of our Form No. 15. It will be necessary that you complete this form in its entirety and return two copies to this Commission for our approval. We will also require a diagrammatic sketch of your down-hole installation for this disposal well.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

#518

OFF. 328-0181
RES. 327-9094

J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 807
FARMINGTON, NEW MEXICO 87401

October 23, 1974

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

ATTENTION: Mr. W. E. Allen
Director

Re: East Boundary Butte Field
Apache County, Arizona

Dear Bill:

Excuse my delay in answering your letter of September 23.

We have requested our surety, USF&G, to notify you of their acceptance of the following wells to be covered under our bond with them:

(22) Navajo Tribal #2 SE 1/4 NW 1/4 Sec. 3 T41N, R28E
(514) Navajo Tribal #3-3 SW 1/4 SW 1/4 Sec. 3 T41N, R28E
(440) Navajo Tribal #3-11 NE 1/4 SW 1/4 Sec. 3 T41N, R28E
(518) Navajo Tribal #2-11 SW 1/4 NE 1/4 Sec. 11 T41N, R28E
(69) Navajo Tribal #23-11 NE 1/4 SW 1/4 Sec. 11 T41N, R28E

The above wells all being in Apache County, Arizona and effective date of our taking over operations being September 1, 1974.

Enclosed please find a xerox copy of a letter to the U.S.G.S. requesting permission to commingle production in one tank battery to be located in the NE 1/4 SW 1/4 of Section 3. Also enclosed please find a copy of the Federal Sundry Notice requesting approval to convert the 3-11 well to salt water disposal in the Mississippian-Devonian interval.

RECEIVED

OCT 25 1974

O & G CONS. COMM.

518

J. GREGORY MERRION
PETROLEUM ENGINEER

Oil and Gas Conservation Commission
October 23, 1974
Page 2

After reviewing these, we would appreciate your advising (1) if our proposal for commingling will be acceptable to the State of Arizona with monthly tests of each well to determine the monthly split in lieu of the actual measurement required by Rule #308, and (2) whether a hearing will be necessary for the salt water disposal well conversion or whether this can be done administratively.

Thank you for your advice on the above matters.

Yours very truly,

MERRION & BAYLESS

By


J. GREGORY MERRION

JGM/su

Enclosures: Letter to U.S.G.S. dated October 21, 1974.
Federal Sundry Notice, Navajo Tribe 3-11 Well dated October 22, 1974.
Flowline Plat

RECEIVED

OCT 25 1974

O & G CONS. COMM.

518

October 21, 1974

United States Geological Survey
P.O. Box 959
Farmington, New Mexico 87401

ATTENTION: Mr. Phil McGrath

Re: Request for Permission to Co-
mmingle Production from Four
Navajo Leases, East Boundary
Butte Field, Apache County, Arizona.

Gentlemen:

We have heretofore operated the Navajo (14-20-603-413) and Navajo E (14-20-603-412) leases in Apache County, Arizona with production going to parallel tank batteries at a location in the SW/4 of the NW/4 Section 10, T41N, R28E.

We have recently acquired the Consolidated Oil & Gas properties on Navajo leases 14-20-603-226 and 14-20-603-227.

With five wells currently producible, there is a necessity for four tank batteries; each with a great amount of equipment.

Operating costs in this field have been extremely high due to:

1. The necessity to lift large quantities of water to produce either gas or oil.
2. Water disposal expense.
3. Scale and corrosion of flow lines and heater treaters.
4. High gathering and compression costs of natural gas produced.

The continued production from the field depends upon streamlining the operation and getting a better price for the gas. We have negotiated a better gas price and provided we can get FPC approval, we would like to re-vamp the flow line, compressor and tank battery facilities as per the attached plat.

RECEIVED

OCT 25 1974

518

United States Geological Survey
October 21, 1974
Page 2

Under this plan we can utilize existing flow lines to the maximum extent, and by adding a small amount of additional flow line, we can separately gather gas and fluid in separate lines. Hopefully, we can back pressure against the wells, eliminate flow line turbulence thus reducing scale and paraffin problems and increase compressor suction pressure thus reducing horsepower requirements.

The new tank battery will be located in the NE/4 of the SW/4 of Section 3 (near the old Consolidated 3-11 well, which will be converted to disposal). A new compressor site will be erected in the SW/4 of Section 2 replacing the two existing sites.

Oil-gas separators will be installed at each well and gas will be metered before commingling. Oil will be accounted for by monthly tests of each well.

We would appreciate your consideration and approval of this plan.

Yours very truly,

MERRION & BAYLESS

Original Signed

J. Gregory Merrion

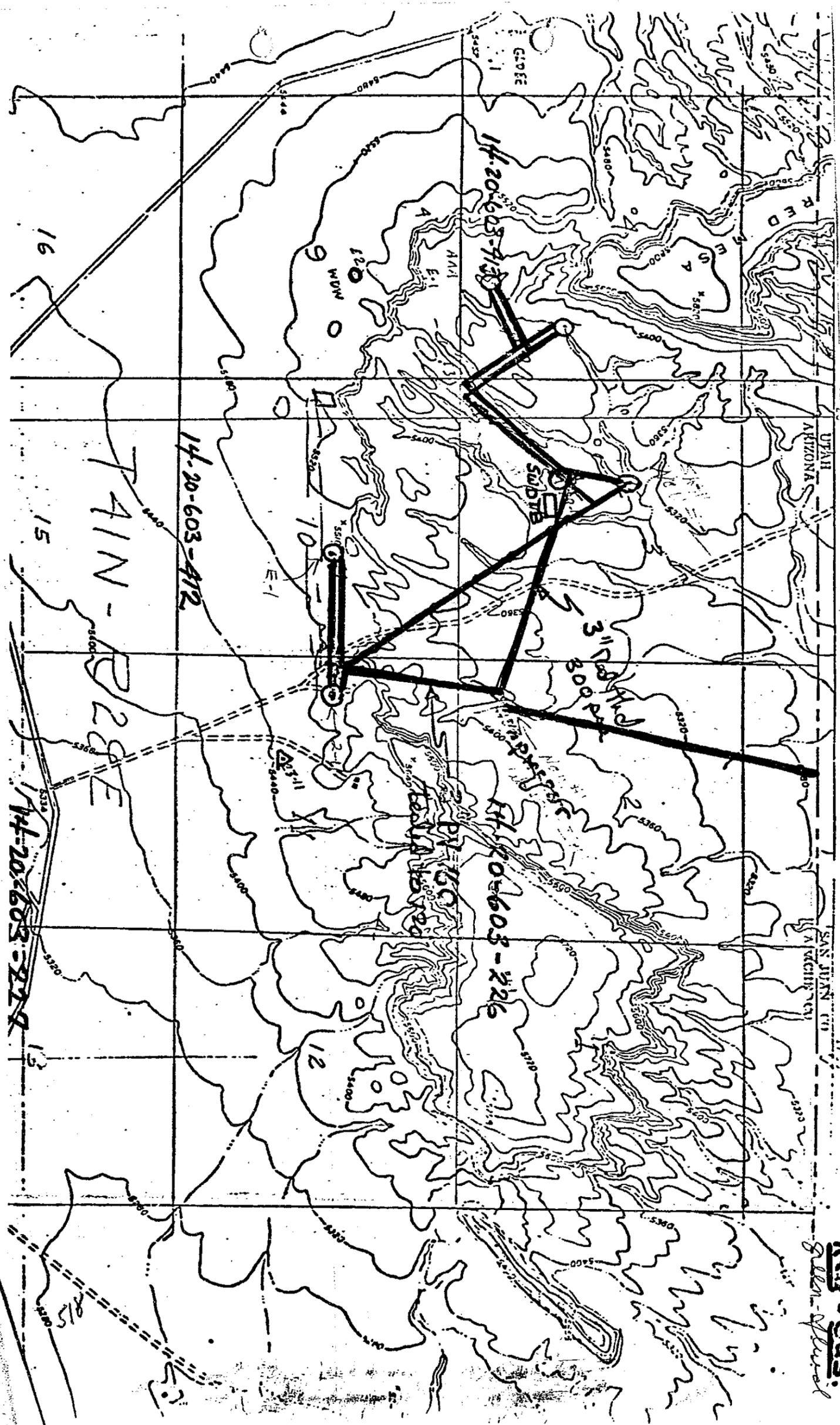
By

J. GREGORY MERRION

JGM/su

Enclosure

578



16 = 645.
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TAIN-228E

14-20-603-412

14-20-603-413

14-20-603-226

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Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

September 27, 1974

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

Re: COG #1 & 2
Apache County, Arizona

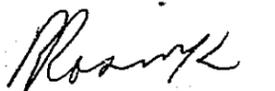
Dear Mr. Allen:

Enclosed per your letter request of September 23, 1974 are Designation of Operator forms executed by Consolidated naming J. Gregory Merion and Robert L. Bayless operator of Navajo Leases 14-20-603-226 and 14-20-603-227 covering all the lands in Apache County, Arizona under those two leases.

If there is anything additional you require, please let me know.

Very truly yours,

CONSOLIDATED OIL & GAS, INC.


Robert R. Rosnik

RRR:da
Enclosures

RECEIVED

SEP 30 1974

O & G CONS. COMM.

518



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

September 23, 1974

Mr. J. Gregory Merrion
Merrion & Bayless
P. O. Box 1541
Farmington, New Mexico 87401

Re: Navajo Tribal #2 Navajo #23-11 Consolidated #3
 Sec 3-T41N-R28E Sec 11-T41N-R28E Sec 3-T41N-R28E
 Permit No. 22 Permit No. 69 Permit No. 490

Consolidated Navajo #3-3 Consolidated Navajo #2-11
 Sec 3-T41N-R28E Sec 11-T41N-R28E
 Permit No. 514 Permit No. 518

Dear Greg:

We have been informed by Consolidated that you are now the operators of the above referenced wells. For our records, will you please confirm your take over of these wells listing the well number, legal description and the effective date of the take over.

If it is your intention for these wells to be placed under your existing bond, it will be necessary for your surety company to notify this office that they are accepting these wells to be covered under your bond. It will also be necessary for your surety to specifically describe the wells as to their name and legal description.

I sincerely hope that you people will be able to improve the production on this group of wells.

Very truly yours,

Bill

W. E. Allen, Director
Enforcement Section

WEA/rlb

518



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

September 23, 1974

Mr. J. D. Smothermon
Manager, Operator
Consolidated Oil & Gas, Inc.
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado 80203

Re: Navajo Tribal #2	Navajo #23-11	Consolidated #3
Sec 3-T41N-R28E	Sec 11-T41N-R28E	Sec 3-T41N-R28E
Permit No. 22	Permit No. 69	Permit No. 490

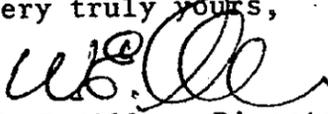
Consolidated Navajo #3-3	Consolidated Navajo #2-11
Sec 3-T41N-R28E	Sec 11-T41N-R28E
Permit No. 514	Permit No. 518

Dear Mr. Smothermon:

We are attaching Designation of Operator forms for your use in officially notifying the Commission that the operation of the above referenced wells has been transferred to Merrion and Bayless of Farmington, New Mexico.

It would be appreciated if you would complete this form and return it to this Commission as quickly as possible.

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.



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. Wayne Rogers
Consolidated Oil & Gas, Inc.
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado 80203

Dear Mr. Rogers:

Will you please supply this Commission with any information that you might have regarding the recoverable reserves in the East Boundary Butte Field for your Shell Navajo #2 (22), Navajo #2-11 (318), Navajo #3-3 (514) and Shell Navajo #23-11 (69); and also in the North Toh Atin Field for your Mobil Franco Wyo (32)?

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

578



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1850 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

January 6, 1970

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

Attention: Mr. James A. Lambert

Gentlemen:

Re: Navajo #2-11
SW NW Sec. 11-T41N-R28E
Apache County, Arizona

Please find enclosed the original and one copy of Form No. 4, reporting the completion details of the above-captioned well.

Also enclosed are two sets of the electric logs.

Very truly yours,

D. E. Smink
D. E. Smink
Petroleum Engineer

DES/cc

Enclosures

cc. The Navajo Tribe, Minerals Dept.
Attention: Mr. P. K. Hurlbut



518



LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

Consolidated Oil & Gas, Inc.

December 31, 1969

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

Dear Mr. Bannister:

Enclosed please find the following:

Form No. 5, "Well Status Report and Gas-Oil Ratio Tests" covering our Navajo 3-3 Well, East Boundary Butte Field, Apache County, Arizona.

Form No. 5, "Well Status Report and Gas-Oil Ratio Tests" covering our Navajo 3-11 Well, East Boundary Butte Field, Apache County, Arizona.

Form No. 6, "Potential Test and Request for Allowable - Oil Wells" covering our Navajo 2-11 Well, East Boundary Butte Field, Apache County, Arizona.

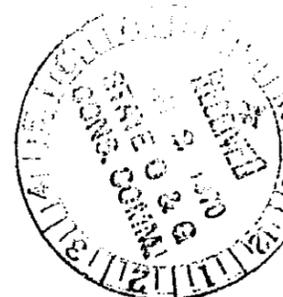
We would appreciate your sending us a supply of Forms No. 5 and No. 6. Thank you.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

R. L. Flowers, Jr.

R. L. Flowers, Jr.
Production Manager



518
RLF:lt
Enclosures

X-Chrono
X-Lambert
X-524

November 19, 1969

Mr. D. E. Smink
Consolidated Oil & Gas
1860 Lincoln Street
Suite 1300
Denver, Colorado 80203

Re: Consolidated Oil & Gas #3 Navajo (227)
T41N, R28E, G & SRM
Sec. 11: SW/4 NE/4
Apache County
Permit #524

Dear Mr. Smink:

Enclosed is your approved Application for Permit to Drill,
a copy of the plat, Receipt No. 2858, and our Permit To
Drill.

We note that the Consolidated Shell No. 22-11 is a gas well
producing from the Hermosa Paradox, which is indicated to
be from 4460' to 4608'. All of Section 11 of this township
and range is dedicated to that well. Records indicate that
the Lower Ismay interval is below 4800'.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jd
Enc. (4)

518

September 29, 1969

Mr. D. E. Smink, Petroleum Engineer
Consolidated Oil & Gas, Inc.
1860 Lincoln Street
Denver, Colorado 80203

Re: Cons. Oil & Gas #2-11 Navajo (227)
T41N, R28E, G & SRM
Sec. 11; W/2 NW/4
Apache County
Permit #518

Dear Mr. Smink:

Enclosed is Receipt No. 9000 covering Permit No. 518. We also enclose the approved application for permit to drill.

We note that the Consolidated Shell No. 22-11 is a gas well producing from the Hermosa Paradox, which is indicated to be from 4460' to 4608'. All of Section 11 of this township and range is dedicated to that well. Records indicate that the Desert Creek interval is below 4800' and the Akah tops at about 5050' in this area.

Yours truly,

James A. Lambert
Administrative Assistant

/vb

Enc.



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

September 25, 1969



State of Arizona
Oil and Gas Conservation Commission
1624 West Adams - Room 202
Phoenix, Arizona 95007

Attention: Mr. James A. Lambert

Gentlemen:

4460 - 4608 Hamoa Paradox in NE SW of 11
4876 - 5040 - Desert Creek
5062 - 5126 aksh

Application for Permit to Drill
Navajo No. 2-11
East Boundary Butte Field
Apache County, Arizona

Please find enclosed the original and one copy of Form No. 3
with certified location plats and our check No. 05588 in the
amount of \$25.00.

It is anticipated that the well may be spudded on or about
October 10, 1969.

Very truly yours,

CONSOLIDATED OIL & GAS, INC.

D. E. Smink
D. E. Smink
Petroleum Engineer

518

DES/sw

Enclosures

cc: Navajo Tribe
Minerals Department

518

U. S. G. S. - Farmington



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

September 25, 1969

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

Attention: Mr. P. T. McGrath

Gentlemen:

Application for Permit to Drill
Navajo No. 2-11
East Boundary Butte Field
Apache County, Arizona

Please find attached the original and two copies of Form 9-331C
with certified location plats making application to drill the
captioned well.

It is anticipated that the well may be spudded on or about
October 10, 1969.

Very truly yours,

CONSOLIDATED OIL & GAS, INC.

D. E. Smink
D. E. Smink
Petroleum Engineer

510

DES/sw

cc: Navajo Tribe
Minerals Department
State of Arizona
Oil & Gas Conservation Commission



518



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

September 24, 1969

Mr. Leland Abels, Staff Archeologist
National Park Service
P. O. Box 1060
Gallup, New Mexico

Re: Navajo #2-11 (1950' FNL & 520' FWL)
SW NW Sec. 11, T-41N-R-28E
Apache County, Arizona

Dear Mr. Abels:

Consolidated has staked the location of the subject well preparatory to filing applications to drill with the Oil and Gas Conservation Commission -- State of Arizona and the U.S.G.S. -- Department of the Interior.

It would be very much appreciated if you would advise us if construction of the subject location would result in any disturbance, destruction or removal of specimens or archeological interest.

Very truly yours,

CONSOLIDATED OIL & GAS, INC.

D. E. Smink
D. E. Smink
Petroleum Engineer

DES/sc

cc: Bureau of Indian Affairs
Window Rock, Arizona

The Navajo Tribe
P. O. Box 146, Window Rock, Arizona

State of Arizona, Oil & Gas Conservation
Commission, Phoenix, Arizona

U.S.G.S., Farmington, New Mexico



578

V. O. NO. 99-202

Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80202

Phone: AREA 363
255-1751

05588

DATE	INVOICE NO.	DESCRIPTION	GROSS	DEDUCTIONS	NET AMOUNT
9/25/69		Permit Fee - Navajo No. 2-11 SW NW Section 11, T41N-R28E East Boundry Butte Field Apache County, Arizona # 518			\$25.00



Oil & Gas Conservation Commission
PAY TO ORDER OF ANY BANK
FOR DEPOSIT ONLY
ARIZONA STATE TREASURER