

PW

~~CONFIDENTIAL~~

Release Date 10-28-72

EASTERN PETROLEUM SANDERS NE/SW Sec 15-T21N-R28E 568

SANTA FE

COUNTY APACHE AREA 1 1/2 mi. W. of Sanders LEASE NO. EPCO Santa Fe Fee Sanders

WELL NAME EASTERN PETROLEUM COMPANY, SANTA FE SANDERS

LOCATION NE/SW SEC 15 TWP 21N RANGE 28E FOOTAGE 2310' EWL - 1650' NSL

ELEV 5900.9 GR KB SPUD DATE 3-5-72 STATUS T&A TOTAL DEPTH 516'
 COMP. DATE 4-28-72

CONTRACTOR Eastern Petroleum Co., Navajo, Arizona

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	<u>X</u>
<u>7 5/8"</u>	<u>100</u>			DRILLED BY CABLE TOOL	
<u>4 1/2"</u>	<u>516</u>	<u>75 sx</u>		PRODUCTIVE RESERVOIR	<u>Coconino</u>
				INITIAL PRODUCTION	<u>TSTM</u>

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Monitor Butte	179		X	
Shinarump	244		X	
Moenkopi	295		X	
Coconino	406		X	

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
<u>2 Density Logs</u>	<u>406-420 & 432-434</u>	<u>406-434</u>	SAMPLE DESCRP. _____
<u>2 Induc. Electric logs</u>			SAMPLE NO. _____
			CORE ANALYSIS _____
			DSTs _____

REMARKS Fresh water @ 193' water level 63'. Lost circulation problems encountered at 417, top of Coconino.

APP. TO PLUG 8-30-74
 PLUGGING REP. 4-15-75
 COMP. REPORT 4-28-72

WATER WELL ACCEPTED BY _____

BOND CO. U.S.F.&G. BOND NO. 27716-13-3983-65
 DATE _____ ORGANIZATION REPORT 8-15-69
 BOND AMT. \$ 25,000 CANCELLED _____
 FILING RECEIPT 2903 LOC. PLAT X WELL BOOK X PLAT BOOK X
 API NO. 02-001-20153 DATE ISSUED 10-18-71 DEDICATION 640 acres

PERMIT NUMBER 568

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

DESIGNATE TYPE OF COMPLETION:

New Well Work-Over Deepen Plug Back Same Reservoir Different Reservoir Oil Gas Dry

DESCRIPTION OF WELL AND LEASE

Operator Eastern Petroleum Company		Address P.O. Box 226	
Federal, State or Indian Lease Number or name of lessor if fee lease Santa Fe Fee		Well Number 2	Field & Reservoir Coconino-Sanders
Location 1650 FSL, 2310, FWL		County Apache	

Sec. TWP-Range or Block & Survey Sec. 15, T21N, R28E				
Date spudded 3-05-72	Date total depth reached 3-31-72	Date completed, ready to produce 4-20-72	Elevation (DF, RKB, RT or Gr.) 5901.61 feet	Elevation of casing hd. flange 5902 feet
Total depth 516	P.R.T.D. 516	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 417 to 516		Rotary tools used (interval) 0-516	Cable tools used (interval) 0	
Was this well directionally drilled? yes	Was directional survey made? yes	Was copy of directional survey filed? attached	Date filed attached	
Type of electrical or other logs run (check logs filed with the commission) IES and 6 D			Date filed to be sent	

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	Am't. pulled
long string	6 1/2"	4 1/2"	9.5	516	75 sks	None

TUBING RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
none	in.	ft.	in.	ft.	ft.		

PERFORATION RECORD

Number per ft.	Size & type	Depth Interval	ACID, SHOT, FRACTURE, CEMENT SQUEEZER RECORD
2/ft.	std	406-420 and 432-434	Am't. & kind of material used
			Depth Interval

INITIAL PRODUCTION

Date of first production 4-20-72		Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump): flowing				
Date of test 4-20-72	Hrs. tested 24	Choke size 2"	Oil prod. during test 0 bbls.	Gas prod. during test TSTM MCF	Water prod. during test 0 bbls.	Oil gravity ° API (Corr)
Tubing pressure 0	Casing pressure 2#	Cal'ated rate of Production per 24 hrs. TSTM	Oil 0 bbls.	Gas TSTM MCF	Water 0 bbls.	Gas-oil ratio 0
Expansion of gas (state whether vented, used for fuel or sold): TSTM						

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

Date April 28, 1972 Signature Robert A. Kelly

RECEIVED

MAY 03 1972

O & G CONS. COMM.	STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION
Permit No. 568	Well Completion or Recompletion Report and Well Log Form No. 4
	File One Copy

PLUGGING RECORD

Operator Eastern Petroleum Company		Address P. O. Box 291, Carmi, Illinois 62821	
Federal, State, or Indian Lease Number, or lessor's name if fee lease. Sanders-Santa Fe		Well No. 2	Field & Reservoir Wildcat
Location of Well 1650 FSL; 2310 FWL		Sec-Twp-Rge or Block & Survey 15-21N-28E	County Apache
Application to drill this well was filed in name of Eastern Petroleum Company	Has this well ever produced oil or gas No	Character of well at completion (initial production): Oil (bbls/day) Gas (MCF/day) Dry? Yes	
Date plugged: 1-23-75	Total depth	Amount well producing when plugged: Oil (bbls/day) Gas (MCF/day) Water (bbls/day)	
Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging	Fluid content of each formation	Depth interval of each formation	Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement
			10 sax in bottom
			Mud to 50'
			8 sax to surface

CASING RECORD

Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
4 1/2"	516'	0'	516'		
Was well filled with mud-laden fluid, according to regulations?				Indicate deepest formation containing fresh water.	

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

Name	Address	Direction from this well:
Eastern Petroleum Co.		All

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

Use reverse side for additional detail.

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

Date

April 15, 1975

Signature

[Handwritten Signature]

Permit No. **568**

RECEIVED

APR 18 1975

O & G CONS. COMM.

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

Plugging Record
File One Copy

Form No. 10

APPLICATION TO ABANDON AND PLUG

FIELD Wildcat
 OPERATOR Eastern Petroleum Company ADDRESS Box 291, Carmi, Illinois 62821
 Federal, State, or Indian Lease Number or Lessor's Name if Fee Lease Santa Fe Fee-Sanders WELL NO. 2
 SURVEY 21N-28E SECTION 15 COUNTY Apache
 LOCATION 1650 FSL; 2310 FWL

TYPE OF WELL Dry (Oil, Gas or Dry Hole) TOTAL DEPTH 516

ALLOWABLE (If Assigned) _____

LAST PRODUCTION TEST OIL _____ (Bbls.) WATER _____ (Bbls.)
 GAS _____ (MCF) DATE OF TEST _____

PRODUCING HORIZON _____ PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD
4 1/2" casing @ 516'

2. FULL DETAILS OF PROPOSED PLAN OF WORK
Expect to recover 410' 4 1/2" casing
Cement plug 417-367; 243-143; 50-0
Fill intervals with heavy mud & erect regulation dry hole marker

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

DATE COMMENCING OPERATIONS September

NAME OF PERSON DOING WORK Wayne Carr ADDRESS Wichita Falls, Texas

CORRESPONDENCE SHOULD BE SENT TO J. N. Edwards

Name Secretary

Title Box 291, Carmi, Illinois 62821

Address August 30, 1974

Date _____

Date Approved 9-9-74
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: [Signature]

Permit No. 568

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

SEP 03 1974

O & G CONS. COMM.

Permit No. 568, Sanders No. 2

3-27-74

Well shut-in. Four jts. csg. &
dump bailer on location. Pits
not filled.



SANDERS #2 568

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Eastern Petroleum Company

2. OIL WELL GAS WELL OTHER (Specify) Dry Hole

3. Well Name Sanders #2 Santa Fe Fee

Location NE SW

Sec. 15 Twp. 21N Rge. 28E County Apache Arizona.

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

5. Field or Pool Name Wildcat

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

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

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

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

Well is scheduled to be plugged and abandoned in accordance with State regulations.

John Cunningham, Farmington, New Mexico, has been contracted to perform this work.

RECEIVED

MAR 15 1974

O & G CONS. COMM.

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

Signed J. Edwards Title Secretary Date March 12, 1974

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Sundry Notices and Reports On Wells
File Two Copies
Form No. 23

Permit No. 568

1 - State of Arizona ✓
1 - J. Cunningham
1 - File

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Eastern Petroleum Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Sanders No. 2 Santa Fe Fee
 Location NE/SW
 Sec. 15 Twp. 21N Rge. 28E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe Lease
 5. Field or Pool Name Sanders - Coconino

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____ <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>
(OTHER) <u>Semi Annual Report</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.)

Status: Shut In

RECEIVED
 JUL 02 1973
 O & G CONS. COMM.

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

Signed Robert C. Kelly Title Vice President Date June 25, 1973

Permit No. 568

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



GEOLOGICAL WELL REPORT

OPERATOR Eastern Petroleum Company FARM Sanders-Santa Fe WELL NO. 1
 LOCATION NE 1/4 Sec 15, T21N, R28E COUNTY Apache STATE Arizona
 ELEV: 5901 Rod; 5904 BS COMM. March 7, 1972 COMP. March 31, 1972 TOTAL DEPTH 516'
 SURFACE PIPE None CEMENT — OIL STRING 516' SIZE 4 1/2" CEMENT 75 ex
 GAMMA RAY LOG Gamma Density 179' to 516' ELECTRICAL LOG IES - 90' to 510'
 DRILLING TIME LOG 5' to 520' - 5' increments CONTRACTOR Eastern Drilling Company

FORMATION DATA

SAMPLE TOPS		G. R. AND/OR ELECTRICAL LOG TOPS	
Monitor Bui. (br.)	190'	179'	(+)5722
Shinarump congl. Mbr.	250'	244'	(+)5657
Muarkepi Fm.	300'	295'	(+)5606
Coconino sandstone	417'	406'	(+)5495

SHOWS OF OIL AND/OR GAS

DEPTH	DESCRIPTION	REMARKS (CIRCULATING, ETC.)
193'	Fresh water; water level at 63 feet mudded up and drilled with fresh water mud to total depth.	5900 405 589 5495 412 5912
417'	Last circulation - Coconino sandstone	
	No gas shows were evident during drilling.	

RECEIVED

MAY 1 1972

O & G CONS. COMM.

DURANGO, COLORADO

GEOLOGIST

ROBERT E. LAUTH

To:

TABULATION OF DEVIATION SURVEY

EASTERN PETROLEUM COMPANY Sanders, Santa Fe No. 2.,
1650 FSL, 2310 FWL, Sec. 15, T21N, R28E.

DEPTH	DEVIATION
200	+ 1/4°
400	+ 1/8°
516	- 1/2°

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Robert A. Shelton
Signature

Vice President
Title

April 28, 1972
Date

Subscribed and sworn to before me this 28 day of April, 1972.

My commission expires:
7-20-75

RECEIVED

MAY 09 1972

O & G CONS. COMM.

Anna M. Ripper
Notary Public In and for Sandoval County,
State of New Mexico.

Well: E.P.Co. Sanders Santa Fe #2
Sec. 15, T2 R28W
Apache County, Arizona

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

WA
Status: Well spudded 3-08-72. Drill to 195' with air-
encountered water - down wating on fuel permit
on water truck to continue to drill to proposed
TD of 570.

RECEIVED

MAR 15 1972

O & G CONS. COMM.

Status: 3-20-72 drilled to 458 ft. with top of Coconino
at 417 ft. Proposed T. D. 540 ft. This well should
be handled as a Tight Hole.

RECEIVED

MAR 22 1972

O & G CONS. COMM.

Status: 500 Ft. Pipe stuck in the hole

RECEIVED

MAR 29 1972

O & G CONS. COMM.

#568

EASTERN PETROLEUM

Box 226

Farmington, N. M. 87401



Paul Revere

Patriot



U.S. Postage 6¢

Oil & Gas Conservation Commission

4515 North 7th Ave.

Phoenix, Arizona 85013

EASTERN PETROLEUM

Box 226

Farmington, N. M. 87401



Paul Revere

Patriot



U.S. Postage 6¢

Oil & Gas Conservation Commission

4515 North 7th Ave.

Phoenix, Arizona 85013

EASTERN PETROLEUM

Box 226

Farmington, N. M. 87401



Paul Revere

Patriot



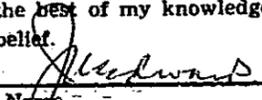
U.S. Postage 6¢

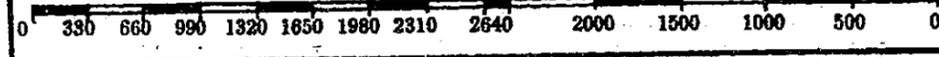
Oil & Gas Conservation Commission

4515 North 7th Ave.

Phoenix, Arizona 85013

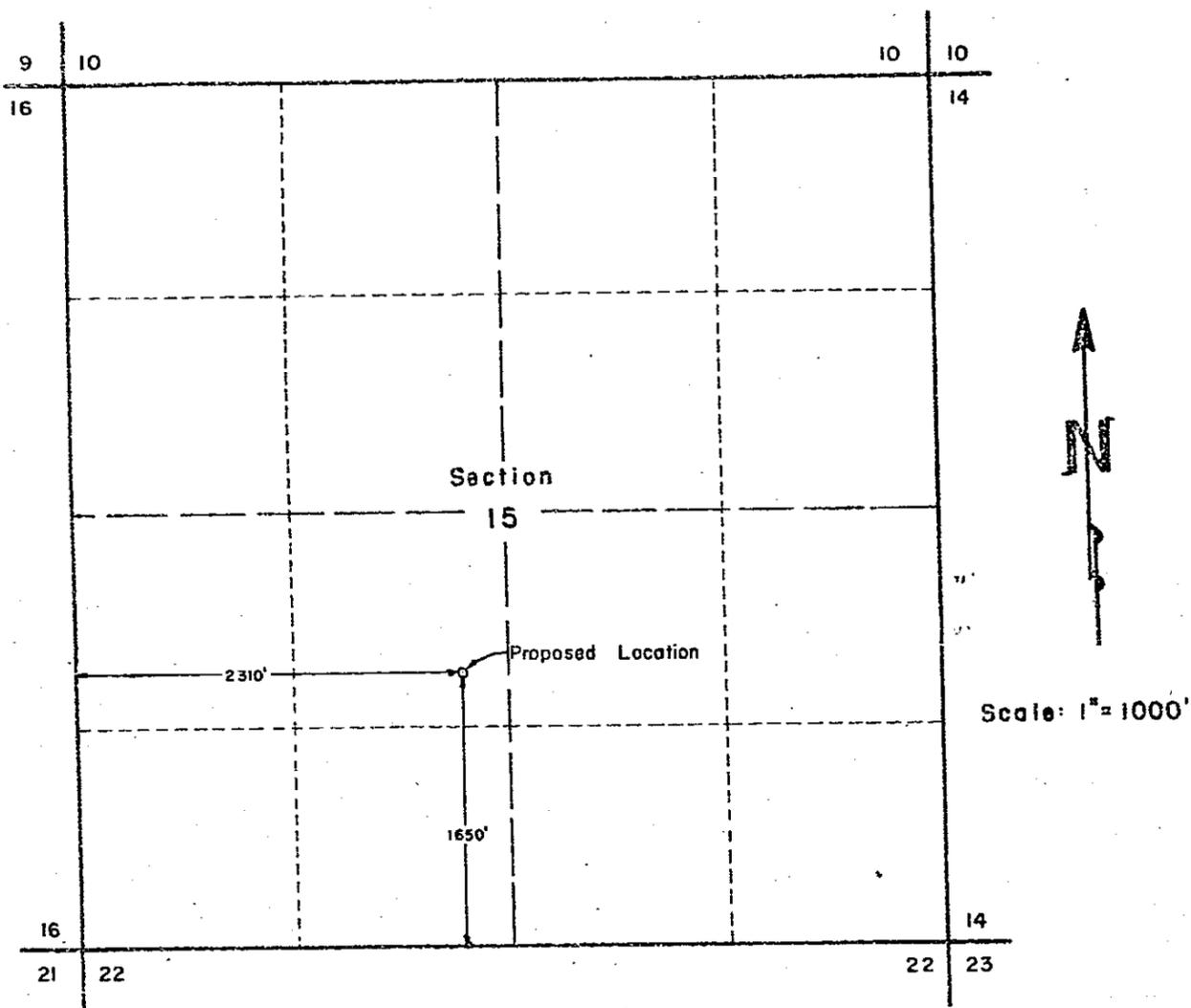
- Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- 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
CERTIFICATION	
I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
 Name <u>J. N. Edwards</u>	
Position <u>Secretary</u>	
Company <u>Eastern Petroleum Co.</u>	
Date <u>October 15, 1971</u>	
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.	
Date Surveyed _____	
Registered Professional Engineer and/or Land Surveyor _____	
Certificate No. _____	



PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
7"	22#	J-55	0	90	90	20



WELL LOCATION: EASTERN PETROLEUM CO.-N2 SANDERS SANTA FE

RECEIVED
 Located 2310 feet East of the West line and 1650 feet North of the South line of Section 15,
 Township 21 North Range 28 West Gila and Salt River Meridian
 Apache County, Arizona.
 Existing ground elevation determined at 5900.9 feet based on U.S.G.S. Datum.
 O & G CONS. COMM.

I hereby certify the above plat represents a survey made under my supervision and that it is accurate to the best of my knowledge and belief.

Frederick H. Reed

FREDERICK H. REED
 Registered Land Surveyor
 State of Arizona No. 5313



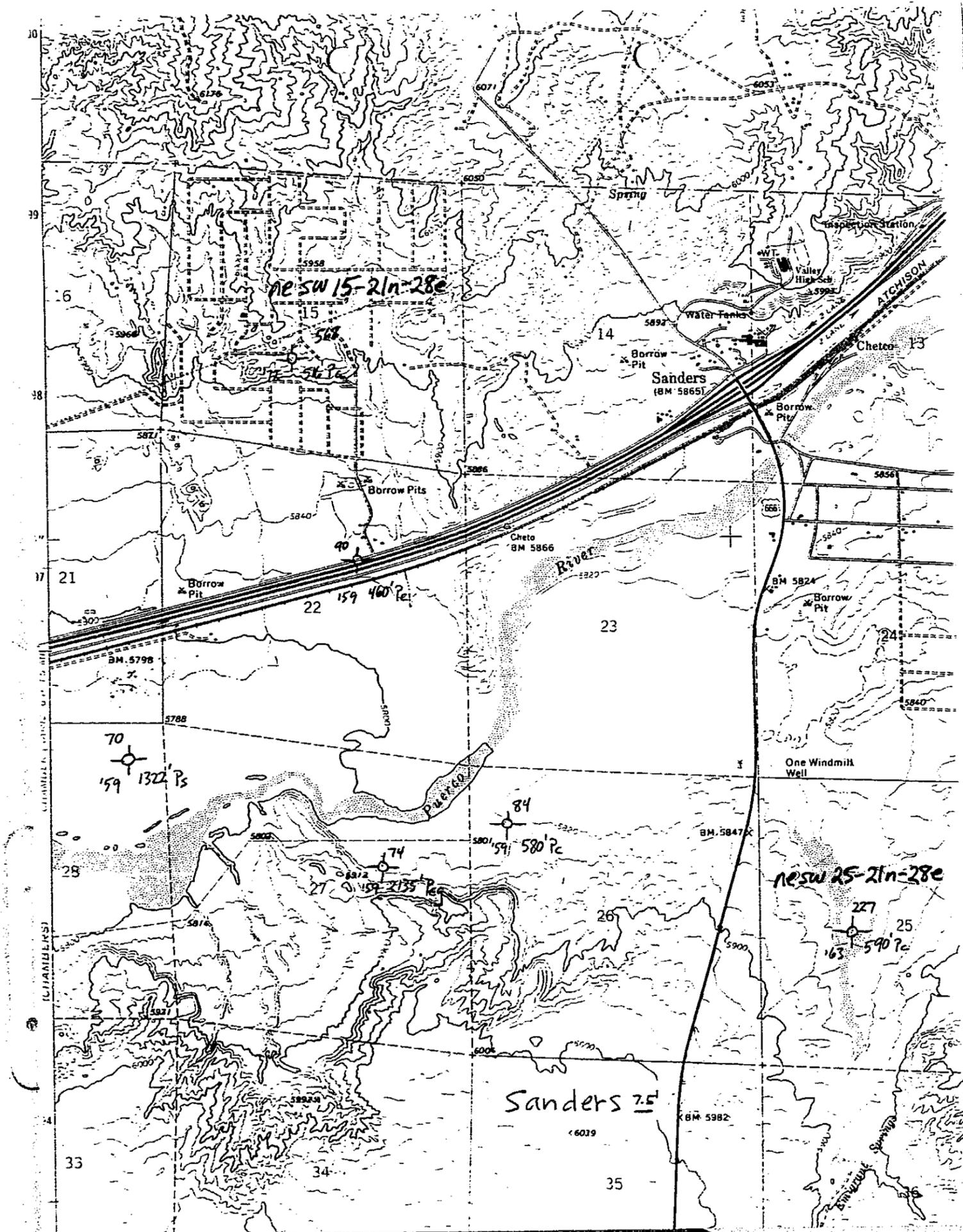
EASTERN PETROLEUM COMPANY
 Carmi, Illinois

WELL LOCATION PLAT
SEC. 15, T21N, R28W, G8SRM
APACHE CO., ARIZONA

CLARK-REED & ASSOC.
 Durango, Colorado

DATE: Sept. 22, 1971
 FILE NO: 71096

568





PERMIT TO DRILL

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

To: EASTERN PETROLEUM COMPANY
(OPERATOR)

to drill a well to be known as

EPCO-SANTA FE FEE-SANDERS #2
(WELL NAME)

located 2310' EWL and 1650' NSL

Section 15 Township 21N Range 28E, Apache County, Arizona.

The 640 acres 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 18th day of October, 19 71.

OIL AND GAS CONSERVATION COMMISSION

By W. C. [Signature]
EXECUTIVE SECRETARY

PRIOR TO BEING ALLOWED TO PRODUCE THIS WELL
YOU MUST BE IN FULL COMPLIANCE WITH RULE
105, SECTION A THRU G (SPACING), WITH RESPECT
TO THE PRODUCT TO BE PRODUCED.

PERMIT **Nº 568**

RECEIPT NO. 2903

API NO. 02-001-20153

SAMPLES ARE REQUIRED

State of Arizona
Oil & Gas Conservation Commission

Permit to Drill

FORM NO. 27



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA

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

5000 N. CENTRAL, SUITE 106
PHOENIX, ARIZONA 85020

September 3, 1975

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

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

Dear Dr. Swain

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

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

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

Encls.

5268



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

~~XXXXXXXXXXXXXX~~
PHOENIX, ARIZONA 85013

8686 N. Central, Suite 106
Phoenix, Arizona 85020

PHONE: (602) 271-5161

76
May 28
June 28

April 28, 1975

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

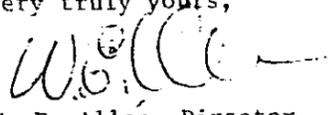
Re: Wells recently plugged by order of Commission

Dear Mr. Fullop:

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

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

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

cc Jess Edwards

June 25, 1975

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

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

Dear Mr. Fullop:

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

cc - Mrs. Edward



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

April 7, 1975

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

Re: Commission Ordered Plugged Wells
Navajo Springs Area

Dear Mr. Edwards:

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

cc Mr. Fullop

Encs.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

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

April 3, 1975

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

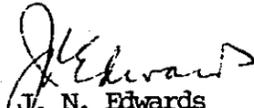
Dear Mr. Allen:

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY


J. N. Edwards

JNE:sjn

RECEIVED
APR 07 1975
O & G CONS. COMM.



OFFICE OF
Oil and Gas Conservation Commission

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

March 13, 1975

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

Re: Commission Ordered Plugged Wells
Navajo Springs Area

Dear Mr. Edwards:

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

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

Please submit these forms as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

WA



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE (618) 382-1104 - P.O. BOX 221 - DARIEN, ILLINOIS 62821

March 10, 1975

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

Re: Commission Ordered Plugged Wells

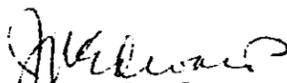
Dear Mr. Allen:

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY


J. N. Edwards

JNE:sjn

RECEIVED

MAR 10 1975

O & G CONS. COMM.

DATE: February 20, 1975

SUBJECT: Eastern Petroleum Company Wells

TO: 13 Eastern Files

FROM: W. E. Allen, Director, Enforcement Section

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

January 20, 1975

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

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

Dear Mr. Fullop:

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rib

Enc.

December 24, 1974

Memo to Eastern Petroleum File

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

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

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



UNITED STATES FIDELITY AND GUARANTY COMPANY
INDIANAPOLIS OFFICE
456 N. MERIDIAN ST., INDIANAPOLIS, IND. 46204
FOSTER & MESSICK, MANAGERS

December 23, 1974

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

ATTENTION: Mr. Mousel

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

Dear Mr. Mousel:

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

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

Very truly yours,

FOSTER & MESSICK, MGRS.

Harold E. Uhrig
Claim Supervisor

HEU:ja

Enc.

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

RECEIVED
DEC 26 1974
O & G CONS. COMM.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE (618) 352-4104 - P. O. BOX 291 - CARMI, ILLINOIS 62921

December 20, 1974

RECEIVED

DEC 23 1974

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

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

Dear Mr. Uhrig:

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fullop

HF:sjn

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

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

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

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

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

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

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

/rlb



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

CERTIFIED MAIL

December 9, 1974

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

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

Dear Mr. Uhrig:

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rib

Enc.

cc - Mr. Henry Fullop and Jess Edwards



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

December 2, 1974

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

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

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

CASE NO. 48

ORDER NO. 47

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

Gentlemen:

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

Consequently, let us assure you that the Commission is aware

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

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

Sincerely,

John Bannister
John Bannister
Executive Secretary

JB/vb

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

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

The Attorney General
State Capitol
Phoenix, Arizona 85007

THE PRENTICE-HALL CORPORATION SYSTEM, INC.

212-687-7660

521 FIFTH AVENUE, NEW YORK, NEW YORK 10017

CABLE PRENSYSTEM

AIR MAIL =
CERTIFIED MAIL NO. 170185

November 26, 1974

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

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

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

CASE NO. 48

ORDER NO. 47

Dear Sir:

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

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

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

Hon. Ralph W. Bilby, Chairman

-2-

November 26, 1974

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

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

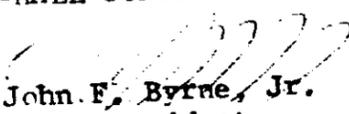
Therefore, as it was error on the part of your Commission to designate THE PRENTICE-HALL CORPORATION SYSTEM, INC. in the above Order as a party thereto, we respectfully request that your Commission take immediate action to qualify or amend such Order to the extent necessary and appropriate to eliminate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

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

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

Respectfully yours,

THE PRENTICE-HALL CORPORATION SYSTEM, INC.


John F. Byrne, Jr.
Vice-President

JFB:es

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



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

NOTICE OF HEARING

CASE NO. 48

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

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

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

CASE NO. 48

ORDER NO. 47

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

ORDER OF THE COMMISSION

BY THE COMMISSION

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

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

FINDINGS:

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

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

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

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

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

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

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

IT IS THEREFORE ORDERED:

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

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
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596	Indian Allotted Merde #2	SW/SE Sec 30-20N-28E
599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

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

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

Case No. 48
Order No. 47
Page 4

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

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

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

By _____ (Original signed)
Ralph W. Bilby, Chairman

(S E A L)

ATTEST:

(Original signed)
John Bannister
Executive Secretary

APPROVED AS TO FORM

Craig M. ...
Assistant Attorney General
Date Nov. 19, 1974

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

November 22, 1974

Mr. Dan LaBell
300 South Walnut
Carmi, Illinois 62821

Re: Eastern Petroleum Company Wells - Navajo Springs Area

Dear Mr. LaBell:

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

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

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

Please advise if we can be of any further assistance.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

Encs.

November 18, 1974

Office of the Attorney General
State Capitol
Phoenix, Arizona 85007

Attention: Mr. Craig Mousel

Re: Case No. 48

Gentlemen:

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

Should you have any questions, please advise.

Yours truly,

John Bannister
Executive Secretary

JB/vb

Enc.

November 1, 1974

REGISTERED, RETURN
RECEIPT REQUESTED

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

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

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

Gentlemen:

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

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

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

Should you have any questions, please advise.

Sincerely,

John Bannister
Executive Secretary

JB/vb

Enc.

October 29, 1974

The Attorney General
State Capitol
Phoenix, Arizona 85007

Attention: Mr. John McGowan
Special Assistant Attorney General

Dear Sir:

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

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

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

Mr. John McGowan
October 29, 1974
Page 2

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

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

October 18, 1974

The Attorney General
State Capitol
Phoenix, Arizona 85007

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

Re: Eastern Petroleum Company, Navajo Springs Area

Dear Sir:

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

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

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

Should you need anything further, please advise.

Respectfully,

John Bannister
Executive Secretary

JB/vb

Enc.

October 11, 1974

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

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

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

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

Prentice Hall Corporation System is the statutory agent.

United States Fidelity and Guaranty Company is the surety.

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

Mr Allen
Rec'd 9/26/74



September 23, 1974

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

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

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

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

Very truly yours,

KERR-McGEE CORPORATION

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

JIF/IDG/kb

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

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

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

September 19, 1974

Memo from W. E. Allen, Director
Enforcement Section

Memo to file
Eastern wells in Navajo Springs area

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

August 22, 1974

CERTIFIED MAIL

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

Re: Apache County Wells

Dear Mr. Fullop:

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

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

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

Mr. Henry Fullop
August 22, 1974
Page 2

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

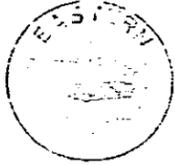
Very truly yours,

W. E. Allen, Director
Enforcement Section

Encs.

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

Form 9 mailed under separate cover



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

August 15, 1974

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

Re: Apache County Wells

330-2867

Dear Mr. Allen:

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

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fullop
Henry Fullop

HF:sja

Enc.

^{Reynolds}
cc: Mr. Noah Richards

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

RECEIVED

AUG 19 1974

O & G CONS. COMM.

A PACHE COUNTY WELLS SCHEDULED OR PLUGGING

PERMIT #	WELL NO & LOCATION	PIPE IN HOLE
110	1- SF#24 - 1650 FNL, 2640 FNL, 24-20N-27E	1303 - 2 7/8" 315 - 7"
536	2 SF 21-1A - 660 FNL, 660 FNL, 31-20N-28E	1218 - 4 1/2" 244 - 7"
234	3 SF#21 - 1650 FNL, 1650 FNL - 31-20N-28E	1330 - 2 7/8" 228 - 7"
565	4 KIVA 6X-1 - 2378 FNL, 2364 FNL, 25-20N-28E	1262 - 4 1/2" 309 - 7"
560	5 KIVA-SF#1 - 1980 FNL, 1966 FSL, 13-20N-28E	- 551' 7" - SFC NO PIPE
599	6 KIVA-SF#2 - 1658 FNL, 1651 FSL - 24-20N-28E	- 1212 - 4 1/2" 616 - 7"
568	7 SANDERO-SF#Y - 1650 FSL, 2310 FNL, 15-21N-28E	- 516' - 4 1/2" NO SFC CSG.
600	8 BEACON-SF#1 - 1980 FNL, 1980 FSL - 29-20N-29E	- 1265 - 4 1/2" 640 - 7"
578	9 SZAR-STATE#1 - 660' FNL, 1980 FNL, 36-20N-27E	1215 - 4 1/2" 300 - 7"
540	10 MEROS INDIAN#1 - 660 FSL, 660 FNL - 30-20N-28E	1200 - 4 1/2" 282 - 7"
596	11 MEROS INDIAN#2 - 660 FSL, 1980 FNL, 30-20N-28E	1197 - 2 7/8" 268 - 7"
691	12 SF#1-11, 1650 FSL, 1650 FNL, 11-20N-28E	1055 - 4 1/2" 622 - 7"
	13 DRECK-SF#1 - 1980 FNL, 660 FSL - 25-20N-27E - THIS WELL IS PARTIALLY PLUGGED, BUT THERE IS NO PLUG IN TOP OF 7" SFC (285' W/75)	



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

July 18, 1974

CERTIFIED MAIL

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

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

Gentlemen:

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

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

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

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

cc - Mr. Henry Fullop



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

June 21, 1974

CERTIFIED MAIL

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

Re: Navajo Springs Area

Dear Mr. Fullop:

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

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

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

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

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

368

May 15, 1974

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

Re: Chambers No. 1
NW/SW Sec 21-T21N-R28E
Apache County, Permit #567

Dear Mr. Edwards:

According to your recent note you indicated that you were unaware of the location of Mr. Pelton's land. For your information, the above well was drilled on Pelton's place. When the permit for this well was originally filed the legal description was given as 1650' FSL & 1650' FWL, Sec 21-T21N-R28E. Your firm later requested this location to be changed to 1650' FWL & 2310" FSL, same section, township and range. This location was approved. Both these locations had holes drilled on them.

Mr. Fullop had informed me by Sundry Notice, Form 25, dated 11-5-71, that because the original location was too close to an inhabited dwelling, Pelton's residence, the owner requested the well site to be moved. However, Mr. Fullop had said that an attempt was made at drilling a water well at the location. These are the two locations that Mr. Pelton has expressed a desire to assume responsibility of. Your Sanders No. 2, as you well know, was drilled over a mile to the northeast of these Chambers locations and on property owned or leased by others.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



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

May 6, 1974

MR ALLEN

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

Re: Chambers No. 1
NW/SW Sec 21-T21N-R28E
Apache Co., Permit #567

Dear Mr. Edwards:

We have received water well acceptance forms from Mr. Tom Pelton of Sanders, Arizona, accepting the Chambers No. 1 and Sanders No. 1 in Apache County, Arizona.

In our letter to you dated April 12, 1974 we informed you that Mr. Tom Pelton was desirous of obtaining the two wells that you drilled on his property and adjacent to his residence. In your letter to Mr. Pelton dated April 17, 1974 you indicated that you were sending him water well acceptance forms on both the Chambers No. 1 and Sanders No. 2. As you well know, the Sanders No. 2 is not on land owned, leased or used by Mr. Pelton. Therefore, we cannot allow him to accept responsibility for the Sanders No. 2 located 2310 FWL - 1650 FSL, Sec 15-T21N-R28E, Apache County.

Should you have any questions regarding this, please advise.

Very truly yours,

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

WEA/rlb

cc Tom Pelton

Enc.

5/9/74
I HAVE NO WAY OF IDENTIFYING PELTON'S LAND. WHAT IS THE LOCATION & NAME OF THE SECOND WELL?

Jess Edwards



OFFICE OF
Oil and Gas Conservation Commission

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

May 6, 1974

Mr. Tom Pelton
P. O. Box 7
Sanders, Arizona 86512

Re: Chambers No. 1
NW/SW Sec 21-T21N-R28E
Apache Co., Permit #567

Dear Mr. Pelton:

We have received the forms indicating your acceptance of the Santa Fe Chambers No. 1 situated 1650 FWL - 2310 FSL, Sec 21-T21N-R28E, Apache County and also your acceptance of the well designated Sanders No. 2 located 2310 FWL - 1650 FSL, Sec 15-T21N-R28E, Apache County. The Sanders well is not located on your property or property that is leased or used by you, therefore under the laws of this state, you cannot assume responsibility for this well.

Hereafter you may consider the Chambers No. 1 that is located on your property as your well.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

cc Jess Edwards

Enc.

Allen 5/10/74

TO: Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

This is to advise you that I accept the abandoned wildcat well, known as the EPCO-Santa Fe Fee Sanders #9 located ~~on the~~ 2310' EWL; 1650' NSL, in ~~XXXXX~~ Section 15 Township 21N Range 28E, County of Apache, 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 & 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 Tom Pelton
Street P. O. Box 5
City and State Sanders, Arizona 86512

STATE OF Arizona
COUNTY OF Apache

NO accepted

On this, the 24th day of April, 19 74, before me, Lavine M. Porter, the undersigned officer, personally appeared Tom Pelton, 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 purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

Notary Public Lavine M. Porter
My Commission Expires Dec. 31, 1974

RECEIVED
MAY 06 1974
O & G CONS. COMM.

Permit No. 568

State of Arizona
Oil & Gas Conservation Commission
WATER WELL ACCEPTANCE
Form 26 - File one copy

Sanders site

April 17, 1974

Mr. Tom Pelton
P. O. Box 7
Sanders, Arizona 85512

Dear Mr. Pelton:

We are informed by the Arizona Oil and Gas Commission that you have expressed the desire to assume responsibility of two holes for your use as water wells.

These were drilled by us sometime ago and they are identified as:

Chambers #1 - located 1650' EWL & 2310' NSL in
Section 21-21N-28E.
Sanders #1 - located 2310' EWL & 1650' NSL in
Section 15-21N-28E.

*should be both
Chamber holes,
not Sanders #1*

In order for you to do so you must so advise the Commission. For this purpose I have completed Form 26 for each of these wells to be forwarded to the Commission.

Your signature should be acknowledged before a notary. I would appreciate being advised of your acceptance.

Yours very truly,

EASTERN PETROLEUM COMPANY

J. N. Edwards
J. N. Edwards

JNE:sjn

Encs.

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

RECEIVED

0 8 3 C M S C M A

*already filed
Chambers*



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

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

April 12, 1974

CERTIFIED MAIL

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

Re: Navajo Springs Area

Dear Mr. Fullop:

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

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

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

Mr. Henry Fullop
April 12, 1974
Page 2

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

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

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

We would appreciate your thoughts on the above.

Very truly yours,



W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

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



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

March 15, 1974

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

Re: Santa Fe #24-File #536
Chambers Santa Fe #1-File #567
Sanders #2 Santa Fe Fee-File #568
Szar State #1-File #578

Merde Indian #1-File #592
Merde Indian #2-File #596
Santa Fe #1-11-File #601

Dear Mr. Edwards:

Thank you for the well information you have recently submitted to this office. We wish to remind you that it will be necessary for your company to file Form 9, Application to Plug and Abandon, at least 10 days prior to commencing plugging operations. Also, please notify this office of the date you plan to plug the above referenced wells. There will be a Commission representative witnessing the plugging.

Your cooperation is appreciated.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

cc Henry Fullop



UNITED STATES FIDELITY AND GUARANTY COMPANY

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

FOSTER & MESSICK
MANAGERS

March 1, 1974

TELEPHONE:
317/MELROSE 5-9431

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

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

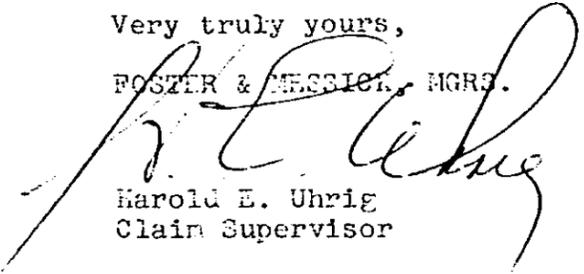
Dear Mr. Allen:

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

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

Very truly yours,

FOSTER & MESSICK, MGRS.


Harold E. Uhrig
Claim Supervisor

HEU:jg

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

cc: McCallister, Becker & Hall
Carmi, Illinois

RECEIVED

OIL & GAS COMM.

U. S. F. & G.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE 28-24104 - P. O. BOX 291 - CARMI, ILLINOIS

March 12, 1974

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

Re: Bond No. 27716-13-3983-65
Arizona

Dear Mr. Allen:

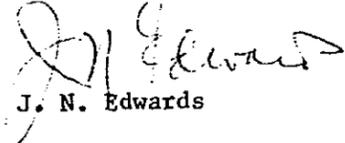
Pursuant to your recent letters to us and to U.S.F.&G. Company, I have enclosed Sundry Notices and Reports and other data concerning the wells in question.

You will note a number of these are in the producing Navajo Springs Unit; others are to be plugged and some will probably be transferred and assigned to another party for possible rework.

Trusting these reports adequately fulfill your requirements, I remain

Yours very truly,

EASTERN PETROLEUM COMPANY


J. N. Edwards

JNE:sjn

Encs.

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

McCallister, Becker & Hall
Carmi, Illinois 62821

RECEIVED

MAR 13 1974

O & G CON. COMM.

February 19, 1974

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

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

Gentlemen:

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

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rib

Encs.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

TELEPHONE 38-24104 • P O BOX 281 • CARMIL, ILLINOIS

February 14, 1974

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

Dear Mr. Allen:

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

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY

J. N. Edwards
J. N. Edwards

JNE:sjn

RECEIVED

FEB 15 1974

O & G CON. COMM.

February 1, 1974

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

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

Gentlemen:

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

If you need any further information, please advise.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

February 1, 1974

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

Re: ~~All Wells Covered Under U.S.F.&G. Bond No. 27716-13-3983-65, \$25,000~~

Dear Mr. Fullop:

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

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

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

cc - U.S.F.&G.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

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

January 8, 1974

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

Re: Crest Oil Santa Fe No. 2
NE/SW Sec 33-20N-27E
Permit #110

Santa Fe Fee No. 24
SE/NW Sec 24-20N-27E
Permit #536

Ancon 21-1A
Sec 31-20N-28E
Permit #537

Santa Fe Fee Kiva No. 1
NE/SW Sec 13-20N-28E
Permit #560

Santa Fe Fee 6x-1
SE/NW Sec 25-20N-28E
Permit #565

Chambers Santa Fe No. 1
NE/SW Sec 21-21N-28E
Permit #567

Sanders No. 2 Santa Fe Fee
NE/SW Sec 15-21N-28E
Permit #568

Szar State No. 1
NE/NW Sec 36-20N-27E
Permit #578

Merde Indian #1
Sec 30-20N-28E
Permit #592

Merde No. 2
SW/SE Sec 30-20N-28E
Permit #596

Santa Fe Kiva #2
NE/SW Sec 24-20N-28E
Permit #599

Beacon No. 1
Sec 29-20N-29E
Permit #600

Santa Fe Fee No. 1-11
NW/SE Sec 11-20N-28E
Permit #601

Crest Oil Company #7 Santa Fe
SW/NE Sec 6-19N-27E
Permit #204
Santa Fe Fee #31
C N/2 SE/4 Sec 29-20N-27E
Permit #255

Santa Fe Fee #32
SW/NE/SW Sec 28-20N-27E
Permit #258

Dear Mr. Fullop:

As we have previously advised, semi-annual status reports are required on the above referenced wells. This report was due in this office

Page 2
Mr. Robert Fullop
January 8, 1974

January 1, 1974. Please forward these reports as quickly as possible,
and indicate any work that you anticipate performing on these wells
within the next six months.

Please submit Completion Reports for your Indian Allotted Merde No. 1
and Santa Fe Beacon No. 1.

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

June 13, 1973

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

Re: Crest Oil Santa Fe No. 2
NE/SW Sec 33-T20N-R27E
Permit No. 110

Santa Fe Fee No. 24
SE/NW Sec 24-T20N-R27E
Permit No. 536

Ancon 21-A
Sec 31-T20N-R28E
Permit No. 537

Santa Fe Fee Kiva No. 1
NE/SW Sec 13-T20N-R28E
Permit No. 560

Santa Fe Fee 6X-1
SE/SW Sec 25-T20N-R28E
Permit No. 565

Chambers Santa Fe No. 1
NE/SW Sec 21-T21N-R28E
Permit No. 567

Sanders No. 2 Santa Fe Fee
NE/SW Sec 15-T21N-R28E
Permit No. 568

Szar State No. 1
NE/NW Sec 36-T20N-R27E
Permit No. 578

Merde Indian #1
Sec 30-T20N-R28E
Permit No. 592

Merde No. 2
SW/SE Sec 30-T20N-R28E
Permit No. 596

Santa Fe Kiva #2
NE/SW Sec 24-T20N-R28E
Permit No. 599

Beacon No. 1
Sec 29-T20N-R29E
Permit No. 600

Santa Fe Fee No. 1-11
NW/SE Sec 11-T20N-R28E
Permit No. 601

Dear Mr. Fullop:

No action of any kind has been reported on the above referenced wells for quite some time. We have completion reports for some of these wells, but no production has been indicated. Others are carried in a temporarily abandoned status.

Page 2
Robert Fullop
June 13, 1973

Please refer to our letter of October 26, 1972 by which you were advised that the Commission would require a semi-annual report listing the present status of subject wells and also any plans that you might have to complete, re-complete, workover, or plug said wells. Also note that the previously mentioned letter indicated the first semi-annual report would be due June 1, 1973. Please submit this report on form 25, Sundry Notices and Reports on Wells, immediately.

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

October 26, 1972

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

Re: Crest Oil Santa Fe No. 2
NE/SW Sec 33-T20N-R27E
Permit No. 110

Sanders No. 2 Santa Fe Fee
NE/SW Sec 15-T21N-R28
Permit No. 568

Santa Fe Fee Kiva No. 1
NE/SW Sec 13-T20N-R28E
Permit No. 560

Szar State No. 1
NE/NW Sec 36-T20N-R27E
Permit No. 578

Chambers Santa Fe No. 1
NE/SW Sec 21-T21N-R28E
Permit No. 567

Santa Fe Fee 6X-1
SE/NW Sec 25-T20N-R28E
Permit No. 565

Santa Fe Fee No. 24
SE/NW Sec 24-T20N-R27E
Permit No. 536

Merde No. 2
SW/SE Sec 30-T20N-R28E
Permit No. 596

Dear Mr. Fullop:

You have indicated the above referenced wells to be temporarily abandoned. Rule 202, paragraph B, requires a well to be plugged and abandoned after work has been suspended for 60 days unless written permission for temporary abandonment is obtained from the Commission.

This letter will indicate the Commission's approval to temporary abandon the above referenced wells, until such time as final plugging and abandonment is required.

The Commission will require a Form 25, Sundry Notice and Reports, on the wells to be filed on a semi-annual basis giving the current status. Also should you perform any work, treating, perforating and so forth on any of these wells, the Commission must be advised of your plans in advance. The first regular semi-annual report will be due June 1, 1973.

Page 2
Mr. Robert Fullop
October 26, 1972

In the future, please request a temporary abandonment status on any well not producing that you do not wish to plug.

Very truly yours,



W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.



EASTERN PETROLEUM CO.
EASTERN DRILLING, INC.

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

RECEIVED

JAN 10 1972

O & G CONS. COMM.

January 7, 1972

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

Re: Drilling Permits
Nos. 568, 569 & 570
Chambers-Sanders Area

Dear Mr. Allen:

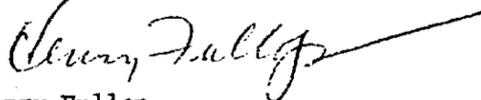
Thank you for advising us of the January 18 expiration date of these permits.

We respectfully request that each of these permits be extended for an additional effective period of ninety (90) days.

Thanking you for your cooperation, I am

Yours very truly,

EASTERN PETROLEUM COMPANY


Henry Fullop

HF:sjn

Expiration Date - April 18, 1972

January 5, 1972

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

Re: Eastern Petroleum Company
EPCO Santa Fe Fee Sanders #2
NE/SW Sec 15-T21N-R28E
Apache County
Our File #568

Eastern Petroleum Company
EPCO Santa Fe Fee Chambers #3
SW/NE Sec 19-T21N-R28E
Apache County
Our File #569

Eastern Petroleum Company
EPCO Santa Fe Fee Sanders #4
NE/SW Sec. 13-T21N-R28E
Apache County
Our File #570

Gentlemen:

This is to advise you that the permits on the above referenced wells will expire January 18, 1972 unless a request for an extension of these permits is received in this office by January 18, 1972. These permits will be cancelled as of that date.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

cc- Mr. J. N. Edwards
Mr. Henry Fullop



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

December 13, 1971

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

Re: Progress Reports

Dear Mr. Fullop:

You were recently advised that effective immediately all operators would be required to submit a report on their drilling completion or work-over operations on a weekly basis. This report was to be received by this office each Monday.

As of this date, we have not received a report on your operations. Please advise us of the status of your operations immediately, and we would appreciate it if you would make it a point to keep us advised of your progress.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. E. Allen".

W. E. Allen, Director
Enforcement Section

WEA/rlb

Enc.

568

October 19, 1971

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

Re: Eastern Petroleum Company
EPCO Santa Fe Fee Chambers #1
NE/SW Sec 21-T21N-R28E
Apache County
Our File #567

Eastern Petroleum Company
EPCO Santa Fe Fee Sanders #2
NE/SW Sec 15-T21N-R28E
Apache County
Our File #568

Eastern Petroleum Company
EPCO Santa Fe Fee Chambers #3
SW/NE Sec 19-T21N-R28E
Apache County
Our File #569

Eastern Petroleum Company
EPCO Santa Fe Fee Sanders #4
NE/SW Sec 12-T21N-R28E
Apache County
Our File #570

Dear Mr. Edwards:

Enclosed please find Receipts Nos. 2902, 2903, 2904 and 2905 covering the \$25 filing fee for each well, making a total of \$125, a copy of your approved application for each well for Permit to Drill and Permits to Drill #567, 568, 569 and 570.

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

EASTERN PETROLEUM CO.
ACCOUNT NO. 2
CARM, ILL.

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
		Application for permit to drill EPCO-Santa Fe Fee-Sanders #2, Sec. 15-21N-28E, Apache Co., Ariz				\$25.00
						568