

EASTERN PETROLEUM CO./SZAR-STATE  
NE/NW Sec 36-T20N-R27E, Apache Co.

P-W

oc

COUNTY Apache AREA 8 mi SE of Navajo LEASE NO. Szar State

WELL NAME EASTERN PETROLEUM COMPANY SZAR-STATE-~~XXXX~~

LOCATION NE/NW SEC 36 TWP 20N RANGE 27E FOOTAGE 1980' EWL - 660' SNL

ELEV 5829 GR KB SPUD DATE 4-5-72 STATUS T&A TOTAL DEPTH 1215  
 COMP. DATE 4-28-72

*5810 EQL from USGS 7 1/2' quad per JNC*

| CASING SIZE   | DEPTH       | CEMENT         | LINER SIZE & DEPTH | DRILLED BY ROTARY | DRILLED BY CABLE TOOL | PRODUCTIVE RESERVOIR | INITIAL PRODUCTION |
|---------------|-------------|----------------|--------------------|-------------------|-----------------------|----------------------|--------------------|
| <u>7"</u>     | <u>300'</u> | <u>75 sks</u>  |                    | <u>X</u>          |                       | <u>Shinarump</u>     |                    |
| <u>4 1/2"</u> | <u>1215</u> | <u>100 sks</u> |                    |                   |                       |                      |                    |

| FORMATION TOPS             | DEPTHS      | SOURCE   |          | REMARKS |
|----------------------------|-------------|----------|----------|---------|
|                            |             | L.L.     | E.L.     |         |
| <u>Chinle</u>              | <u>250</u>  | <u>X</u> |          |         |
| <u>Sonsela "A"</u>         | <u>396</u>  |          | <u>X</u> |         |
| <u>L. Petrified Forest</u> | <u>419</u>  |          | <u>X</u> |         |
| <u>Monitor Butte</u>       | <u>1127</u> |          | <u>X</u> |         |
| <u>Shinarump</u>           | <u>1154</u> |          | <u>X</u> |         |
| <u>Moenkopi</u>            | <u>1163</u> |          | <u>X</u> |         |

| ELECTRIC LOGS                 | PERFORATED INTERVALS | PROD. INTERVALS  | SAMPLE LOG                |
|-------------------------------|----------------------|------------------|---------------------------|
| <u>I.E. -2, Density Log-2</u> | <u>1154-1162</u>     | <u>1154-1162</u> | <u>SAMPLE DESCRP.</u>     |
|                               |                      |                  | <u>SAMPLE NO. 1695</u>    |
|                               |                      |                  | <u>CORE ANALYSIS None</u> |
|                               |                      |                  | <u>DSTs None</u>          |
|                               |                      |                  | <u>Interval 300-1210</u>  |

REMARKS This well was on vacuum when potential test was attempted. APP. TO PLUG 8-30-74  
 PLUGGING REP. 4-15-75  
 COMP. REPORT X

WATER WELL ACCEPTED BY \_\_\_\_\_

BOND CO. U.S.F.&G. BOND NO. 27716-13-3983-65  
 BOND AMT. \$ 25,000 CANCELLED \_\_\_\_\_ DATE 8-15-69  
 ORGANIZATION REPORT \_\_\_\_\_  
 FILING RECEIPT 2913 LOC. PLAT X WELL BOOK X PLAT BOOK X  
 API NO. 02-001-20160 DATE ISSUED 4-10-72 DEDICATION 160 acres NW/4

PERMIT NUMBER 578



**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 Co. Address: P.O. Box 291, Carmi, Ill. 62821  
 Federal, State or Indian Lease Number or name of lessor if fee lease: Szar N. 1 East Navajo Springs-Shinarumpuma  
 State fee: \_\_\_\_\_ Well Number: \_\_\_\_\_ Field & Reservoir: \_\_\_\_\_  
 Location: 660 FNL, 1980 FWL County: Apache

Sec. TWP-Range or Block & Survey: Sec. 36, T20N, R27E  
 Date spudded: 4-05-72 Date total depth reached: 4-21-72 Date completed, ready to produce: 4-28-72 Elevation (DF, RKB, RT or Gr.): 5829 GL feet Elevation of casing hd. Range: 5830 feet  
 Total depth: 1215 F.B.T.D.: 1215 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: 1154 to 1162 Rotary tools used (interval): 0-1215 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: \_\_\_\_\_  
 Type of electrical or other logs run (check logs filed with the commission): IES and GD 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 | Amt. pulled |
| Surface   | 8½"               | 7"              | 24#              | 300 ft.   | 75           | None        |
| Long String   | 6½"               | 4½"             | 9.5#             | 1215      | 100          | None        |

TUBING RECORD

| Size | Depth set | Packer set at | Size | Top | Bottom | Sacks cement | Screen (ft.) |
|------|-----------|---------------|------|-----|--------|--------------|--------------|
|      | ft.       | ft.           | In.  | ft. | ft.    |              |              |
| none |           |               |      |     |        |              |              |

PERFORATION RECORD

| Number per ft. | Size & type | Depth Interval | ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD |
|----------------|-------------|----------------|---|
|                |             |                | Amt. & kind of material used                |
| 2/ft.          | std         | 1154 to 1162   | Depth Interval                              |

INITIAL PRODUCTION

Date of first production: 4-28-72 Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump): flowing  
 Date of test: 4-28-72 Hrs. tested: 24 Choke size: 2" Oil prod. during test: 0 bbls. Gas prod. during test: vacuum MCF Water prod. during test: 0 bbls. Oil gravity: ° API (Corr)  
 Tubing pressure: 0 Casing pressure: -2# Cal'ed rate of Production per 24 hrs.: 0 Oil (bbls.): 0 Gas (MCF): 0 Water (bbls.): 0 Gas-oil ratio: \_\_\_\_\_  
 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 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: May 1, 1972 Signature: Robert G. Gulley

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MAY 16 1972

O & G CONRS. COMM.

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

Form No. 4

Permit No. 578



**PLUGGING RECORD**

|  |   |  |   |
|--|---|--|---|
| Operator<br><b>Eastern Petroleum Company</b>   |   | Address<br><b>P. O. Box 291, Carmi, Illinois 62821</b>   |   |
| Federal, State, or Indian Lease Number, or lessor's name if fee lease.<br><b>Szar-State</b>                  |   | Well No.<br><b>1</b>   | Field & Reservoir<br><b>East Navajo Springs</b>   |
| Location of Well<br><b>660 FNL; 1980 FWL</b>   |   | Sec-Twp-Rge or Block & Survey<br><b>36-20N-27E</b>   | County<br><b>Apache</b>   |
| Application to drill this well was filed in name of<br><b>Eastern Petroleum Co.</b>                          | Has this well ever produced oil or gas<br><b>No</b> | Character of well at completion (initial production):<br>Oil (bbls/day)      Gas (MCF/day)      Dry?<br><b>Yes</b> |   |
| Date plugged:<br><b>1-22-75</b>  | Total depth   | Amount well producing when plugged:<br>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 |
|  |   |  | <b>6 sax in bottom</b>  |
|  |   |  | <b>Mud &amp; cement to 450'</b>   |
|  |   |  | <b>Pumped 7 sax in top</b>  |

**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 |
|------------|-------------------|------------------|--------------------|--|-------------------|
| <b>7"</b>  | <b>300'</b>       | <b>0'</b>        | <b>300'</b>        |  |                   |
| <b>4½"</b> | <b>1215'</b>      | <b>450'</b>      | <b>765'</b>        |  |                   |
|            |                   |                  |                    |  |                   |
|            |                   |                  |                    |  |                   |

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: |
|------------------------------|---------|---------------------------|
| <b>Eastern Petroleum Co.</b> |         | <b>All</b>                |
|                              |         |                           |

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

Use reverse side for additional detail.

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

**April 15, 1975**  
Date

Signature *J. Edwards*

**RECEIVED**

**APR 16 1975**

Permit No. **578**

Form No. 10

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Plugging Record  
File One Copy

O & G CON. COM.

APPLICATION TO ABANDON AND PLUG

FIELD East Navajo Springs-Shinarump  
 OPERATOR Eastern Petroleum Co. ADDRESS Box 291, Carmi, Illinois 62821  
 Federal, State, or Indian Lease Number \_\_\_\_\_  
 or Lessor's Name if Fee Lease Szar-State WELL NO. 1  
 SURVEY 20N-27E SECTION 36 COUNTY Apache  
 LOCATION 660 FWL; 1980 FWL

TYPE OF WELL Dry TOTAL DEPTH 1215'  
 (Oil, Gas or Dry Hole)  
 ALLOWABLE (If Assigned) \_\_\_\_\_  
 LAST PRODUCTION TEST OIL \_\_\_\_\_ (Bbls.) WATER \_\_\_\_\_ (Bbls.)  
 GAS \_\_\_\_\_ (MCF) DATE OF TEST \_\_\_\_\_  
 PRODUCING HORIZON \_\_\_\_\_ PRODUCING FROM \_\_\_\_\_ TO \_\_\_\_\_

1. COMPLETE CASING RECORD  
7" sfc. csg. @ 300'  
4 1/2" csg. @ 1215'

2. FULL DETAILS OF PROPOSED PLAN OF WORK  
Expect to pull approx. 1075' 4 1/2" csg. & no sfc. csg.  
Cement plugs @ 1154-1104; 300-250; 20-0.  
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.

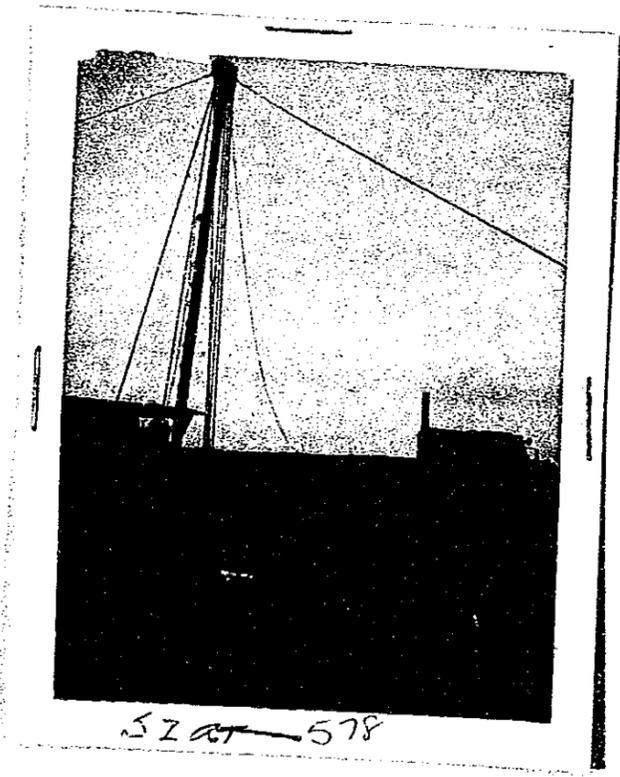
DATE COMMENCING OPERATIONS September  
 NAME OF PERSON DOING WORK Wayne Carr ADDRESS Wichita Falls, Texas  
 CORRESPONDENCE SHOULD BE SENT TO I. N. Edwards  
 Name  
Secretary  
 Title  
Box 291, Carmi, Illinois 62821  
 Address  
August 30, 1974  
 Date

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

Permit No. 578

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.



52 at 578

578

Permit No. 578, Szar No. 1 <sup>2-27-70</sup> Well shut-in. One jt. of csg.  
on location, otherwise OK.



SZAR #1 578

**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 Szar State #1

Location NE NW

Sec. 36 Twp. 20N Rge. 27E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease  
State of Arizona

5. Field or Pool Name East Navajo Springs

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"/>           | ABANDONMENT <input type="checkbox"/>           |   |
| (OTHER) <input type="checkbox"/>             | <u>Plug</u> <input checked="" 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  
MARCH 12 1974  
O & G CON. COMM.

I hereby certify that the foregoing is true and correct.

Signed [Signature] Title Secretary Date March 12, 1974

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

Permit No. 578

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 Szar State No. 1  
 Location NE/NW  
 Sec. 36 Twp. 20N Rge. 27E County Apache Arizona.  
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease State Lease

5. Field or Pool Name East Navajo Springs 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"/>         |  | ABANDONMENT <input type="checkbox"/>      |
| (OTHER) <u>Semi Annual Report</u>            | <input checked="" 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.)

Status: Shut In

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JUL 02 1973

O & G CONS. COMM.

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

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

Permit No. 578

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

To: State of Arizona  
Oil and Gas Commission  
P.O. Box 16066  
Phoneix, Arizona

TABULATION OF DEVIATION SURVEY

EASTERN PETROLEUM COMPANY : Well-Szar State No.1, 660FNL, 1980 FWL,  
Sec. 36, T20N,R27E, Apache county, Arizona.

| DEPTH | DEVIATION       |
|-------|-----------------|
| 200   | - $\frac{1}{4}$ |
| 500   | - 1/8           |
| 1000  | + $\frac{1}{2}$ |
| 1215  | 0               |
|       |                 |
|       |                 |
|       |                 |
|       |                 |

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

*Robert G. Gullop*

Signature

Vice President

Title

may 1, 1972

Date

Subscribed and sworn to before me this 1st day of May, 1972.

My commission expires:

6-22-72

578

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MAY 14 1972

O & G CONS. COMM.

*Mary Self*  
Notary Public In and for Santa Fe County,  
State of New Mexico.



Well: E.P.Co. Szar State#1  
Sec. 36, T20N R27E  
Apache County, Arizona

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

Status: 4-09-72 cemented 300' 7" surface with 75sks  
2% cc

*W.D.*

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APR 12 1972

O & G CONS. COMM.

**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

**APPLICATION FOR PERMIT TO DRILL OR RE-ENTER**

APPLICATION TO DRILL

RE-ENTER OLD WELL

Eastern Petroleum Company

NAME OF COMPANY OR OPERATOR

P. O. Box 291

Carmi

Illinois 62821

Address

City

State

Eastern Petroleum Company

Drilling Contractor

Same

Address

**DESCRIPTION OF WELL AND LEASE**

|  |   |  |
|--|---|--|
| Federal, State or Indian Lease Number, or if fee lease, name of lessor<br><b>EPCO-SZAR-STATE</b>                         | Well number<br><b>1</b>   | Elevation (ground)<br><b>5829</b>                    |
| Nearest distance from proposed location to property or lease line:<br><b>660</b> feet                                    | Distance from proposed location to nearest drilling, completed or applied—for well on the same lease:<br>feet |  |
| Number of acres in lease:<br><b>360</b>  | Number of wells on lease, including this well, completed in or drilling to this reservoir:<br><b>1</b>        |  |
| If lease, purchased with one or more wells drilled, from whom purchased:   | Name  | Address  |
| Well location (give footage from section lines)<br><b>1980' EWL; 660' SNL</b>  | Section—township—range or block and survey<br><b>36-20N-27E</b>   | Dedication (Comply with Rule 105)<br><b>160 NW/4</b> |
| Field and reservoir (if wildcat, so state)<br><b>Wildcat</b>   | County<br><b>Apache</b>   |  |
| Distance, in miles, and direction from nearest town or post office<br><b>Approximately 8 miles SE of Navajo, Arizona</b> |   |  |
| Proposed depth:<br><b>Approx. 1050'</b>  | Rotary or cable tools<br><b>Rotary</b>  | Approx. date work will start<br><b>4-11-72</b>       |
| Bond Status <b>Blanket</b>   | Organization Report   | Filing Fee of \$35.00                                |
| Amount <b>25,000</b>   | On file <b>Yes</b> Or attached  | Attached <b>Yes</b>                                  |

Remarks:

**Shinarump test**

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.

Signature

April 5, 1972

Date

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APR 10 1972

Permit Number: 178  
 Approval Date: 4-10-72  
 Approved By: [Signature]

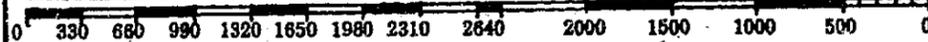
Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

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

Form No. 3

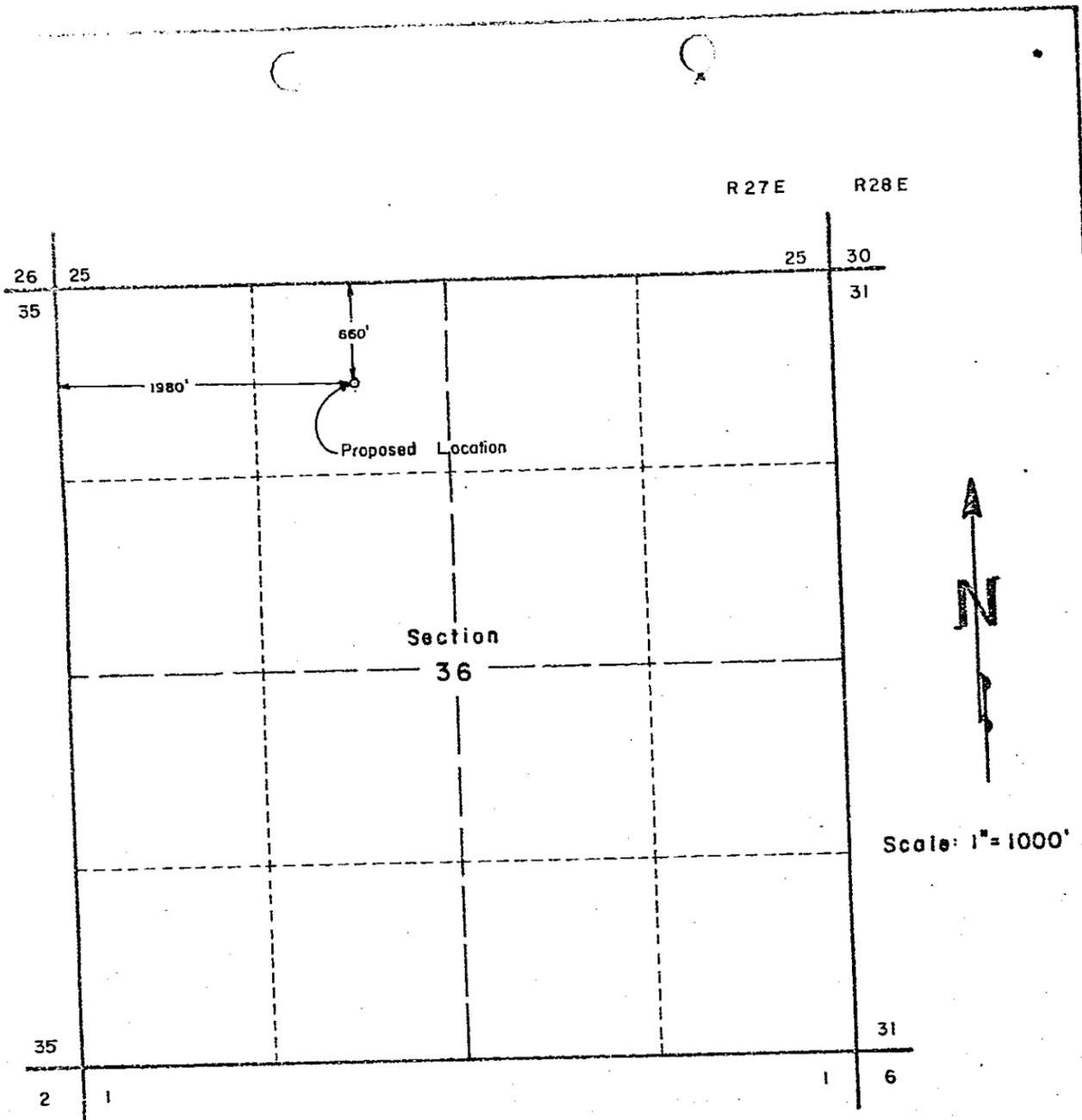
- Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- 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 |
|--|------------------|
|  |                  |
| <b>CERTIFICATION</b>   |                  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief.   |                  |
| <br>Name<br><b>J. N. Edwards</b>  |                  |
| Position<br><b>Secretary</b>   |                  |
| Company<br><b>Eastern Petroleum Co.</b>  |                  |
| Date<br><b>April 5, 1972</b>   |                  |
| 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#    | 55           | 0   | 90     | 90               | 20           |



EASTERN PETROLEUM COMPANY  
 WELL LOCATION: ~~WESTERN HELIUM CORP~~ No. 1 SZAR - STATE

Located 1980 feet East of the West line and 660 feet South of the North line of Section 36,  
 RECEIVED 20 North, Range 27 East Gila and Salt River Meridian,  
 Apache County, Arizona.  
 APR 10 1972 ground elevation determined at 5829 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



|  |   |
|--|---|
| WESTERN HELIUM CORPORATION<br>Scottsdale, Arizona                |   |
| WELL LOCATION PLAT<br>SEC. 36, T20N, R27E<br>Apache Co., Arizona |   |
| CLARK - REED & ASSOC.<br>Durango, Colorado                       | DATE: January 6, 1972<br>FILE NO: 72001 |

578



# 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

EASTERN PETROLEUM COMPANY SZAR STATE NO. 1  
(WELL NAME)

located 1980' EWL - 660' SNL

Section 36 Township 20N Range 27E, Apache County, Arizona.

The 160 acres NW/4 of said  
Section, Township and Range is dedicated to this well.

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

Issued this 10th day of April, 1972.

OIL AND GAS CONSERVATION COMMISSION

By W. B. [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 578

RECEIPT NO. 2913  
API NO. 02-001-20160

State of Arizona  
Oil & Gas Conservation Commission  
Permit to Drill

FORM NO. 27

SAMPLES ARE REQUIRED



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA

1515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

800 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.  
SE/4, NW/4  
Sec 25-T20N-R27E  
Apache Co. Ariz.  
Permit No. 473

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

Dear 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,

578  
W. E. Allen, Director  
Enforcement Section

WEA/sl

Encls.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

~~XXXXXXXXXXXX~~

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

8686 N. Central, Suite 106

Phoenix, Arizona 85020

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/r1b

Encs.

cc Jess Edwards

June 25, 1975

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

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

Dear Mr. Fullop:

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

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

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/sl

cc - Jess Edwards



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

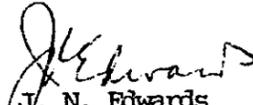
Dear Mr. Allen:

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. Fullöp several days ago we requested that these forms be submitted.

Please submit these forms as quickly as possible.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Encs.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 1616 392-4104 - P. O. BOX 291 - CARMEL, 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 13 1975

O & G CONS. COMM.

DATE: February 20, 1975  
SUBJECT: Eastern Petroleum Company Wells  
TO: 15 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/r1b

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.



W.A.

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

December 23, 1974

~~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) 382-4104 - P. O. BOX 291 - CARMI, ILLINOIS 62821

December 20, 1974

RECEIVED

DEC 23 1974

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

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

Dear Mr. Uhrig:

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fullop

HF:sjn

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

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

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

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



OFFICE OF  
**Oil and Gas Conservation Commission**

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

CERTIFIED MAIL

December 9, 1974

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

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

Dear Mr. Uhrig:

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

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

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Enc.

cc - Mr. Henry Fullop and Jess Edwards

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

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

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

/rlb



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

December 2, 1974

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

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

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

CASE NO. 48

ORDER NO. 47

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

Gentlemen:

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

Consequently, let us assure you that the Commission is aware

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

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

Sincerely,

*John Bannister*  
John Bannister  
Executive Secretary

JB/vb

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

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

The Attorney General  
State Capitol  
Phoenix, Arizona 85007

THE PRENTICE-HALL CORPORATION SYSTEM, INC.

212-687-7660

521 FIFTH AVENUE, NEW YORK, NEW YORK 10017

CABLE PRENSYSTEM

AIR MAIL =  
CERTIFIED MAIL NO. 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

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<br>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<br>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                      |
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| 599                  | Kiva Santa Fe Fee #2     | NE/SW Sec 24-20N-28E                      |
| 600                  | Santa Fe Fee Beacon #1   | NW/SE Sec 29-20N-29E                      |
| 601                  | Santa Fe Fee #1-11       | NW/SE Sec 11-20N-28E                      |

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

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

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

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

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

By (Original signed)  
Ralph W. Bilby, Chairman

( S E A L )

ATTEST:

(Original signed)  
John Rannister  
Executive Secretary

APPROVED AS TO FORM  
*Ernie Myrdal*  
Arizona Attorney General  
Date Nov. 19, 1974

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



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

NOTICE OF HEARING

CASE NO. 48

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

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

| <u>PERMIT NUMBER</u> | <u>WELL NAME</u>         | <u>LOCATION</u>                           |
|----------------------|--------------------------|---|
| 234                  | Ancon Santa Fe Fee #21   | SE/NW Sec 31-20N-28E                      |
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| 601                  | Santa Fe Fee #1-11       | NW/SE Sec 11-20N-28E                      |

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

ATTEST

By (Original Signed)

Ralph W. Bilby, Chairman

(Original Signed)

John Bannister  
Executive Secretary

Done this 1st day of November, 1974

November 22, 1974

Mr. Dan LaBell  
300 South Walnut  
Carmi, Illinois 62821

Re: Eastern Petroleum Company Wells - Navajo Springs Area

Dear Mr. LaBell:

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

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

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

Please advise if we can be of any further assistance.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rfb

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.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

October 11, 1974

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

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

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

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

Prentice Hall Corporation System is the statutory agent.

United States Fidelity and Guaranty Company is the surety.

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

*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



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE (818) 382-4104 - P. O. BOX 291 - CARMEL, ILLINOIS 62821

September 20, 1974

Mr. John F. Staver  
P. O. Box 950  
Virginia, Minnesota 55792

Dear Mr. Staver:

Mr. W. E. Allen, Director, Enforcement Section, Oil and Gas Conservation Commission, has notified us that he has been instructed by motion of the full Commission to order the plugging of all inactive wells, producible and non-producible, in the Navajo Springs-Sanders area, with actual plugging operations to begin by September 30, 1974. This order also applies to shut-in wells in the Navajo Springs Unit. We have no alternative other than to comply.

However, since you are an owner in the below listed wells we would like your permission to proceed. On the other hand, if you prefer, we will transfer to you any remaining interest that we may own. This would mean, of course, you would have to place these wells under your own bond, and become liable for their eventual plugging, unless you make an attempt to produce them. Western Helium's withdrawal would appear to preclude any probability of a market, however.

|                 |   |                                       |
|-----------------|---|---------------------------------------|
| Santa Fe #21-A  | - | Section 31-20N-28E 537                |
| Santa Fe #21    | - | Section 31-20N-28E 234                |
| Szar-State #1   | - | Section 36-20N-27E 578                |
| Merde Indian #1 | - | Section 30-20N-28E 572                |
| Merde Indian #2 | - | Section 30-20N-28E 576                |
| Santa Fe #24    | - | Section 24-20N-27E (Western Hel.) 536 |

Please give this your immediate attention and advise accordingly.

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*  
Henry Fullop

RECEIVED

SEP 22 1974

O & G CONS. COMM.

HF:sjn

CERTIFIED MAIL NO. 62410  
RETURN RECEIPT REQUESTED

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.

TELEPHONE (618) 382-4104 P.O. BOX 2811 CARBON SPRING, ILLINOIS 62631

August 15, 1974

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

Re: Apache County Wells

3311 - 2547

Dear Mr. Allen:

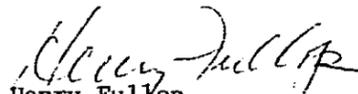
We have made arrangements with Mr. Noah <sup>Reynolds</sup> Richards, Aztec, New Mexico, to salvage and plug the wells listed on the attached schedule.

Mr. <sup>Reynolds</sup> 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

HF:sjn

Enc.

cc: Mr. Noah <sup>Reynolds</sup> Richards

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

RECEIVED

AUG 19 1974

O & G CONS. COMM.

APACHE COUNTY WELLS SCHEDULED OR PLUGGING

| PERMIT # | WELL NO & LOCATION  | PIPE IN HOLE                   |
|----------|---|--------------------------------|
| 110      | 1- SF*24 - 1650 FNL; 2640 FNL, 24-20N-27E   | 1303 - 2 7/8"<br>315 - 7"      |
| 536      | 2- SF 21-1A - 660 FNL, 660 FNL, 31-20N-28E  | 1718 - 4 1/2"<br>244 - 7"      |
| 234      | 3- SF*21 - 1650 FNL, 1650 FNL - 31-20N-28E  | 1330 - 2 7/8"<br>228 - 7"      |
| 565      | 4- KIVA 6X-1 - 2378 FNL, 2364 FNL, 25-20N-28E   | 1262 - 4 1/2"<br>309 - 7"      |
| 560      | 5- KIVA-SF*1 - 1980 FNL, 1966 FNL, 13-20N-28E   | - 551' 7" - SFC<br>NO PIPE     |
| 599      | 6- KIVA-SF*2 - 1650 FNL, 1650 FNL - 24-20N-28E  | - 1212 - 4 1/2"<br>616 - 7"    |
| 568      | 7- SANDERS-SF*2 - 1650 FNL, 2310 FNL, 15-21N-28E  | - 516' - 4 1/2"<br>NO SFC CSG. |
| 600      | 8- BEACON-SF*1 - 1980 FNL, 1980 FNL - 29-20N-28E  | - 1265 - 4 1/2"<br>640 - 7"    |
| 578      | 9- SZAR-STATE*1 - 660 FNL, 1980 FNL, 36-20N-27E   | 1215 - 4 1/2"<br>300 - 7"      |
| 592      | 10- MEXAS INDIAN*1 - 660 FNL, 660 FNL - 30-20N-28E  | 1200 - 4 1/2"<br>282 - 7"      |
| 596      | 11- MEXAS INDIAN*2 - 660 FNL, 1980 FNL, 30-20N-28E  | 1197 - 2 7/8"<br>268 - 7"      |
| 601      | 12- SF*1-11, 1650 FNL, 1650 FNL, 11-20N-28E   | 1055 - 4 1/2"<br>622 - 7"      |
|          | 13- DRECK-SF*1 - 1980 FNL, 660 FNL - 25-20N-27E -<br>THIS WELL IS PARTIALLY PLUGGED, BUT<br>THERE IS NO PLUG IN TOP OF 7" SFC (285' N/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.

578



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

W.H.  
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

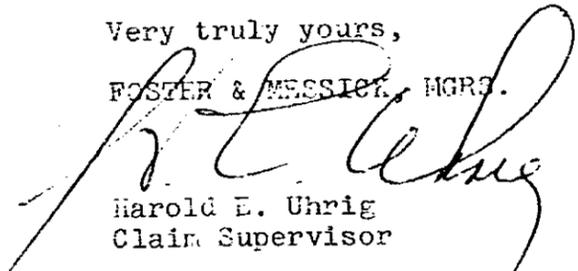
Dear Mr. Allen:

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

FEB 28 1974

U. S. F. & G.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 28-2404 • P O BOX 291 • CARM, 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:

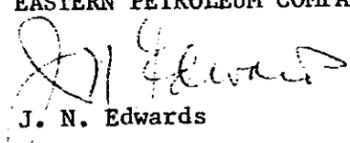
Pursuant to your recent letters to us and to U.S.F.&G. Company, I have enclosed Sundry Notices and Reports and other data concerning the wells in question.

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 Off Well Bond 27716-13-3983-65

Gentlemen:

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

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

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

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Encs.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 38-34104 • P. O. BOX 291 • CARMEL, ILLINOIS

February 14, 1974

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

Dear Mr. Allen:

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

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

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

Yours very truly,

EASTERN PETROLEUM COMPANY

*J. N. Edwards*  
J. N. Edwards

JNE:sjn

RECEIVED

FEB 14 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:

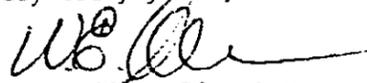
As we have previously advised, semi-annual status reports are required on the above referenced wells. This report was due in this office

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/NW 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.

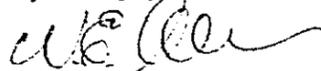
This letter will indicate the Commission's approval to temporary abandon the above referenced wells, until such time as final plugging and abandonment is required.

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.

April 10, 1972

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

Dear Mrs. Ratcliff:

The following permit has been issued since February 28, 1972.

Eastern Petroleum Company, SZAR-STATE No. 1  
NE/NW Section 36-T20N-R27E  
Apache County  
Our File #578

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

April 10, 1972

Mr. Frank Getscher  
P. O. Box 98  
Scottsdale, Arizona 85252

Dear Mr. Getscher:

The following permit was issued on April 10, 1972.

Eastern Petroleum Company, SZAR-STATE NO.1  
NE/NW Section 36-T20N-R27E, Elevation 5829  
Apache County  
Our File #578

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

April 10, 1972

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

Re: Eastern Petroleum SZAR-STATE NO. 1  
NE/NW Sec 36-T20N-R27E  
Apache County  
Our File #578

Dear Mr. Fullop:

Enclosed please find Receipt No. 2913, covering the \$25 filing fee, a copy of your approved Application for Permit to Drill and Permit to Drill No. 378.

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

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Enc.

*Api No. 02-001-20160*

April 4, 1972

Memo to file #578

Memo from W. E. Allen, Director  
Enforcement Section

Mr. Robert Fullop called this date for verbal permission to spud Eastern Petroleum Company's Szar State No. 1, located in the NW/4, Section 36-T20N-R27E, Apache County, Arizona. The footage is 1980' FWL and 660' FNL. Eastern will set 300' of 7" surface casing in 8 3/4" hole and circulate cement. This well is a 1200' projected Shinarump test. Mr. Fullop assured me that the application to drill, plat, and check for the permit, would be mailed today or tomorrow. Verbal permission was granted.

EASTERN PETROLEUM CO.  
ACCOUNT NO. 2  
CARMi, 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 REQUIRED.

| INVOICE |     | DESCRIPTION  | TOTAL<br>AMOUNT | DEDUCTIONS |         | NET<br>AMOUNT |
|---------|-----|--|-----------------|------------|---------|---------------|
| DATE    | NO. |  |                 | DISCOUNT   | FREIGHT |               |
|         |     | Application for permit to drill<br>EPCO-SZAR-STATE #1, Sec. 36-20N-<br>27E, Apache County, Arizona | 578             |            |         | 25.00         |

RECEIVED

APR 10 1972

O & G CONS. COMM.