

~~CONFIDENTIAL~~
Release Date 7-8-73

GUADALUPE EXPLORATION CORP. STATE
NE/SW Sec-2 T-24S R-31E, Cochise Co.

COUNTY Cochise AREA 25 mi E of Douglas LEASE NO. State 11461

WELL NAME GUADALUPE EXPLORATION CORPORATION STATE

LOCATION NE/SW SEC 2 TWP 24S RANGE 31E FOOTAGE 2200' NSL - 2500' ENL
 ELEV 4351 GR KB SPUD DATE 10-18-71 STATUS Water Well TOTAL DEPTH 5679
 COMP. DATE 12-26-71

| CASING SIZE | DEPTH | CEMENT | LINER SIZE & DEPTH | DRILLED BY ROTARY |
|-------------|-------|---------|--------------------------|--|
| 18" | 90' | 20 sks | | <input checked="" type="checkbox"/> |
| 9 5/8" | 1780' | 850 sks | + 4 cy. from top of hole | DRILLED BY CABLE TOOL <input type="checkbox"/> |
| | | | | PRODUCTIVE RESERVOIR <input type="checkbox"/> |
| | | | | INITIAL PRODUCTION <u>Dry Hole</u> |

| FORMATION TOPS | DEPTHS | SOURCE | REMARKS | | |
|----------------|---|-----------|--------------|-----------------|-----------|
| Age | Formation | I.L. E.L. | Depth to Top | Sea Level Datum | Thickness |
| Permian | Colina limestone | | 0- 100 | | 100+ |
| | Earp formation | | 100 | +4266 | 1196 |
| Pennsylvanian | Horquilla limestone | | 1296 | +3070 | 1464 |
| | (This top picked from Welex Gamma-Density log, as there were no samples from 650 to 1780 feet.) | | | | |
| Mississippian | Paradise (?) formation | | 2760 | +1606 | 80 |
| | Escabrosa limestone | | 2840 | +1526 | 1420 |
| Devonian | Pedregosa formation | | 4260 | + 106 | 295 |
| Ordovician | Montoya (?) dolomite | | 4555 | - 189 | 157 |
| | El Paso limestone | | 4712 | - 346 | 833 |
| Cambrian | Bolsa quartzite formation | | 5545 | -1179 | 134+ |
| | Total Depth | | 5679 | | |

No indications of hydrocarbons of any kind were encountered in this well.

| ELECTRIC LOGS | PERFORATED INTERVALS | PROD. INTERVALS | SAMPLE LOG |
|--------------------|----------------------|-----------------|--|
| Comp Density, G.R. | N.A. | | <input checked="" type="checkbox"/> |
| Temp. Log | | | SAMPLE DESCRP. <input checked="" type="checkbox"/> |
| Grapholog | | | SAMPLE NO. <u>1686</u> |
| | | | CORE ANALYSIS <u>None</u> |
| | | | DSTs <u>None</u> |
| | | | <i>Amesrol rec'd 3-17-77</i> |

REMARKS G.L. Elevation as reported on survey plat (4351) is correct, the K.B. Elev. on logs (4352) is incorrect. Losing circulation from 550' to 1550. Fresh water zone is 1500'

APP. TO PLUG
 PLUGGING REP.
 COMP. REPORT

WATER WELL ACCEPTED BY John O. Magoffin

BOND CO. Merchants Mutual Bonding BOND NO. AZ-6317
 BOND AMT. \$ 5,000 CANCELLED 7-24-72 DATE 9-14-71
 FILING RECEIPT 2899 LOC. PLAT WELL BOOK PLAT BOOK
 API NO. 02-003-20002 DATE ISSUED 9-24-71 DEDICATION All of Sec 2

PERMIT NUMBER 564

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 **GUADALUPE EXPLORATION CORPORATION** Address P.O. Box 2087, Scottsdale, Az. 85252

Federal, State or Indian Lease Number or name of lessor if fee lease **State 11461** Well Number **1** Field & Reservoir **Wildcat**

Location **2200' N. of S. line & 2500' E. of West line. S88xR88N1K** County **Cochise**

Sec. TWP-Range or Block & Survey **Sec. 2, TWP. 24S, R31 East**

Date spudded **10/18/71** Date total depth reached **11/25/71** Date completed, ready to produce **D&A** Elevation (DF, RKB, RT or Gr.) feet **4,355** Elevation of casing hd. Range **4,360 feet**

Total depth **5,679** P.B.T.D. **D & A** Single, dual or triple completion? **D & A** If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion **D & A** Rotary tools used (interval) **Surface to total depth** Cable tools used (interval) **NO**

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

Type of electrical or other logs run (check logs filed with the commission) **CORE LAB, Logging Unit** Date filed **1/28/72**

Density-Surface to 1,776 Radioactivity Log 1780 - 5570

CASING RECORD

| Purpose | Size hole drilled | Size casing set | Weight (lb./ft.) | Depth set | Sacks cement | Amt. pulled |
|--------------|-------------------|-----------------|------------------|-----------|-----------------------|-------------|
| Surface | 22" | 18" | 44 | 90' | 20 | None |
| Intermediate | 12 1/4" | 9 5/8" | 36 | 1780' | 400 850 | None |

TUBING RECORD

LINER RECORD

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

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

| Number per ft. | Size & type | Depth Interval | Amt. & kind of material used | Depth Interval |
|----------------|-------------|----------------|------------------------------|----------------|
| | | | | |

INITIAL PRODUCTION

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

Date of test **D & A** Hrs. tested **D & A** Choke size **D & A** Oil prod. during test **D & A** Gas prod. during test **D & A** Water prod. during test **D & A** Oil gravity **D & A**

Tubing pressure **D & A** Casing pressure **D & A** Cal'd rate of Production per 24 hrs. **D & A** Oil **D & A** Gas **D & A** Water **D & A** Gas-oil ratio **D & A**

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

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

Date **January 28, 1972** Signature **Edward M. Obele Sr.**
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FEB 02 1972
O & G CONS. COMM.
564

Permit No. **564** 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* |
|-----------------------------------|------|--------|--|
| Permian-Colina limestone | 0 | 100 | (Limestone - See Core Lab. log) for detailed description) |
| Earp | 100 | 1296 | |
| Pennsylvanian-Horquilla limestone | 1296 | 2760 | |
| Mississippian - Paradise (?) | 2760 | 2840 | |
| Escabrosa limestone | 2840 | 4260 | |
| Devonian | 4260 | 4555 | |
| Ordovician-Montoya (?) dolomite | 4555 | 4712 | |
| El Paso limestone | 4712 | 5545 | |
| Cambrian-Bolsa quartzite | 5545 | 5679 | |
| Total Depth | 5679 | | |

* 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.

W.A

TO: Oil and Gas Conservation Commission
State of Arizona
1624 W. Adams, Room 202
Phoenix, Arizona 85007

This is to advise you that I accept the abandoned wildcat well, known as the Guadalupe Exploration Corp #1 State located on the NESW 1/4-1/4 of Section 2 Township 24S Range 31E, County of Cochise Arizona, as a water well to be used for domestic purposes.

Further, I accept full responsibility for the proper maintenance and use of the above well, including final plugging, in full compliance with the Rules and Regulations adopted by the Oil and Gas Conservation Commission.

I understand that I am responsible for compliance with the provisions of the State Water Code, Chapter 1, Title 45, Arizona Revised Statutes and with any applicable requirements of U.S. Geological Survey.

Signature John O. Magoffin
Address Box 1021
Douglas Ariz 85607

State of ARIZONA
County of COCHISE

On this, the 27th day of November, 19 71, before me, _____
Frank E. Moore, the undersigned officer, personally appeared

John O. Magoffin, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

In witness whereof I hereunto set my hand and official seal
Notary Public Frank E. Moore
My Commission expires November 27, 1973

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DEC 08 1971
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State of Arizona
OIL & GAS CONSERVATION COMMISSION
WATER WELL ACCEPTANCE
Form 26 - File one copy

Permit No. 564



GUADALUPE EXPLORATION CORPORATION

PHONE: (602) 947-4703 • 4215 WINFIELD SCOTT PLAZA, SUITE A • P. O. BOX 2087 • SCOTTSDALE, ARIZONA 85252

September 2, 1973

Field Report No. 1
GECO Long Valley Anticline
No. 1, White Pine County,
Nevada

Dear Participant:

Operations at the well site are well underway. We have moved in equipment to build the location. A small drilling rig is drilling a 40 ft. hole, 22 inches in diameter in which 40 ft. of 16 inch steel casing will be cemented from bottom to top. This is the "conductor pipe" inside of which the well will be drilled by the large rotary rig. This small rig will also drill two other shallow holes close to the "conductor pipe". These holes are called the "rat hole" and the "mouse hole" and are used for tool and pipe storage as the well is being drilled.

A second work-over rig is cleaning out and equipping the water well $\frac{1}{4}$ mile east of our well site. A water line will be laid to supply our drilling operations. Six hundred feet of new road is being built to the well site. The area will be leveled and 4 inches of fresh gravel will be hauled in and spread on the surface. A reserve pit to hold drill cuttings, 100 ft. by 200 ft., has been constructed. Two thousand one hundred feet of 10 $\frac{3}{4}$ inch steel casing and 7,500 feet of 7 inch steel casing will be hauled into location from Los Angeles. A supply of cement will be trucked from Reno, Nevada, and a stock of drilling mud will be brought in. Also, an inventory of special tools and drill bits will arrive from Denver and Bakersfield. Many of these will not be used, but it is important to have these inventories at the well site for immediate use if and when needed. Eleven thousand gallons of diesel fuel will be stored at the location.

The big (EMSCO 500) diesel powered rotary rig, which is finishing a well 150 miles to the east in Utah, is scheduled to arrive on site in approximately ten days. Three diesel powered Ingersoll Rand air compressors are coming in from Denver. A specially equipped logging unit with sleeping and eating quarters for two geologists will be at well site to continually record and analyze drilling samples for gas and oil and log the drilling of our well 24 hours per day.

We will level and maintain an air strip for light plane use, using a section of the road adjacent to the well site. Communication from the well site will be by two-way radio to Ely, Nevada, which is 65 miles by road.

Visitors to the well site will be strictly limited to those persons who carry non-transferable, numbered, registered and signed passes. Your pass together with a map of the area and information on available lodging, etc., will be mailed to you in the next few days. Should you wish to bring friends who are not owners please call our office (947-4703) to request extra passes. Please allow four days before you leave for the well site for mail delivery of the extra passes.

You will be most welcome and we hope you will plan a visit to your well during the drilling. This will be a modern, sophisticated drilling operation. We believe you will find your visit a most interesting experience. Please call our Scottsdale office and tell us what day to expect you on the location. GECO personnel will be available at the well site to meet you and show you around and explain each part of the operation. We will have more details for you in the next report.

Yours very truly,

Edward M. Obele, Sr.

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SEP 04 1973

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EMO/lm

February 2, 1972

Memo from W. E. Allen, Director
Enforcement Section

Memo to Guadalupe Exploration Corporation, State #1
NE/SW Section 2-T24S-R31E
Cochise County
Our File #564

According to information received from Ed Obele, the
total drilling cost on GECO #1 State was \$195,000!

CORE LABORATORIES, INC.
 Petroleum Reservoir Engineering
 DALLAS, TEXAS

October 27, 1971

Page 1 of 1

File RFL 7333

Company Guadalupe Exploration Corporation Formation _____

Well State No. 1 County Cochise

Field Wildcat State Arizona

HYDROCARBON ANALYSIS OF Exhaust Line GAS SAMPLE

| COMPONENT | MOL PER CENT | GPM |
|------------------|---------------|-----|
| Oxygen | 20.60 | |
| Hydrogen Sulfide | Nil | |
| Carbon Dioxide | 6.11 | |
| Nitrogen | 73.29 | |
| Methane | Nil | |
| Ethane | Nil | |
| Propane | Nil | |
| iso-Butane | Nil | |
| n-Butane | Nil | |
| iso-Pentane | Nil | |
| n-Pentane | Nil | |
| Hexanes | Nil | |
| Heptanes plus | Nil | |
| | <u>100.00</u> | |

Calculated gas gravity (air = 1.000) = 1.029

CORE LABORATORIES, INC.
 Reservoir Fluid Analysis

P. L. Moses
 P. L. Moses
 Manager

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564

These analyses, opinions or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty or representations as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

Guadalupe Expl Corp. # 564

Tentative tops - (from samples)
(Darby Hand will confirm from
samples & logs and correct)

Earp - 100'

Penn - ? } No sample

Miss - ? }

Deronian 4330±

Ordovician 4555±

El Paso - 4710±

Bolsa Quartzite - 5550± (Cambrian)

TD 5679'

These tops
later revised

Hold Tight

on 11-26-71 I talked to Fritz Ryan
- he OK'd leaving well open (except
for 1790'± of pipe to be left in)
& turned over to land (Surface) lessee.
Water Well Form (26) has been
revised. Coelius moving off.

Oble & Hand intend to take another
shot in Coehise, will probably hold
this acreage for awhile yet

W A

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator GUADALUPE EXPLORATION CORPORATION

2. OIL WELL GAS WELL OTHER (Specify) Wildcat

3. Well Name GECO # 1 STATE

Location T. 24S, R. 31 E. Sec/ 2 (center)

Sec. 2 Twp. 24s Rge. 31e County Cochise Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease State # 11461-1

5. Field or Pool Name _____

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

| | | | |
|--|---|--|---|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | MONTHLY PROGRESS <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | DIRECTIONAL DRILL <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | PERFORATE CASING <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (OTHER) <u>Surface casing test</u> | ABANDONMENT <input type="checkbox"/> |
| (OTHER) _____ | | (OTHER) <u>rule # 108 (E)</u> | <input checked="" type="checkbox"/> |

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

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

Surface casing was set at 90 ft. in limestone. (18" diameter)

Cement was circulated to the top of the annulus on Oct. 10th, 1971.
600 #

Pressure test was made on Oct. 15th, 1971 using CO-2 tank. Casing pressure held at 596 # for 1 hour.

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O & G CONS. COMM.

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

Signed Edward M. McCall Sr. Title President Date 11/18/71

Permit No. 564

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

November 15, 1971

Memo from W. E. Allen, Director
Enforcement Section

Memo to Guadalupe Exploration Corporation, State #1
NE/SW Section-2-T24S-R31E
Cochise County
Our File #564

Ed Obele reports on November 15, 1971 the above referenced well was drilling at 3880 and circulation had been restored, however, he is planning to run a string of 7 5/8" casing as quickly as this pipe is received from Hobbs, probably tonight.

WELL SITE CHECK

By WBC

Date 10-29-71

Contractor Cactus Drill Co.

Person(s) Contacted Ed Seely, Derby

Spud Date _____

Harold, Biston Cole & Ben Hayes

Type Rig 15 Rotary Cable

Present Operations Preparing to

Samples None for approx 11000

go in hole w/ Drill Pipe

Pipe 9 5/8" @ 1774

Drilling with Mud Air

Water Zones _____

Size Hole 8 3/4

Lost Circ. Zones F/ approx 500 to 1000

Size Drill Pipe 3 1/2

Formation Tops _____

Type Bit Bottom

Cores, Logs, DST Wiley - Density
& Temp. Survey (Halliburton)

No. Bit _____ Drilling Rate _____

Crews 4 including
Relief

Formation _____

Lithology _____

REMARKS, PHOTO, MAP

When this location was visited 9 5/8 had just been set & cemented w/ 850 sls. also 4 cu. yds. of concrete pumped down around 9 5/8 using 1" pipe to displace concrete. The crews were picking up drill collars, bit, & reamer. First D.C. w/ bit & reamer dropped in hole. The hole was full of fluid and there was a stop above the bit. So no trouble was anticipated.

WELL NAME Geco state No 1

Permit No. 564

Confidential Yes No

WELL SITE CHECK

By WBC

Date 10-19-71

Contractor Cactus Drill Co

Person(s) Contacted Mr. Cole, T.P.

Spud Date 10-18-71 (5 PM)

Ed Seely & Darby Hand

Type Rig U-15 Rotary Cable

Present Operations Drilling

Samples _____

Drilling with Mud Air

Pipe 30' 18" Conductor

Size Hole 15"

Water Zones Moist Clayat 130'

Size Drill Pipe 4 1/2"

Lost Circ. Zones _____

Type Bit _____

Formation Tops _____

No. Bit 1 Drilling Rate 3 MI Per Ft

Cores, Logs, DST _____

Formation _____

Crews 3 - 4 MAN

Lithology _____

REMARKS, PHOTO, MAP Core lab has logging unit on location & rigged up. When I was on location it didn't seem to me that the well was dusting as much as it should have been - this could have been caused in part by the slow rotary speed & the lack of weight applied to the bit -

WELL NAME Geco state #1

Permit No. 564

Confidential Yes No

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

GUADALUPE EXPLORATION CORPORATION (GECO)

NAME OF COMPANY OR OPERATOR

4215 Winfield Scott Plaza, Suite A
 P.O. Box 2087 Scottsdale Arizona 85252
Address City State

Drilling Contractor

Cactus Drilling Company
 P. O. Box 2068 Hobbs, New Mexico 88240
Address

DESCRIPTION OF WELL AND LEASE

| | | |
|---|---|------------------------------------|
| Federal, State or Indian Lease Number, or if fee lease, name of lessor State 11461 | Well number GECO State #1 | Elevation (ground) +4355 |
| Nearest distance from proposed location to property or lease line: XXXXXXXX 2200 feet | Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: 3600 feet | |
| Number of acres in lease: 640 | Number of wells on lease, including this well, completed in or drilling to this reservoir: 1 | |

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

H. D. Hand 1481 So. Park Lane, Tucson, Arizona

| | | |
|---|---|--|
| Well location (give footage from section lines) 2200' N. of S. line & 2500' E. of | Section—township—range or block and survey 2 24S 31 E | Dedication (Comply with Rule 105) All of Section 2 |
| Field and reservoir (if wildcat, so state) Wildcat | County Cochise | |

Distance, in miles, and direction from nearest town or post office
25 miles east of Douglas, Arizona

| | | |
|-------------------------------------|--|---|
| Proposed depth: 7,000 ft. | Rotary or cable tools Rotary | Approx. date work will start Sept. 30, 1971 |
| Bond Status Current | Organization Report On file | Filing Fee of \$25.00 Attached |

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **President** of the **Guadalupe Exploration Corporation** 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.

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SEP 24 1971

O & G CONS. COMM.

Edward M. O'Connell Sr.
 Signature

September 13, 1971
 Date

Permit Number: **504**
 Approval Date: **9-24-71**
 Approved By: *W. O. O'Connell*

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

Form No. 3

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

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

| | |
|----------------------------------|---|
| Owner State of Arizona | Land Description Sec. #2 TWP 24S, R 31 E. Cochise Co., Az. |
| | <p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Name _____</p> <p>Position President</p> <p>Company GECO</p> <p>Date Sept. 13, 1971</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 Aug. 16, 1971</p> <p>Registered Professional Engineer and/or Land Surveyor Richard D. Riddell</p> <p>Certificate No. _____</p> |
| | |

PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement |
|----------------|--------|--------------|-----|--------|------------------|--------------|
| 18" | 64.82 | A welded | 0 | 60' | 60' | |
| 13 3/8" | 85.00 | N | 0 | 2000' | 2000' | |



PERMIT TO DRILL

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

To: GUADALUPE EXPLORATION CORPORATION
(OPERATOR)

to drill a well to be known as

GUADALUPE EXPLORATION CORPORATION STATE # 1
(WELL NAME)

located 2200' NW of South Line & 2500' FROM EAST OF WEST LINE

Section 2 Township 24S Range 31E, Cochise County, Arizona.

The All of Section 2 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 24th day of September, 19 71.

OIL AND GAS CONSERVATION COMMISSION

By W. B. [Signature]
EXECUTIVE SECRETARY

PERMIT N^o 564

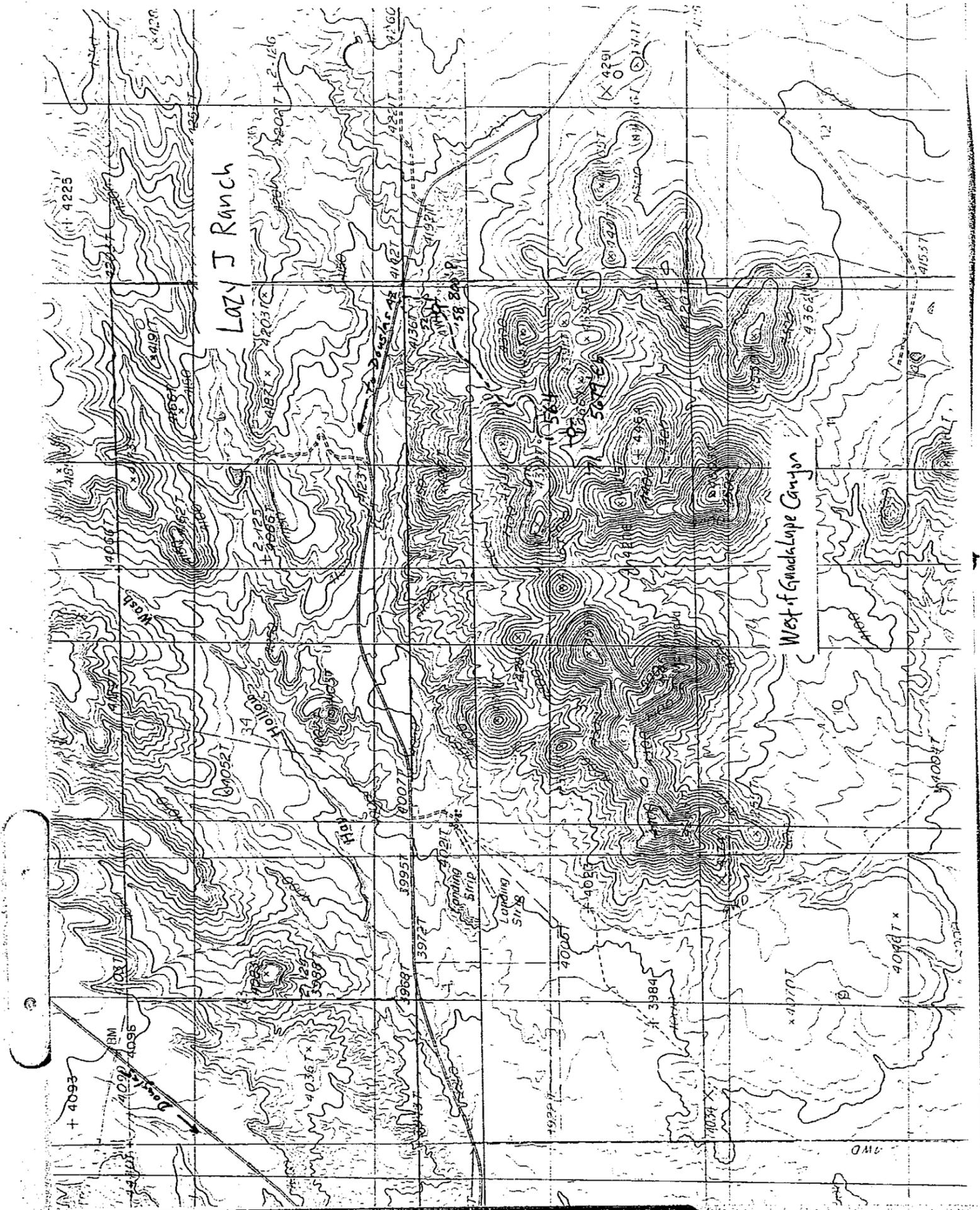
RECEIPT NO. 2899

API No. 02-003-20002

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

SAMPLES ARE REQUIRED



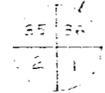
FD N $\frac{1}{4}$ COR. SEC 2

N 89° 58 E 2641.28 ACTUAL

REESTABL. SHED BOUNDARY
SET $\frac{1}{2}$ PIPE

FD N $\frac{1}{4}$ COR. SEC 2

N 89° 58 E 2641.28 ACTUAL



S 3° 02' 57" W 3088.42

ELEV. 4349

REFERENCE MARKERS - SET $\frac{1}{2}$ " PIPE

ELEV. 4355

STATE NO. 1 GUADALUPE EXPLORATION CORPORATION
ELEV. 4351



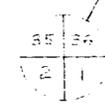
FD N $\frac{1}{4}$ COR. SEC 2

N 89° 58' E 2641.28 ACTUAL

RESTART, SHED BOUNDARY
SET $\frac{1}{2}$ PIPE

FD N $\frac{1}{4}$ COR.

N 89° 58' E 2641.28 ACTUAL



S 3° 02' 57" W 3088.42

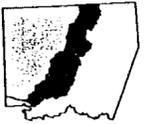
ELEV. 4349
REFERENCE MARKERS-SET $\frac{1}{2}$ PIPE
ELEV. 4355

STATE NO. 1 GUADALUPE EXPLORATION CORPORATION
ELEV. 4351





ELEV. 4349
 REFERENCE MARKERS - SET 2 PIPE
 ELEV. 4355
 STATE NO. 1 GUADALUPE EXPLORATION CORPORATION
 ELEV. 4351



State of Arizona
Arizona Geological Survey
 845 North Park Avenue, #100
 Tucson, Arizona 85719



GUADALUPE EXPLORATION CORP. 1
 45 R-31E, Cochise

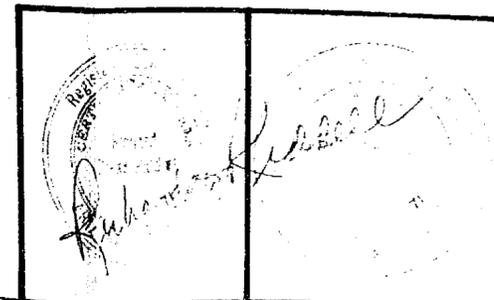


S 3°02'57" W 3088.42

ELEV. 4340
REFERENCE MARKERS-SET & PIPE
ELEV. 4385
ELEV. 4351
STATE NO. 1 GUADALUPE EXPLORATION CORPORATION
ELEV. 4351

RECEIVED
SEP 24 1971
O & G CONS. COMM.

564



MAP OF A LOCATION S.
FOR WELL SITE IN SE
T24S, R31E, G40R84M
COUNTY, ARIZONA.

RICHARD D. RIDDELL
REGISTERED PROFESSIONAL EN
BISBEE AR

DATE 9/24/71 FILE N
SCALE 1" = 400'
DRAWN BY CF CHK'D BY JOB N

SHEET OF

REFERENCE MARKERS - SET 2" PIPE
 ELEV. 4349
 ELEV. 4355
 STATE NO. 1 GUADALUPE EXPLORATION CORPORATION
 ELEV. 4351

S 3°02'57" W 3068.42

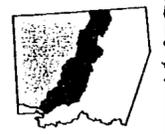


RECEIVED
 SEP 24 1971
 O & G CONS. COMM.

564

| | | |
|--|--|---|
| | | MAP OF A LOCATION SURVEY FOR WELL SITE IN SECTION 2, T24S, R31E, G#SRB#M, COCHISE COUNTY, ARIZONA. |
| | | RICHARD D. RIDDELL REGISTERED PROFESSIONAL ENGINEER BISBEE ARIZONA |
| | | DATE AUG 16, 1971 FILE NO. 5-3 SCALE 1" = 400' DRAWN BY CF CHK'D BY JOB NO. 3002 |

SHEET OF



State of Arizona
Arizona Geological Survey
 845 North Park Avenue, #100
 Tucson, Arizona 85719



1" EXPLORATION CORP. 1
 T-24S R-31E, Cochise

MUD AND CUTTINGS ANALYSIS
FOR
GUADALUPE EXPLORATION CORPORATION
STATE NO. 1 WELL
WILDCAT
COCHISE COUNTY, ARIZONA

564

CORE

CORE LABORATORIES, INC.

Petroleum Reservoir Engineering
DALLAS, TEXAS

December 3, 1971

Guadalupe Exploration Corporation
Box 2087
Scottsdale, Arizona 85252

Attention: Mr. Ed Obele

Subject: Mud and Cuttings Analysis
State No. 1 Well
Wildcat
Cochise County, Arizona
Location: Sec. 2-T24S-R31E

Gentlemen:

A mobile laboratory of Core Laboratories, Inc. was present at the site of the above well during drilling operations between the depths of 80 and 5680 feet. Using standard equipment and procedures, a two-man logging unit was used from 80 to 3792 feet, after which a one-man unit was employed to continuously monitor the drilling fluid for hydrocarbon content. Drill cuttings were inspected at regular intervals for gas and oil content and lithology. To supplement the hot wire gas detector, a Programmed Hydrocarbon Detector (gas chromatograph) was used for detecting and measuring each hydrocarbon in the total gas. The results of the observations are shown on the attached Grapholog with other pertinent information, including drilling rate data and drilling fluid properties.

Shows of hydrocarbon were reported to a representative of the company. Should there be any questions, please contact us.

We are very pleased to have been of service and trust this information has assisted in evaluating this property.

Very truly yours,

Core Laboratories, Inc.

R A Bartlett

R. A. Bartlett
West Texas Logging Manager

RAB:dl

Distribution of Final Reports

4 Copies

Mr. Ed Obele
Guadalupe Exploration Corporation
Box 2087
Scottsdale, Arizona 85252

1 Copy

Mr. Ed Feely
1316 Camino Trillado
Carpinteria, California 93013

1 Copy

Mr. George McFall
Sun Oil Company
Box 1861
Midland, Texas 79701

1 Copy

Mr. C. H. Coldwell
Sun Oil Company
Box 2880
Dallas, Texas 75221

1 Copy

Mr. H. D. Hand
1481 South Park Lane
Tucson, Arizona 85710

1 Copy

Mr. Ted Hardy
Salt River Project
Box 1980
Phoenix, Arizona 85001

1 Copy

Mr. J. R. Creech
Forest Oil Corporation
Box 4486
Midland, Texas 79701



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

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



Larry D. Fellows
Director and State Geologist

July 1, 1994

Mr. Steve Cullinan
Division of Water Resources
U.S. Fish & Wildlife Service
P. O. Box 1306
Albuquerque, New Mexico 87103

Dear Steve:

The information we discussed this afternoon is enclosed. This includes the title page, page 20, and the southeast part of the well location map of the *Arizona Well Location Map and Report*; completion and plugging report for the Phillips well; completion and plugging report for the Union well; completion and water well acceptance report for the Guadalupe well; and the completion report for the L.A. Thomson well.

As you can see from this information, logs are not available for all of these wells. Union reported water from 450 to 490 feet in its well. I did not look through the file, however, to see at what rate this well produced water or if they even obtained a production rate. The Guadalupe well was accepted by the land owner as a domestic water well. Not much is available on the Thomson well.

Let me know if there is any additional information that we may provide.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

564

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. AZ - 6317

That we: GUADALUPE EXPLORATION CORPORATION

of the County of MARICOPA in the State of ARIZONA

as principal, and MERCHANTS MUTUAL BONDING COMPANY

of COUNTY OF POLK, CITY OF DES MOINES, STATE OF IOWA 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 FIVE THOUSAND & 00/100- - - - - DOLLARS 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:

SINGLE WELL N.E. 1/4 OF N.E. 1/4 OF S.W. 1/4, SEC. 2 TWP. 24, S RGE. 31 E. - COCHISE COUNTY, ARIZONA (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 22nd day of SEPTEMBER, 1971

GUADALUPE EXPLORATION CORPORATION

Edward M. Steele Sr. Pres. Principal

WITNESS our hands and seals this 22nd day of SEPTEMBER, 1971

MERCHANTS MUTUAL BONDING COMPANY

CANCELLED

M.M. THOMPSON Surety ATTORNEY IN FACT

DATE 7-24-72

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

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved Date 9-24-71 STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION By: [Signature]

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

Permit No. 564

MERCHANTS MUTUAL BONDING COMPANY
DES MOINES, IOWA

5-A-113

POWER OF ATTORNEY

Know All Men By These Presents, that the MERCHANTS MUTUAL BONDING COMPANY, a corporation duly organized under the laws of the State of Iowa, and having its principal office in the City of Des Moines, County of Polk, State of Iowa, hath made, constituted and appointed, and does by these presents make, constitute and appoint
MAYNARD M. THOMPSON

of **Phoenix** and State of **Arizona** its true and lawful Attorney-in-Fact, with full power and authority hereby conferred in its name, place and stead, to sign, execute, acknowledge and deliver in its behalf as surety:

Any or all bonds or undertakings, provided that no bond or undertaking executed under this authority shall exceed in amount the sum of THREE HUNDRED FIFTY THOUSAND (\$350,000.00) DOLLARS.

and to bind the MERCHANTS MUTUAL BONDING COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the MERCHANTS MUTUAL BONDING COMPANY, and all the acts of said Attorney, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following By-Law adopted by the Board of Directors of the MERCHANTS MUTUAL BONDING COMPANY.

ARTICLE 2, SECTION 5A.—“The Chairman of the Board or President or any Vice President or Secretary shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.”

In Witness Whereof, MERCHANTS MUTUAL BONDING COMPANY has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereto affixed, this **8th** day of **July** A.D., 19 **71**.

Attest:

MERCHANTS MUTUAL BONDING COMPANY

Emily Clark
Emily Clark, Secretary

By



STATE OF IOWA }
COUNTY OF POLK } ss.

On this **8th** day of **July**, 19 **71**, before me appeared W. W. Warner and Emily Clark, to me personally known, who being by me duly sworn did say that they are President and Secretary respectively of the MERCHANTS MUTUAL BONDING COMPANY, the corporation described in the foregoing instrument, and that the Seal affixed to the said instrument is the Corporate Seal of the said Corporation and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors.

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal, at the City of Des Moines, Iowa the day and year first above written.



CANCELLED

H. D. Stiles
Notary Public, Polk County, Iowa
My Commission Expires July 4, 19.....

DATE 7-24-72
STATE OF IOWA }
COUNTY OF POLK } ss.

I, Emily Clark, secretary of the MERCHANTS MUTUAL BONDING COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a POWER OF ATTORNEY, executed by said MERCHANTS MUTUAL BONDING COMPANY, which is still in force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Company, at this **22nd** day of **Sept.** 19 **71**.



This power of attorney expires **December 31, 1973**

July 24, 1972

Merchants Mutual Bonding Company
County of Polk
Des Moines, Iowa

Re: Guadalupe Exploration Corporation Bond No. AZ - 6317

Gentlemen:

Guadalupe Exploration Corporation has requested that the Oil and Gas Conservation Commission of the State of Arizona, release Bond No. AZ - 6317.

Guadalupe Exploration has complied with all rules and regulations of the Oil and Gas Conservation Commission, therefore, the Commission does hereby authorize release of subject bond.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

1cc - Mr. Edward Obele, Sr.

March 9, 1972

Mr. Cliff Taylor
P. O. Box 776
Douglas
Arizona

Re: GECO #1 State

Dear Cliff:

Sorry I was out of town when you called about the GECO #1 State location. Guess my letter of February 4th wasn't quite clear enough.

(1) Any paper, cans and other trash such as sample sacks must be thrown in the pits and buried. (2) The hole or "basement" around the well head has to be filled level with the ground. (3) The pits just south of the well have to be graded so there is little evidence of them having been there. You can push the sides in or out, whichever is fastest and easiest. (4) The road up to the location can be left as is, however, any old pipe or other odds and ends which we left there must be picked up.

Please let me know when this work is finished so I can report to the Oil & Gas Commission.

We are all fine. The kids are busy with their school and all that goes with school. Paralee has a white mare which she loves dearly. Mitch has a motorcycle now and gives it a workout most every day. Carol keeps me in line as best she can.

Hope your fine family is well and happy.

Kindest regards.

Yours very truly,

RECEIVED

MAR 13 1972

Edward M. Obele, Sr.

EMO/cg

O & G CONS. COMM.

cc, Mr. Bill Allen

#564

COPY

February 2, 1972

Mr. Edward M. Obele, Sr.
Guadalupe Exploration Corporation
P. O. Box 2087
Scottsdale, Arizona 85252

Re: Guadalupe Exploration Corporation, State #1
NE/SW Section 2-T24S-R31E
Cochise County
Our File #564

Dear Ed:

This letter will confirm the necessity of back filling the working pits, leveling the location and disposing of debris on the above referenced location.

I will take this opportunity to thank you very much for the information that you were good enough to give me this morning. Also thanks for the Completion Report, Well Logs, and so forth that you recently left in the office.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b



Guadalupe Exploration Corporation

January 28, 1972

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

Re: GECO #1 State

Dear Mr. Allen:

We submit herewith the following:

- (a) Well completion report (Form #4).
- (b) Welex Radioactivity Log.
- (c) Welex Density Log.
- (d) Core Laboratories, Inc., gas sample analysis.
- (e) Core Laboratories, Inc., cutting analysis report from logging unit.

Mr. H. D. Hand, geologist, delivered to you a set of samples on December 7, 1971.

We trust this information will complete your requirements. However, we stand ready to furnish any further information possible on GECO #1 State.

Yours very truly,

Edward M. Obele, Sr.

EMO/cg

Enclosures

RECEIVED

FEB 01 1972

O & G CONS. COMM.

Suite A, 4215 Winfield Scott Plaza • P.O. Box 2087 • Scottsdale, Arizona 85252 • Phone 602/947-4703



JACK WILLIAMS
Governor

ARIZONA STATE LAND DEPARTMENT

1624 WEST ADAMS - ROOM 400
PHOENIX, ARIZONA 85007

December 14, 1971

ANDREW L. BETTWEY
Commissioner
271-4621

Mr. Bill Allen, Director
of Enforcement Section
Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

This is to thank you for forwarding a copy of John
Magoffin's acceptance of the Guadalupe Exploration
Corp. #1 State well situated in the NESW of Section
2, Township 24 South, Range 31 East.

For our purposes here, we would appreciate your for-
warding, when available, a copy of your reporting form
for this well, which would give us the information as
to depth, diameter, water horizons, etc.

Your cooperation is appreciated.

Very truly yours,

F. C. Ryan
F. C. Ryan, Assistant
Commissioner for Water
and Mineral Resources

FCR/lb

Accounting
271-4624

Forestry
271-4633

Leasing
Records
271-4634

Mineral
Oil & Gas
271-4628

Sales
271-4631

Soil Conservation
271-4625

Water Control
271-4629

RECEIVED

DEC 15 1971

O & G CONS. COMM.

564

1481 SOUTH PARK LANE
TUCSON, ARIZONA 85710

H. D. HAND
December 13, 1971

PHONE
(602)298-0722

Mr. Edward M. Obele, Sr.
President
Guadalupe Exploration Corporation
Suite A, 4215 Winfield Scott Plaza
Scottsdale, Arizona 85252

COPY

Re: Well Cuttings Analysis
GECO State No. 1
Sec. 2, T. 24 S., R. 31 E.
Cochise County, Arizona

Dear Mr. Obele:

An examination of the cuttings from the captioned well was made from 80 to 5679 feet, total depth, during the progress of the drilling operations. The cuttings were examined with a binocular microscope and described and plotted on a sample log strip, utilizing the drilling time log and the Welex density and gamma neutron logs run during and after completion of the drilling operations.

The following data were used for correlation of the sample log:

American Stratigraphic Company lithologic log and gamma-neutron log of the Humble Oil and Refining Company No. 1 State-BA well in Hidalgo County, New Mexico, 45 miles to the east.

Sample log of Waddell-Duncan, Murrey No. 1 well 30 miles west northwest.

Outcrop sections described in the Pedregosa Mountains 18-20 miles to the northwest.

The following formation tops were determined: (All measurements are from the kelly-bushing, elevation 4366 feet, mean sea level.)

| Age | Formation | Depth to Top | Sea Level Datum | Thickness |
|---------------|---|--------------|-----------------|-----------|
| Permian | Colina limestone | 0- 100 | | 100+ |
| | Earp formation | 100 | +4266 | 1196 |
| Pennsylvanian | Horquilla limestone | 1296 | +3070 | 1464 |
| | (This top picked from Welex Gamma-Density log, as there were no samples from 650 to 1780 feet.) | | | |
| Mississippian | Paradise (?) formation | 2760 | +1606 | 80 |
| | Escabrosa limestone | 2840 | +1526 | 1420 |
| Devonian | Pedregosa formation | 4260 | + 106 | 295 |
| Ordovician | Montoya (?) dolomite | 4555 | - 189 | 157 |
| | El Paso limestone | 4712 | - 346 | 833 |
| Cambrian | Bolsa quartzite formation | 5545 | -1179 | 134+ |
| | Total Depth | 5679 | | |

No indications of hydrocarbons of any kind were encountered in this well.

Very truly yours,

H. D. Hand
H. D. Hand



RECEIVED

MAR 13 1972

O & G CONS. COMM.

CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

DALLAS, TEXAS

December 3, 1971

Guadalupe Exploration Corporation
Box 2087
Scottsdale, Arizona 85252

Attention: Mr. Ed Obele

Subject: Mud and Cuttings Analysis
State No. 1 Well
Wildcat
Cochise County, Arizona
Location: Sec. 2-T24S-R31E

Gentlemen:

A mobile laboratory of Core Laboratories, Inc. was present at the site of the above well during drilling operations between the depths of 80 and 5680 feet. Using standard equipment and procedures, a two-man logging unit was used from 80 to 3792 feet, after which a one-man unit was employed to continuously monitor the drilling fluid for hydrocarbon content. Drill cuttings were inspected at regular intervals for gas and oil content and lithology. To supplement the hot wire gas detector, a Programmed Hydrocarbon Detector (gas chromatograph) was used for detecting and measuring each hydrocarbon in the total gas. The results of the observations are shown on the attached Grapholog with other pertinent information, including drilling rate data and drilling fluid properties.

Shows of hydrocarbon were reported to a representative of the company. Should there be any questions, please contact us.

We are very pleased to have been of service and trust this information has assisted in evaluating this property.

Very truly yours,

Core Laboratories, Inc.

R A Bartlett

R. A. Bartlett

West Texas Logging Manager

RAB:dl

Distribution of Final Reports

| | |
|----------|--|
| 4 Copies | Mr. Ed Obele Guadalupe Exploration Corporation Box 2087 Scottsdale, Arizona 85252 |
| 1 Copy | Mr. Ed Feely 1316 Camino Trillado Carpinteria, California 93013 |
| 1 Copy | Mr. George McFall Sun Oil Company Box 1861 Midland, Texas 79701 |
| 1 Copy | Mr. C. H. Coldwell Sun Oil Company Box 2880 Dallas, Texas 75221 |
| 1 Copy | Mr. H. D. Hand 1481 South Park Lane Tucson, Arizona 85710 |
| 1 Copy | Mr. Ted Hardy Salt River Project Box 1980 Phoenix, Arizona 85001 |
| 1 Copy | Mr. J. R. Creech Forest Oil Corporation Box 4486 Midland, Texas 79701 |

November 11, 1971

Mr. Edward M. Obele, Sr.
Guadalupe Exploration Corporation
P. O. Box 2087
Scottsdale, Arizona 85252

Re: Guadalupe Exploration Corporation, State #1
NE/SW Section-2-T-24S-R31E
Cochise County
Our File #564

Dear Mr. Obele:

Please forgive me for seemingly being unappreciative of your recent hospitality, however, we must remind you to refer to Paragraph E of Rule 108 of the Rules and Regulations.

We would appreciate receiving this form at your earliest convenience.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

ince
times

By Harry Cline

CITIZEN STAFF WRITER

Money — lots of it — is what it takes to go hydrocarbon hunting.

Ever since Col. Edwin Laurentine Drake and "Uncle Billy" Smith drilled the first commercial oil well in Pennsylvania 112 years ago, man has searched for fame and fortune beneath America.

Some have found what they sought beneath North America. Others have ended up broke.

The wildcatter is the pioneer of the oil and gas business. He drills where no man has drilled before, putting up large sums of money in hopes of an even larger return.

Edward Obele of Scottsdale, a self-proclaimed wildcatter who has drilled pays and dry holes, is pioneering what may be an oil and gas boom in Southern Arizona.

Guadalupe Exploration Corp., Obele's company, began drilling a 7,000-foot wildcat natural gas well 25 miles east of Douglas a week ago. Obele and his unidentified "Arizona investors" have \$250,000 riding on the well being drilled with 800,000 worth of the most modern well-drilling equipment available today under lease.

Perhaps the biggest "wildcatter" on the North American continent is Pemex, the nationally owned Mexican petroleum company. Obele and Pemex are both drilling in a geologic formation called the Pedregosa Basin.

For the past several years, geologists have expressed the belief that there are hydrocarbons beneath the basin which is located in southeastern Arizona, southwestern New Mexico and then south-eastward into Mexico. It runs 200 miles northwest-southeast and 150 miles northeast-southwest. It is geologically similar to the well-known Midland and Delaware basins of West Texas and New Mexico where many a gas and oil fortune has been made.

With the majority of the basin in Mexico, Pemex has been exploring the region since 1947 and currently has three of the largest well-drilling rigs in the world going in the state of Chihuahua. The

closest one to Arizona is 35 miles southwest of Columbus, N.M.

The man in charge at Espia No. 1, Engineer Andrea Selva Del Castillo, answered all questions about the well, except one — how much Pemex is spending.

By West Texas standards the rig alone would run in excess of \$1 million. Its capability, said Selva, is 23,000 feet. It stands 180 feet high. The hole is now at approximately 16,000 feet deep. The operation is programmed to "almost 20,000 feet.

Beyond the massive rig and all the support equipment, there's a self-contained city on the site where 50 people live during the six-day shift of drilling. It contains individual trailers, its own doctor, laundry facilities, cooking and food storage facilities and even a lounge with a television set. For recreation, the men and camp workers have a cement basketball court.

There's even grass — lush green grass — growing between the cement sidewalks among the trailers.

Pemex is looking for gas and oil to serve its northern border towns particularly the fast-growing city of Juarez, while Obele is searching for Arizona's first interstate source of natural gas.

Both could be successful or both could be failures.

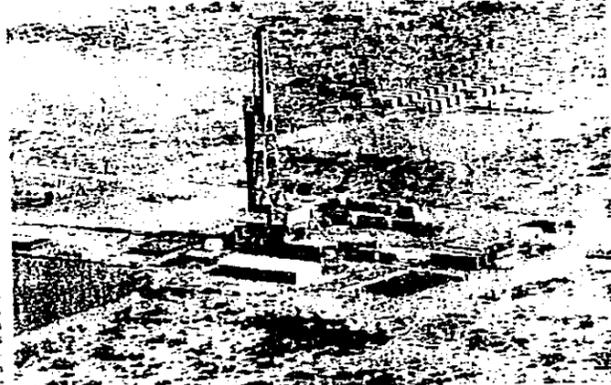
Mexico and Obele are gambling and the stakes are high.



Edward Feeley, left, is petroleum engineer on rig, here with Edward Obele, president of Guadalupe Exploration Corp. of Scottsdale, the "wildcatter" on the rig and the man in charge.

Drilling bits, costing \$1,500 to \$2,500 each were developed by Hughes Tool and made Howard Hughes a millionaire. Bits last 85 hours, if luck holds, and the Cochise well will probably run through \$11,000 in bits alone.

Pemex well Espia No. 1 sits on lonely desert plain 35 miles from Columbus, N.M., but is called "home" by 40 well workers who work a six-day shift at the well.



Citizen Photos
By
Manuel Miera



Ben Hayes, man in charge of huge compressors used to pump air into hole and blow out drill cuttings, yells over the noises of diesel engines. Three compressors, switched on 24 hours a day, can put out 3,000 cubic feet of air per minute at 1,500 pounds per square inch.

file 564

October 20, 1971

Mr. Edward M. Obele, Sr.
Guadalupe Exploration Corporation
P. O. Box 2087
Scottsdale, Arizona 85252

Re: Guadalupe Exploration Corporation, State #1
NE/SW Sec. 2-T24S-R31E
Cochise County
Our File #564

Dear Ed:

It has been our understanding that you were drilling the above referenced well tight. Your letter of October 19th to Mr. Bannister indicates that this will not be a tight hole. Would ^{you} please inform this office as quickly as possible the true status of this well. In other words, are we at liberty to give information on the various inquiries that we will receive from time to time concerning your operations?

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



October 19, 1971

Mr. John Bannister
Arizona Oil & Gas Conservation
Commission
4515 North 7th Avenue
Phoenix, Arizona

Dear John:

Enclosed are passes to visit GECO #1 State for you and each of your men and their wives.

Our policy has changed somewhat. We will not drill a tight hole. We plan to release factual information at least once a week as to our progress here.

However, we will control the traffic flow of visitors by honoring passes and escorting people from the parking area to the rig. The parking area is down hill from the rig approximately 100 yards.

So, come and see us!

Yours very truly,


Edward M. Obele, Sr.

EMO/cg

Enclosures - Pass No. 35 - Mr. & Mrs. John Bannister
Pass No. 36 - Mr. & Mrs. Edward Koester
Pass No. 37 - Mr. & Mrs. James Scurlock
Pass No. 38 - Mr. Jack Conley

VIRGINIA GAS & OIL, LTD.,

PETROLEUM BUILDING, ABILENE, TEXAS 79601 915-673-4731

OCTOBER 4, 1971

JOHN E. CARSON
WINFRED H. TUCKER
GENERAL PARTNERS

RECEIVED

OCT 6 1971

O & G CONS. COMM.

MR. JOHN BANNISTER, EXECUTIVE SECRETARY
ARIZONA OIL & CONSERVATION COMMISSION
4515 NORTH 7TH AVENUE
PHOENIX, ARIZONA 85013

DEAR JOHN:

RELATIVE TO OUR PHONE CONVERSATION THIS MORNING REGARDING THE ARTICLE ON ARIZONA EXPLORATION IN THE OCTOBER 4, 1971 ISSUE OF THE OIL AND GAS JOURNAL, COULD YOUR OFFICE KEEP US ADVISED OF THE PROGRESS GUADALUPE EXPLORATION CORP. MAKES IN THE DRILLING OF THEIR PROJECTED WELL?

SINCE GUADALUPE'S DRILLING FUNDS ARE RAISED, THEIR DRILLING PERMIT ISSUED AND THEIR DRILLING CONTRACT LET TO AS REPUTABLE A CONTRACTOR AS CACTUS DRILLING COMPANY, I CAN'T HELP BUT FEEL THAT THE DRILLING OF THIS TEST WILL BE COMMENCED AND CONTINUED WITH ALL DUE DILIGENCE ACCORDING TO GOOD OILFIELD PRACTICE. IN ADDITION, IT IS DOUBTFUL THAT GUADALUPE WOULD BE IN THE PROCESS OF DRILLING A WATER SUPPLY WELL IF THEY DIDN'T INTEND TO PROCEED WITH THE TEST IN THE IMMEDIATE FUTURE.

IN JANUARY 1970, I SPOKE WITH ARSENIO NAVARRO (PEMEX) AT JUAREZ, AND WAS ADVISED BY HIM THAT THE PEMEX WELL IN CHIHUAHUA 50 KILOMETERS (APPX. 31 MILES) SOUTH OF THE U.S. BORDER, WAS 1800 METERS (APPX. 5900') DEEP. AS I REMEMBER, AT THAT TIME PEMEX HAD ANOTHER WELL IN CHIHUAHUA, SOUTH OF COLUMBUS, NEW MEXICO, WHICH HAD REPORTED A VERY THICK SECTION OF ASPHALTIC OIL AND WAS DRILLING BELOW 11,000 FEET. WOULD YOU KNOW THE EXACT LOCATIONS OF THESE WELLS, OR ANY OTHER WELLS PEMEX MAY HAVE DRILLED IN CHIHUAHUA, IF THEY DRILLED ON ANY TRENDS IN THE BASIN, IF THEY PROVED OR DISPROVED ANY POTENTIAL REEFING IN THE DEVONIAN, MISSISSIPPIAN, PENNSYLVANIAN, PERMIAN OR CRETACEOUS, AND IF ANY OF THEIR WELLS IN ANY WAY AFFECTED PREVIOUS INFORMATION ON THE PEDREGOSA BASIN?

ANY DATA YOU CAN GIVE US WOULD BE HELPFUL IN GETTING OUR OWN EXPLORATION PROGRAM OFF THE GROUND, AND WE WOULD SURELY APPRECIATE IT.

BEST PERSONAL REGARDS,

JOHN E. CARSON

CC: MR. WALLACE B. LANGSTON
SUN OIL COMPANY
POST OFFICE Box 2880
DALLAS, TEXAS 75221

564

September 24, 1971

Mr. Edward M. Obele, Sr.
Guadalupe Exploration Corporation
P. O. Box 2087
Scottsdale, Arizona 85252

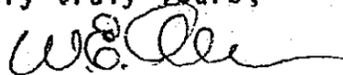
Re: Guadalupe Exploration Corporation, State #1
NE/SW Sec. 2-T24S-R31E
Cochise County
Our File 564

Dear Mr. Obele:

Enclosed please find Receipt No. 2899 covering the \$25 filing fee, a copy of your approved Application for Permit to Drill, and Permit to Drill No. 564.

Also enclosed are miscellaneous instruction sheets concerning samples and other Commission requirements.

Very truly yours,



W. E. Allen, Director
Enforcement Section

WEA/rlb

Enc.