

AN
CONSENT
COMMISSION

P-W

CONFIDENTIAL

Release Date 3-29-73

BHP Pet. (Americas), Inc. ERG
2 Navajo-0, Apache Cty 582
MAY 27 1973 TAIN R30E

3-15-76

Memo to File:

Received notice on 3-12-76 that Clinton Oil Company changed their name from Clinton Oil Company to Energy Reserves Group. This is a name change only, address stays the same.

address on Water Street

BHP Pet. (Americas), Inc. ERG
2 Navajo-0, Apache Cty 582

REMARKS
TRA for fu
10-2-72
PRODUCTION S
WATER WELL ACCET
BOND CO.
BOND AND
FILL

COUNTY Apache AREA 3 mi NW of Teec Nos Posease NO. 14-20-603-716
 WELL NAME (name change) Energy Reserve Group
Clinton Oil Company Navajo-0
 LOCATION NW/SE SEC 23 TWP 41N RANGE 30E FOOTAGE 1980 FEL 1830 FSL
 ELEV 5180 GR 5190 KB SPUD DATE 8-9-72 STATUS T&A TOTAL 5855
 COMP. DATE 9-3-72 DEPTH 5855
 CONTRACTOR Mesa Drillers P4A 4-21-99 P.B.T.D. 5815

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY
5 1/2"	5853	350 sxs		<input checked="" type="checkbox"/>
8 5/8"	1539	580 sxs		<input type="checkbox"/>
				DRILLED BY CABLE TOOL <input type="checkbox"/>
				PRODUCTIVE RESERVOIR <input type="checkbox"/>
				INITIAL PRODUCTION <input type="checkbox"/>

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Upper Ismay	5183		x	See Am Strat log for additional tops
Lower Ismay	5298			
Desert Creek	5352			
Akah	5490			
Barker Creek	5645			
<u>Converted to water injection well</u>				
<u>First Injection June 1977 (154 Bbl.)</u>				

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
Comp. Neutron Form	5298-5301	5398-5301	Am Strat
Density; Dual Ind.	<u>add logs 5301-5328 for injection</u>		SAMPLE DESCRP.
Formation Density			SAMPLE NO. <u>1711</u>
			CORE ANALYSIS
			DSTs <u>3</u>

REMARKS Good show of oil produced excessive amount of water. T&A for future use as a water disposal well. Permission granted 10-2-72.
PRODUCTION STARTED 6-16-75
 APP. TO PLUG
 PLUGGING REP.
 COMP. REPORT

WATER WELL ACCEPTED BY CROSS CREEK
 BOND CO. Seaboard Surety Company filed in P/2689 BOND NO. 731341
 DATE 9-18-70 ORGANIZATION REPORT 7-17-70
 BOND AMT. \$ 25,000 CANCELLED 10-9-90
 FILING RECEIPT 2917 LOC. PLAT WELL BOOK PLAT BOOK
 API NO. 02-001-20163 DATE ISSUED 5-8-72 DEDICATION 80 Acres W/2 of SE/4
 PERMIT NUMBER 582
 Release Date 3-29-73

CONFIDENTIAL

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: Clinton Oil Company Address: 217 North Water St., Wichita, Kansas 67202

Federal, State or Indian Lease Number or name of lessor if fee lease: Navajo "0" 14-20-603-716 Well Number: 2 Field & Reservoir: Undesignated Ismay

Location: 1980 FEL & 1830 FSL County: Apache

Sec. TWP-Range or Block & Survey: Sec 23-41N-30E

Date spudded: 8-9-72 Date total depth reached: 9-3-72 Date completed, ready to produce: Elevation (DF, RKB, RT or Gr.) feet: KB 5190 Elevation of casing hd. Range feet: 5180

Total depth: 5855 P.E.T.D.: 5815 Single, dual or triple completion? If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion: Rotary tools used (interval): 0-5855 Cable tools used (interval):

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

Type of electrical or other logs run (check logs filed with the commission): Compensated Neutron - Form, Density, Dual Induction - Laterolog Date filed: 9-29-72

CASING RECORD

Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)

Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	12 1/4"	8 5/8"	24#	1539	580	-----
Production	7 7/8"	5 1/2"	14 & 15.5	5853	350	-----

TUBING RECORD LINER RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
2 3/8 in.	539 1/4 ft.	ft.	in.	ft.	ft.		

PERFORATION RECORD ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Amt. & kind of material used	Depth Interval
2	3/8 Jet	5298-5301	500 gals 28% HCL	5298-5301

INITIAL PRODUCTION

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

Date of test	Hrs. tested	Choke size	Oil prod. during test	Gas prod. during test	Water prod. during test	Oil gravity
			bbls.	MCF	bbls.	* API (Corr)

Tubing pressure	Casing pressure	Cal'ed rate of Production per 24 hrs.	Oil	Gas	Water	Gas-oil ratio
			bbls.	MCF	bbls.	

Disposition of gas (state whether vented, used for fuel or sold): SEE PERM 6

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Engineer of the Clinton Oil 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: September 29, 1972 Signature: *Sam Dean*

RECEIVED

OCT 07 1972

O & G CONS. COMM.

Permit No. 582

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Well Completion or Recompletion Report and Well Log
Form No. 4 File One Copy

(Complete Reverse Side)

DETAIL OF FORMATIONS PENETRATED

Formation	Top	Bottom	Description
Upper Ismay	5183	5298	Gray to lt. gray ls. fosso in part sense; no porosity w/trace chert
Lower Ismay	5298	5352	lt. gray to cream, chalky, fossiliferous ls.
Desert Creek	5352	5490	ls. dk gray, fine xln, platy
Akah	5490	5645	Buff, lt. gray ls. w/secondary calcite in fractures
Barker Creek	5645	5815	Gray, cream, fine xln ls. some fossil remains (crinoids and fusulinids.)
Molas	5815	T.D.	
Lower Ismay	5298	5352	DST #1 See Attached DST Report
Barker Creek	5645	5815	DST #2 " " " "
			DST #3 " " " "

* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, casing used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach driller's log or other acceptable log of well.

This Well Completion or Recombination report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

RECEIVED
BLM

59 APR 23 PM 1:26

070 FARMINGTON, NM

1. Type of Well

Oil Water Deposit

2. Name of Operator
Cross Creek Corp.

3. Address & Phone No. of Operator

Location of Well, Footage, Sec., T, R, M

1830' FSL and 1980' FEL; Unit J, Sec. 23, T-41-N, R-30-E,

- 5. Lease Number
14-20-603-716
- 6. If Indian, All. or
Tribe Name
Navajo
- 7. Unit Agreement Name
- 8. Well Name & Number
Navajo O #2
- 9. API Well No.
02-001-20163-00
- 10. Field and Pool
- 11. County & State
Apache County, Az

PH 582

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

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

A-Plus Well Service Inc., as contractor under Contract #GDP 992019,
plugged and abandon this well per the attached report on April 21, 1999.



ENTERED
AFMSS

APR 27 1999

BY Sm

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

Signed William F. Clark Title Contractor Date 4/23/99
William F. Clark

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____
CONDITION OF APPROVAL, if any: **ACCEPTED FOR RECORD**

APR 27 1999

FARMINGTON FIELD OFFICE
BY Sm

FARMINGTON COPY

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO POROUS FORMATION			
Operator Energy Reserves Group, Inc.		Address P. O. Box 3280, Casper, WY 82602	
Federal, State or Indian Lease Number, or lessor's name if see lease 14-20-603-716	Well No. 2	Field Teec Nos Pos - Ismay	County Apache
Location 1830' FSL & 1980' FEL (SE NW SE) Sec. 23-T41N-R30E SEC-TWP-RGE or Block & Survey			
CASING AND TUBING DATA			
Name of string	Size	Length	Cement Data
Surface Casing	8-5/8"	1539'	580 sx
Intermediate			
Long String	5-1/2"	5853'	350 sx
Name, Model and Depth of Tubing Packer			
Tubing	2-3/8"	5250'+	Baker Model R-3 Double Grip - 5250' +
Name of Top and Bottom of Injection Zone Lower Ismay			
Is Injection through Tubing, Casing or Annulus? Tubing	Perforations or Open Hole? Perfs 5298'-5328'	Is this a new well Drilled for Disposal? No	
List all Cement Squeeze Operations, Giving Interval and Number Sacks Cement None			
Is Injection Zone Productive of Oil or Gas in This Field? Yes	Depth of Deepest Fresh Water Zone 600'+	Depth of Shallowest Productive Zone L. Ismay Only Known P.Z.	
Anticipated Daily Injection Volume (bbls.)	Minimum 50	Maximum 60 Initially	Open or Closed System? Open
Is Injection to be by Gravity or Pressure? Pressure	Approx. Pressure (Psi) Unknown	Source of Water to be Injected Produced - L. Ismay	
Are there any other Salt Water Disposal Wells using this same Zone in this Field?	Yes or No No	If so name one such well below	
Name of Operator of Disposal Well in same zone	Lease Name	Well No.	
Is this well so cased and completed that water can enter no other formation than the above set out injection zone?	Yes or No Yes	Have notices of this application been mailed or given to all operators within 1/2 mile of this injection well?	Yes or No No
List names and addresses of all operators within one-half (1/2) mile of this injection well: Energy Reserves Group, Inc. is the operator of all properties within one-half mile of proposed injection well.			
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Dist. Production Engineer</u> of the <u>Energy Reserves Group</u> 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.			
INSTRUCTIONS: 1. Attach a complete full-scale electrical log of this well, if available. Indicate on electrical log, or by other evidence, the base of fresh water zones in this field. 2. Attach waivers from all operators within one-half (1/2) mile of injection well, or copies of letters notifying such operators of this application. Also attach waiver from surface owners of land on which the disposal well is located, or copy of letter from operator making this application notifying such surface owners of this application and requesting waivers. 3. Should all necessary waivers not accompany application, the State of Arizona Oil & Gas Conservation Commission shall hold such application for a period of ten (10) days from date of receipt. If, after said ten (10) day period, no protest or request for a hearing is received, the application will then be processed.		<p style="text-align: center;"><i>Hean B. Barnes</i> Signature</p> <p style="text-align: center;">March 1, 1977 Date</p>	
<p style="text-align: center;">Date approved _____ STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION</p> <p>By _____</p>		<p>STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application To Dispose of Salt Water By Injection Into a Porous Formation File Two Copies</p>	
Form No. 13			

Permit No. **582**

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL GAS WELL OTHER Water Disposal Well

2. NAME OF OPERATOR
Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR
Box 3280, Casper, WY 82602

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

1830' FSL & 1980 FEL, (NW SE)

5. LEASE DESIGNATION AND SERIAL NO.

14-20-603-716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo "0"

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Teec Nos Pos - L. Ismay

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA

Sec. 23-T41N-R30E

14. PERMIT NO.

582

15. ELEVATIONS (Show whether of. rt. cr. etc.)
GRD 5171'; K.B. 5190'

12. COUNTY OR PARISH

Apache

13. STATE

Arizona

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

FULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

Convert to water disposal

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

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

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

See Attached Report of Work Done

Copy of Cement Bond Log Enclosed
2 - copies of Form 9-311 and log sent to State of Arizona

MAY 24 1977

O & G CONS. COMM.

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

SIGNED

Dean B. Barnes

TITLE Dist. Prod. Engr. - RMD

DATE 5-9-77

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

*See Instructions on Reverse Side

Energy Reserves Group, Inc.
Navajo "O" No. 2
NWSE Sec. 23-T41N-R30E
Apache Co., Arizona
5,300' Ismay
ERG 100% W.I.
Workover
AFE No. 77-08-0001
AFE Amt. - \$47,000
MI & RU, 4-19-77

C & G CONS. COMM.

- 4-19 FIRST WORKOVER REPORT
Move in L & M Ventures and
rig up. Ran 5-1/2" casing
scraper on 2-3/8" tbg. to
5815' K.B. This is PBTB.
TOH w/tbg. and scraper.
TAC: \$1,740.
- 4-20 Rig up McCullough and perf.
5301'-5328' w/2 JSPF
(Hollow steel csg. Gun
Premium Charge) Perf 3500'
w/4-way sqz. shot. TIH
w/2-3/8" tbg., RBP and pkr.
Set RBP at 4996' K.B. Set
pkr at 4996' and press. test
to 2500# psi. No leaks.
Pumped 20 gal. 10/20 frac
sand down 2-3/8" tbg. Move
pkr. to 2989' and waited
1 hr. Set pkr. at 2989'.
Press. csg. to 500# psi. No
leaks. BD perf. at 3500'.
At 2400# No csg. blow 2 BPM.
Pumped 500 gal. 7-1/2% HCL
acid and displaced out perfs,
rate 2 BPM at 2200# psi.
Mixed 50 sx. Class "A" cmt.
w/0.6 of 1% FL Additive.
Displ. 19.00 bbls. at 2 BPM
at 2200# psi. Staged 30 min.
Final pump 2000# psi. S.I.
TAC: \$4,531.

- 4-21 TOH w/tbg. and pkr. Rig up
McCullough and perf. at
3100' w/4-way sqz shot. TIH
w/tbg. and pkr. Set pkr.
at 2675'. Press. csg. to
1000# psi. No leaks. Pump
30 BW down tbg. at 3 BPM at
2100# psi. No csg. blow.
Reset pkr. at 3185' and press
test lower sqz. to 2500#
psi f/20 min, no leaks.
Reset pkr. at 2675'. Pumped
500 gal. 7-1/2% HCL at 1
BPM at 1800# psi. Displ.
w/23 BW. Mixed 100 sx. Class
"A" cmt. w/0.6 of 1% FL
Additive and 1-1/2% C.C. at
2 BPM at 1600# psi. Staged
30 min. Final pump 1800#
psi. S.I.
TAC: \$10,525.
- 4-22 TOH w/tbg. and pkr. Ran tbg.
and 4-3/4" bit and csg.
scraper. Drill cmt. from
2728' to 2820'. S.I.
TAC: \$12,154.
- 4-23 Drill cmt. from 2820' to
2930'. TOH f/3-1/2" drill
collars. No cmt. in csg.
from 2930' to 3139'. Press
test sqz. to 1000# psi.
Sqz job. leaking. Drilled
cmt. 3360' to 3386'. S.I.
TAC: \$14,358.

- 4-24 TOH w/tbg. 4-3/4" bit and csg. scraper. TIH w/tbg. and pkr. to 3169'. Set pkr. and press. tested to 2500# psi. for 20 min. No leak. Reset pkr. at 2980'. Press. csg. to 1000# psi. No leak. Pumped down tbg. 2 BPM at 2300# psi. (10 BW Pumped) Pumped 250 gals. 7-1/2% HCL acid 2 BPM at 2200# psi, press. decreased to 1800# psi. at 2 BPM. Displ. w/15 BW. Reset pkr. at 2866'. Press. csg. to 1000# psi. No leak Mix 100 sx. Class "A" cmt. w/2% C.C. at 2 BPM, 1600# psi. Displ. at 2 BPM, 1600# psi, increasing slowly to 2400# psi. Final pump 2400# psi. S.I. TAC: \$14,911.
- 4-25 No Report. S.D. for Sunday.
- 4-26 TOH w/pkr. Pick up D.C., Csg. scraper and bit. TIH Tag cmt. at 2966'. Drill out to 3104' Ran out of cmt. Tested to 1500 psi. Held 15 min. TIH to 3386'. Drilled cmt. to 3540'. Pressured to 1500 psi. Held O.K. TAC: \$16,043.
- 4-27 TIH to 4990' w/bit. Circ. TOH L.D. D.C. and bit. Pick up retrieving to TIH to 4996' Circ. sand off B.P. pick up B.P. TOH. Run CBL from 5500' to 1500'. TAC: \$18,588.

- 4-28 TIH w/Baker Model R-3 double-grip pkr. Mixed 100 bbl. pkr fluid containing 55 gal B-1400 (Baroid) + oxygen scavenger. Circulated annulus. Set pkr. at 5244'. K.B. Press annulus to 1000# held O.K. Rigged up Western. Pumped 4 BW + 10 RCNB's followed w/1000 gal. 15% HCL. Press increased to 2700 psi. when balls hit, broke to 900 at 2-1/2 BPM. Pumped 4 BPM at 2000 psi. Pumped 50 BW. Increased to 4.7 BPM at 2500# psi. Pumped 25 BW. Decreased rate to 3 BPM Press 1500 psi. Pumped 20 BW Decreased rate to 2 BPM press. 900 psi. Pumped 10 BW. Decreased rate to 1 BPM press. 325 psi. Pumped 10 BW. Decreased rate to 0.6 BPM press. 200 - steady at 125 psi. Pumped 10 BW. Pumped total of 225 bbls. fluid. ISIP 700 psi. 9 mins. 0 psi. RD released rig. Will install equipment for SWD. TAC: \$25,310.
FINAL REPORT.

MAY 24 1977
O & G CONS. COMM.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other Instructions
verse side)

Budget Bureau No. 1004-01
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-715

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo "0"

9. WELL NO.
#2

10. FIELD AND POOL, OR WILDCAT
Teec Nos Pos

11. SEC., T., R., M., OR BLE. AND
SURVEY OR AREA
Sec. 23-T41N-R30E

12. COUNTY OR PARISH 13. STATE
Apache Arizona

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

1. OIL WELL GAS WELL OTHER Salt Water Disposal Well

2. NAME OF OPERATOR
Dry Mesa Corporation

3. ADDRESS OF OPERATOR
P. O. Box 5446 Farmington, N.M. 87499

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

1830' FSL & 1980' FEL (NW SE)

14. PERMIT NO. 582 15. ELEVATIONS (Show whether DF, RT, CR, etc.)
GRD 5171' ; K. B. 5190'

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

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

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

Because this well is a SWD well, under the existing
UIC (underground injection control) program, the U. S.
EPA has final authority to approve and/or modify the
proposed plugging program. A copy of the proposed plugging
program that was submitted to the EPA is enclosed. This
program has not been approved at this time.

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

SIGNED Bob Hand TITLE Engineer DATE 9/2/90

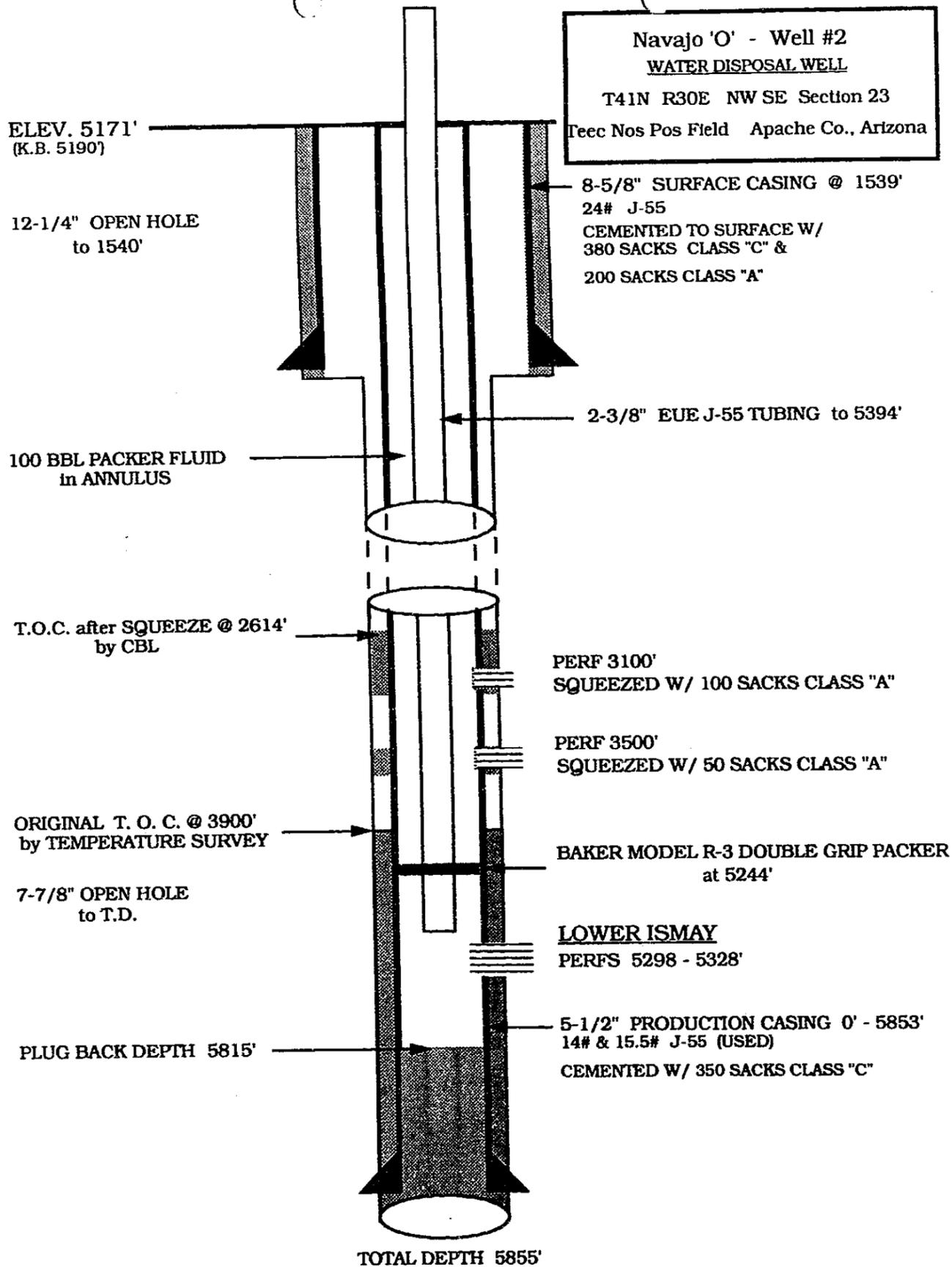
(This space for Federal or State office use)

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

*See Instructions on Reverse Side

582

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



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, DC 20460																																																																									
PLUGGING AND ABANDONMENT PLAN																																																																									
NAME AND ADDRESS OF FACILITY Navajo "0" #2 Teec Nos Pos Field	NAME AND ADDRESS OF OWNER/OPERATOR Dry Mesa Corporation Box 5446 Farmington, NM 87499																																																																								
LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES 	STATE: AZ COUNTY: Apache PERMIT NUMBER: 582																																																																								
SURFACE LOCATION DESCRIPTION 1/4 OF NW 1/4 OF SE 1/4 SECTION 23 TOWNSHIP 41N RANGE 30E LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT Surface Location 1830 ft. from (N/S) S Line of quarter section and 1980 ft. from (E/W) E Line of quarter section																																																																									
TYPE OF AUTHORIZATION WELL ACTIVITY <input checked="" type="checkbox"/> Individual Permit <input type="checkbox"/> CLASS I <input type="checkbox"/> Area Permit <input checked="" type="checkbox"/> CLASS II <input type="checkbox"/> Rule <input checked="" type="checkbox"/> Brine Disposal <input type="checkbox"/> Enhanced Recovery <input type="checkbox"/> Hydrocarbon Storage <input type="checkbox"/> CLASS III																																																																									
Number of Wells <u>1</u> Well Number <u>2</u> Lease# 14-20-603-716 Lease Name Navajo "0"																																																																									
CASING AND TUBING RECORD AFTER PLUGGING																																																																									
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>SIZE</th> <th>WT(LB/FT)</th> <th>TO BE PUT IN WELL (FT)</th> <th>TO BE LEFT IN WELL (FT)</th> <th>HOLE SIZE</th> </tr> </thead> <tbody> <tr> <td>8 5/8 "</td> <td>24</td> <td>0</td> <td>1539</td> <td>12 1/4 "</td> </tr> <tr> <td>5 1/2 "</td> <td>14-15.5</td> <td>0</td> <td>5853</td> <td>7 7/8 "</td> </tr> </tbody> </table>		SIZE	WT(LB/FT)	TO BE PUT IN WELL (FT)	TO BE LEFT IN WELL (FT)	HOLE SIZE	8 5/8 "	24	0	1539	12 1/4 "	5 1/2 "	14-15.5	0	5853	7 7/8 "																																																									
SIZE	WT(LB/FT)	TO BE PUT IN WELL (FT)	TO BE LEFT IN WELL (FT)	HOLE SIZE																																																																					
8 5/8 "	24	0	1539	12 1/4 "																																																																					
5 1/2 "	14-15.5	0	5853	7 7/8 "																																																																					
METHOD OF EMPLACEMENT OF CEMENT PLUGS																																																																									
<input checked="" type="checkbox"/> The Balance Method <input type="checkbox"/> The Dump Bailer Method <input type="checkbox"/> The Two-Plug Method <input type="checkbox"/> Other																																																																									
CEMENTING TO PLUG AND ABANDON DATA:																																																																									
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>PLUG #1</th> <th>PLUG #2</th> <th>PLUG #3</th> <th>PLUG #4</th> <th>PLUG #5</th> <th>PLUG #6</th> <th>PLUG #7</th> </tr> </thead> <tbody> <tr> <td>Size of Hole or Pipe in which Plug Will Be Placed (inches)</td> <td>5 1/2 "</td> <td></td> <td></td> </tr> <tr> <td>Depth to Bottom of Tubing or Drill Pipe (ft.)</td> <td>5260</td> <td>3550</td> <td>2750</td> <td>1589</td> <td>150</td> <td></td> <td></td> </tr> <tr> <td>Sacks of Cement To Be Used (each plug)</td> <td>25</td> <td>70</td> <td>25</td> <td>45</td> <td>45</td> <td></td> <td></td> </tr> <tr> <td>Slurry Volume To Be Pumped (cu. ft.)</td> <td>30</td> <td>83</td> <td>30</td> <td>53</td> <td>53</td> <td></td> <td></td> </tr> <tr> <td>Calculated Top of Plug (ft.)</td> <td>5060</td> <td>3050</td> <td>2600</td> <td>1489</td> <td>50</td> <td></td> <td></td> </tr> <tr> <td>Measured Top of Plug (if tagged ft.)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Slurry Wt. (Lb./Gal.)</td> <td>15.6</td> <td>15.6</td> <td>15.6</td> <td>15.6</td> <td>15.6</td> <td></td> <td></td> </tr> <tr> <td>Type Cement or Other Material (Class III)</td> <td>Class 8</td> <td>"</td> <td>"</td> <td>"</td> <td>"</td> <td></td> <td></td> </tr> </tbody> </table>			PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	Size of Hole or Pipe in which Plug Will Be Placed (inches)	5 1/2 "	5 1/2 "	5 1/2 "	5 1/2 "	5 1/2 "			Depth to Bottom of Tubing or Drill Pipe (ft.)	5260	3550	2750	1589	150			Sacks of Cement To Be Used (each plug)	25	70	25	45	45			Slurry Volume To Be Pumped (cu. ft.)	30	83	30	53	53			Calculated Top of Plug (ft.)	5060	3050	2600	1489	50			Measured Top of Plug (if tagged ft.)								Slurry Wt. (Lb./Gal.)	15.6	15.6	15.6	15.6	15.6			Type Cement or Other Material (Class III)	Class 8	"	"	"	"		
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7																																																																		
Size of Hole or Pipe in which Plug Will Be Placed (inches)	5 1/2 "	5 1/2 "	5 1/2 "	5 1/2 "	5 1/2 "																																																																				
Depth to Bottom of Tubing or Drill Pipe (ft.)	5260	3550	2750	1589	150																																																																				
Sacks of Cement To Be Used (each plug)	25	70	25	45	45																																																																				
Slurry Volume To Be Pumped (cu. ft.)	30	83	30	53	53																																																																				
Calculated Top of Plug (ft.)	5060	3050	2600	1489	50																																																																				
Measured Top of Plug (if tagged ft.)																																																																									
Slurry Wt. (Lb./Gal.)	15.6	15.6	15.6	15.6	15.6																																																																				
Type Cement or Other Material (Class III)	Class 8	"	"	"	"																																																																				
LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS																																																																									
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>From</th> <th>To</th> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>5298'</td> <td>5328'</td> <td>(injection perfs)</td> <td></td> </tr> <tr> <td>3499'</td> <td>3500'</td> <td>(squeeze perfs - squeezed w/ 50 sks)</td> <td></td> </tr> <tr> <td>3099'</td> <td>3100'</td> <td>(squeeze perfs - squeezed w/ 100 sks)</td> <td></td> </tr> <tr> <td>1588'</td> <td>1589'</td> <td>(proposed squeeze hole for plugging)</td> <td></td> </tr> <tr> <td>149'</td> <td>150'</td> <td>(proposed squeeze hole for plugging)</td> <td></td> </tr> </tbody> </table>		From	To	From	To	5298'	5328'	(injection perfs)		3499'	3500'	(squeeze perfs - squeezed w/ 50 sks)		3099'	3100'	(squeeze perfs - squeezed w/ 100 sks)		1588'	1589'	(proposed squeeze hole for plugging)		149'	150'	(proposed squeeze hole for plugging)																																																	
From	To	From	To																																																																						
5298'	5328'	(injection perfs)																																																																							
3499'	3500'	(squeeze perfs - squeezed w/ 50 sks)																																																																							
3099'	3100'	(squeeze perfs - squeezed w/ 100 sks)																																																																							
1588'	1589'	(proposed squeeze hole for plugging)																																																																							
149'	150'	(proposed squeeze hole for plugging)																																																																							
Estimated Cost to Plug Wells <p style="text-align: center; font-size: 1.2em;">\$12,000</p>																																																																									
CERTIFICATION																																																																									
<p><i>I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)</i></p>																																																																									
NAME AND OFFICIAL TITLE (Please type or print) Bob Hand - Engineer	SIGNATURE DATE SIGNED 9/1/90																																																																								

582

PROPOSED PLUGGING PROGRAM for TEEC NOS POS SWD Well #2

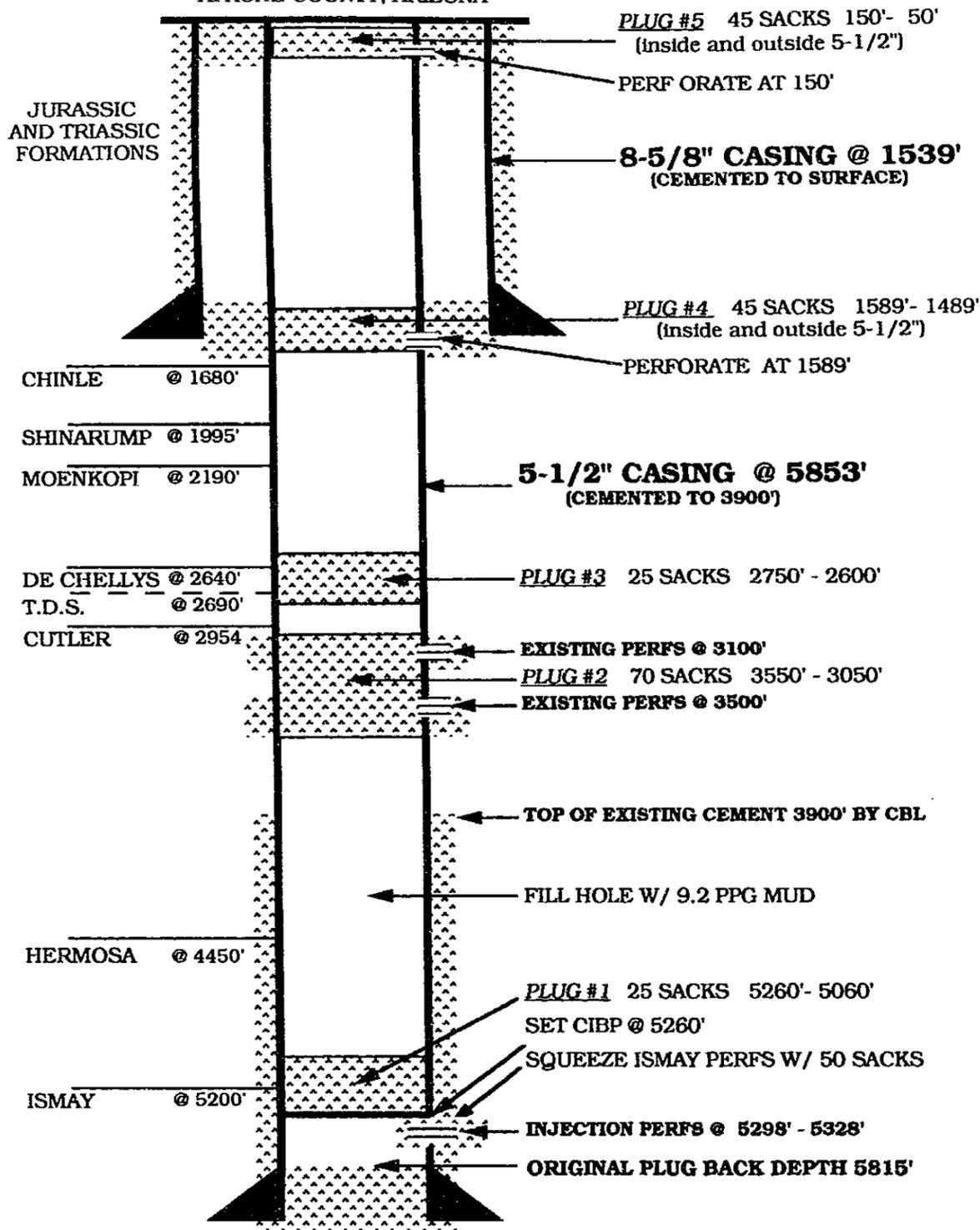
Well #2 uses 5-1/2", 14#, J-55 production casing. Casing capacity is 0.137 cubic ft/foot.

Cement for plugging will be Class 'B', 15.6 ppg slurry weight, 1.18 cubic feet/sack slurry volume.

1. Remove surface equipment, NU BOP stack, TOH w/ existing tubing and packer.
2. TIH w/ squeeze tool. Squeeze injection perforations @ 5298' - 5328' w/ 50 sacks Class 'B' cmt. TOH w/ squeeze tool.
3. TIH w/ CIBP. Set plug @ 5260'. Place 25 sack cmt plug on top of CIBP (plug #1 5260' - 5060'). Mix and circ 9.2 ppg mud to fill hole. TOH.
4. Mix and pump 70 sacks cmt (plug #2) at 3550' - 3050'. Plug purpose is to cover existing squeeze holes. It is thought that the squeeze hole at 3100' leaked and caused the well to fail the MIT.
5. Mix and pump 25 sacks (plug #3) at 2750' - 2600'. Plug purpose is to isolate the De Chellys where the TDS baseline occurs.
6. TIH w/ perf gun. Perf #1 at 1589' (50' below surface casing shoe), and at 150' (Perf #2). TOH w/ perf gun.
7. PU packer. RIH and set packer at 1489'. Pump 45 sacks Class 'B' cmt below packer (plug #4 @ 1589' - 1489', 12 sacks inside and 33 sacks outside 5-1/2" casing). Release packer and pull up to 50'. Pump 45 sacks Class 'B' cmt below packer (plug #5 @ 150' - 50' inside and outside 5-1/2" casing). Release packer and TOH. Lay down packer.
8. TIH to 50'. Mix and pump 6 sacks Class 'B' cmt to top of hole. TOH. ND BOP stack.
9. Cut off casing head. Install permanent marker.
10. Cut off tie downs, remove accessible flow lines, fill all pits, restore surface as required to BLM Surface Management Agency Standards.

TEEC NOS POS
 NAVAJO 'O' #2
 APACHE COUNTY, ARIZONA

PROPOSED PLUGGING DIAGRAM



JURASSIC
 AND TRIASSIC
 FORMATIONS

CHINLE @ 1680'

SHINARUMP @ 1995'

MOENKOPI @ 2190'

DE CHELLYS @ 2640'

T.D.S. @ 2690'

CUTLER @ 2954'

HERMOSA @ 4450'

ISMAY @ 5200'

PLUG #5 45 SACKS 150'- 50'
 (inside and outside 5-1/2")

PERF ORATE AT 150'

8-5/8" CASING @ 1539'
 (CEMENTED TO SURFACE)

PLUG #4 45 SACKS 1589'- 1489'
 (inside and outside 5-1/2")

PERFORATE AT 1589'

5-1/2" CASING @ 5853'
 (CEMENTED TO 3900')

PLUG #3 25 SACKS 2750' - 2600'

EXISTING PERFS @ 3100'

PLUG #2 70 SACKS 3550' - 3050'

EXISTING PERFS @ 3500'

TOP OF EXISTING CEMENT 3900' BY CBL

FILL HOLE W/ 9.2 PPG MUD

PLUG #1 25 SACKS 5260'- 5060'
 SET CIBP @ 5260'

SQUEEZE ISMAY PERFS W/ 50 SACKS

INJECTION PERFS @ 5298' - 5328'

ORIGINAL PLUG BACK DEPTH 5815'

T. D. - 5855'

APPROXIMATE VERTICLE SCALE 1" = 700'

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

Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716	Field Teec Nos Pos	Reservoir Ismay
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Dry Mesa Corporation		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 5446	City Farmington	State New Mexico 87499
Above named operator authorizes (name of transporter) Gary-Williams Energy Corporation		
Transporter's street address 370 17th St., Suite 5300	City Denver	State Colorado 80202-5653
Field address 89 Road 4990, Bloomfield, New Mexico 87413		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. This form is submitted because a change in gatherer for the oil. The change was effective July 1, 1990.		

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

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

Date August 24, 1990 Signature [Handwritten Signature]

Date approved: _____
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: [Handwritten Signature] 8/30/90
 Permit No. 582 (SWD)

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

INJECTION WELL REPORTS

Filed in cabinet of Enforcement Director

(Submit in triplicate)

RECEIVED
APR 19 1979
O & G CONS. COMM.

To: District Engineer, U. S. Geological Survey
PO Box 959 Farmington, New Mexico 87401
From: Energy Reserves Group, Inc.
PO Box 3280 Casper, Wyoming 82602
Subject: Pollution Report

Spill _____ Discharge _____ Blowout _____ Accident _____ Fire or
Explosion X

1. Specific Nature and Cause of Incident
Emergency pit with old oil sludge was ignited by Navajo children playing in the area.
2. Location of Incident
Navajo "0" Lease SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 23 T41N-R30E
14-20-601-716
3. Description of Resultant Damage and Volume of Pollutant Discharged
No damage - No pollutant discharged
4. Date and Time of Occurrence
4-9-79 1:30PM
5. Length of Time Required to Control Incident or Contain Pollutants
Burned for approximately 45 minutes
6. Action Taken to Prevent Recurrence
This is an emergency pit and does not contain any liquids.
7. Measures Taken to Clean Up Pollutants
None
8. The make or manufacturer, size, working and test pressures, date of installation, type of use, physical damage, etc., of any equipment causing or directly involved with the incident.
9. Other Federal or State Agencies Notified of Incident
Navajo Tribal Police/Shiprock, New Mexico
State of Arizona Oil and Gas Company/Bill Allan

Signature William J. [Signature] Date 4-16-79
Title Field Services Administrator

678
663
582
640
732

Form 9-311
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

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

1. OIL WELL GAS WELL OTHER **Water Disposal Well**

2. NAME OF OPERATOR
Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR
Box 3280, Casper, WY 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
1830' FSL & 1980 FEL, (NW SE)

14. PERMIT NO. **582**

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
GRD 5171'; K.B. 5190'

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo "O"

9. WELL NO.
2

10. FIELD AND POOL, OR WILDCAT
Teec Nos Pos - L. Ismay

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec. 23-T41N-R30E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

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

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

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

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

See Attached Report of Work Done

Copy of Cement Bond Log Enclosed
2 - copies of Form 9-311 and log sent to State of Arizona

RECEIVED
MAY 24 1977
D & G CONS. COMM.

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

SIGNED *Alan B. Barnes* TITLE Dist. Prod. Engr. - RMD DATE 5-9-77

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Energy Reserves Group, Inc.
Navajo "O" No. 2
NWSE Sec. 23-T41N-R30E
Apache Co., Arizona
5,300' Ismay
ERG 100% W.I.
Workover
AFE No. 77-08-0001
AFE Amt. - \$47,000
MI & RU, 4-19-77

APR 19 1977
O & G CONS. COMM.

4-19 FIRST WORKOVER REPORT
Move in L & M Ventures and
rig up. Ran 5-1/2" casing
scraper on 2-3/8" tbg. to
5815' K.B. This is PBTB.
TOH w/tbg. and scraper.
TAC: \$1,740.

4-20 Rig up McCullough and perf.
5301' - 5328' w/2 JSPF
(Hollow steel csg. Gun
Premium Charge) Perf 3500'
w/4-way sqz. shot. TIH
w/2-3/8" tbg., RBP and pkr.
Set RBP at 4996' K.B. Set
pkr at 4996' and press. test
to 2500# psi. No leaks.
Pumped 20 gal. 10/20 frac
sand down 2-3/8" tbg. Move
pkr. to 2989' and waited
1 hr. Set pkr. at 2989'.
Press. csg. to 500# psi. No
leaks. BD perf. at 3500'.
At 2400# No csg. blow 2 BPM.
Pumped 500 gal. 7-1/2% HCL
acid and displaced out perfs,
rate 2 BPM at 2200# psi.
Mixed 50 sx. Class "A" cmt.
w/0.6 of 1% FL Additive.
Displ. 19.00 bbls. at 2 BPM
at 2200# psi. Staged 30 min.
Final pump 2000# psi. S.I.
TAC: \$4,531.

4-21 TOH w/tbg. and pkr. Rig up
McCullough and perf. at
3100' w/4-way sqz shot. TIH
w/tbg. and pkr. Set pkr.
at 2675'. Press. csg. to
1000# psi. No leaks. Pump
30 BW down tbg. at 3 BPM at
2100# psi. No csg. blow.
Reset pkr. at 3185' and press
test lower sqz. to 2500#
psi f/20 min, no leaks.
Reset pkr. at 2675'. Pumped
500 gal. 7-1/2% HCL at 1
BPM at 1800# psi. Displ.
w/23 BW. Mixed 100 sx. Class
"A" cmt. w/0.6 of 1% FL
Additive and 1-1/2% C.C. at
2 BPM at 1600# psi. Staged
30 min. Final pump 1800#
psi. S.I.
TAC: \$10,525.

4-22 TOH w/tbg. and pkr. Ran tbg.
and 4-3/4" bit and csg.
scraper. Drill cmt. from
2728' to 2820'. S.I.
TAC: \$12,154.

4-23 Drill cmt. from 2820' to
2930'. TOH f/3-1/2" drill
collars. No cmt. in csg.
from 2930' to 3139'. Press
test sqz. to 1000# psi.
Sqz job. leaking. Drilled
cmt. 3360' to 3386'. S.I.
TAC: \$14,358.

- 4-24 TOH w/tbg. 4-3/4" bit and csg. scraper. TIH w/tbg. and pkr. to 3169'. Set pkr. and press. tested to 2500# psi. for 20 min. No leak. Reset pkr. at 2980'. Press. csg. to 1000# psi. No leak. Pumped down tbg. 2 BPM at 2300# psi. (10 BW Pumped) Pumped 250 gals. 7-1/2% HCL acid 2 BPM at 2200# psi, press. decreased to 1800# psi. at 2 BPM. Displ. w/15 BW. Reset pkr. at 2866'. Press. csg. to 1000# psi. No leak Mix 100 sx. Class "A" cmt. w/2% C.C. at 2 BPM, 1600# psi. Displ. at 2 BPM, 1600# psi, increasing slowly to 2400# psi. Final pump 2400# psi. S.I. TAC: \$14,911.
- 4-25 No Report. S.D. for Sunday.
- 4-26 TOH w/pkr. Pick up D.C., Csg. scraper and bit. TIH Tag cmt. at 2966'. Drill out to 3104'. Ran out of cmt. Tested to 1500 psi. Held 15 min. TIH to 3386'. Drilled cmt. to 3540'. Pressured to 1500 psi. Held O.K. TAC: \$16,043.
- 4-27 TIH to 4990' w/bit. Circ. TOH L.D. D.C. and bit. Pick up retrieving to TIH to 4996' Circ. sand off B.P. pick up B.P. TOH. Run CBL from 5500' to 1500'. TAC: \$18,588.

- 4-28 TIH w/Baker Model R-3 double-grip pkr. Mixed 100 bbl. pkr fluid containing 55 gal B-1400 (Baroid) + oxygen scavenger. Circulated annulus. Set pkr. at 5244'. K.B. Press annulus to 1000# held O.K. Rigged up Western. Pumped 4 BW + 10 RCNB's followed w/1000 gal. 15% HCL. Press increased to 2700 psi. when balls hit, broke to 900 at 2-1/2 BPM. Pumped 4 BPM at 2000 psi. Pumped 50 BW. Increased to 4.7 BPM at 2500# psi. Pumped 25 BW. Decreased rate to 3 BPM Press 1500 psi. Pumped 20 BW Decreased rate to 2 BPM press. 900 psi. Pumped 10 BW. Decreased rate to 1 BPM press. 325 psi. Pumped 10 BW. Decreased rate to 0.6 BPM press. 200 - steady at 125 psi. Pumped 10 BW. Pumped total of 225 bbls. fluid. ISIP 700 psi. 9 mins. 0 psi. RD released rig. Will install equipment for SWD. TAC: \$25,310.
FINAL REPORT.

MAY 24 1977
O & G CONS. COMM.

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. 52

ORDER NO. 51

THE APPLICATION OF ENERGY RESERVES
GROUP FOR AUTHORITY TO DISPOSE OF
SALT WATER PRODUCED FROM THE LOWER
ISMAY ZONE BY INJECTION INTO THE
LOWER ISMAY ZONE IN THE NAVAJO "O"
NO. 2 WELL LOCATED 1830 FEET FROM
THE SOUTH AND 1980 FEET FROM THE
EAST LINE OF SECTION 23, TOWNSHIP
41 NORTH, RANGE 30 EAST, APACHE
COUNTY, ARIZONA, THROUGH PERFORA-
TIONS IN THE LOWER ISMAY ZONE

BY THE COMMISSION

This cause was considered at 10:00 a.m. on March 25, 1977,
at Phoenix, Arizona, before the OIL AND GAS CONSERVATION COMMISS-
SION of the STATE OF ARIZONA, hereinafter referred to as the
"COMMISSION".

NOW, the COMMISSION, a quorum being present, having con-
sidered the testimony presented and the exhibits received at
said hearing, and being fully advised in the premises, finds
as follows;

FINDINGS:

- (1) THAT the COMMISSION has jurisdiction of the subject
matter thereof.
- (2) THAT due public notice has been given as required by
law.

587

(3) THAT Energy Reserves Group has made proper application to the COMMISSION for approval of its plan to dispose of salt water in subject well through perforations at a depth from 5298 feet to 5328 feet in the Lower Ismay Formation.

(4) THAT to allow Energy Reserves Group to proceed as outlined in its plan of operations as amended during this hearing is to the best public interest of the STATE OF ARIZONA.

IT IS THEREFORE ORDERED:

THAT Energy Reserves Group is hereby authorized to dispose of salt water in the Energy Reserves Navajo "O" No. 2 Well located 1830 feet from the south and 1930 feet from the east line of Section 23, Township 41 North, Range 30 East, Apache County, Arizona, through perforations from a depth of 5298 feet to 5328 feet in the Lower Ismay Formation and to condition the well in the following manner in order to preclude any chance of the salt water injected into this well from entering into or contaminating any other oil or gas producing zones or water aquifers: perforate 5-1/2 inch casing at 3500 feet, set a retrievable packer above these perforations and attempt to circulate cement up the hole and into the surface casing. Should this prove to be impossible, Energy Reserves Group will squeeze cement the casing perforations at 3500 feet and perforate 5-1/2 inch casing at 3100 feet and attempt to pump cement into the casing annulus, and up the annulus into the surface casing. Should this attempt to recement prove impossible, the operators will then squeeze cement the perforations

Case No. 52
Order No. 51
Page 3

at 3100 feet, and complete the subject well as a water disposal well. Following the cementing of the 5-1/2 inch casing, a cement bond log will be run from total depth to the top of the cemented casing.

THAT all results of the operator's attempts to comply with this order and a copy of the cement bond log shall be timely filed with the COMMISSION.

DONE at Phoenix, Arizona on the day and year hereinabove designated.

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

By (Original Signed)
Hal Butler, Acting Chairman

(S E A L)

ATTEST:

(Original Signed)
John Bannister
Executive Secretary

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO POROUS FORMATION			
Operator Energy Reserves Group, Inc.		Address P. O. Box 3280, Casper, WY 82602	
Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716		Well No. 2	Field Teec Nos Pos - Ismay
Location 1830' FSL & 1980' FEL (SE NW SE) Sec. 23-T41N-R30E		County Apache	
SEC-TWP-RGE or Block & Survey			
CASING AND TUBING DATA			
Name of string	Size	Length	Cement Data
Surface Casing	8-5/8"	1539'	580 sx
Intermediate			
Long String	5-1/2"	5853'	350 sx
Name, Model and Depth of Tubing Packer			
Tubing	2-3/8"	5250'+	Baker Model R-3 Double Grip - 5250' +
Name of Top and Bottom of Injection Zone Lower Ismay			
Is Injection through Tubing, Casing or Annulus? Tubing	Perforations or Open Hole? Perfs 5298'-5328'	Is this a new well Drilled for Disposal? No	
List all Cement Squeeze Operations. Giving Interval and Number Sacks Cement None			
Is Injection Zone Productive of Oil or Gas in This Field? Yes	Depth of Deepest Fresh Water Zone 600'+	Depth of Shallowest Productive Zone L. Ismay Only Known P.Z.	
Anticipated Daily Injection Volume (bbls.)	Minimum 50	Maximum 60 Initially	Open or Closed System? Open
Is Injection to be by Gravity or Pressure? Pressure	Approx. Pressure (Psi) Unknown	Source of Water to be Injected Produced - L. Ismay	
Are there any other Salt Water Disposal Wells using this same Zone in this Field?	Yes or No No	If so name one such well below	
Name of Operator of Disposal Well in same zone	Lease Name	Well No.	
Is this well so cased and completed that water can enter no other formation than the above set out injection zone?	Yes or No Yes	Have notices of this application been mailed or given to all operators within 1/2 mile of this injection well?	Yes or No No
List names and addresses of all operators within one-half (1/2) mile of this injection well: Energy Reserves Group, Inc. is the operator of all properties within one-half mile of proposed injection well.			
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Dist. Production Engineer</u> of the <u>Energy Reserves Group</u> (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.			
INSTRUCTIONS: 1. Attach a complete full-scale electrical log of this well, if available. Indicate on electrical log, or by other evidence, the base of fresh water zones in this field. 2. Attach waivers from all operators within one-half (1/2) mile of injection well, or copies of letters notifying such operators of this application. Also attach waiver from surface owners of land on which the disposal well is located, or copy of letter from operator making this application notifying such surface owners of this application and requesting waivers. 3. Should all necessary waivers not accompany application, the State of Arizona Oil & Gas Conservation Commission shall hold such application for a period of ten (10) days from date of receipt. If, after said ten (10) day period, no protest or request for a hearing is received, the application will then be processed.		Signature <i>Jean B. Barnes</i>	
Date approved _____ STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION		Date March 1, 1977	
By _____		STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application To Dispose of Salt Water By Injection Into a Porous Formation File Two Copies	
		Form No. 15	

San Juan testing laboratory, inc.

909 WEST APACHE • P.O. BOX 2079 • FARMINGTON, NEW MEXICO

PHONE 1
327-9944

RECEIVED

MAR 4 1977

RM Date February 25, 1977

Report to Energy Reserves Group, Inc.
 Requested by T. C. Durham Sampled by Energy Reserves Personnel
 Project Navajo "0" Location Tec Nos Pos, Arizona
 Source of Material Geological Formations Associated with Navajo "0"
 Lab No. 23329 Water Analysis for Petroleum Engineering

TEST RESULTS

WATER ANALYSIS FOR PETROLEUM ENGINEERING

Constituent:
 Total Solids 57,119 ppm or
 5.7% Salt Solution
 pH 7.4
 Specific Gravity 1.042 @ 70°F
 Resistivity 0.102 ohms/meter @ 70°F
 Conductivity 97,947 micromhos/cm @ 70°F
 Organic Sulfides and Mercaptans Present

Constituents:

Cations	Meg/L	ppm
Sodium	845	19,442
Calcium	57	1,136
Magnesium	67	821
Iron	neg.	-1 *
Barium	0	0

Hypothetical Combinations:

Constituent	ppm
Sodium Chloride	49,416
Calcium Chloride	2,624
Calcium Bicarbonate	772
Magnesium Bicarbonate	1,858
Magnesium Sulfate	2,452

Anions	Meg/L	ppm
Chloride	894	31,650
Bicarbonate	35	2,130
Carbonate	0	0
Hydroxide	0	0
Sulfate	40	1,940

RECEIVED

AUG 18 1977

O & G CONS. COMM.

CLARE COCKEIN - CHEMIST

RICHARD CHANEY -

Copies to Energy Reserves Group, Inc. (2)
Box 3280 - Casper Wyoming

Energy Reserves Group, Inc. (1)
Box 977 - Farmington, N.M.

TEST NO. 21066

Certified by:

* 485 ppm Iron-Sulfide as Block
 Suspended Solids



Initials	Date
Prepared by	
Approved by	

ENERGY RESERVES GROUP, INC
 Box 3280, CASPER, WYO. 82602
 - WATER ANALYSIS - NAVAJO "O" LEASE

	1	2	3	4	5	6
	HALLIBURTON	BAROID	BAROID	SAN JUAN LAB.	TRETO LITE	
MG/L	9-18-76	9-15-76	2-24-77	2-25-77	3-3-77	
	#2	#1 & #3	PRODUCED	PRODUCED	PRODUCED	
				PPM		
1						
2	SODIUM	24800	37689	19442		
3						
4	CALCIUM	1868	1200	1160	1136	270
5						
6	MAGNESIUM	606	704	850	821	610
7						
8	IRON	NIL	6	.75	1	1.3
9						
10						
11						
12						
13	CHLORIDE	35203	26000	32000	31650	31150
14						
15	SULFATE	1270	240	1700	1940	496
16						
17	CARBONATE		0	0	0	
18						
19	BICARBONATE	1476	470	6100	2130	1927
20						
21	SULFIDE		TRACE			
22						
23						
24						
25						
26						
27	PH	7.5	6.5	7.3	7.4	6.3
28						
29	SPECIFIC GRAVITY	1.043			1.042	1.025
30						
31	RESISTIVITY	127			102	
32		@ 73°			@ 70°	
33						
34	OIL IN SAMPLE	NONE	?	?		
35						
36	SOURCE	WELL HEAD	?			
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						

Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82601
Phone 307 265 7331



RECEIVED
FEB 21 1977
O & G CONS. COMM.

February 21, 1977

Arizona Oil & Gas Conservation Commission
8686 N. Central - #106
Phoenix, Arizona 85020
ATTN: Mr. John Bannister
Executive Secretary

RE: Application to inject produced water
into the Lower Ismay Formation in the
Teec Nos Pos Field.

Gentlemen:

Energy Reserves Group, Inc. hereby makes application for permission to convert the following shut in well (Navajo "O" #2, NW SE Section 23-T41N-R30E, Apache Co., Arizona) to a water injection well and to inject lease produced water from the Lower Ismay Formation into the same formation to supplement the apparent natural water drive in this reservoir.

Attached are data and exhibits to support this application.

We understand that this application will require a hearing before the Commission and hereby request to be put on the docket for the next regularly scheduled hearing.

Very truly yours,
ENERGY RESERVES GROUP, INC.


W. J. Averett
Production Manager

WJA/tm

cc: U.S.G.S.
Box 959
Farmington, NM 87401

DATA SUPPORTING SUBJECT APPLICATION

1. Exhibit #1 shows the following:
 - a. The location of the proposed injection well, (Navajo "O" #2), with respect to the three producing wells in the field.
 - b. The only other well within one-half mile of the proposed injection well is a dry hole located in the SE NE of Section 26. This well was drilled by El Paso in 1956.
 - c. Energy Reserves Group, Inc. is the operator for lands covered in Lease No. 14-20-603-716, which includes all the area within one-half mile of the proposed injection well.
2. The three producing wells in the Teec Nos Pos Field are completed in and are producing from the Lower Ismay Formation. The proposed injection well is completed in the Lower Ismay Formation and has produced from this formation. It was shut in in February, 1976, because of no place to dispose of water production. The last production rate in February, 1976, was 14 BOPD and 514 BWPD.
3. The Lower Ismay Formation at a depth of 5200'+ is the producing formation in the Teec Nos Pos Field. As injection is proposed to be into this same formation, it is the formation that will be affected by water injection.

Geologically, it has been postulated that an oil-water contact exists in the Lower Ismay Formation in the vicinity of Well No. 2 (See attached Exhibit #1). It appears there is a water drive from the northeast of unknown magnitude. The proposed water injection would supplement this water drive. However, with the anticipated injection rate of 50+ BWPD for the immediate future, it would appear that no significant increase in oil production would result.

It is difficult at this time to predict the rates of water injection over the next few years as this will be a function of increases in water production from the field. At this time it is felt that significant increases in oil producing rates will not occur, but that the results of water injection will be to flatten the oil decline curve.

An important by-product of this proposed water injection will be compliance with the U.S.G.S. rule NTL-2B, which requires underground disposal of produced water on U.S.G.S. regulated leases by October 1, 1977.

Data Supporting subject application
Page 2

4. Appropriate sections of the well logs on the Navajo "O" #2 are attached as Exhibits #2 and #3.
5. Pertinent data concerning the casing and completion of the proposed injection well is attached as Exhibit #4.
6. The source of the injection water is the water produced with the oil from the Lower Ismay Formation in the three producing wells in the Teec Nos Pos Field. When water injection is commenced, it is anticipated that the water injection rate will be about 50 BHPD.
7. Energy Reserves Group, Inc., Box 3280, Casper, Wyoming 82602, has 100% Working Interest and is the operator of the entire project.

General Remarks

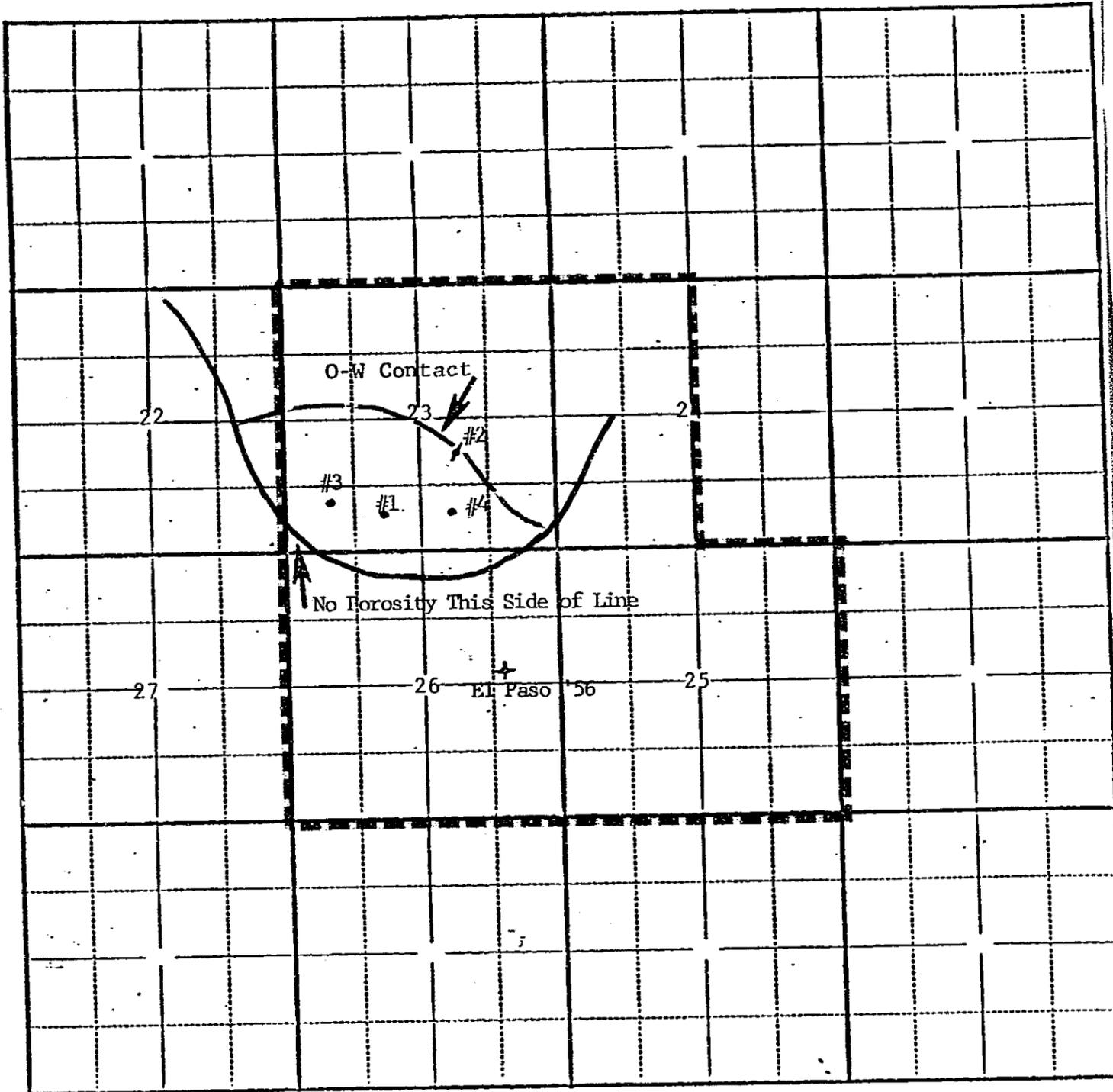
Well No.2 is only perforated in three feet of the Lower Ismay Formation - 5298' - 5301' (3'). It is proposed to perforate additionally as follows: 5301' - 5328' (27').

Present plans are to collect the produced water in a storage tank located at the present lease tank battery site near Well No.1. From here it will be pumped with a positive displacement pump through a buried steel injection line to Well No.2. The water will be injected into the Lower Ismay Formation in Well No.2 through 2-3/8" tubing and under a packer set at 5250'±.

ENERGY RESERVES GROUP, INC.
Exhibit #1

Township, 41N Range, 30E County, Apache State, Arizona

Approximate Scale - 1" = 2640'



- #1 - 660' FSL, 1880' FWL (SW SE SW)
- #2 - 1830' FSL, 1980' FEL (SE NW SE)
- #3 - 1000' FSL, 900' FWL (NE SW SW)
- #4 - 800' FSL, 2080' FEL (NW SW SE)

CALIBER
HOLE DIAM. IN INCHES

2100
POROSITY K(X %)

ENERGY RESERVES GROUP, INC.
Navajo "0" #2
NW SE Sec. 23-T41N-R30E
Apache Co., Arizona

Exhibit #3
Comp. Neutron - Form. Density

GAMMA RAY
API UNITS

30 20 10 0 -10

0 220

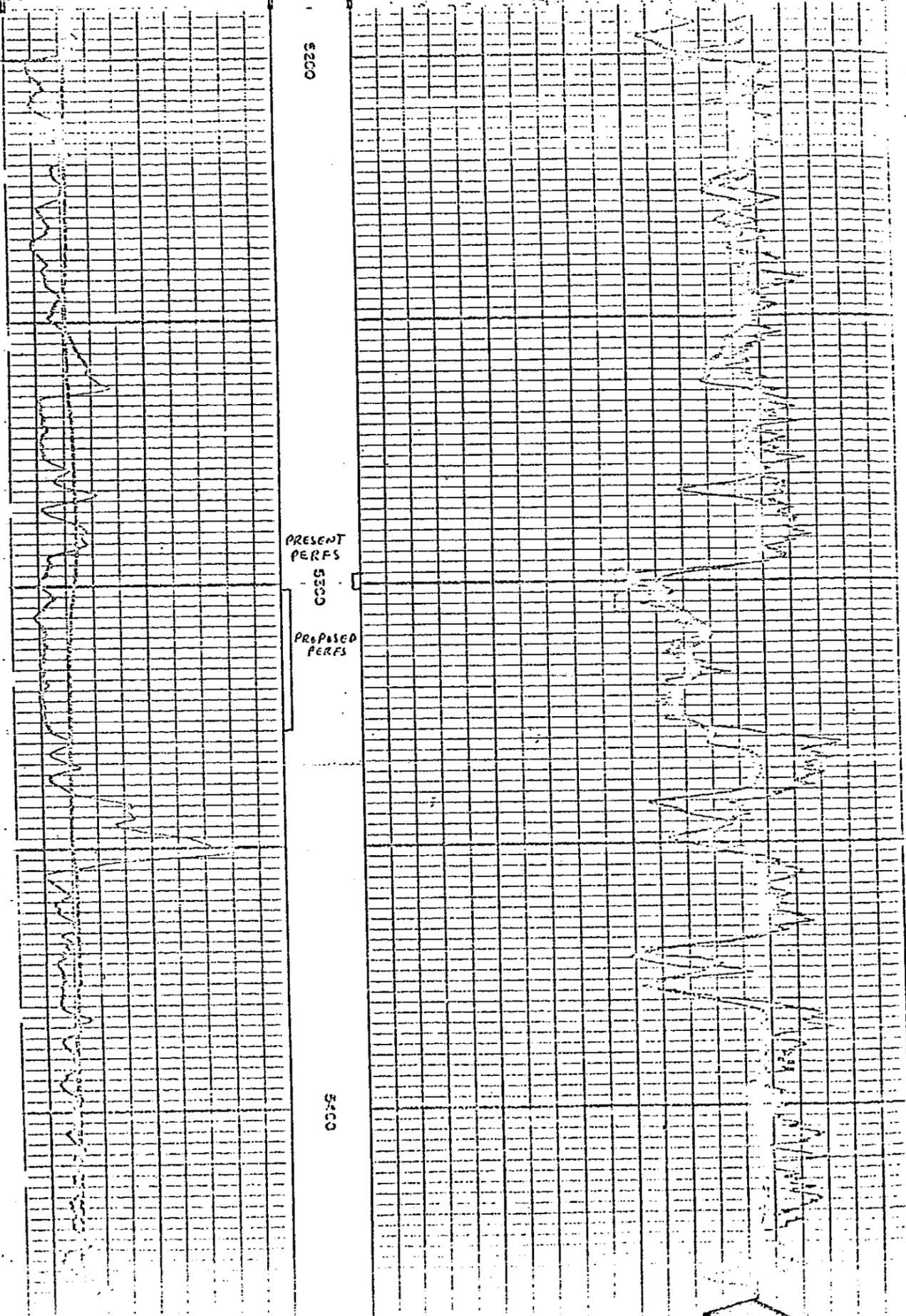
390 460

SECS

PRESENT
PERFS
SECS

PROPOSED
PERFS

SECS



SPONTANEOUS POTENTIAL
MILLIVOLTS

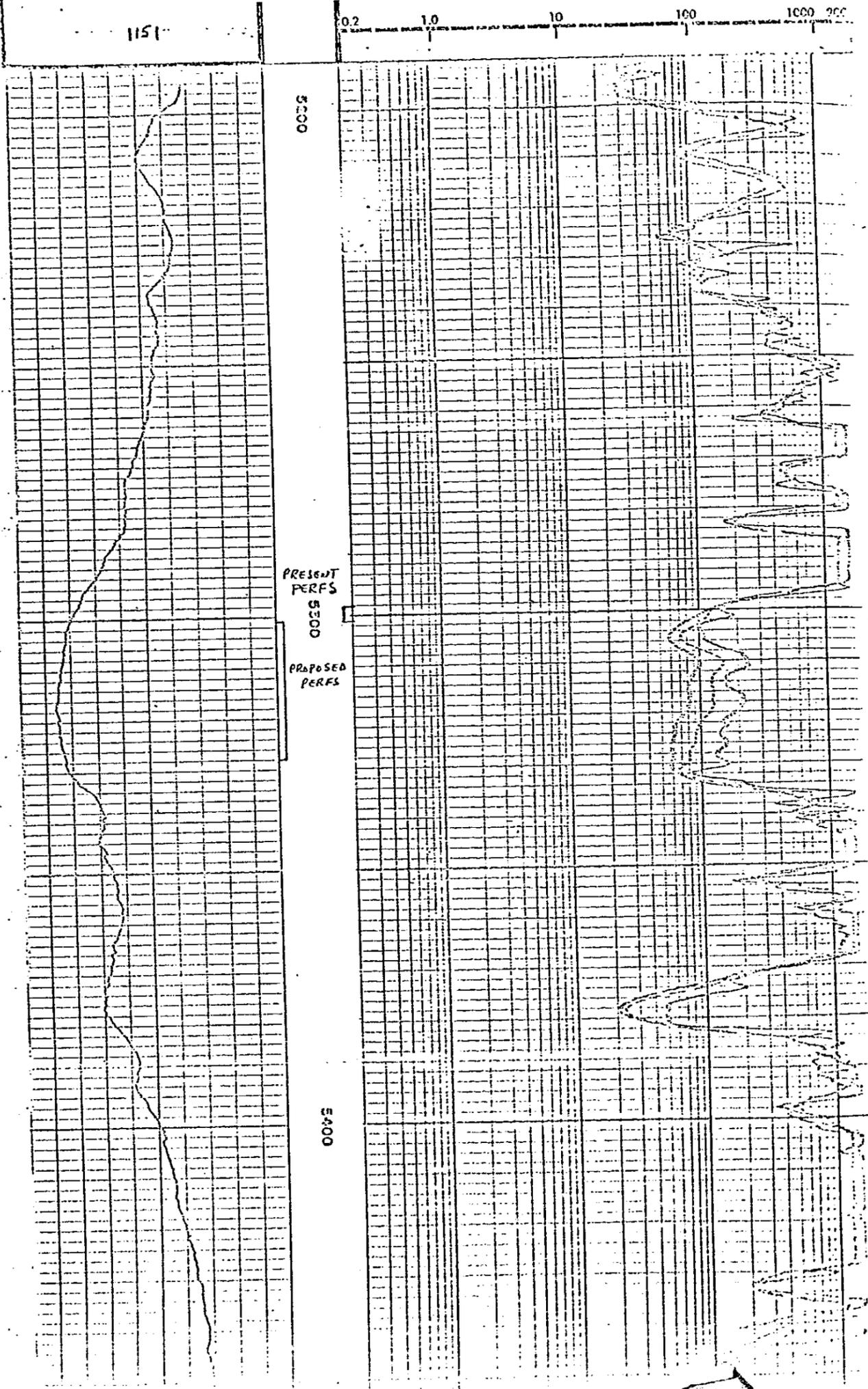
RESISTIVITY
OHMS
LATERALS -- B

ENERGY RESERVES GROUP, INC.
Navajo "O" #2
NW SE Sec. 23-T41N-R30E
Apache Co., Arizona

Exhibit #2
Dual Induction - Laterlog

MEDIUM INDUCTION LOG

DEEP INDUCTION LOG



COMPLETION DATA SHEET
Exhibit #4

PRODUCTION DEPARTMENT

ENERGY RESERVES GROUP, INC.

Lease NAVAJO "0"
Well No. 2 Sec. 23 T. 41N R. 30E
APACHE Co., 14-130044

DIVISION RMD FIELD TEEC NOS POS - ISMAY LOCATION 1830' FSL, 1980' FEL (SENWSE)

WELL PROFILE

TD	DRILL PIPE 5855'	LOG
PBTD	DRILL PIPE 5815'	GAMMA-RAY

ELEVATION DATUM POINT (GDA AB 1911)
CASING HEAD FLANGE
DATUM POINT ELEVATION:
5180'

CASING DESIGN

SIZE	WEIGHT	GRADE	THREAD	COUPLING	MAKE	NO JTS	FOOTAGE	SACS
8 5/8"	24	J-55	ST&C				1539'	585
5 1/2"	14-15.5	J-55	ST&C			179	5853'	350

8 5/8" @ 1539'

PERFORATED INTERVAL	FORMATION	REMARKS
5298'-5301'	LOWER ISMAY	ACIDIZE W/500 GALS 28%

COMMENTS:

TOP CEMENT - TEMP. SURVEY - 3900'
WELL TEMP. ABANDONED DUE TO EXCESSIVE WATER PROD.
WELL DRILLED IN AUGUST, 1972
ARIZONA PERMIT #582

IT IS PROPOSED TO INJECT THROUGH 2 3/8" TUBING AND UNDER
A PACKER SET AT 5250' ±

CMT TOP @ 3900'

5298'
PERFS
5301'

PBTD-5815'

5 1/2" @ 5853'

TD 5855'

SUBMITTED BY
DENN BARNES

DATE
2-17-77

APPROVED BY

WELL STATUS REPORT AND GAS-OIL RATIO TESTS

Operator: Energy Reserves Group, Inc. Field and Reservoir: Teec Nos Pos Ismay County: Apache
 Address: P. O. Box 3280, Casper, Wyoming 82601 Date: March 1976

Federal, State or Indian Lease Number, or Lessor's Name if fee lease	Well No.	Date of Test	Status	Choke Size	Tbg.	Pressures		Sepk- rator	Separator Temp. °F	Daily Allow- able	Length of Test (Days)	Production During Test			Gas-Oil Ratio Cu. Ft. Per Bbl.	
						Begin- ning	End					Wtr. Bbls.	Gas MCF	Oil Bbls.		
Navajo Tribal "O"	1	3/31/76 P									24	0	41	77	152	1974
Navajo Tribal "O"	2		TA													
Navajo Tribal "O"	3	2/28/76 F									24	0	41	52	64	1231

Tests Reported herein were made in accordance with the Applicable Rules, Regulations and Instructions of the State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Clerk of the Energy Reserves Group, Inc., and that I am authorized by said company to make this report; and 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.

Terrence L. Rider
Signature

RECEIVED
 APR 20 1976
 O & G CCNS. COMM.

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Well Status Report and Gas-Oil Ratio Tests
 Form No. 3

WELL STATUS REPORT AND GAS-OIL RATIO TESTS

Operator Clinton Oil Company Field and Reservoir Teec Nos Pos Ismay County Apache
 Address Box 3280, Casper, Wyoming 82601 Month September 1975

Federal State or Indian Lease Number, or Lessor's Name if fee lease	Permit No.	Well No.	Date of Test	Sta-tus	Choke Size	Pressures			Daily Allow-4000	Length of Test (Hrs.)	Production During Test			Gas-Oil Ratio Cu. Ft. Per Bbl.
						Tbg.	Recip-plate	End			Wtr. Bbls.	Gas. Oil	Oil Bbls.	
Navajo Tribal "O"		1	12-11	P					24	0	41	55	109	1979
Navajo Tribal "O"	582	2	12-5	P					24	720	41	20	27	1374
Navajo Tribal "O"		3	12-14	F					24	0	41	47	121	2579

RECEIVED
 DEC 15 1975
 O & G CONS. COM.

Tests Reported herein were made in accordance with the Applicable Rules, Regulations and Instructions of the Board of Arizona Oil & Gas Conservation Commission

I, the undersigned, under the penalty of perjury, state that I am the Dist. Production Clerk of the Clinton Oil Company, and that I am authorized by said company to make this report, and 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.

Terrence L. Ruder
 SIGNATURE

12-22-75
 Date

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Well Status Report and Gas-Oil Ratio Test
 Form No. 3

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Energy Reserves Group, Inc.
 2. OIL WELL GAS WELL OTHER (Specify) TA-See Below
 3. Well Name Navajo Tribal "0" #2
 Location 1980' FEL & 1830' Fs1
 Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716
 5. Field or Pool Name Teec Nos Pos, Ismay

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

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

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

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

Well was drilled to TD of 5855'. Lower Ismay was perforated at 5298' - 5301' and tested as uneconomical due to excessive water. In June 1975 the well was tested and put on production for a period of 9 months until February 28, 1976, at which time there was no place to dispose the water. We have now temporarily abandoned for future use as a salt water disposal well pending additional development in this area.

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

Signed Terrence L. Rudin Title District Clerk Date 8/11/76

Permit No. 582

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

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

Federal, State or Indian Lease Number. or lessor's name if fee lease	Field	Reservoir
Navajo Tribal O #2 14-20-603-716	Teec Nos Pos, Ismay	Paradox
Survey or Sec-Twp-Rge	County	State
23-T41N-R30E	Apache	Arizona
Operator Clinton Oil Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street	City	State
Box 3280	Casper	Wyoming 82601
Above named operator authorizes (name of transporter) El Paso Natural Gas Company		
Transporter's street address	City	State
Box 990	Farmington	New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the gas	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Plateau, Inc.	100	oil
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. This is not a new lease, but is the first time it has ever been connected to a gas purchaser. Connection was made on October 24, 1975, and first delivery was on November 3, 1975.		

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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 November 24, 1975 Signature Terrence L. Ruden

Date approved: 11-28-75
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]
Permit No. 582

RECEIVED
NOV 28 1975
O & G CONS. COMM.

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

TO TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo Tribal "O" 14-20-603-716	Field Teec Nos Pos, Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Clinton Oil Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 3280	City Casper	State Wyoming 82601
Above named operator authorizes (name of transporter) Plateau, Inc.		
Transporter's street address Box 108	City Farmington	State New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the Oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. This form is to cancel the change of transporter form that was dated 9/29/75. Change of transporter was never made due to Federal Regulations.		

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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.

November 7, 1975
Date

Terrence L. Ruder
Signature

Date approved: *W.E. Allen* 10-12-75

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: *W.E. Allen*
Permit No. 232, 582 & 640

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

TO TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if fee lease		Id	Reservoir
Navajo Tribal "O" 14-20-603-716		Teec Nos Pos, Ismay	Paradox
Survey or Sec-Twp-Rge		County	State
Sec. 23, T41N, R30E		Apache	Arizona
Operator Clinton Oil Company			
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:			
Street		City	State
P.O. Box 3280		Casper	Wyoming 82601
Above named operator authorizes (name of transporter) Giant Industries, Inc.			
Transporter's street address		City	State
5107 N. 7th Street		Phoenix	Arizona 85014
Field address P.O. Box 256 Farmington, New Mexico 87401			
Oil, condensate, gas well gas, casinghead gas			
To transport		from said lease.	
100 % of the		Oil	
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:			
Name of gatherer	% transported	Product transported	
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change of transporter effective 10-1-75			

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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 September 29, 1975 Signature [Handwritten Signature]

Date approved: 10-7-75
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Handwritten Signature]
Permit No. 582

RECEIVED
OCT 2 1975
O & G CONS. COMM.

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

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Navajo "O" #2
 Location 1980' FEL and 1830' FSL
 Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease. 14-20-603-716

5. Field or Pool Name Teec Nos Pos, Ismay

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

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

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

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

Well was drilled to TD of 5855'. Lower Ismay was perforated at 5298' - 5301' and tested as uneconomical due to excessive water. Well was held as possible disposal well. In June 1975 a pump unit was installed to test the well. A potential test was filed on Form 6, 7-22-75. We have now installed a permanent pumping unit and the well will remain on as a producing oil well.

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

Signed [Signature] Title Dist. Prod. Clerk Date 9-29-75

Permit No. 582

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

W.A.

POTENTIAL TEST AND REQUEST FOR ALLOWABLE - OIL WELLS

DESIGNATE TYPE OF COMPLETION:

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

Other Reason For Filing:
Well was shut in on initial completion.

Operator
Clinton Oil Company

Address
P. O. Box 3280, Casper, Wyoming 82601

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or Lessor's Name if Fee Lease Navajo	Well Name Navajo "0" #2	County Apache
---	-----------------------------------	-------------------------

Footage Location
1980' FEL, 1830' FSL

Sec. Twp. Rge.
Sec. 23, T 41 N, R 30 E

Date spudded 8/10/72	Date completed, ready to produce 9-26-72	Total depth 5855'	P.B.T.D. 5815'
Field and reservoir Teec Nos Pos Ismay		Top of pay 5298'	Producing interval 5298 - 5301'

TEST DATA

Date of first production 6/16/75	Date of test 7/3/75	Length of test 24 hrs.	Producing method (flow pump, gas lift) P	Amount of load oil injected if any.
Number of barrels of oil produced from completion or recompletion date to test date 450			If well is produced by pumping, give pump size, length and strokes per minute.	
Tubing pressure	Casing pressure	Choke size		
*Actual production during test:	Oil (bbbls) 47	Water (bbbls) 342	Gas (MCF) 60	
*Production must actually equal or exceed wells daily allowable or test must be for full 24 hours				
Gas oil ratio 1277	MCF/bbl.	Oil gravity 41	* A.P.I. corrected	Name of transporter of oil Plateau, Inc.
Acres attributed to this well	Number of producing wells in this reservoir on this lease, including this well 3	Single, dual or triple completion? Single	Daily allowable requested (bbbls)	

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Production Engineer of the Clinton Oil 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 July 22, 1975 Signature *Tony J. Cox* RECEIVED
JUL 24 1975

Witnessed by: _____ Organization _____ Signature _____ Date _____	STATE OF ARIZONA O & G CONS. COMM. OIL & GAS CONSERVATION COMMISSION Potential Test & Request for Allowable—Oil Wells File One Copy
--	--

Permit No. 587 Form No. 6

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

Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo Tribal "O" #2	Field Teec Nos Pos, Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Clinton Oil Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 3280	City Casper	State Wyoming 82601
Above named operator authorizes (name of transporter) Plateau, Inc.		
Transporter's street address P. O. Box 108	City Farmington	State New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the oil from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported

Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.

This to transport oil from #2 well while testing; if economical, the oil from this well will go to Battery with #1 well.

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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.

June 16, 1975
Date

Duane L. Fille
Signature

Date approved: 6-20-75

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: *W. L. ...*

Permit No. 582

RECEIVED

JUN 19 1975

O & G CONS. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to Transport Oil or Gas from Lease
File Two Copies
Form No. 3

WA

SUNDY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Co.

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name Navajo "O" #2

Location 1980' FEL and 1830' FSL

Sec. 23 Twp. 41 N Rge. 30 E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Teec Nos Pos, Ismay

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

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

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

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

We have set a pumping unit and are currently pump testing from perfs @ 5298' - 5301' to see if well is economical to operate.

RECEIVED
 JUN 19 1975
 O & G CONS. COMM.

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

Signed Deane L. Rible Rocky Mountain District
 Title District Prod. Clerk 6/16/75

Permit No. 582

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

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company
 2. Oil Well GAS Well OTHER (Specify) TA - See Below
 3. Well Name Navajo "O" No. 2
 Location 1980' FEL & 1830' FSL
 Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Teec Nos Pos, Ismay

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"/>		(OTHER) <u>Annual Status Report</u>	<input checked="" type="checkbox"/>

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

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

Well was drilled to TD of 5855'. Lower Ismay was perforated at 5298'-5301' & tested as uneconomical due to excessive water.

Well is temporarily abandoned for future use as a salt water disposal well pending additional development in this area.

RECEIVED

NOV 29 1974

O & G CONS. COMM.

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

Signed Alex B. Barnes

Rocky Mountain District
 Title Drilling Engineer Date 11/25/74

Permit No. 582

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

RECEIVED

NOV 19 1973

O & G CONS. COMM.

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) TA - See below

3. Well Name Navajo "O" No. 2
 Location 1980' FEL & 1830' FSL
 Sec. 23 Twp. 41N Rgc. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Teec Now Pos, Ismay

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

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

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

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

Well was drilled to TD of 5855'. Lower Ismay was perforated at 5298-5301' & tested as uneconomical due to excessive water.

Well is temporarily abandoned for future use as a salt water disposal well pending additional development in this area.

RECEIVED

NOV 19 1973

O & G CONS. COMM.

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

Signed [Signature] Title Dist. Prod. Engineer Date 11-16-73

Permit No. 582

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

WB

CERTIFICATE FOR LOAD OIL CREDIT AND PERMIT TO TRANSPORT RECOVERED LOAD OIL

Operator Clinton Oil Company		Address 217 North Water, Wichita, Kansas 67202	
Federal, State or Indian Lease Number, or lessor's name if fee lease. 14-20-603-716	Well No. 1	Field and Pool Undesignated Ismay	County Apache
Location 660' FSL, 1880' FWL		Sec-Twp-Rge or Block & Survey 23-T41N-R30E	

54.91

Barrels load oil recovered

Oil was purchased from* Old Trading Post Sec. 10-T26N-R14W	Address Bisti Lower Gallup, San Juan County, New Mexico	Date purchased 3-16-73
Oil from the lease and well first above described is gathered and transported by: Plateau, Inc., P.O. Box 108, Farmington, New Mexico		

This report will certify that the number of barrels of load oil, shown above, was recovered from the property first above described; also that this load oil was purchased from the named firm (or lease), and permission is hereby requested for the running of the said number of barrels of oil by the gatherer and transporter.

RECEIVED

APR 06 1973

O & G CONS. COMM.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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.

Duane L. Finkle
Signature

April 4, 1973

Date

Note: This report required only when load oil was obtained from a source other than the lease on which used.
*Insert lease name, location and pool if oil supplied from a lease.

Date Approved 4-6-73
STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION
By: <i>WB</i>

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Certificate for Load Oil and Permit to Transport Recovered Load Oil

File Two Copies

Permit No. 587

Form No. 17

W H

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name Navajo "O" No. 2

Location 1980 FEL & 1830' FSL

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>
(OTHER) <u>T.A. for future use as a disposal well</u>			

(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.)

This well was drilled to a total depth of 5855'. The Lower Ismay was perforated at 5298-5301' and tested as uneconomical due to excessive water. We are proposing to temporarily abandon the well for future use as a salt water disposal well pending additional development in this area.

TD 5855'.
 8 5/8" Csg set at 1539'.
 5 1/2" Csg set at 5853' - cmt. w/350 sacks - top of cmt. 3900'.
 2 3/8" OD tbq set at 5394' w/anchor catcher at 5272'.

RECEIVED

OCT 02 1972

O & G CONS. COMM.

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

Signed [Signature] Title Dist. Prod. Engr. Date 9/29/72

Permit No. 582

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File Two Copies
 Form No. 28

WPA

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) Drilling

3. Well Name Navajo "0" #2

Location 1830 FSL & 1980 FEL NW SE

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease. 14-20-603-716

5. Field or Pool Name Undesignated Tsmay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. September 29, 1972.

9-23-72 No work done. Well shut-in.

9-24-72 " " "

9-25-72 " " "

9-26-72 " " "

9-27-72 " " "

9-28-72 " " "

9-29-72 " " "

RECEIVED
OCT 02 1972
O & G CONS. COMM.

Note: Well Completion and Well Log, Form 4, was sent 9-29-72.

HOLD INFORMATION - CONFIDENTIAL

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

Signed [Signature] Title District Engineer Date 9-29-72

Permit No. 582

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

CERTIFICATE FOR LOAD OIL CREDIT AND
PERMIT TO TRANSPORT RECOVERED LOAD OIL

Operator Clinton Oil Company		Address 217 North Water, Wichita, Kansas 67202	
Federal, State or Indian Lease Number, or lessor's name if fee lease. 14-20-603-716	Well No. 2	Field and Pool Undesignated Ismay	County Apache
Location 1980 FEL & 1830' FSL		Sec-Twp-Rge or Block & Survey 23-41N-30E	

79.86

Barrels load oil recovered

Oil was purchased from* Old Trading Post 10-26N-14W New Mexico	San Juan Cty, Address	Date purchased 9-5-72
Bisti Lower Gallup Pool		

Oil from the lease and well first above described is gathered and transported by:
Plateau, Inc. P.O. Box 108 Farmington, New Mexico

This report will certify that the number of barrels of load oil, shown above, was recovered from the property first above described; also that this load oil was purchased from the named firm (or lease), and permission is hereby requested for the running of the said number of barrels of oil by the gatherer and transporter.

RECEIVED

SEP 29 1972

O & G CONS. COMM.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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.

Duane L. Kihle
Signature

Duane L. Kihle

September 27, 1972
Date

Note: This report required only when load oil was obtained from a source other than the lease on which used.

*Insert lease name, location and pool if oil supplied from a lease.

Date Approved <u>9-29-72</u>
STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION
By: <i>W. B. [Signature]</i>

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Certificate for Load Oil and Permit to
Transport Recovered Load Oil

File Two Copies

Permit No. 582

Form No. 17

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) Drilling
 3. Well Name Navajo "0" #2
 Location 1830 FSL & 1980 FEL NW SE
 Sec 23 Twp 41N Rge 30E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. September 22, 1972.

9-16-72 Swab well to pit. Well kicked off flowing to pit. Attempt to run temperature survey w/well flowing. Did not complete survey before well died.

9-17-72 Pulled tubing and packer. Re-run tubing w/anchor catcher and close well in. Waiting on results of temperature survey.

9-18-72 No work done. Waiting on results of temperature survey.

9-19-72 " " " "

9-20-72 " " " "

9-21-72 " " " "

9-22-72 " " " "

RECEIVED

SEP 20 1972

O & G CONS. COMM.

HOLD INFORMATION - CONFIDENTIAL

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

Signed J. M. Jean Title District Engineer Date 9-22-72

Permit No. 582

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

WA
September 12, 1972

Samples have been received from the
Clinton Oil Co. #2 Navajo 0
Sec. 23-41N-30E
Apache Co. Ariz. Permit # 582

Four Corners Sample Cut

582

RECEIVED

SEP 14 1972

O & G CONS. COMM.

FARMINGTON
SEP 12
2-PM
1972



OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA

~~TELEPHONE 271-5161~~ 4515 No. 7th Ave

PHOENIX, ARIZONA, 85007

85013

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) Drilling

3. Well Name Navajo "0" #2

Location 1830 FSL & 1980 FEL NW SE

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. September 15, 1972.

- 9-9-72 Acidize perforations 5298-5301 w/500 gals 28% HCL. Avg inj rate 4 BPM. Pulled swab 3 times & well started to flow. Flowed 8 hrs on various chokes - 121 BO, 26 BFW & 12 BAR.
- 9-10-72 SI TP 975# - Open well on 14/64 choke flowed 1 hr & died. Made 3 BO & 6 BW. Ran swab & kicked well off. Made 11 BO & 20 BW in 3 hrs & died.
- 9-11-72 SI TP 625# - Open well to flow. Well would not flow. Ran swab and kicked well off. Flowed 15 hrs on 32/64" choke - 96 BO & 183 BW. Avg of 280 MCFPD.
- 9-12-72 Flowed 5 hrs on 32/64" choke - 20 BO & 43 BW. Avg of 210 MCFPD. TP 140# - 100#. Well died.
- 9-13-72 Released packer and lay down 2 jts tbg - reset packer. Attempted to run temperature survey w/well flowing. Could not get tools to bottom.
- 9-14-72 No work done. Waiting on smaller tools to run temperature survey.
- 9-15-72 Run static temperature survey 5804' - 5000'. Flowing well and attempted to run temperature survey. Logging truck broke down. Will resume operations tomorrow.

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

HOLD INFORMATION - CONFIDENTIAL

Signed JAM [Signature] Title District Engr. Date 9-15-72

RECEIVED

SEP 18 1972

Permit No. 582 O & G CON & RESMS. COMM.

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

WAF

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) Drilling

3. Well Name Navajo "O" #2

Location 1830 ESL & 1980 FEL NW SE

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. September 8, 1972.

- 9-2-72 Completed running logs. Drld to 5824'. ~~Ran 5 1/2" OD csg to 5782'~~ to 5824'. Had very weak blow thru out test. Recovered 5' drlg mud.
- 9-3-72 Drld to total depth 5855'. Ran 5 1/2" OD csg and set at 5853'. Cemented w/350 sxs class "C" cement. Top of cement by temp. survey 3900'. Pressure test csg to 2500 psi - held OK. Release drlg rig.
- 9-4-72 WOC
- 9-5-72 WOC
- 9-6-72 Moving in Completion unit.
- 9-7-72 Run GR - collar log. Perf Lower Ismay 5298-5301 (3' w/2 SPF). Trip in hole w/tbg & pkr. Displace csg w/135 bbls oil.
- 9-8-72 Swab well without treating formation. Hole swab dry. Plan to acidize this a.m.

RECEIVED
SEP 11 1972
O & G CONS. COMM.

HOLD INFORMATION - CONFIDENTIAL

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

Signed [Signature] Title Dist. Engr. Date 9-8-72

Permit No. 582

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

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) Drilling
 3. Well Name Navajo "0" #2
 Location 1830 FSL & 1980 FEL NW SE
 Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <u>Weekly Progress Report</u>	ABANDONMENT <input type="checkbox"/>
(OTHER) <input type="checkbox"/>			<input checked="" type="checkbox"/>

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. September 1, 1972.

8-26-72 Drlg 7 7/8" hole at 5105'. Drlg lm & sh.

8-27-72 Drlg 7 7/8" hole at 5305'. Drlg lm.

8-28-72 ~~DST No. 1 Ismay 5285-5305'~~ Gas to surface in 2 min. Volume at end of flow period 150 MCFPD. Recovered: 100' HO & GCM, 1500' free oil 38° gvty, 200' HO & GCSW, 100' SW.

8-29-72 Drlg 7 7/8" hole at 5450'. Drlg lm & sh.

8-30-72 Drlg 7 7/8" hole at 5648'. Drlg lm & dolo.

8-31-72 Drlg 7 7/8" hole to 5720'. Drlg lm. ~~DST No. 2 Barker Creek~~ Gas to surface in 22 min, Volume TSTM, Recovered: 90' HGCM.

9-1-72 Drlg 7 7/8" hole to 5815'. Drlg lm & sh. Schlumberger logging this a.m. Total depth 5815'.

HOLD INFORMATION - CONFIDENTIAL

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

Signed Jamie Jean Title Dist. Engr. Date 9-1-72

RECEIVED
SEP 03 1972

O & G CONS. COMM.
9-1-72

Permit No. 582

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

WPA

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) Drilling

3. Well Name Navajo "0" #2

Location 1830 FSL & 1980 FEE NW SE

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. August 25, 1972.

- 8-19-72 3025' Drlg sh. Drlg 7 7/8" hole.
- 8-20-72 3406' Drlg sd & sh. Drlg 7 7/8" hole.
- 8-21-72 3743' Drlg sd, sh & anhyd. Drlg 7 7/8" hole.
- 8-22-72 4055' Drlg sh. Drlg 7 7/8" hole.
- 8-23-72 4370' Drlg sh. Drlg 7 7/8" hole.
- 8-24-72 4647' Drlg lm & sh. Drlg 7 7/8" hole.
- 8-25-72 4913' Drlg lm & sh. Drlg 7 7/8" hole.

RECEIVED

AUG 29 1972

O & G CONS. COMM.

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

Signed [Signature] Title District Engineer Date 8-25-72

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

Permit No. 582

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) Drilling

3. Well Name Navajo "0" #2

Location 1830 FSL & 1980 FEL NW SE

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. August 18, 1972.

- 8-12-72 Drilled 12 3/4 hole to 1374'. Deviation 3 3/4°. Plug back with cement & sand to 725'.
- 8-13-72 Re-drilling hole at 940' to correct deviation.
- 8-14-72 Drilling at 1057 to correct deviation.
- 8-15-72 Drilling at 1540. Circ & cond hole to run surface casing.
- 8-16-72 Run & set 8 5/8" OD csg at 1539'. Cement w/a total of 580 sx cmt.
- 8-17-72 Drilled out from under surface csg. Drilling at 1975'.
- 8-18-72 Drilling 7 7/8 hole at 2775' in sd & sh.

RECEIVED

AUG 21 1972

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

Signed [Signature] Title District Engineer O & G CONS. COMM. Date 8-18-72

Permit No. 582

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

W.P.

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company

2. OIL WELL GAS WELL OTHER (Specify) Drilling

3. Well Name Navajo "O" #2

Location 1830 FSL & 1980 FEL NWSE

Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716

5. Field or Pool Name Undesignated Ismay

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

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

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

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

The following work was performed on the subject well during the week ending at 7:00 a.m. August 11, 1972.

Aug. 10, 1972. Spudded well at 11:00 p.m. 8-9-72 w/12 1/2" hole. Drlg at 240' in sand and shale.

Aug. 11, 1972. Drlg 12 1/2" hole at 1275' in sand and shale.

RECEIVED

AUG 14 1972

O & G CONSV. COMM.

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

Signed [Signature] Title Dist. Engr. Date 8-11-72

Permit No. 582

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Sundry Notices and Reports On Wells
File Two Copies
Form No. 28

WAH

May 5, 1972

Memo to file

Clinton Oil Company just called and advised us that Application for Permit is in the mail. Inadvertently only 40 acres were shown as being dedicated on the plat. They requested that 80 acres be dedicated. Said 80 acres are of the W/2 of the SE/4. They requested that we do this in order not to delay the issuance of the permit.

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

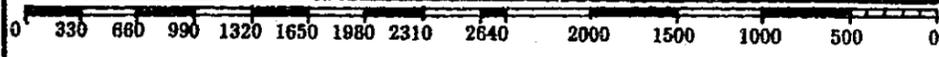
APPLICATION TO DRILL

RE-ENTER OLD WELL

Clinton Oil Company		
NAME OF COMPANY OR OPERATOR		
217 North Water Street	Wichita	Kansas 67202
Address	City	State
To be determined.		
Drilling Contractor		
Address		
DESCRIPTION OF WELL AND LEASE		
Federal, State or Indian Lease Number, or if fee lease, name of lessor	Well number	Elevation (ground)
14-20-603-716	Navajo "O" #2	5171
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease:	
1830 feet	1840 feet	
Number of acres in lease:	Number of wells on lease, including this well, completed in or drilling to this reservoir:	
2560	1	
If lease, purchased with one or more wells drilled, from whom purchased:	Name	Address
	Amoco Production Co.	P. O. Box 591 Tulsa, Oklahoma
Well location (give footage from section lines)	Section—township—range or block and survey	Dedication (Comply with Rule 105)
1980' FEL & 1830' FSL	23-T41N-R30E	80 acres *
Field and reservoir (if wildcat, so state)	County	
Undesignated Ismay	Apache	
Distance, in miles, and direction from nearest town or post office		
Approximately 3 miles NW of Teec Nos Pos Trading Post		
Proposed depth:	Rotary or cable tools	Approx. date work will start
5700'	Rotary	June 1, 1972
Bond Status: Active	Organization Report	Filing Fee of \$25.00
Amount: \$25,000	On file, July 1970 Or attached	Attached X
Remarks: Clinton Oil Co. proposes to drill the above well as an 80 acre offset to our Navajo "O" #1 in NE SW of Sec. 23-41N-30E. Rotary tools will be used from surface to TD. No cores are anticipated. Potential zones which may be drill stem tested are the Hermosa at 4410', U. Ismay at 5130', L. Ismay at 5210', Desert Creek at 5285', Akah at 5430' & the Barker Creek at 5630'. Copies of all logs run will be furnished upon completion of the well. Our anticipated completion zone is the Lower Ismay. Archeological approval obtained verbally from Leland J. Able, Gallup, New Mexico, 5-2-72.		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Prod. Engineer of the		
Clinton Oil 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.		
* dedicated acreage is W/2 of SE/4	RECEIVED MAY 08 1972 O & G CONS. COMM.	M. A. Stead Signature May 4, 1972 Date
Permit Number: 582	Approval Date: 5-8-72	Approved By: <i>[Signature]</i>
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. See attached plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- All distances shown on the plat must be from the outer boundaries of the Section.
- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO If answer is "yes," Type of Consolidation _____
- If the answer to question four is "no," list all the owners and their respective interests below:

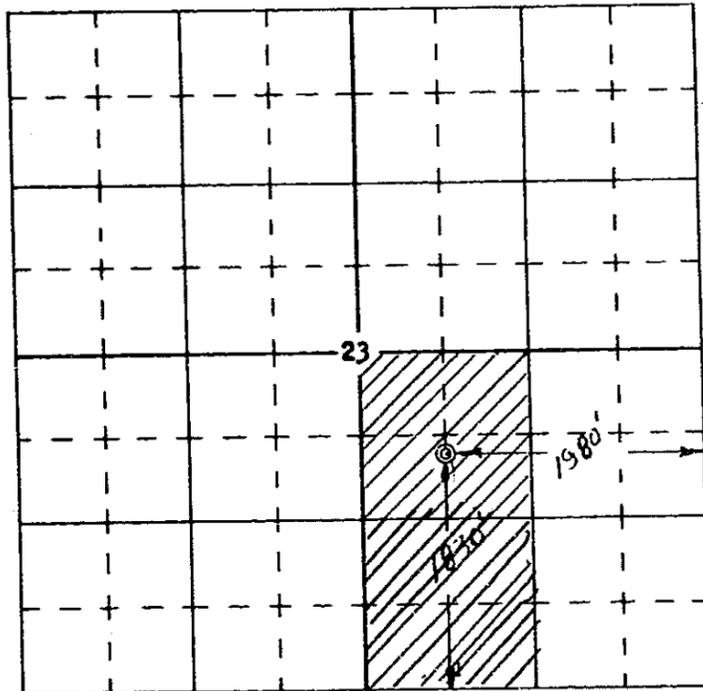
Owner	Land Description
CERTIFICATION	
I hereby certify that the information above is true and complete to the best of my knowledge and belief.	Name
	Position
	Company
	Date
I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my 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
13 3/8	48	H-40	Surf.	250'	Surf - 250'	300
8 5/8	24	K-55	Surf.	1500'	Surf - 1500'	700
5 1/2	14 & 15.5	J-55	Surf.	5700'	4100-5700	500

COMPANY Clinton Oil Company
 Well Name & No. Navajo "O" No. 2 Lease No. _____
 Location 1830 feet from South line and 1980 feet from East line
 Being in Apache County, Arizona
 Sec. 23, T.41N., R.30E., G. & S.R.M.
 Ground Elevation 5171



Scale - 4 inches equals 1 mile

CERTIFICATION

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

M. A. Stead
 Name M. A. Stead

District Prod. Engineer
 Position

Clinton Oil Company
 Company

May 4, 1972
 Date

Surveyed April 28, 1972

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



Farmington, New Mexico

C. J. Pickett

Registered Professional
 Engineer and Land Surveyor.
 Arizona Land Survey No. 5279

RECEIVED

MAY 08 1972

O & G CONS. COMM.

582



PERMIT TO DRILL

This constitutes the permission and authority from the

OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: CLINTON OIL COMPANY
(OPERATOR)

to drill a well to be known as

CLINTON OIL COMPANY NAVAJO "O" #2
(WELL NAME)

located 1980' FEL & 1830" FSL

Section 23 Township 41N Range 30E, Apache County, Arizona.

The 80 acres of the W/2 of SE/4 of said
Section, Township and Range is dedicated to this well.

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

Issued this 8th day of MAY, 1972.

OIL AND GAS CONSERVATION COMMISSION

By W. B. Allen
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 N^o 582

RECEIPT NO. 2917

API NO. 02-001-20163

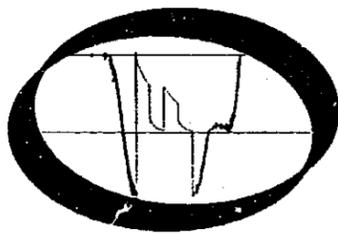
SAMPLES ARE REQUIRED

State of Arizona
Oil & Gas Conservation Commission

Permit to Drill

FORM NO. 27

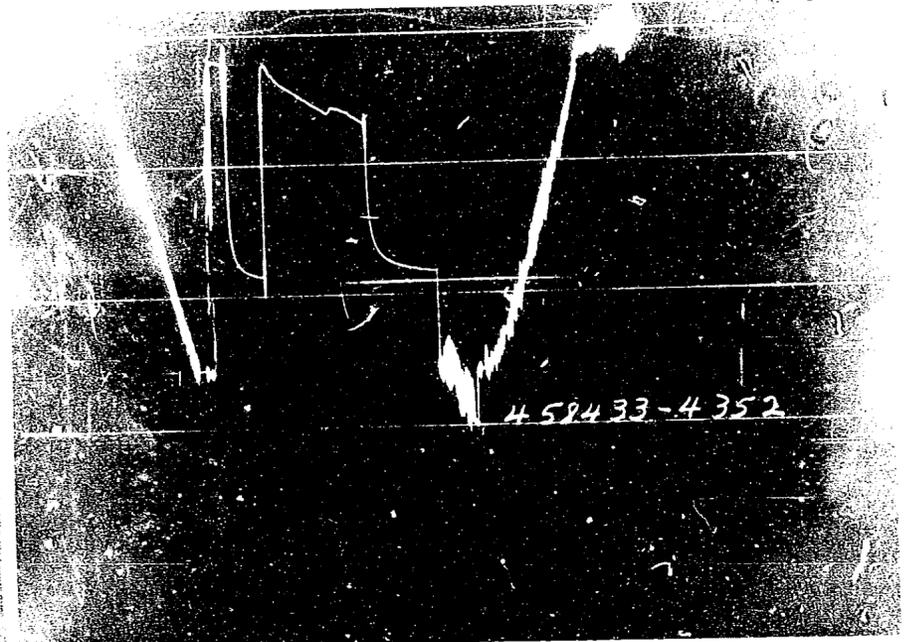
Formation Testing Service Report



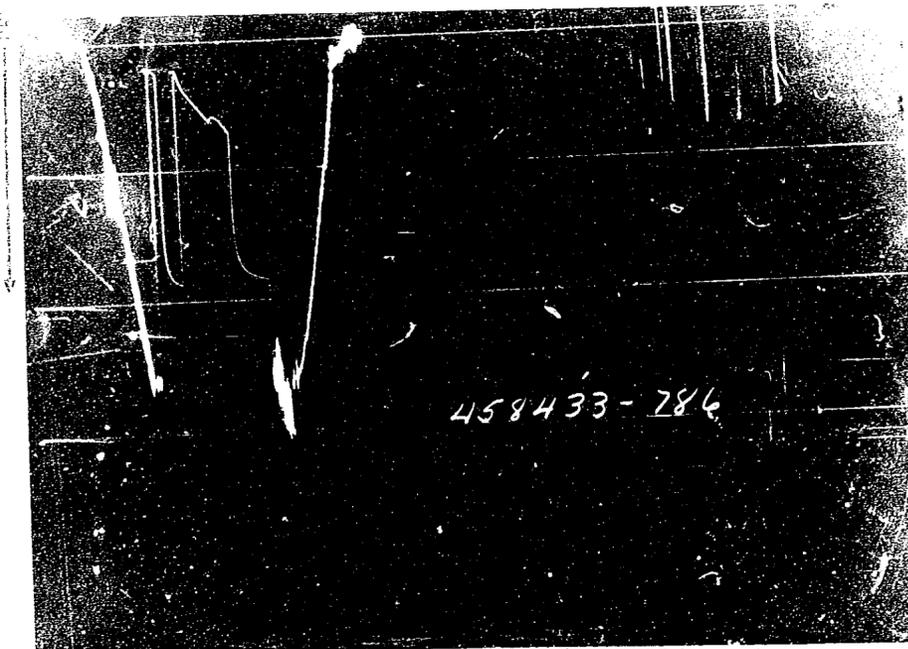
LEASE NAME: NAVAJO "O"
WELL NO.: 2
TEST NO.: 1
TESTED INTERVAL: 52851-53051
LEASE OWNER/COMPANY NAME: CLINTON OIL COMPANY

HALLIBURTON SERVICES
DUNCAN, OKLAHOMA

582



TIME →



Each Horizontal Line Equal to 1000 p.s.i.

Well No.	Time (hr)	Pressure (psi)	Flow Rate (bbl/d)
458433-4352	0.5	10000	100
458433-4352	1.0	9500	100
458433-4352	2.0	9000	100
458433-4352	4.0	8500	100
458433-4352	8.0	8000	100
458433-4352	16.0	7500	100
458433-4352	32.0	7000	100
458433-4352	64.0	6500	100
458433-4352	128.0	6000	100
458433-4352	256.0	5500	100
458433-4352	512.0	5000	100
458433-4352	1024.0	4500	100
458433-4352	2048.0	4000	100
458433-4352	4096.0	3500	100
458433-4352	8192.0	3000	100
458433-4352	16384.0	2500	100
458433-4352	32768.0	2000	100
458433-4352	65536.0	1500	100
458433-4352	131072.0	1000	100
458433-4352	262144.0	500	100
458433-4352	524288.0	250	100
458433-4352	1048576.0	125	100
458433-4352	2097152.0	62.5	100
458433-4352	4194304.0	31.25	100
458433-4352	8388608.0	15.625	100
458433-4352	16777216.0	7.8125	100
458433-4352	33554432.0	3.90625	100
458433-4352	67108864.0	1.953125	100
458433-4352	134217728.0	0.9765625	100
458433-4352	268435456.0	0.48828125	100
458433-4352	536870912.0	0.244140625	100
458433-4352	1073741824.0	0.1220703125	100
458433-4352	2147483648.0	0.06103515625	100
458433-4352	4294967296.0	0.030517578125	100
458433-4352	8589934592.0	0.0152587890625	100
458433-4352	17179869184.0	0.00762939453125	100
458433-4352	34359738368.0	0.003814697265625	100
458433-4352	68719476736.0	0.0019073486328125	100
458433-4352	137438953472.0	0.00095367431640625	100
458433-4352	274877906944.0	0.000476837158203125	100
458433-4352	549755813888.0	0.0002384185791015625	100
458433-4352	1099511627776.0	0.00011920928955078125	100
458433-4352	2199023255552.0	5.9604644775390625e-05	100
458433-4352	4398046511104.0	2.9802322387695312e-05	100
458433-4352	8796093022208.0	1.4901161193847656e-05	100
458433-4352	17592186044416.0	7.450580596923828e-06	100
458433-4352	35184372088832.0	3.725290298461914e-06	100
458433-4352	70368744177664.0	1.862645149230957e-06	100
458433-4352	140737488355328.0	9.313225746154785e-07	100
458433-4352	281474976710656.0	4.656612873077392e-07	100
458433-4352	562949953421312.0	2.328306436538696e-07	100
458433-4352	1125899906842624.0	1.164153218269348e-07	100
458433-4352	2251799813685248.0	5.82076609134674e-08	100
458433-4352	4503599627370496.0	2.91038304567337e-08	100
458433-4352	9007199254740992.0	1.455191522836685e-08	100
458433-4352	18014398509481984.0	7.275957614183425e-09	100
458433-4352	36028797018963968.0	3.637978807091712e-09	100
458433-4352	72057594037927936.0	1.818989403545856e-09	100
458433-4352	144115188075855872.0	9.09494701772928e-10	100
458433-4352	288230376151711744.0	4.54747350886464e-10	100
458433-4352	576460752303423488.0	2.27373675443232e-10	100
458433-4352	1152921504606846976.0	1.13686837721616e-10	100
458433-4352	2305843009213693952.0	5.6843418860808e-11	100
458433-4352	4611686018427387904.0	2.8421709430404e-11	100
458433-4352	9223372036854775808.0	1.4210854715202e-11	100
458433-4352	18446744073709551616.0	7.105427357601e-12	100
458433-4352	36893488147419103232.0	3.5527136788005e-12	100
458433-4352	73786976294838206464.0	1.77635683940025e-12	100
458433-4352	147573952589676412928.0	8.88178419700125e-13	100
458433-4352	295147905179352825856.0	4.440892098500625e-13	100
458433-4352	590295810358705651712.0	2.2204460492503125e-13	100
458433-4352	1180591620717411303424.0	1.11022302462515625e-13	100
458433-4352	2361183241434822606848.0	5.55111512312578125e-14	100
458433-4352	4722366482869645213696.0	2.775557561562890625e-14	100
458433-4352	9444732965739290427392.0	1.3877787807814453125e-14	100
458433-4352	18889465931478580854784.0	6.9388939039072265625e-15	100
458433-4352	37778931862957161709568.0	3.46944695195361328125e-15	100
458433-4352	75557863725914323419136.0	1.734723475976806640625e-15	100
458433-4352	151115727451828646838272.0	8.673617379884033203125e-16	100
458433-4352	302231454903657293676544.0	4.3368086899420166015625e-16	100
458433-4352	604462909807314587353088.0	2.16840434497100830078125e-16	100
458433-4352	1208925819614629174706176.0	1.084202172485504150390625e-16	100
458433-4352	2417851639229258349412352.0	5.421010862427520751953125e-17	100
458433-4352	4835703278458516698824704.0	2.7105054312137603759765625e-17	100
458433-4352	9671406556917033397649408.0	1.35525271560688018798828125e-17	100
458433-4352	19342813113834066795298816.0	6.77626357803440093994140625e-18	100
458433-4352	38685626227668133590597632.0	3.388131789017200469970703125e-18	100
458433-4352	77371252455336267181195264.0	1.6940658945086002349853515625e-18	100
458433-4352	154742504910672534362390528.0	8.4703294725430011749267578125e-19	100
458433-4352	309485009821345068724781056.0	4.23516473627150058746337890625e-19	100
458433-4352	618970019642690137449562112.0	2.117582368135750293731689453125e-19	100
458433-4352	1237940039285380274899124224.0	1.0587911840678751468658447265625e-19	100
458433-4352	2475880078570760549798248448.0	5.2939559203393757343292236328125e-20	100
458433-4352	4951760157141521099596496896.0	2.64697796016968786716461181640625e-20	100
458433-4352	9903520314283042199192993792.0	1.323488980084843933582305908203125e-20	100
458433-4352	19807040628566084398385987584.0	6.617444900424219667911529541015625e-21	100
458433-4352	39614081257132168796771975168.0	3.3087224502121098339557647705078125e-21	100
458433-4352	79228162514264337593543950336.0	1.65436122510605491697788238525390625e-21	100
458433-4352	158456325028528675187087900672.0	8.27180612553027458488941192626953125e-22	100
458433-4352	316912650057057350374175801344.0	4.135903062765137292444705963134765625e-22	100
458433-4352	633825300114114700748351602688.0	2.0679515313825686462223529815673828125e-22	100
458433-4352	1267650600228229401496703205376.0	1.03397576569128432311117649078369140625e-22	100
458433-4352	2535301200456458802993406410752.0	5.16987882845642161555588245391845703125e-23	100
458433-4352	5070602400912917605986812821504.0	2.584939414228210807777941226959228515625e-23	100
458433-4352	10141204801825835211973625643008.0	1.2924697071141054038889706134796142578125e-23	100
458433-4352	20282409603651670423947251286016.0	6.4623485355705270194448530672980712890625e-24	100
458433-4352	40564819207303340847894502572032.0	3.23117426778526350972242653364903564453125e-24	100
458433-4352	81129638414606681695789005144064.0	1.615587133892631754861213266824517822265625e-24	100
458433-4352	162259276829213363391578010288128.0	8.077935669463158774306066334122589111328125e-25	100
458433-4352	324518553658426726783156020576256.0	4.0389678347315793871530331670612945556640625e-25	100
458433-4352	649037107316853453566312041152512.0	2.01948391736578969357651658353064727783203125e-25	100
458433-4352	1298074214633706907132624082305024.0	1.009741958682894846788258291765323638916015625e-25	100
458433-4352	2596148429267413814265248164610048.0	5.048709793414474233944291458826618194580078125e-26	100
458433-4352	5192296858534827628530496329220096.0	2.5243548967072371169721457294133090972900390625e-26	100
458433-4352	10384593717069655257060992658440192.0	1.26217744835361855848607286470665454864501953125e-26	100
458433-4352	20769187434139310514121985316880384.0	6.31088724176809279243306432353327274322509765625e-27	100
458433-4352	41538374868278621028243970633760768.0	3.155443620884046396216532161766636371612548828125e-27	100
458433-4352	83076749736557242056487941267521536.0	1.5777218104420231981082660808833181858062744140625e-27	100
458433-4352	166153499473114484112975882535043072.0	7.8886090522101159905413304004415909290313720703125e-28	100
458433-4352	332306998946228968225951765070086144.0	3.94430452610505799527066520022079546451568603515625e-28	100
458433-4352	664613997892457936451903530140172288.0	1.972152263052528997635332600110397732257843017578125e-28	100
458433-4352	1329227995784915872903807060280344576.0	9.860761315262644988176663000551988661289215087890625e-29	100
458433-4352	2658455991569831745807614120560689152.0	4.9303806576313224940883315002759943306446075439453125e-29	100
458433-4352	5316911983139663491615228241121378304.0	2.46519032881566124704416575013799716532230377197265625e-29	100
458433-4352	10633823966279326983230456482242756608.0	1.232595164407830623522082875068998582661151885986328125e-29	100
458433-4352	21267647932558653966460912964485513216.0	6.162975822039153117610411375044992913305759429931640625e-30	100
458433-4352	42535295865117307932921825928971026432.0	3.0814879110195765588052056875224964566528797149658203125e-30	100
458433-4352	85070591730234615865843651857942052864.0	1.54074395550978827940260284376124822832643985748291015625e-30	100
458433-4352	170141183460469231731687303715884105728.0		

Gauge No.	4352			5253'			10445			12 hour			Ticket No. 458433		
	First Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	First Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	Second Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	Time Defl. .000"	PSIG Temp. Corr.	Third Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	PSIG Temp. Corr.
0	.000	195	.000	.000	240	.000	.000	240	.000	697	.000	.000	697		
1	.0237	191*	.0268	.1003	368	.0398	.1003	368	.0398	1594	.0398	.1003	368		
2	.0386	198	.0469	.2006	456	.0796	.2006	456	.0796	1694	.0796	.2006	456		
3	.0515	205	.0670	.3009	540	.1194	.3009	540	.1194	1739	.1194	.3009	540		
4	.0644	213	.0871	.4012	578	.1592	.4012	578	.1592	1767	.1592	.4012	578		
5	.0773	220	.1072	.5015	604	.1920	.5015	604	.1920	1786	.1920	.5015	604		
6	.0900	228	.1273	.6020	697	.2786	.6020	697	.2786	1797	.2786	.6020	697		
7			.1474			.3184			.3184	1807					
8			.1675			.3582			.3582	1815					
9			.1876			.3980			.3980	1822					
10			.2080							1827					
11															
12															
13															
14															
15															
Reading Interval 2															
REMARKS: * First interval equal to 4 minutes **-4 minutes.															

Gauge No.	786			5301'			Clock No. 9756			24 hour			Clock No. 10445		
	First Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	First Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	Second Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	Time Defl. .000"	PSIG Temp. Corr.	Third Flow Period Time Defl. .000"	PSIG Temp. Corr.	Closed In Pressure Log t + θ	PSIG Temp. Corr.
0	.000	222	.000	.000	267	.000	.000	267	.000	717	.000	.000	717		
1	.0131	219*	.0133	.050	288	.0197	.050	288	.0197	1613	.0197	.050	288		
2	.0197	222	.0232	.100	478	.0394	.100	478	.0394	1716	.0394	.100	478		
3	.0263	229	.0331	.150	563	.0591	.150	563	.0591	1760	.0591	.150	563		
4	.0329	236	.0430	.200	601	.0788	.200	601	.0788	1786	.0788	.200	601		
5	.0395	241	.0529	.250	628	.0985	.250	628	.0985	1806	.0985	.250	628		
6	.0460	249	.0628	.300	717	.1182	.300	717	.1182	1818	.1182	.300	717		
7			.0727			.1379			.1379	1828					
8			.0826			.1576			.1576	1836					
9			.0925			.1773			.1773	1843					
10			.1030			.1970			.1970	1849					
11															
12															
13															
14															
15															
Reading Interval 2															
REMARKS: * First interval equal to 4 minutes **-4 minutes.															

PRINTED IN U.S.A. SPECIAL PRESSURE DATA

458433

	O. D.	I. D.	LENGTH	DEPTH
Reversing Sub				
Water Cushion Valve				
Drill Pipe	4 3/4"	3.826"	4600'	
Drill Collars	6"	2.5"	678'	
Handling Sub & Choke Assembly				
Dual CIP Valve	5"	1"	5'	
Dual CIP Sampler				
Hydro-Spring Tester	5"	.75"	4'	5249'
Multiple CIP Sampler				
Extension Joint				
AP Running Case	5"		4'	5253'
Hydraulic Jar	5"	1"	5'	
VR Safety Joint	5"	1"	2'	
Pressure Equalizing Crossover				
Packer Assembly	6 3/4"	1.3"	5'	5280'
Distributor				
Packer Assembly	6 3/4"	1.3"	5'	5285'
Flush Joint Anchor	5 3/4"	2"	16'	
Pressure Equalizing Tube				
Blanked-Off B.T. Running Case				
Drill Collars				
Anchor Pipe Safety Joint				
Packer Assembly				
Packer Assembly				
Anchor Pipe Safety Joint				
Side Wall Anchor				
Drill Collars				
Flush Joint Anchor				
Blanked-Off B.T. Running Case	5 3/4"		4'	5301'

PRINTED IN U.S.A.

EQUIPMENT DATA

LITTLE'S 90218 5/12

5

Each Horizontal Line Equal to 1000 p.s.i.

Pat. (Am. Acas) Inc. 582
 100-01, Apache City
 22 MAIN ST
 Address Stays Line

NOMENCLATURE

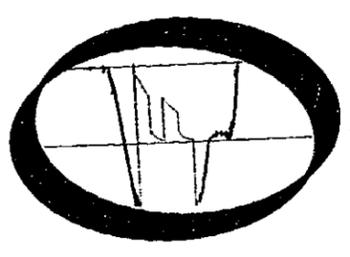
b	= Approximate Radius of Investigation	Feet
b_1	= Approximate Radius of Investigation (Net Pay Zone h)	Feet
D.R.	= Damage Ratio	—
EI	= Elevation	Feet
GD	= B.T. Gauge Depth (From Surface Reference)	Feet
h	= Interval Tested	Feet
h_1	= Net Pay Thickness	Feet
K	= Permeability	md
K_1	= Permeability (From Net Pay Zone h)	md
m	= Slope Extrapolated Pressure Plot (Psi ² /cycle Gas)	psi/cycle
OF ₁	= Maximum Indicated Flow Rate	MCF/D
OF ₂	= Minimum Indicated Flow Rate	MCF/D
OF ₃	= Theoretical Open Flow Potential with/Damage Removed Max.	MCF/D
OF ₄	= Theoretical Open Flow Potential with/Damage Removed Min.	MCF/D
P _s	= Extrapolated Static Pressure	Psig.
P _f	= Final Flow Pressure	Psig.
P _o	= Potentiometric Surface (Fresh Water *)	Feet
Q	= Average Adjusted Production Rate During Test	bbbls/day
Q ₁	= Theoretical Production w/Damage Removed	bbbls/day
Q _g	= Measured Gas Production Rate	MCF/D
R	= Corrected Recovery	bbbls
r _w	= Radius of Well Bore	Feet
t	= Flow Time	Minutes
t _o	= Total Flow Time	Minutes
T	= Temperature Rankine	°R
Z	= Compressibility Factor	—
μ	= Viscosity Gas or Liquid	CP
Log	= Common Log	

* Potentiometric Surface Reference to Rotary Table When Elevation Not Given,
Fresh Water Corrected to 100° F.

Pet. (Am. - Gas), Inc. ERG
 582
 Apache City
 1950

WWT

Formation Testing Service Report



NAVALJO '01"
Lease Name

2
Well No.

2
Test No.

5650' - 5720'
Tested Interval

CLINTON OIL COMPANY
Lease Owner/Company Name

HALLIBURTON SERVICES
DUNCAN, OKLAHOMA

582

458434

	O. D.	I. D.	LENGTH	DEPTH
Reversing Sub				
Water Cushion Valve				
Drill Pipe	4 1/2"	3.826"	5013'	
Drill Collars	6 1/4"	2 1/4"	647'	
Handling Sub & Choke Assembly	5"	1"	5'	
Dual CIP Valve				
Dual CIP Sampler	5"	.75"	4'	5622'
Hydro-Spring Tester				
Multiple CIP Sampler				
Extension Joint				
AP Running Case	5"		4'	5630'
Hydraulic Jar	5"	1"	5'	
VR Safety Joint	5"	1"	2'	
Pressure Equalizing Crossover				
Packer Assembly	6 3/4"	1.3"	5'	5645'
Distributor				
Packer Assembly	6 3/4"	1.3"	5'	5650'
Flush Joint Anchor				
Pressure Equalizing Tube				
Blanked-Off B.T. Running Case				
Drill Collars	6 1/4"	2 1/4"	31'	
Anchor Pipe Safety Joint				
Packer Assembly				
Packer Assembly				
Anchor Pipe Safety Joint				
Side Wall Anchor				
Drill Collars				
Flush Joint Anchor	5 3/4"	2 1/2"	35'	
Blanked-Off B.T. Running Case	5 3/4"		4'	5716'

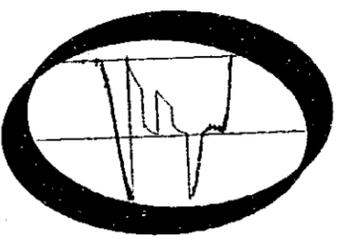
NOMENCLATURE

b	= Approximate Radius of Investigation	Feet
b₁	= Approximate Radius of Investigation (Net Pay Zone h)	Feet
D.R.	= Damage Ratio	—
EI	= Elevation	Feet
GD	= B.T. Gauge Depth (From Surface Reference)	Feet
h	= Interval Tested	Feet
h₁	= Net Pay Thickness	Feet
K	= Permeability	md
K₁	= Permeability (From Net Pay Zone h)	md
m	= Slope Extrapolated Pressure Plot (Psi ² /cycle Gas)	psi/cycle
OF₁	= Maximum Indicated Flow Rate	MCF/D
OF₂	= Minimum Indicated Flow Rate	MCF/D
OF₃	= Theoretical Open Flow Potential with/Damage Removed Max.	MCF/D
OF₄	= Theoretical Open Flow Potential with/Damage Removed Min.	MCF/D
P_s	= Extrapolated Static Pressure	Psig.
P_f	= Final Flow Pressure	Psig.
P_{o1}	= Potentiometric Surface (Fresh Water *)	Feet
Q	= Average Adjusted Production Rate During Test	bbls/day
Q₁	= Theoretical Production w/Damage Removed	bbls/day
Q_g	= Measured Gas Production Rate	MCF/D
R	= Corrected Recovery	bbls
r_w	= Radius of Well Bore	Feet
t	= Flow Time	Minutes
t_o	= Total Flow Time	Minutes
T	= Temperature Rankine	°R
Z	= Compressibility Factor	—
μ	= Viscosity Gas or Liquid	CP
Log	= Common Log	

* Potentiometric Surface Reference to Rotary Table When Elevation Not Given,
Fresh Water Corrected to 100° F.

WPA

Formation Testing Service Report



LEASE NAME
NAVAJO 110¹

WELL NO.
2

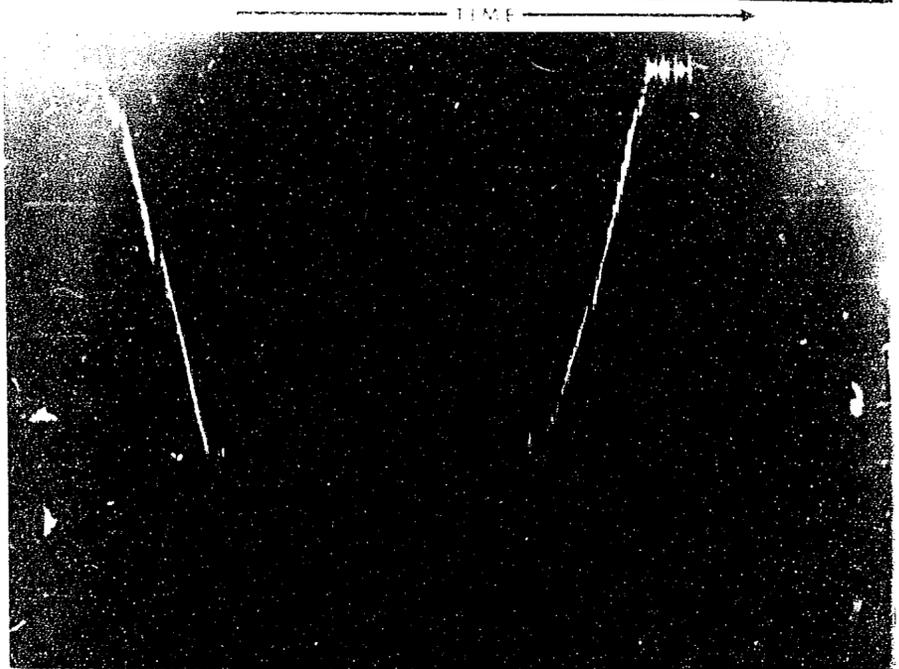
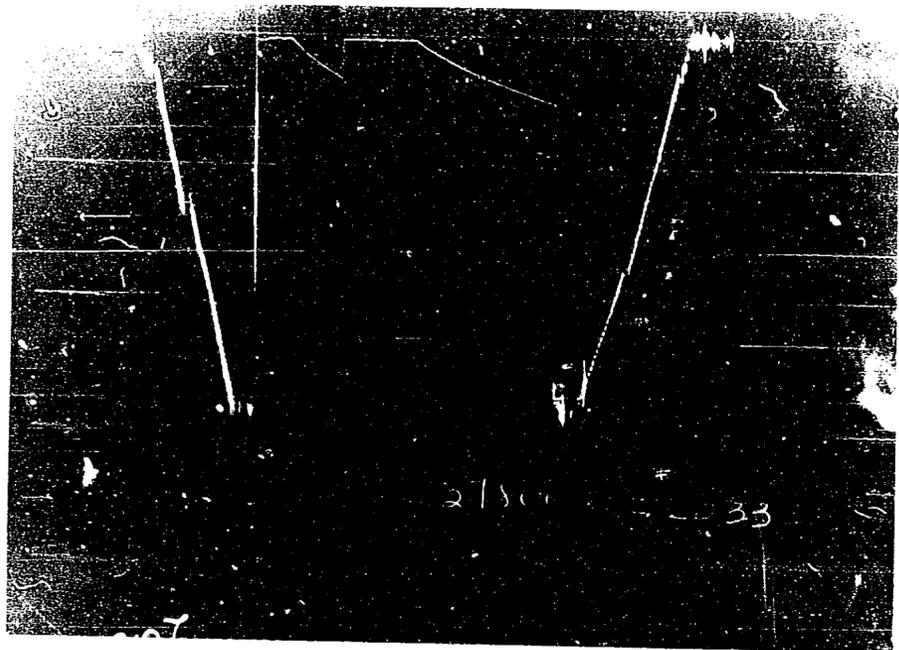
TEST NO.
3

TESTED INTERVAL
5772' - 5822'

LESSOR OWNER/COMPANY NAME
CLINTON OIL COMPANY

HALLIBURTON SERVICES
DUNCAN, OKLAHOMA

582



Each Horizontal Line Equals 1000 p.s.i.

Time	Pressure	Flow Rate	Temperature	Other Data
0	1000	0	60	
10	1000	10	60	
20	1000	20	60	
30	1000	30	60	
40	1000	40	60	
50	1000	50	60	
60	1000	60	60	
70	1000	70	60	
80	1000	80	60	
90	1000	90	60	
100	1000	100	60	

FORMATION TEST DATA

378002

	O. D.	I. D.	LENGTH	DEPTH
Reversing Sub	6"	3"	1'	
Water Cushion Valve				
Drill Pipe	4 1/2"	3.826"	5091'	
Drill Collars	6"	2 1/2"	647'	
Handling Sub & Choke Assembly				
Dual CIP Valve	5"	3/4"	6'	
Dual CIP Sampler				
Hydro-Spring Tester	5"	3/4"	5'	5753'
Multiple CIP Sampler				
Extension Joint				
AP Running Case	5"		4'	5757'
Hydraulic Jar	5"	1"	6'	
VR Safety Joint	5"	1"	3'	
Pressure Equalizing Crossover				
Packer Assembly	6 3/4"	2"	6'	5769'
Distributor				
Packer Assembly	6 3/4"	2"	4'	5772'
Flush Joint Anchor				
Pressure Equalizing Tube				
Blanked-Off B.T. Running Case				
Drill Collars				
Anchor Pipe Safety Joint				
Packer Assembly				
Packer Assembly				
Anchor Pipe Safety Joint				
Side Wall Anchor				
Drill Collars	6"	2 1/2"	31'	
Flush Joint Anchor	5 3/4"	2 1/2"	12'	
Blanked-Off B.T. Running Case	5 3/4"	-	4'	5818'

Gauge No.		2033		5757'		2313		378002	
First Flow Period		Second Flow Period		Third Flow Period		Closed In Pressure		Closed In Pressure	
Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.
0	.000	72	37	.000	41	.000	36	.000	36
1	.206	37	66*	.412	36	.0477	80**	.0477	80**
2			104			.1022	126		
3			138			.1567	167		
4			168			.2112	206		
5			198			.2657	242		
6			225			.3202	277		
7			250			.3747	306		
8			274			.4292	336		
9			297			.4837	364		
10			321			.5382	392		
11			342			.5927	418		
12						.6472	445		
13						.7017	471		
14						.7562	495		
15						.8110	517		

Gauge No.		2032		5818'		10444		hour 12	
First Flow Period		Second Flow Period		Third Flow Period		Closed In Pressure		Closed In Pressure	
Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.
0	.000	68	65	.000	76	.000	67	.000	67
1	.209	65	97*	.410	67	.0469	113**		
2			137			.1005	159		
3			169			.1541	201		
4			200			.2077	240		
5			227			.2613	275		
6			255			.3149	309		
7			280			.3685	340		
8			304			.4221	369		
9			327			.4757	396		
10			349			.5293	425		
11			369			.5829	451		
12						.6365	477		
13						.6901	504		
14						.7437	526		
15						.7970	549		

* INTERVAL = 3 MINUTES. ** INTERVAL = 7 MINUTES.

Reading Interval
REMARKS:

SPECIAL PRESSURE DATA

RECEIVED

OCT 02 1972

O & G CONS. COMM.

TEEC NOS POS FIELD

Operator: Cross Creek Corporation*

Bond Company** : Indian lands, bond posted with BIA

Amount: Unknown

Bond No.: Not applicable

Date approved: n/a

* In accordance with IBLA 92-541 affirmation of SDR 92-16 that Cross Creek Corporation is lessee of record and responsible to plug and abandon the five unplugged wells

** Pursuant to commission motion of October 31, 1997, no bond required with State of Arizona when bond is posted with the BIA.

Permits covered by this bond posted with the BIA:

232
582 ✓ P&A 4-21-99
640
663
678



IN REPLY REFER TO

United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS

Interior Board of Land Appeals
4015 Wilson Boulevard
Arlington, Virginia 22203

file 582

CROSS CREEK CORP.

IBLA 92-541

Decided September 29, 1994

Appeal from a decision of the New Mexico State Office, Bureau of Land Management, affirming order to plug and abandon wells on Indian oil and gas lease. SDR-92-16.

Affirmed.

1. Board of Land Appeals—Bureau of Indian Affairs:
Generally—Bureau of Land Management—Indians: Mineral Resources: Oil and Gas: Generally—Res Judicata—Rules of Practice: Appeals: Jurisdiction

Where a decision by BIA declaring that an Indian oil and gas lease held in its extended term by production terminated for lack of production is not appealed, review of that termination is barred by the doctrine of administrative finality. Further, neither BLM nor the Board of Land Appeals has jurisdiction to review BIA's decision, which is committed entirely to its authority.

2. Bureau of Indian Affairs: Generally—Bureau of Land Management—Indians: Mineral Resources: Oil and Gas: Generally—Oil and Gas Leases: Assignments, and Transfers—Oil and Gas Leases: Termination

Where an Indian oil and gas lease held by production has been deemed by BIA to have terminated due to lack of production, BLM properly requires the lessee of record to plug and abandon wells on the leased land.

APPEARANCES: Earl P. Enos, Esq., Duncan, Oklahoma, for appellant.

OPINION BY ADMINISTRATIVE JUDGE HUGHES

The Cross Creek Corporation (Cross Creek) has appealed from the April 22, 1992, decision of the New Mexico State Office, Bureau of Land Management (BLM), affirming a February 12, 1992, order by the Farmington (New Mexico) Resource Area (FRA), BLM, requiring it to plug and abandon five wells located on Indian oil and gas lease 14-20-603-716. 1/

1/ The five wells are within the Teec Nos Pos Field, situated in Apache County, Arizona, within the Navajo Indian Reservation.

IBLA 92-541

At all relevant times, Cross Creek was the lessee of record under the lease, by virtue of a 1987 assignment of record title from BHP Petroleum (Americas), Inc., which was approved effective January 25, 1990, by the Bureau of Indian Affairs (BIA). 2/ Sometime in late 1989 or early 1990, Cross Creek sought BIA's approval of a February 15, 1989, assignment of record title to Dry Mesa Corporation (Dry Mesa), its designated operator. However, BIA never approved the assignment, despite the August 29, 1989, favorable recommendation of the lessor, Navajo Tribe of Indians (Tribe).

The facts, which are not disputed by Cross Creek, are as follows. Throughout the relevant time period, the subject lease, which had originally been issued effective December 22, 1954, was in its extended term, and thus held by production. That is, the lease continued so long as oil and/or gas was being produced in paying quantities. See 25 U.S.C. § 396a (1988); 25 CFR 211.10. Where a lease is held by production, the lease terminates by operation of law if production ceases during the extended term. See Mobil Oil Corp. v. Albuquerque Area Director, BIA, 18 IBIA 315, 331, 97 I.D. 215, 223 (1990).

For some time prior to the FRA's February 1992 order, none of the five wells on the leased lands was producing oil or gas (Decision at 1; see also Memorandum from the Chief, Branch of Mineral Resources, FRA, to BIA, dated Apr. 17, 1990). 3/ This was despite the fact that, by letter dated June 19, 1991, BIA had required Cross Creek to "commence production activities" within 30 days, test each well within 5 months, and either produce or plug and abandon each well, and thereafter to "diligently operate all active wells." In addition, BIA had warned that "[d]isruption of lease production for any reason without prior approval of the appropriate regulatory agencies will result in automatic termination of the lease without any further notification to the lessee." *Id.*

BIA notified Cross Creek by letter dated November 27, 1991, that the lease had "expired by its own terms effective November 19, 1991, for failure to produce the wells" (Decision at 1; see also Letter to BIA from the Director, Minerals Department, The Navajo Nation, dated Oct. 30, 1991). So far as we are aware, no appeal was taken by Cross Creek from BIA's November 1991 notification of termination of the lease.

2/ Jurisdiction regarding lease matters, including the approval of any assignment of record title to the lease, resided with BIA. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR Part 211.

3/ The Board has obtained the five well files, which indicate that one of the wells is a salt water disposal well (No. 2) and the other four wells are, according to Dry Mesa, "played out" (Letter to BLM from Dry Mesa, dated Sept. 4, 1990). In particular, Dry Mesa reports that well Nos. 4 and 5 have been shut in since 1985, well No. 3 was producing less than three barrels of oil when it was shut in in 1987, and well No. 1 produced between three and five barrels of oil when it was last produced in 1987-88. See "Teec Nos Pos Proposed Plugging Program," attached to Letter to BLM from Dry Mesa, dated Sept. 4, 1990.

IBLA 92-541

The FRA subsequently issued its February 1992 order, requiring Cross Creek to plug and abandon the wells on the subject lease. 4/ On March 13, 1992, Cross Creek requested the BLM State Director to review that order, pursuant to 43 CFR 3165.3(b). Cross Creek contended that Dry Mesa, not Cross Creek, was liable for plugging and abandoning the wells since, although BIA had not approved the pending assignment of the lease to Dry Mesa, both BIA and BLM had recognized Dry Mesa as the de facto lessee. Alternatively, Cross Creek asserted that, if it were properly required to plug and abandon the wells, it should first have a reasonable opportunity to return the lease to production.

In its April 1992 decision, the State Office concluded that, in the absence of BIA's approval of the pending assignment of record title to Dry Mesa, Cross Creek remained ultimately liable for compliance with the terms of the lease, including the requirement to plug and abandon wells on the lease following its termination on November 19, 1991. Thus, it affirmed the FRA's February 1992 order requiring Cross Creek to plug and abandon the wells. Cross Creek has appealed from that decision.

In its statement of reasons for appeal (SOR), appellant repeats its contentions that BLM improperly required it to plug and abandon the wells and that (in any case), before doing so, appellant should have a reasonable opportunity to return the lease to production.

[1] We start with appellant's second contention, which can be viewed as an attack on the validity of BIA's decision declaring that the lease terminated, since appellant plainly cannot have an opportunity to produce from the lease if the lease was properly declared terminated. That is, the only way that appellant's argument could prevail is if BIA had improperly determined that the lease had terminated, thus preserving lessee's rights to further produce from the lease.

So far as we are aware, appellant did not seek administrative review of BIA's decision that the lease had terminated. In the absence of a timely appeal, the propriety of that termination is not properly subject to further review in the Department, but is barred by the doctrine of administrative finality. See Davnon D. Gililand, 108 IBLA 144, 147 (1989).

4/ The February 1992 order was preceded by other letters, dated Oct. 21, and 23, 1991, in which the FRA noted that the wells had long been approved for plugging and abandonment as a result of sundry notices approved by BLM on Oct. 3, 1990. The FRA required Dry Mesa to notify it, within 30 days, whether that had occurred and either submit the appropriate report or indicate when such activity was scheduled to be performed. Noting that Dry Mesa had failed to comply, BLM issued its February 1992 order, which specifically required Cross Creek, as the lessee of record, to notify BLM when the wells were scheduled to be plugged. The allowed time for compliance with that notice was 30 days from receipt of the letter.

In any event, BLM lacked authority to review questions regarding the termination noted by BIA, since the leased lands are tribal lands situated within an Indian reservation. See 43 CFR 3100.0-3(a). Rather, that matter was committed entirely to BIA. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR Part 211. Thus, any questions regarding termination were not properly presented to BLM in appellant's March 1992 SDR request. By the same token, this Board may not adjudicate any question regarding lease termination, as we have no jurisdiction to review the BIA decision regarding lease termination. See 25 CFR 2.3 and 2.4; e.g., Mobil Oil Corp. v. Albuquerque Area Director, BIA, 18 IBLA at 332 n.14, 97 I.D. at 224 n.14. We, therefore, do not reach questions regarding whether BIA properly declared the lease terminated. 5/

[2] The authority to require that the wells be plugged and abandoned resides with BLM. 43 CFR 3160.0-1, 3160.0-2, 3161.1(a), 3161.2, and 3162.3-4; Everett Hall, 101 IBLA 362 (1988). BLM was authorized, in these circumstances, to require that any wells that had already been drilled be plugged and abandoned. Daymon D. Gililand, supra at 147. Appellant does not dispute that authority, but argues that BLM improperly required it, rather than Dry Mesa, to plug and abandon the wells.

Absent BIA's approval of the assignment of record title from appellant to Dry Mesa, appellant, as holder of record title, remained ultimately liable for compliance with the terms of the lease. 43 CFR 3106.7-2. 5/ BIA correctly notified appellant that, in the event of termination of the lease, it would be appellant's responsibility "to plug and abandon all wells on the lease" (Letter to Appellant from Acting Area Director, Navajo Area Office, BIA, dated June 19, 1991). Further, it is established that the lessee of record's liability extends after expiration of the lease. See Glen Morgan, 122 IBLA 36, 44 (1992).

Appellant contends that, as a result of certain actions by BLM and BIA, Dry Mesa became the "de facto lessee" and was therefore liable under the

5/ We do note that, as stated above, BIA's authority to declare a lease held by production terminated by operation of law when production ceases is well established. See Mobil Oil Corp. v. Albuquerque Area Director, BIA, 18 IBLA at 331, 97 I.D. at 223.

It is also established that BIA was not required to give appellant notice or an opportunity to re-establish production prior to termination: "Unlike 30 U.S.C. § [226(f)], the [Indian Mineral Leasing Act] does not require that notice be given before leases may expire by their own terms." 18 IBLA at 332, 97 I.D. at 224.

6/ BIA is the designated representative for management of Indian leases. An applicable regulation requires approval of assignments by the Secretary, and his designated representative for Indian leases is BIA. See 25 CFR 211.26(a). We express no opinion on whether BIA should have approved the pending assignment of record title to the lease from appellant to Dry Mesa prior to the November 19, 1991, expiration of the lease.

IBLA 92-541

lease. 7/ Appellant also notes that both BIA and BLM acknowledged Dry Mesa to be the operator under the lease and knowingly permitted it to conduct operations, including producing and selling oil and gas from the lease (see Letter to State Director, dated Mar. 9, 1992, at 2). 8/ Nothing that BIA and BLM permitted Dry Mesa to do was inconsistent with its role as operator under the lease. At the same time, BLM and BIA did nothing to indicate that Dry Mesa held record title. 9/

The assignment of operating rights under a lease has long been distinguished from the assignment of record title to the lease. 10/ Harry L. Bigbee, 2 IBLA 23, 25, 27 (1971). Thus, although BIA and BLM may recognize that operating rights have been assigned to a particular party and allow those rights to be exercised (even going so far as to "approve" the

7/ Appellant also raises certain arguments regarding another Indian oil and gas lease, 14-20-603-4190, principally that it has been denied the benefits of that lease (see Letter to State Director, dated Mar. 9, 1992, at 2, 3). That lease was not the subject of BLM's April 1992 decision, and thus is not properly before the Board.

8/ Appellant also states that, when deciding to terminate the lease, BIA notified Dry Mesa, rather than appellant (see Letter to State Director, dated Mar. 9, 1992, at 2). It appears that BIA's Nov. 27, 1991, notification of termination was sent to appellant (see Decision at 1). We also attribute no significance to any notice that might have also been sent to Dry Mesa, who was the operator under the lease.

9/ Appellant states that, by assertedly permitting Dry Mesa to act as the lessee, BIA and BLM acted in violation of their regulations (Letter to State Director, dated Mar. 9, 1992, at 4). No regulations are cited. We find no substance to this charge.

Appellant indicates that no bond was required of Dry Mesa in connection with its operations on the lease (see *id.* at 2). The record indicates that appellant had, prior to acquiring record title to the lease, properly submitted a surety bond that covered operations on the lease (see Letter to Appellant from Acting Assistant Area Director, Navajo Area Office, BIA, dated Oct. 25, 1988). Since Dry Mesa was not the lessee of record, it was not required to submit a bond to conduct operations. See 25 U.S.C. § 396c (1988); 25 CFR 211.6(a).

The fact that Dry Mesa paid no bond actually supports the conclusion that Dry Mesa was never the lessee of record. The fact that appellant did pay the bond shows that it was the lessee of record.

10/ In particular, it appears that the assignment of operating rights does not require BIA approval. Appellant has provided a copy of a Sept. 30, 1988, letter from BIA, which states that, as of August 1987, it will no longer process assignments of operating rights. The assignment of record title does require BIA approval. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR 211.26(a).

IBLA 92-541

assignment of operating rights), that action neither constitutes recognition that the party is the record title holder nor effects an approval of the assignment of record title to that party. See id. at 27.

The assignment of record title requires BIA approval. See 25 U.S.C. §§ 1a, 2, 396a (1988); 25 CFR 211.26(a). Since the assignment of record title, unlike the assignment of operating rights, gives rise to a contractual relationship between the lessor and the lessee's assignee, in order to effect a change in the holder of record title, the agency must affirmatively approve an assignment of record title, in order to bring the assignee under the prevailing terms of the contract with the lessor. See Alaska Statebank, 111 IBLA 300, 308 (1989). 11/ As appellant acknowledges, BIA never did so (see Letter to State Director, dated Mar. 9, 1992, at 2). Thus, appellant remained liable under the contractual terms of the lease and regulation.

Appellant also argues that the liability for plugging and abandoning a well stems only from operations conducted on a leasehold and that, since it has not undertaken any operations since January 1989, it cannot be made to plug and abandon (see Letter to State Director, dated Mar. 9, 1992, at 4). We disagree. It is established that, regardless of whether the lessee of record drilled or reworked the wells or produced from them, it is still ultimately responsible for plugging and abandoning them as the lessee of record, even if it did not profit from the earlier production. 43 CFR 3106.7-2; see Ralph G. Abbott, 115 IBLA 343, 346 (1990).

BLM and BIA were not required to wait until appellant and Dry Mesa sorted out their differences before taking action under the lease. Rather, they were entitled to look to appellant, as the lessee of record, for compliance with the production requirements of its lease, and, in the absence of any production, for compliance with the requirement to plug and abandon wells upon the termination of the lease. We, therefore, conclude that the State Office properly affirmed the FRA's 1992 order requiring appellant to plug and abandon the wells on Indian oil and gas lease 14-20-603-716. 12/

11/ As we held in Alaska Statebank, supra, this procedure protects the government, by allowing it to determine whether the assignee is acceptable as a lessee.

12/ We also note that appellant is under the erroneous impression that BLM was prevented from requiring Dry Mesa to plug and abandon the wells, having failed to obtain a bond from it, and as a result proceeded against appellant (see Letter to State Director, dated Mar. 9, 1992, at 2). It would appear not only that BLM could have required Dry Mesa, as the designated operator, to plug and abandon the wells (see Glen Morgan, supra at 48; Ralph G. Abbott, supra at 346), but that it actually sought to do so. In any event, appellant is not absolved from its obligations as lessee of record because BLM might also have required Dry Mesa to comply.

IBLA 92-541

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.

David L. Hughes
David L. Hughes
Administrative Judge

I concur:

C. Randall Grant, Jr.
C. Randall Grant, Jr.
Administrative Judge



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

December 1, 1997

CERTIFIED MAIL

Mr. Ken Hand
15 Willowbrook
Wichita KS 67207

582

Re: Release of Performance Bond, C.D. #2538054

Dear Ken:

Our records show that Dry Mesa Corporation has no outstanding drilling or plugging obligations in Arizona. As a result, the referenced certificate of deposit and executed release form are enclosed.

It has been our pleasure working with you the past several years.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

SECURITIES SAFEKEEPING
 1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

DATE: 11/7/97

STATE AGENCY NO. _____

STATE AGENCY OIL & GAS CONSERVATION COMM.

State Treasurer's Use Only

COMPANY DRY MESA CORPORATION ✓

P.O. BOX 5446

FARMINGTON NM 87499

DOMESTIC FOREIGN

DEPOSIT

C.D. NO.:

BANK:

MATURITY DATE:

INTEREST RATE: %

AMOUNT \$

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

C.D. NO.: 2538054 ✓

BANK: VALLEY NATIONAL BANK OF AZ ✓

MATURITY DATE: 11/24/92 ✓

INTEREST RATE: 8.0 % ✓

AMOUNT \$ 25,000.00 ✓

STATE TREASURER VALIDATION NO. _____

RECEIVED
STATE TREASURER
NOV 17 10 05 AM '97

RECEIVED THE ABOVE RELEASE		STATE AGENCY AUTHORIZATION	
BY <u>Steen L. Rainz</u>	<u>11/7/97</u>	BY <u>Steen L. Rainz</u>	Authorized Signature
Authorized Signature	Date		
OIL & GAS CONSERVATION COMMISSION		STATE TREASURER AUTHORIZATION	
Bank or Firm		BY <u>Katharine Valentin</u>	Authorized Signature
FOR BANK USE ONLY		BANK AUTHORIZATION	
Checked by _____	Verified by _____	BY _____	Authorized Signature
		STATE'S DEPOSITORY BANK	

SECURITIES SAFEKEEPING
 1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

PERMIT 582

DATE: 11/29/89
 STATE AGENCY: OIL & GAS CONSERVATION COMM. ✓
 COMPANY: DRY MESA CORPORATION ✓
P O BOX 5446
FARMINGTON, NEW MEXICO 87499

STATE AGENCY NO. _____

State Treasurer's Use Only

DOMESTIC FOREIGN

DEPOSIT

C.D. NO.: 2538054 ✓
 BANK: VALLEY NATIONAL BANK OF AZ ✓
 MATURITY DATE: 11/24/92 ✓ INTEREST RATE: 8.0 % ✓
 AMOUNT: \$ 25,000.00 ✓

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

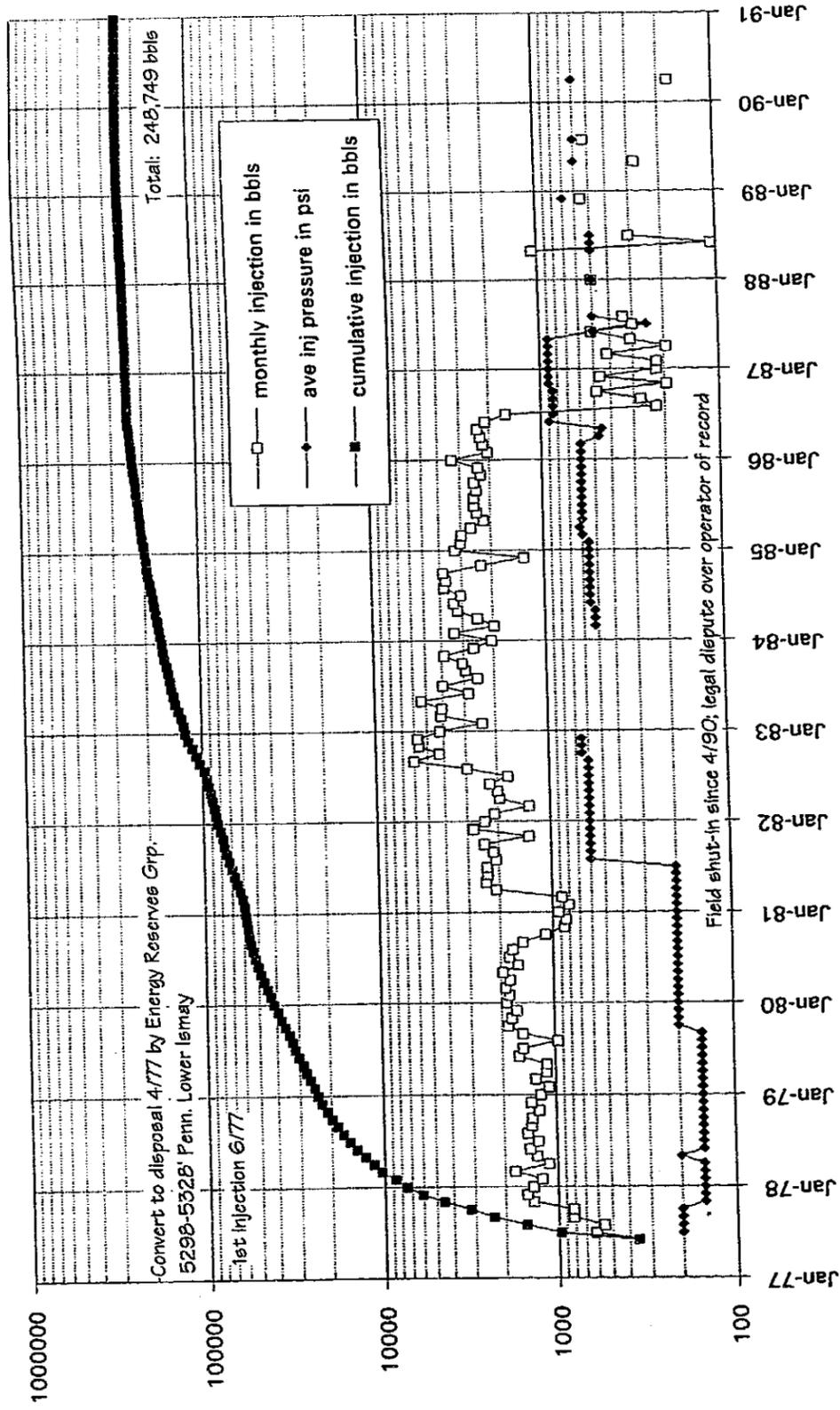
C.D. NO.: _____
 BANK: _____
 MATURITY DATE: _____ INTEREST RATE: _____ %
 AMOUNT \$ _____

RECEIVED
 PER
 STATE TREASURER
 NOV 29 3 19 PM '89

STATE TREASURER VALIDATION NO. _____

RECEIVED THE ABOVE RELEASE		STATE AGENCY AUTHORIZATION	
BY _____		BY <u>Kate Bernice</u>	
Authorized Signature		Authorized Signature	
Date		STATE TREASURER AUTHORIZATION	
Bank or Firm		BY <u>Katherine Jaramilla</u>	
FOR BANK USE ONLY		Authorized Signature	
Checked by _____		BANK AUTHORIZATION	
Verified by _____		BY _____	
		Authorized Signature	
		STATE'S DEPOSITORY BANK	

WATER DISPOSAL AT 2 NAVAJO-O (582), TEEC NOS POS FIELD, ARIZONA: 6/77 - 4/90
 nw se 23-41n-30e, Apache County



MONTHLY WATER DISPOSAL AT 2 NAVAJO-O (582): TEEC NOS POS FIELD, ARIZONA
(per SLR audit of monthly injection reports 6/77 -- 4/90)

DATE	inj bbls	ave psi	cum bbls	comments
Jan-77				
Feb-77				
Mar-77				Energy Reserves Group
Apr-77				#2 Navajo-O (permit 582)
May-77				
Jun-77	354		354	1st injection 6/16/77
Jul-77	616	200	970	5298'-5328'
Aug-77	551	200	1521	Pennsylvanian Lower Ismay
Sep-77	816	200	2337	
Oct-77	818	200	3155	
Nov-77	1383	150	4538	
Dec-77	1493	150	6031	
Jan-78	1383	150	7414	
Feb-78	1232	150	8646	
Mar-78	1755	150	10401	
Apr-78	1116	150	11517	
May-78	1308	200	12825	
Jun-78	1430	150	14255	
Jul-78	1282	150	15537	
Aug-78	1464	150	17001	
Sep-78	1389	150	18390	
Oct-78	1371	150	19761	
Nov-78	1255	150	21016	
Dec-78	1385	150	22401	
Jan-79	1223	150	23624	
Feb-79	1092	150	24716	
Mar-79	1295	150	26011	
Apr-79	1126	150	27137	
May-79	1119	150	28256	
Jun-79	1606	150	29862	
Jul-79	1514	150	31376	
Aug-79	966	150	32342	
Sep-79	1522	150	33864	
Oct-79	1839	200	35703	
Nov-79	1751	200	37454	
Dec-79	1635	200	39089	
Jan-80	1876	200	40965	
Feb-80	1802	200	42767	
Mar-80	1892	200	44659	
Apr-80	1777	200	46436	
May-80	1945	200	48381	
Jun-80	1590	200	49971	
Jul-80	1785	200	51756	
Aug-80	1703	200	53459	
Sep-80	1484	200	54943	
Oct-80	1106	200	56049	

MONTHLY WATER DISPOSAL AT 2 NAVAJO-O (582): TEEC NOS POS FIELD, ARIZONA
(per SLR audit of monthly injection reports 6/77 -- 4/90)

DATE	inj bbls	ave psi	cum bbls	comments
Nov-80	855	200	56904	
Dec-80	842	200	57746	
Jan-81	924	200	58670	
Feb-81	808	200	59478	
Mar-81	882	200	60360	
Apr-81	2095	200	62455	
May-81	2376	200	64831	
Jun-81	2327	200	67158	
Jul-81	2351	200	69509	
Aug-81	2073	600	71582	
Sep-81	2144	600	73726	
Oct-81	2414	600	76140	
Nov-81	1333	600	77473	
Dec-81	2755	600	80228	
Jan-82	2382	600	82610	
Feb-82	2093	600	84703	
Mar-82	1320	600	86023	
Apr-82	1938	600	87961	
May-82	1991	600	89952	
Jun-82	2199	600	92151	
Jul-82	1724	600	93875	
Aug-82	2958	600	96833	
Sep-82	6039	600	102872	
Oct-82	4258	650	107130	
Nov-82	5579	650	112709	
Dec-82	5715	650	118424	
Jan-83	4191		122615	
Feb-83	2373		124988	
Mar-83	4117		129105	
Apr-83	4056		133161	
May-83	5375		138536	
Jun-83	2819		141355	
Jul-83	3984		145339	
Aug-83	2492		147831	
Sep-83	2919		150750	
Oct-83	3028		153778	
Nov-83	3872		157650	
Dec-83	2589		160239	
Jan-84	2043		162282	
Feb-84	3359		165641	
Mar-84	1967	520	167608	
Apr-84	2442	520	170050	
May-84	3180	520	173230	
Jun-84	3340	550	176570	
Jul-84	3039	550	179609	
Aug-84	3801	550	183410	

MONTHLY WATER DISPOSAL AT 2 NAVAJO-O (582): TEEC NOS POS FIELD, ARIZONA
(per SLR audit of monthly injection reports 6/77 -- 4/90)

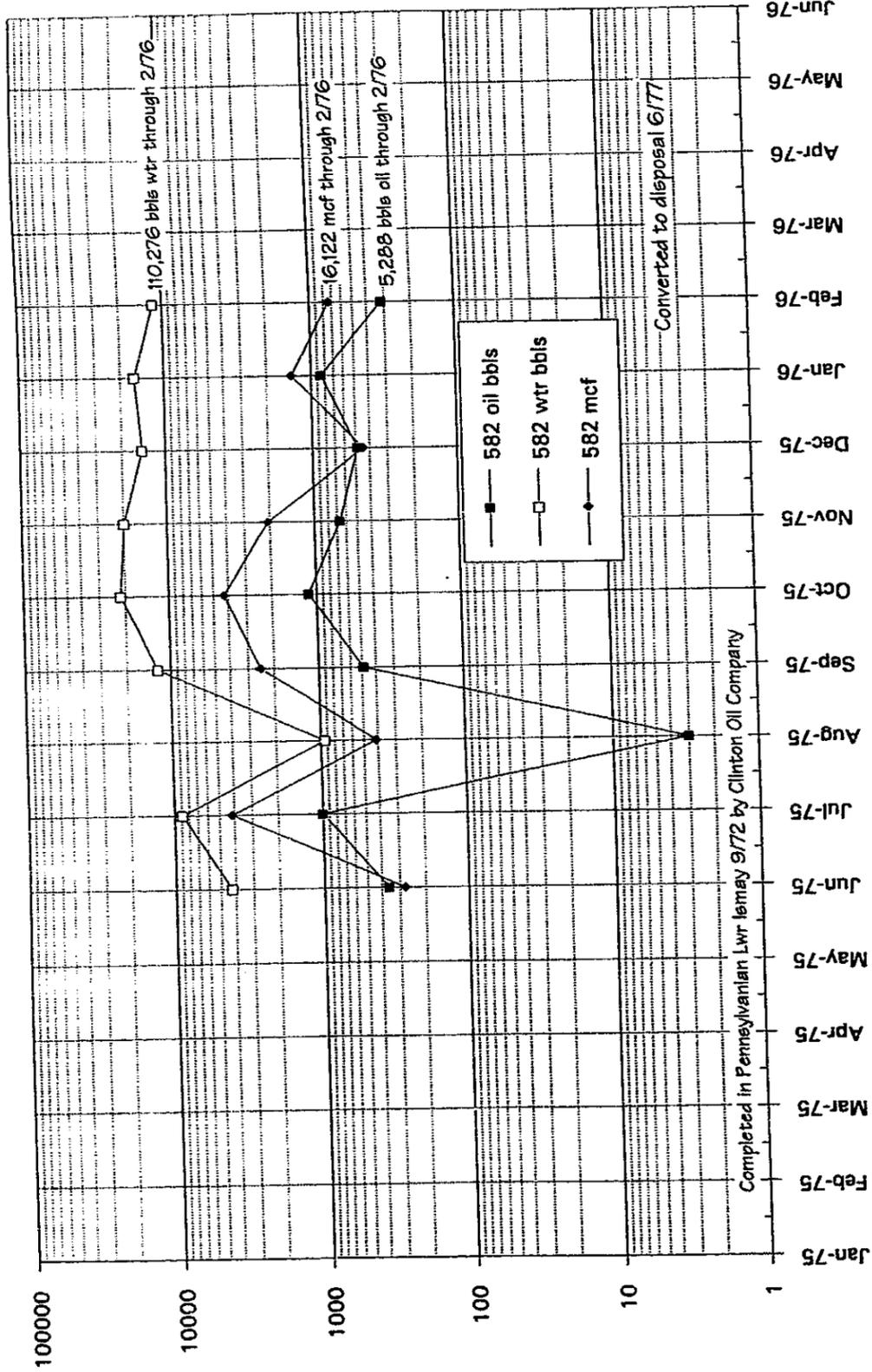
DATE	inj bbls	ave psi	cum bbls	comments
Sep-84	3698	550	187108	
Oct-84	3810	550	190918	
Nov-84	2293	550	193211	
Dec-84	1300	550	194511	
Jan-85	3250	550	197761	
Feb-85	3000	550	200761	
Mar-85	2960	600	203721	
Apr-85	2600	620	206321	added 10 bbls high, rptd cum 10 bbls high
May-85	2185	600	208506	
Jun-85	2400	600	210906	
Jul-85	2480	600	213386	
Aug-85	2480	600	215866	change operator to BHP Petroleum
Sep-85	2400	600	218266	
Oct-85	2460	600	220726	
Nov-85	2250	600	222976	
Dec-85	2325	600	225301	cum on inj rpt continues 10 bbls high
Jan-86	3313	600	228614	
Feb-86	2050	600	230664	
Mar-86	2170	600	232834	
Apr-86	2250	475	235084	
May-86	2325	455	237409	
Jun-86	2100	900	239509	
Jul-86	1595	850	241104	
Aug-86	224	850	241328	
Sep-86	273	850	241601	
Oct-86	480	850	242081	
Nov-86	196	900	242277	
Dec-86	461	900	242738	cum on inj rpt continues 10 bbls high
Jan-87	222	900	242960	added 26 bbls high, rptd cum 36 bbls high
Feb-87	220	900	243180	
Mar-87	419	900	243599	
Apr-87	195	900	243794	
May-87	308	900	244102	
Jun-87	509	500	244611	
Jul-87	300	250	244911	
Aug-87	336	500	245247	change operator to Cross Creek Corp
Sep-87			245247	
Oct-87			245247	
Nov-87			245247	
Dec-87			245247	cum on inj rpt continues 36 bbls high
Jan-88	500	500	245747	
Feb-88			245747	
Mar-88			245747	
Apr-88			245747	
May-88	1066	500	246813	
Jun-88	106	500	246919	

MONTHLY WATER DISPOSAL AT 2 NAVAJO-O (582): TEEC NOS POS FIELD, ARIZONA
(per SLR audit of monthly injection reports 6/77 -- 4/90)

DATE	inj bbls	ave psi	cum bbls	comments
Jul-88	303	500	247222	
Aug-88			247222	
Sep-88			247222	
Oct-88			247222	
Nov-88			247222	
Dec-88	552	700	247774	added 2 bbls high, rptd cum 38 bbls high
Jan-89			247774	
Feb-89			247774	change operator to Dry Mesa Corp
Mar-89			247774	
Apr-89			247774	
May-89	275	600	248049	
Jun-89			248049	
Jul-89			248049	
Aug-89	525	600	248574	
Sep-89			248574	
Oct-89			248574	
Nov-89			248574	
Dec-89			248574	cum on inj rpt continues 38 bbls high
Jan-90			248574	
Feb-90			248574	
Mar-90			248574	
Apr-90	175	600	248749	
May-90			248749	Field shut-in since May 1990
Jun-90			248749	
Jul-90			248749	
Aug-90			248749	
Sep-90			248749	
Oct-90			248749	
Nov-90			248749	
Dec-90			248749	cum on inj rpt continues 38 bbls high
Jan-91			248749	
Feb-91			248749	
Mar-91			248749	
Apr-91			248749	
May-91			248749	
Jun-91			248749	
Jul-91			248749	
Aug-91			248749	
Sep-91			248749	
Oct-91			248749	
Nov-91			248749	
Dec-91			248749	cum on inj rpt continues 38 bbls high
				BIA recognizes Cross Creek as operator
				Dry Mesa resigns as operator
				Legal battle over operator of record

MONTHLY PRODUCTION AT 2 NAVAJO-O (582), ARIZONA: JUN 1975 - FEB 1976

nw se 23-41n-30e, Teec Nos Pos Field, Apache County



MONTHLY PRODUCTION AT 2 NAVAJO-O (582), TEEC NOS POS FIELD, ARIZONA
 (per SLR audit of Monthly Producer's Reports 6/75 -- 2/76)

DATE	582 oil bbl	582 wtr bb	582 mcf	582 ytd oil	582 ytd wt	582 ytd mcf	582 cum oil	582 cum w	582 cum m	DATE
Jan-75										Jan-75
Feb-75										Feb-75
Mar-75										Mar-75
Apr-75										Apr-75
May-75										May-75
Jun-75	355	4200	277	355	4200	277	355	4200	277	Jun-75
Jul-75	997	8861	4110	1352	13061	4387	1352	13061	4387	Jul-75
Aug-75	3	938	411	1355	13999	4798	1355	13999	4798	Aug-75
Sep-75	484	12306	2466	1839	26305	7264	1839	26305	7264	Sep-75
Oct-75	1133	21599	4247	2972	47904	11511	2972	47904	11511	Oct-75
Nov-75	666	19975	2069	3638	67879	13580	3638	67879	13580	Nov-75
Dec-75	484	14615	445	4122	82494	14025	4122	82494	14025	Dec-75
Jan-76	851	16201	1360	851	16201	1360	4973	98695	15385	Jan-76
Feb-76	315	11581	737	1166	27782	2097	5288	110276	16122	Feb-76
Mar-76										Mar-76
Apr-76										Apr-76
May-76										May-76
Jun-76										Jun-76
Jul-76										Jul-76
Aug-76										Aug-76
Sep-76										Sep-76
Oct-76										Oct-76
Nov-76										Nov-76
Dec-76										Dec-76
	WELL CONVERTED TO SALT WATER DISPOSAL JUNE 1977									



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

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



Larry D. Fellows
Director and State Geologist

March 8, 1994

Mr. Kenneth R. Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Mr. Hand:

According to our records, Dry Mesa Corporation posted a \$25,000 state-wide performance bond on November 24, 1989, to cover its operations in the State of Arizona. Dry Mesa Corporation, therefore, meets the current bonding requirements of the Arizona Oil and Gas Conservation Commission to operate its existing, permitted oil and gas wells in Arizona.

Our records further indicate that Dry Mesa Corporation's bond currently covers six active permits at the Navajo-O (BIA 14-20-603-716) lease and five active permits at the Navajo-138 (BIA 14-20-603-4190) lease.

Please let me know if I can be of further assistance.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

c Dennis Peterson, First National Bank, Farmington, NM



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

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



Larry D. Fellows
Director and State Geologist

May 12, 1993

582

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Mr. Hand:

I received your letter of May 6, 1993, requesting release from further liability on the Navajo "O" lease because "Dry Mesa Corporation has never owned any title interest in the subject Navajo "O" and resigned as interim operator of that lease some time ago."

Our records indicate that Dry Mesa Corporation assumed ownership and operatorship of the Navajo "O" (BIA 14-20-603-716) lease on or about February 1, 1989, and posted a \$25,000 performance bond (certificate of deposit) on November 24, 1989.

A.A.C. R12-7-103, copy enclosed, requires a performance bond to remain in effect until (1) the wells under the bond have been plugged and abandoned as approved by the Commission, or (2) the property is transferred and the transferee posts a new bond or bonds for the wells. As a result, I cannot release Dry Mesa Corporation's liability on the Navajo "O" lease because (1) the wells on the Navajo "O" lease have not been plugged or abandoned, and (2) a new owner has not put up a bond or bonds for the wells.

Please let me know if I can be of further assistance in this matter.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure

c Larry D. Fellows

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

6 May 1993



CERTIFIED MAIL NO. P 321 755 847
RETURN RECEIPT REQUESTED

582

Mr. Steve Rauzi
Arizona Geological Survey
845 Park Avenue
Suite 100
Tucson, Arizona 85719

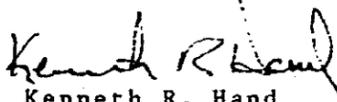
Re: Navajo Tribal "O"
BIA 14-20-603-716
Apache County, Arizona

Dear Mr. Rauzi:

Dry Mesa Corporation has in effect and force a \$25,000.00 Certificate of Deposit that is pledged to the State of Arizona as a bond for operations on the subject lease as well as Navajo Tract 138, BIA 14-20-603-4190.

Dry Mesa Corporation has never owned any title interest in the subject Navajo "O" and resigned as interim operator of that lease some time ago. This letter is to request the State of Arizona to release Dry Mesa Corporation from any further liability concerning the Navajo "O" and make the current owner, Cross Creek Corporation, liable for any and all operations on that lease. This action will leave the \$25,000.00 bond in place but it will only pertain to Navajo Tract 138. Thank you for your help.

Sincerely,


Kenneth R. Hand
PRESIDENT



Fife Symington
Governor

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



Larry D. Fellows
Director and State Geologist

FAX TRANSMITTAL COVER SHEET

DATE: 8-24-92

2 PAGES
(including cover sheet)

TO:

NAME: Scott Hand

COMPANY: _____

FAX NO: 1-316-264-6547 CITY: _____

FROM: Steve Rauzi

OUR FAX NO: (602) 628-5106

IF THERE ARE ANY QUESTIONS, RESPONSES, OR PROBLEMS WITH THIS
TRANSMISSION, PLEASE CALL THE SENDER AT (602) 882-4795.
THANK YOU.

MESSAGE: Note R12-7-177 and R12-7-112



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

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

Larry D. Fellows
Director and State Geologist

August 13, 1992

Mr. Kenneth R. Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

RE: Lease No. 14-20-603-716
Navajo-O #2
Apache County

Dear Mr. Hand:

This is to inform you that the above referenced lease, Navajo O #2, does not have a Mechanical Integrity Test report within its file in the office of the Arizona Oil and Gas Conservation Commission

If we can be of further assistance as to the file's contents, please notify us.

Very truly yours,

Pam Lott
Secretary

MEMORANDUM TO FILE

DATE: JUNE 1, 1992

FROM: STEVEN L. RAUZI

SUBJECT: STATUS OF OPERATORSHIP AT THE TEEC NOS POS LEASE

I CONTACTED JOHN KELLER, BUREAU OF LAND MANAGEMENT, FARMINGTON, NEW MEXICO (BLM) WHO REFERRED ME TO KEN TOWNSEND OF THIS OFFICE.

KEN TOWNSEND WAS OUT, ACCORDING TO STEVE MASON:

1. FARMINGTON OFFICE BLM ORDERED CROSS CREEK TO P&A WELLS
2. CROSS CREEK APPEALED TO NEW MEXICO STATE OFFICE
3. NEW MEXICO STATE OFFICE UPHELD THE FARMINGTON ORDER TO P&A
4. CROSS CREEK APPEALED TO INTERIOR BOARD OF LAND APPEALS (IBLA)
5. IBLA COULD TAKE A COUPLE OF YEARS TO ISSUE DECISION

pin 582

CERTIFIED MAIL P 718 638 830

CROSS CREEK CORPORATION

P. O. Box 1957
Duncan, OK 73534

March 9, 1992



State Director
Bureau Of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-7115

Re: Navajo Tribal Lease No. 14-20-603-716

Sir:

This is to advise that we do hereby request an administrative review of the Orders of the Bureau of Land Management respecting the termination of the above referred to lease set out in your letter of February 12, 1992, addressed to Cross Creek Corporation. This request for administrative review is pursuant to applicable statutes and regulations particularly 43 C.F.R. Section 3165.3. We also request the opportunity to make oral presentation in support.

We believe, first, that Cross Creek Corporation should not be required to bear the expense of plugging the wells on the Navajo "O" lease, BIA Lease No. 14-20-603-716, hereinafter referred to simply as # 716.

We believe that the wells on this lease should not be plugged without giving Cross Creek Corporation an opportunity to make reasonable efforts to place them on production.

In support of our view we offer the following:

1. Cross Creek Corporation transferred all of its right, title and interest in and to Leases No. 716 and 4190 to Dry Mesa Corporation, together with operating rights, leaving it without any claim to or interest in those leases or the proceeds of production.
2. The Navajo Nation approved the assignment to Dry Mesa Corporation of both leases.
3. Dry Mesa Corporation posted a bond with the Oil and Gas Commission for the State of Arizona believing that to be appropriate.

4. Both Bureau of Indian Affairs, hereinafter referred to simply as BIA, and Bureau of Land Management, hereinafter referred to simply as BLM, accepted Dry Mesa Corporation as the owner and operator of both Leases No. 716 and 4190. They acknowledged Dry Mesa Corporation was operating on both leases and although they had not formally approved the assignment from Cross Creek Corporation to Dry Mesa Corporation and had not required bond to be posted by Dry Mesa Corporation they knowingly permitted Dry Mesa Corporation to conduct operations on both leases.

5. Both BIA and BLM knowingly permitted Dry Mesa Corporation to operate both leases, produce and receive income from them without requiring the requisite bond or security to be posted.

6. When BIA and BLM determined to cancel the Navajo "O" Lease, No. 716, it notified Dry Mesa Corporation thus acknowledging Dry Mesa Corporation to be the operator and lessee.

7. When BIA and BLM decided to terminate the lease on the Navajo "O", No. 716, it did not notify Cross Creek Corporation thus acknowledging that Cross Creek Corporation was neither the lessee nor the operator.

8. BLM's present inability to compel Dry Mesa Corporation to plug the wells on the Navajo "O" Lease, No. 716, is due directly to the failure of BLM and BIA to obtain the necessary bond or security from Dry Mesa Corporation at the time it assumed operations with the knowledge of the BIA and BLM and their implied consent.

9. BIA and BLM do implicitly acknowledge Dry Mesa Corporation to be the lessee and operator of Tract No. 138 lease, No. 4190, and yet they have never approved the assignment of the lease or operating rights and have never required Dry Mesa Corporation to post the requisite security.

10. The assignment of Tract No. 138 lease, No. 4190, and the Navajo "O" lease, No. 716, were part and parcel of the same transaction. It is obviously unfair to Cross Creek Corporation to permit Dry Mesa Corporation to continue as de facto operator and lessee of No. 4190 and receive the benefits therefrom without requiring Dry Mesa Corporation to assume the responsibilities of its companion lease.

11. It is obviously unfair to Cross Creek Corporation to compel the return of operations and status as lessee of the Navajo "O" lease, No. 716, (Lease No. 716) and its burden without at the same time acknowledging Cross Creek Corporation to be the lessee and operator of Tract No. 138 lease, No. 4190, and lending all assistance in permitting Cross Creek Corporation to enjoy the production from Tract No. 138 lease, No. 4190.

12. It is patently unfair to put the burden of plugging wells on the Navajo "O" lease, No. 716, without first giving Cross Creek Corporation the option of making reasonable efforts to put the wells back on production and at least attempt to re-coup the costs which might be required for plugging. Such an option must be without impossible conditions such as were placed on it by the Order dated June 19, 1991, to pay any outstanding obligations owed to the Navajo tribe with respect to this lease without determining at that time what those obligations were and so advising Cross Creek Corporation.

13. If Cross Creek Corporation is the lessee and operator of the Navajo "O" Lease, No. 716, because the assignment of the lease and operating rights to Dry Mesa Corporation were never approved by the BIA then by the same token Cross Creek Corporation is both the lessee and operator of the Tract No. 138 lease, No. 4190, and should be so confirmed by the BIA and the BIA and BLM should assist Cross Creek Corporation in securing possession of that lease and its production.

14. Since the BIA has not accepted the assignment of the lease or operating rights to Dry Mesa Corporation on Tract No. 138 lease, No. 4190, Cross Creek Corporation now formally makes demand on BIA and BLM not to permit Dry Mesa Corporation to operate and receive proceeds of production from that lease.

15. Since the BIA has not approved the assignment of the lease or the assignment of operating rights on Tract No. 138 lease, No. 4190, Cross Creek Corporation now makes formal demand on the BIA not to grant any tardy approval of the assignment of the lease or operating rights on that lease to Dry Mesa Corporation to the detriment of Cross Creek Corporation.

16. Since the BIA and the BLM have impliedly accepted Dry Mesa Corporation to be the operator of the Navajo "O" Lease, No. 716, then Cross Creek Corporation should have been released of any obligations or responsibilities with respect to that lease and its bond released as to that lease. To do otherwise is to impose an unfair obligation on Cross Creek Corporation.

17. BIA and BLM both permitted Dry Mesa Corporation to remove equipment from the Navajo "O" Lease, No. 716, in violation of their own rules and regulations. Having done so it is unfair to require Cross Creek Corporation to assume any responsibilities for placing said lease back on production having permitted it to be robbed of the necessary equipment.

18. It is unfair to Cross Creek Corporation to put the burden of plugging the wells on the Navajo "O" Lease, No. 716, when both BIA and BLM acquiesced in the assumption of operations by Dry Mesa Corporation and impliedly acknowledged Dry Mesa Corporation to be the operator when they failed to require the posting of adequate security in violation of its own rules and regulations.

19. The BIA and BLM having impliedly, if not formally, acknowledged Dry Mesa Corporation to be the operator and lessee of the Navajo "O" Lease, No. 716, then Dry Mesa Corporation is the only entity liable for any breach of the rules of the BIA or the BLM and Cross Creek Corporation should not be saddled with any responsibility which rightfully should go to Dry Mesa Corporation.

20. The BIA and BLM both knowingly allowed Dry Mesa Corporation to perform as though it was both lessee and operator of the Navajo "O" Lease, No. 716, in violation of its own rules and regulations.

21. According to BIA and BLM rules and regulations liability for plugging results from "operations" and since Cross Creek Corporation has not performed any operations on the Navajo "O" Lease, No. 716, since January, 1989, it would follow it cannot be made to plug the wells.

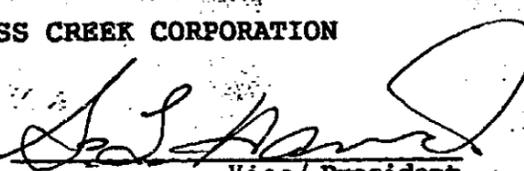
We therefore respectfully request:

That responsibility for plugging the wells on the Navajo "O" Lease, No. 716, should be enforced against Dry Mesa Corporation.

If BIA and BLM insist Cross Creek Corporation has to plug the wells we ask that Cross Creek Corporation be granted a reasonable opportunity to put the wells back on production.

Respectfully submitted

CROSS CREEK CORPORATION

By: 
Vice/ President

cc/BLM, Farmington, NM
BIA, Window Rock, Az.
Navajo Tribe, Window Rock, Az.

~~Az. Geol. Survey, Tucson, Az.~~

SCHEDULE "A"

Documentation in support of the request by Cross Creek Corporation for administrative review by State Director, Bureau of Land Management, of orders respecting Navajo Tribal "O" BIA Lease No. 14-20-603-716.

- 1) Assignment and conveyance dated April 1, 1987, from BHP Petroleum to Cross Creek Corporation.
- 2) Collective bond on behalf of Cross Creek Corporation (\$50,000.00) required by Bureau of Indian Affairs.
- 3) Letter of October 25, 1988, from BIA approving bond.
- 4) Letter of August 16, 1988, showing approval by the Navajo Nation of assignment of Lease No. 716 to Cross Creek Corporation.
- 5) Letter of March 13, 1990, from BIA showing approval by BIA of assignment of Lease No. 716 to Cross Creek Corporation.
- 6) Agreement dated February 15, 1989, of Leases No. 716 and 4190 between Cross Creek Corporation and Dry Mesa Corporation.
- 7) Assignment and conveyance of Leases No. 716 and 4190 from Cross Creek Corporation to Dry Mesa Corporation.
- 8) Assignment of Lease No. 716 from Cross Creek Corporation to Dry Mesa Corporation.
- 9) Letter of September 6, 1989, from the Navajo Nation showing approval of assignment of Lease No. 716 to Dry Mesa Corporation.
- 10) Letter dated September 15, 1989, from Cross Creek Corporation to BIA.
- 11) Letter dated November 13, 1989, from area director of BIA to Dry Mesa Corporation.
- 12) Letter dated April 20, 1990, from area director of BIA to Dry Mesa Corporation requiring bond.
- 13) Letter dated June 19, 1991, from area director of BIA to Cross Creek Corporation stipulating conditions for operating Lease No. 716.
- 14) Letter dated October 21, 1991, from BLM to Dry Mesa Corporation regarding plugging.

- 15) Letter dated December 16, 1991, from BLM to Dry Mesa Corporation regarding plugging requirements and assessment of fine.
- 16) Letter dated January 24, 1992, from Arizona Geological Survey to Cross Creek Corporation.
- 17) Letter dated May 8, 19__, from Cross Creek Corporation to area director of BIA regarding reduction in bond.
- 18) Letter dated September 30, 1988, from BIA to Cross Creek Corporation advising that BIA "will no longer process assignment of operating rights, but these documents will still have to be submitted to the Navajo tribe for tribal approval and to the BIA for record purposes only."

A:\Cross-A



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

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

Larry D. Fellows
Director and State Geologist

January 24, 1992

Mr. Scott Hand
Cross Creek Corporation
P. O. Box 1957
Duncan, Oklahoma 73534

582

Re: BIA Lease 14-20-603-716, Navajo "O", Apache County, Arizona

Dear Mr. Hand:

I received word today that Dry Mesa Corporation has resigned as interim operator of the BIA Lease 14-20-603-716 (Navajo Tribal "O") in Apache County, Arizona as requested by the Bureau of Indian Affairs.

Mr. Stephen Mason of the Bureau of Land Management in Farmington informed me that the BIA considers Cross Creek Corporation to be the legitimate operator of the lease. He indicated that you would probably plug and abandon the wells according to the plugging and abandonment plans submitted by Dry Mesa Corporation and as modified by the BLM in Farmington.

Dry Mesa Corporation has submitted these plans to the Commission and I am enclosing copies of our Form 10, Plugging Record, for your use in reporting the work actually done after the wells have been plugged and abandoned. The Commission will accept copies of all reports submitted to the BLM throughout this process, but will require Form 10, properly filled out, upon completion of the work.

I would appreciate learning of your intent in this matter and please don't hesitate to call me if you have any questions.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

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

Larry D. Fellows
Director and State Geologist

January 24, 1992

582
Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Ken:

Enclosed is the copy of the December 1991 injection report for the Dry Mesa Field. I received your letter wherein you resigned as interim operator of the Navajo "O" lease in Apache County. Since your letter is dated January 16, 1992, I believe it would be appropriate that you submit the December 1991 injection and production reports for the Navajo "O" lease.

Sincerely,

A handwritten signature in cursive script that reads "S. Rauzi".

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

16 January 1992

CERTIFIED MAIL P 321 755 830
RETURN RECEIPT REQUESTED

582

Mr. Stephen Mason
Department Of The Interior
Bureau Of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

Re: BIA Lease 14-20-603-716
Navajo Tribal "0"
Apache County, Arizona

Dear Mr. Mason:

This letter is to inform the Bureau Of Land Management that Dry Mesa Corporation has resigned as interim Operator of the subject lease.

Sincerely,

Kenneth R. Hand
Kenneth R. Hand



1-24-92

Steve Mason indicated that the Navajo's (BIA) informed Kent that he had no rights to the Navajo and that ownership will revert to Cross Creek.

FLOYD SCHMIDT
RR #3
Baldwin City, KS 66006
913-594-3417



INSTRUMENT

RICK COOPER
1632 Valleyview Court
Wichita, KS 67212
316-722-7537



117 E. Patterson
Bellefontaine, OH 43311
513-592-5025

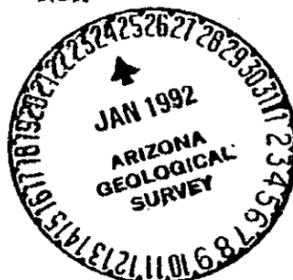
Steve:

I am enclosing a copy of a letter where Dry Mesa resigned as operator of the Navajo "O".

There was no production in December but if you need some paperwork, call me here in Farmington.

Thanks,

Ken



————— We Go To The Edge For You, Our Customer —————



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, Ca. 94105

NOV 9 1990

In reply
refer to W-6-2

CERTIFIED MAIL P 918 447 702
RETURN RECEIPT REQUESTED

Dry Mesa Corporation
Attn: Bob Hand
P. O. Box 5446
Farmington, New Mexico 78499

Thank you for your letter dated September 5, 1990, transmitting the plugging and abandonment (P&A) plan for the Navajo "O" SWD Well No. 2. We have received a copy of the comments of the Bureau of Land Management (BLM) regarding the P&A operations. We concur with the General Requirements and with the Conditions of Approval recommended by the BLM. These conditions include requirements that:

- Blowout prevention equipment is required.
- Step 4 of the plan include locating the hole where the leak actually occurred and then performing a squeeze on it. Therefore, this squeeze plug may either be a separate plug or coincide with Plug #2.
- Steps 5 through 7 of the plan be revised to extend the depth of Plug #4 from 1730' to 1489' (and corresponding change in cement volume to cover the top of the Chinle formation by 50 feet). Plug #5 should include pumping cement to surface within the annular space of the 5-1/2" csg. and the 8-5/8" csg.

As a final step of the proposed P&A program, please add:

Following successful P&A, furnish a report to EPA within 60 days which includes:

- (1) A statement that the well was plugged in accordance with the plan previously submitted; or
- (2) Where actual plugging differed from the plan previously submitted, describe the actual procedures followed and how they resulted in P&A at least as effective as described in the approved plan.

Please resubmit a revised plan for our approval. Following our approval, the Program Description for the Underground Injection Control program for the Navajo Lands requires you to notify the EPA by certified mail at least fourteen days prior to initiating plugging and abandonment.

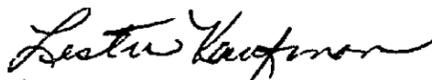
Please be reminded that, in addition to EPA requirements, you are also required to comply with BLM, BIA, and Navajo Tribal requirements and to gain any necessary approvals.

The move to our new office has been completed. The mailing address is:

EPA Region IX
Underground Injection Control Section, W-6-2
75 Hawthorne Street
San Francisco, CA 94105

If you have any questions, please call me at (415) 744-1835 or George Robin of my staff at (415) 744-1843.

Sincerely,



Lester Kaufman, Chief
Underground Injection Control Section

cc: Louise Linkin, Director
Navajo Environmental Protection Administration

Ron Fellows, Area Manager
Bureau of Land Management

✓ Dr. Daniel J. Brennan, Executive Director
Arizona Oil & Gas Conservation Commission

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

November 1, 1990

Dan Brennan
Arizona Oil and Gas Commission
5150 North 16th Street Suite B-141
Phoenix, Arizona 85016

RE: Teec Nos Pos Plugging Program
Apache County, Arizona

Dear Mr. Brennan:

Regarding your letter dated October 9, 1990, Dry Mesa Corporation is revising its proposed plugging program. For your information, the BLM approved the original proposed plugging plans for wells #1, #3, #4, and #5 with these changes:

1. Instead of plugging off the Winnegate Formation, the upper aquifer to protect is the Chinle. Tops for the Chinle as reported by the BLM are #1 - 1535', #3 - 1620', #4 - 1710', and #5 - 1955'.

2. A 50' cement plug must be placed down the surface casing/production casing annulus.

Since the Arizona O&G Commission requires a plug 50' above, 50' below, and across the aquifers and since the aquifers are >300' thick, the original proposed perforate and squeeze plugging method will not be adequate. Our recent squeeze experience showed that the only places where a decent bond was obtained was in that part of the hole with no or very little washout. The original hole is probably not in gauge through these aquifers. Therefore, I think we will have to shoot and pull the production casing to get a plug like the Commission requires.

Before I submit a revised plugging program, I would like to make sure we agree on formation tops and bases for the two plugging horizons. Here are my picks for the plugging horizons:

#232
582
640
663
678

Well	#1	#2	#3	#4	#5
Base Surface Casing	1522'	1539'	514'	507'	802'
Top Chinle	1532'	1687'	1624'	1710'	1955'
Base Chinle	1810'	2030'	1910'	2020'	2270'
Top De Chelly	2488'	2640'	2533'	2667'	2940'
Base De Chelly	2800'	2955'	2888'	2980'	3260'
Top Cement (EST)	4680'	2614' (CBL)	4594' (CBL)	4800' (EST)	4700' (CBL)

For wells #1, #3, #4, and #5, i will propose that we:

1. squeeze perfs
2. set a CIBP
3. shoot and pull casing 500' above top of cement
4. place plug #1 50' above to 50' below top and base of De Chelly
5. place plug #2 50' above to 50' below top and base of Chinle
6. place plug #3 50' above to 50' below base of surface casing
7. place plug #4 50' below to surface inside surface casing

For Well #2, the two squeeze jobs at 3500' and 3100' have left cement outside casing up to a depth of 2614' (CBL). It is my guess that the squeeze hole at 3100' is where the casing leak is at. Would a squeeze of this interval satisfy the Commission for a plug in the De Chellys (assuming this squeeze hole is leaking)? Obviously, we could not pull the casing below 2614' and two squeeze jobs have already been performed to try and get cement over the De Chellys with very little success. We may shoot and pull casing from a depth of 2400' to get a plug in the Chinle and a plug at the surface. I am working with the EPA to see what changes they will require in the original plan before I send a revised plan to you. They indicated that there would be a few minor changes and were going to send out a letter to every one within the next two weeks. Look this over and see what you think.

Sincerely,

Bob Hand
Bob Hand



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

October 9, 1990

7/10 232, 582, 640, 662, 678

Mr. Bob Hand
Dry Mesa Corporation
P. O. Box 5446
Farmington, NM 87499

Dear Bob:

Following up on our recent conversation, I am sending you copies of the electric logs on the five wells you are talking about plugging. I have marked them in a couple of ways: First in red are the "scout" tops for the De Chelly; Second in blue ink are whatever "sample" tops we have.

Our rule for plugging requires cement across and 50 feet above and below "fresh water strata." Frankly for this purpose I don't care what name anybody gives to the formation--if it is an aquifer we have to protect it. So it seems to me that we ought to pick the porous zones, perhaps as identified by the SP curves, our criteria for what ought to be protected.

As you can see on the logs, the given tops don't correlate. So what I suggest is going from the sample log and E-log on each well and correlating the porosity zones and cementing across them. For instance, the No. 1 well clearly the porosity zone extends from 2489 to 2800, although it doesn't look very porous from, say, 2670 to 2800. But as we know, SP is supposed to be suppressed by fresh water zones.

The E-log on the No. 2 well is terrible, but the sample log shows porosity 2640 to 2955.

Mr. Bob Hand
Dry Mesa Corporation

October 9, 1990
Page 2

Following is a table I have worked out from our information.

	1	2	3	4	5		
	E-log	Spl	E-log	Spl	E-log*	E-log*	E-log*
Top Wingate porosity zone	**	800	**	**	?	?	?
Base Wingate porosity zone	**	1090	**	**	?	?	?
Top "De Chelly" porosity zone	2488	2490	2640	2650? 2700	2533	2667	2940
Base "De Chelly" porosity zone	2670? 2800	2800	2955?	2955	2710?	2880?	3100
Top ORGAN Rock	2798	2800	2955	2955?	2888	2980	3260

* No sample log or log started too deep

** Interval not logged

The only well in the field on which we have a decent driller's log is the No. 12. (Copy enclosed.) It reports a shallow water flow, which I assume is the Wingate, and a deeper one (from the De Chelly?) which they had to kill with 9.3 lb. mud. So those do seem to be the zones to plug.

They sure didn't do anybody any favor when they drilled, logged, cased, and cemented these holes.

The porosity logs are all questionable in my mind because the hole is so big. The sample logs we have show the section which is enlarged to be loose or friable sand which lead me to think it has lots of porosity, and if porosity, presumably also water.

You have proposed a single perforation to cement off the Wingate and De Chelly zones outside the pipe. I doubt if one hole is enough to cement these big intervals shown in the tables.

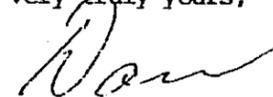
Mr. Bob Hand
Dry Mesa Corporation

October 9, 1990
Page 3

Have you thought about shooting off the pipe above the cement and pulling it for whatever salvage value it may have? If you pull the pipe, you could do a lot better job of plugging without the nonsense of the perforating and squeezing, and we could be sure the cement plug blocks off the aquifers.

Let me know what you think.

Very truly yours,



Daniel J. Brennan
Executive Director

Enclosure



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 9
1235 MISSION STREET
SAN FRANCISCO, CA 94103

cc

SEP 6 1990

Dry Mesa Corporation
Attn: Bob Hand
P.O. Box 5446
Farmington, New Mexico 78499

Dear Mr. Hand,

Thank you for your letter dated August 6, 1990 regarding cancellation of the mechanical integrity test on the Navajo "O" No. 2 well. Since you foresee proceeding with plugging and abandonment (P & A) operations, I would like to remind you that the Navajo Program Description requires you to notify EPA by certified mail at least fourteen days prior to initiating P & A.

Since the well failed the preliminary mechanical integrity test (MIT), we agree that there is a possible hole in the casing. Your Plugging and Abandonment Plan, dated July 19, 1990 does not address this casing hole. Please submit a revised plan for our review and approval before you provide notification for P & A.

If you do not proceed toward P & A, 40 CFR §144.52(a)(6), states that:

"After a cessation of operations of two years the owner or operator shall plug and abandon the well in accordance with the plan unless he:

- (i) Provides notice to the Regional Administrator;
- (ii) Describes actions or procedures satisfactory to the Regional Administrator, that the owner or operator will take to ensure that the well will not endanger USDWs (underground sources of drinking water) during the period of temporary abandonment. These actions and procedures shall include compliance with the technical requirements applicable to active injection wells unless waived by the Regional Administrator." (In Region 9, this responsibility has been delegated to the Director of the Water Management Division. Any letters in response to this requirement may be addressed to Harry Seraydarian, Director, Water Management Division.)

We also request you submit a separate notarized copy of the State of Arizona Producers Bond for our Navajo "O" Well No. 2 file records.

If you have any questions, please call me or George Robin of my staff. As we will soon move to a new office, our phone numbers will be:

Up to September 10, 1990 - (415) 705-2104
September 10 - 14, 1990 - (415) 750-1400
After September 14, 1990 - (415) 744-1843

Sincerely,

Lester Kaufman, Chief
Underground Injection Control Section

cc: Louise A. Linkin, Director
Navajo Nation Environmental Protection Administration

✓ Dr. Daniel J. Brennan, Executive Director
Arizona Oil and Gas Conservation Commission

Bruce Flinn, Lands and Renewable Resources Branch Chief
U.S. Department of Interior, Bureau of Land Management

Irving Peshlakai, Realty Specialist
U.S. Department of Interior, Bureau of Indian Affairs

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

September 5, 1990

Mr. Dan Brennan
Arizona Oil and Gas Commission
5150 North 16th Street Suite B-14i
Phoenix, Arizona 85016 September 5, 1990

P/N 582

Dear Mr. Brennan:

Dry Mesa Corporation received a letter from the BLM dated August 15, 1990 (copy of letter enclosed) which basically stated that since the SWD Well #2 in Teec Nos Pos Field had failed a mechanical integrity test, Dry Mesa Corporation needs to submit plugging and abandonment plans for this well. Therefore, please find enclosed preliminary plugging and abandonment plans for the 5 wells that Dry Mesa Corporation operates in Teec Nos Pos Field. Besides BLM and State of Arizona standards, Well #2 falls under the UIC Program (underground injection control) which is sponsored by the U.S. EPA. This gives the EPA final authority and say so as to how this well is plugged. The other four wells on the lease are oil wells that have played out. They will be plugged according to BLM and State of Arizona requirements.

Dry Mesa Corporation is not in any hurry to plug these wells but we do want to be in compliance with BLM standards and to get our paper work in and approved. Please review the enclosed material to see if it will meet the States requirements. Also, if there are any areas where the proposed plugging program may be redundant or unnecessary, please bring these to our attention. If there are any questions or comments, please contact us. Thank you for your time.

Sincerely,

Bob Hand

Bob Hand

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

Teec Nos Pos Proposed Plugging Program

In response to a letter Dry Mesa Corporation received from the BLM regarding plugging of the Navajo "O" #2 SWD well, Dry Mesa Corporation is submitting plugging and abandonment plans for all 5 wells that it operates in Teec Nos Pos Field, Apache County, Arizona.

Teec Nos Pos Field has played out. Wells #4 and #5 have been shut-in since 1985. The field has a limited water drive and both of these wells have watered out. Well #3 was making less than 3 bls/day of oil when it was shut-in in 1987. Well #1 was making 3 - 5 bls/day of oil when it was operated steadily in 1987-88. Well #1 has since lost annular gas pressure to run the pumpjack engine. Repeated attempts to restore gas pressure by pumping the well off with butane brought out to the lease in tanks has been unsuccessful. To restore Wells #1 and #3 to production would require:

1. Getting a pipeline hookup and purchasing lease gas from Northwest Pipeline to run the pumpjacks.
2. Replacing the existing downhole pumps and several joints of tubing per well.
3. Acidize both wells and give them a paraffin treatment; pressure test and repair flowlines due to the highly corrosive fluids at Teec Nos Pos
4. Do road work to get the workover equipment on to the lease.
5. Repair vandalized surface equipment including gauges and pumpjack engine parts.
6. The major expense to repair and reequip Well #2 for brine disposal or, pay to have produced water hauled off.

Dry Mesa Corporation can not justify doing this work when the anticipated combined production from these 2 wells will most likely be less than 10 bls/day.

Therefore, for Wells #1, #3, #4, and #5, find enclosed a BLM proposed plugging form, a generalized plugging diagram, a current wellbore sketch, and a proposed plugging program with specific well plugging information included. Note that Well #2 is a SWD well and is included in the UIC Program (underground injection control) sponsored by the U. S. EPA. The EPA has final jurisdiction for plugging this well. A copy of the proposed plugging program that was submitted to the EPA for Well #2 is included, however, it has not been approved at this time.

Dry Mesa has not established a timetable to commence plugging operations at Teec Nos Pos Field. If there are any questions, comments, or changes in the proposed plugging program that you may have or if there are any areas of the proposed program that you feel are unnecessary or redundant, please contact us.

PROPOSED PLUGGING PROGRAM for TEEC NOS POS FIELD

The following is a generic plugging program to be followed in the plugging of Dry Mesa Corporation Wells #1, #3, #4, #5 in Teec Nos Pos Field, Apache County, Arizona. Well #2 is a SWD well and falls under the jurisdiction of the UIC Program (underground injection control) sponsored by the EPA. Therefore, Well #2 will be plugged according to EPA regulations.

All wells use 5-1/2", 14#, J-55 production casing. Casing capacity is 0.137 cubic ft/foot. Cement for plugging will be Class 'B', 15.6 ppg slurry weight, 1.18 cubic feet/sack slurry volume. *215'*

1. Remove surface equipment, NU BOP stack, TOH w/ existing tubing.
2. TIH w/ squeeze tool. Squeeze existing perforations w/ 35 sacks Class 'B' cmt. TOH w/ squeeze tool.
3. TIH w/ CIBP. Set plug 25' above top perf. Place 25 sack cmt plug on top of CIBP. Mix and circ 9.2 ppg mud to fill hole. TOH. *215' or plug*
4. TIH w/ perf gun. Perf #1 at 50' below top of the De Chellys; Perf #2 at 50' below top of Winnegate; and Perf #3 at 50' below surface casing shoe. TOH w/ perf gun.
5. PU packer. RIH and set packer at 100' above Perf #1. Pump 45 sacks Class 'B' cmt below packer. (5-1/2" casing capacity is 12 sacks/100' - this leaves a 12 sack plug inside 5-1/2" casing and a 33 sack plug outside 5-1/2" casing). Release packer and pull up to 100' above Perf #2. Pump 45 sacks Class 'B' cmt below packer. Release packer and pull up to 100' above Perf #3. Pump 45 sacks Class 'B' cmt below packer. Release packer and TOH. Lay down packer.
6. TIH to 50'. Mix and pump 6 sacks Class 'B' cmt. TOH. ND BOP stack.
7. Cut off casing head. install permanent marker.
8. Cut off tie downs, remove accessible flow lines, fill all pits, restore surface as required by BLM Surface Management Agency Standards.

WELL SPECIFICS

	PERFORATIONS	TOP OF DE CHELLYS	TOP OF WINNEGATE	SURFACE CASING SHOE
#1	5122'-5140'	2488'	1234'	1522'
#3	5214'-5228'	2582'	1324'	514'
#4	5314'-5326'	2667'	1385'	501'
#5	5506'-5510'	3007'	1643'	802'
	5591'-5601'			
	5628'-5634'			
	5647'-5654'			

A change from the proposed plan will be needed for Well #1 because the surface casing shoe is below the Winnegate Formation. On Well #1, it is proposed that the 5-1/2" casing be perforated at 2538' (50' below the top of the De Chellys), 1572' (50' below the surface casing shoe) and at 150'.

Well #1: CIBP @ 5097'; perf #1 @ 2538'; perf #2 @ 1572'; perf #3 @ 150'; plug #1 @ 5097' - 4897'; plug #2 @ 2538' - 2438'; plug #3 @ 1572' - 1472'; plug #4 @ 150' - 50'; plug #5 @ 50' - surface.

Well #3: CIBP @ 5189'; perf #1 @ 2632'; perf #2 @ 1374'; perf #3 @ 564'; plug #1 @ 5189' - 4989'; plug #2 @ 2632' - 2532'; plug #3 @ 1374' - 1274'; plug #4 @ 564' - 464'; plug #5 @ 50' - surface.

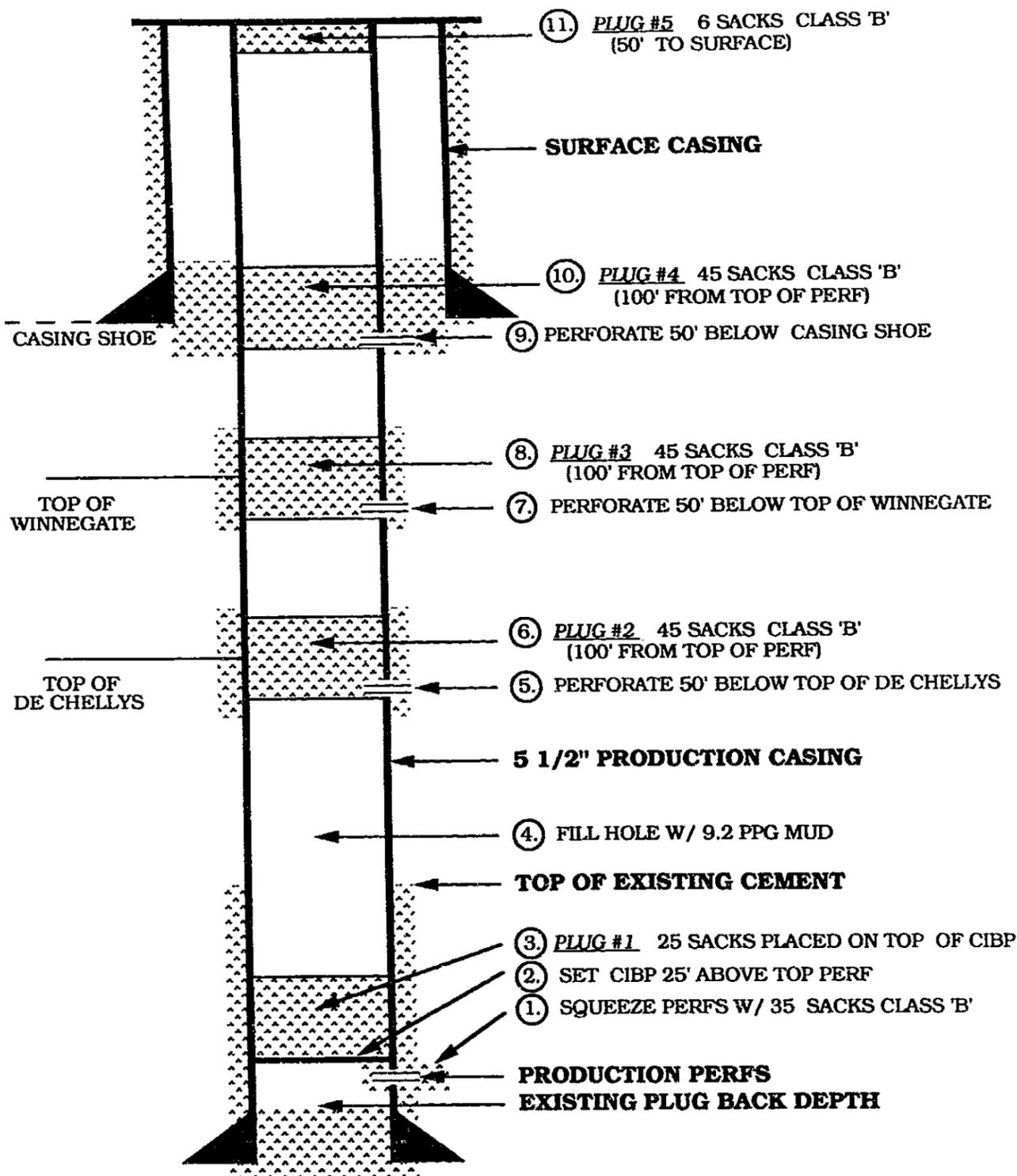
Well #4: CIBP @ 5289'; perf #1 @ 2717'; perf #2 @ 1435'; perf #3 @ 551'; plug #1 @ 5289' - 5089'; plug #2 @ 2717' - 2617'; plug #3 @ 1435' - 1335'; plug #4 @ 551' - 451'; plug #5 @ 50' - surface.

Well #5: CIBP @ 5489'; perf #1 @ 3057'; perf #2 @ 1693'; perf #3 @ 852'; plug #1 @ 5489' - 5289'; plug #2 @ 3057' - 2957'; plug #3 @ 1693' - 1593'; plug #4 @ 852' - 752'; plug #5 @ 50' - surface.

582

PROPOSED PLUGGING DIAGRAM

FOR TEEC NOS POS WELLS #1, #3, #4, & #5
APACHE COUNTY, ARIZONA





United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LAPLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401



IN REPLY REFER TO:

14-20-603-716 (WC)
3162.3-4 (019)

AUG. 15 1990

CERTIFIED - RETURN RECEIPT REQUESTED
P 565 392 647

Dry Mesa Corporation
P. O. Box 5446
Farmington, NM 87499

Gentlemen:

Reference is made to your well No. 2 Navajo 0, NW/4SE/4 section 23, T. 41 N., R. 30 E., Apache County, Arizona, lease 14-20-603-716 and your letter dated August 6, 1990, which stated the well's casing was tested and failed an integrity test. Your letter also stated that you planned to plug the well. You are required to submit your plans to plug and abandon the subject well.

You have 30 days to comply with this order. The 30 days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 days will result in strict enforcement of 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

If you have any questions, please contact Stephen Mason with this office at (505) 327-5344.

Sincerely,

Ron Fellows
Area Manager

cc: Navajo Nation, Minerals Department, P. O. Box 146, Window Rock, AZ
86515

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

August 6, 1990

**Cancellation of Mechanical Integrity Test
on the Navajo 'O' #2 salt water disposal well located in
Tee Nos Pos Field, Apache County, Arizona.**

Dry Mesa Corporation has canceled the MIT that was planned for August 14, 1990. The Navajo 'O' #2 SWD Well was MIT tested on August 6, 1990 by Chuska Energy as a possible disposal well for their produced water from Black Rock Field. The well failed the preliminary test and could possibly have a hole in the casing. Dry Mesa Corporation will continue to evaluate the economics of operations in Tee Nos Pos Field however it appears now that we will proceed with P & A operations.

Navajo 'O' #2 SWD Well does not have an injection pump on it and will not be used for salt water disposal.

If there are any questions or comments, please contact us. Thank you.

Sincerely,

Bob Hand
Bob Hand

#582

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

1 August 1990

582

Mr. Dan Brennan
Executive Director
Oil And Gas Commission
State Of Arizona
5150 North 16th Street
Suite B-141
Phoenix, Arizona 85016

Re: Navajo "O" Lease
Teec Nos Pos Field
Well #2
State Permit 582

Dear Mr. Brennan:

Dry Mesa Corporation asks permission to expand the State Permit that converted the subject well to an injection well. We are asking permission to inject up to 500 barrels of water per day from other fields in addition to the water produced from the Teec Nos Pos Field into the #2 Injection Well.

The technical information that you need to conduct a hearing on this request is being sent to you under separate cover. You have in your possession a check for \$50.00 to serve as a deposit toward a public hearing.

Please schedule a hearing on this request for the August 17th, 1990 meeting of the Commission.

This letter replaces my letter to you dated 28 July 1990 on this same matter.

Sincerely,

Kenneth R. Hand

Kenneth R. Hand

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

1 August 1990

582

Mr. Dan Brennan
Executive Director
Oil And Gas Commission
State Of Arizona
5150 North 16th Street
Suite B-141
Phoenix, Arizona 85016

Re: Navajo "O" Lease
Teec Nos Pos Field
Well #2
State Permit 582

Dear Mr. Brennan:

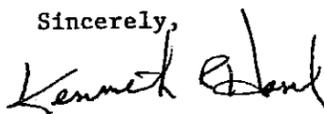
Dry Mesa Corporation asks permission to expand the State Permit that converted the subject well to an injection well. We are asking permission to inject up to 500 barrels of water per day from other fields in addition to the water produced from the Teec Nos Pos Field into the #2 Injection Well.

The technical information that you need to conduct a hearing on this request is being sent to you under separate cover. You have in your possession a check for \$50.00 to serve as a deposit toward a public hearing.

Please schedule a hearing on this request for the August 17th, 1990 meeting of the Commission.

This letter replaces my letter to you dated 28 July 1990 on this same matter.

Sincerely,



Kenneth R. Hand

7/31/90 Receipt

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

28 July 1990

**AZ OIL & GAS
CONSERVATION COMMISSION**

JUL 31 1990

582

Mr. Dan Brennan
Executive Director
Oil And Gas Commission
State Of Arizona
5150 North 16th Street
Suite B-141
Phoenix, Arizona 85016

Re: Navajo "O" Lease
Teec Nos Pos Field
Well #2
State Permit Number 582

Dear Mr. Brennan:

Dry Mesa Corporation asks permission to expand the State Permit that converted the subject well to an injection well. We are asking permission to inject from 300 to 500 barrels of water per day that is produced from the Black Rock Field in addition to the water produced from the Teec Nos Pos Field.

The technical information that you need to conduct a hearing on this matter is being sent to you under separate cover. I am enclosing a check for \$50.00 to serve as a deposit toward the public hearing.

Please schedule a hearing on this request for the August 17th, 1990 meeting of the Commission.

Sincerely,

Kenneth R. Hand
Kenneth R. Hand

Enclosure

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

**AZ OIL & GAS
CONSERVATION COMMISSION**

JUL 23 1990

July 19, 1990

**Notification of intent to run Mechanical Integrity Test on the
Navajo 'O' #2 salt water disposal well located in Teec Nos Pos
Field, Apache County, Arizona.**

Dry Mesa Corporation intends to run an MIT on the subject well on Tuesday,
August 14, 1990. The casing will be pressure tested according to the
Bureau of Land Management standards which are:

With tubing in hole and packer set above the perforations, the casing
annulus will be pressured to 1,000 psi. There must be no more than a
10% drop in pressure within 15 minutes for the test to be successful.

If there are any questions or comments about the test procedure, please
contact us as soon as possible. Thank you.

Sincerely,

Bob Hand
Bob Hand



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

April 2, 1990

To: All Operators of Wells for the Injection of Oil Field-Produced Waters in Arizona

Our records indicate that Dry Mesa Corporation operates the following injection well:

Dry Mesa #2 Navajo "O" NW SE Sec. 24-T41N-R30E

As you know, oil field injection wells have been the subject of federal legislation and have come under the regulatory authority of EPA. State programs must meet certain EPA requirements. Recently the General Accounting Office issued a report, Drinking Water - Safeguards Are Not Preventing Contamination From Injected Oil and Gas Waters, at the request of the House Environment, Energy, and Natural Resources Subcommittee of the House Committee on Government Operations.

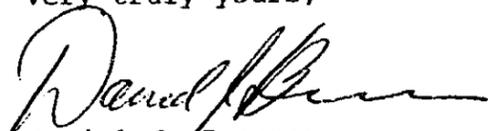
The report showed that states have not been as diligent as desirable in making sure that injection wells are not causing contamination. Arizona has been developing a program to achieve state primacy for the wells and needs to be in compliance with EPA criteria to achieve that goal.

As you are probably aware, EPA requires a Mechanical Integrity Test of every injection well every 5 years. This is also a requirement of Arizona Rules. Our records do not show a record of a mechanical integrity test on the above well in the past 5 years. If you have conducted the test, please send a copy of the report by May 1, 1990.

If you have not conducted the test you may not be in compliance with EPA rules and you are not in compliance with Arizona Rule 12-7-179, and you should schedule one soon. Prior to testing, send a copy of your Testing Plan to the Commission for approval. We are also required to witness the test, so we must be notified ahead of time. Please send your plan by May 1, 1990.

Thank you for your cooperation.

Very truly yours,


Daniel J. Brennan
Executive Director

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 26 1990

CROSS CREEK CORPORATION
P.O. BOX 1957
DUNCAN, OK. 73534-1957

January 23, 1989

Arizona Oil & Gas Commission
5150 N 16th Street B141
Phoenix, Az. 85016

RE: Dry Mesa Field , Tract 138 Lease
Teec Nos Pos Field, Navajo "0"

Attention: Dan Brennan

Dear Sir:

Enclosed herewith please find copies of the following
information:

Tax Sale Notice
Letter to Apache County Treasurer
Agreement of Sale & Purchase

If you have any questions please feel free to call.

Thank you,



Scott L. Hand
Cross Creek Corporation

CROSS CREEK CORPORATION
P.O. BOX 1957
JNCAN, OK. 73534-1957

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 26 1990

January 23, 1990

Lavere O. Connolly
Apache County Treasurer
P.O. Box 699
St. Johns, Az. 85936

RE: Parcel ID 989-12-700-00-8

Dear Mr. Connolly:

Enclosed herewith please find a copy of the Agreement of Sale and Purchase from Cross Creek Corporation to Ken R. Hand d/b/a Dry Mesa Corporation effective February 15, 1989 for Operating Rights of the leases this tax statement covers. For your convenience I have highlighted the following items:

- #2) Buyer's Representations (c)
- #5) Taxes
- #7) Effective Date
- #15) Miscellaneous

Cross Creek Corporation has mailed or delivered to Kenneth R. Hand d/b/a Dry Mesa Corporation, P.O. Box 5446, Farmington, NM 87499 and/or #15 Willowbrook, Wichita, Ks. 67207, any and all tax statements, requests and demands as follows:

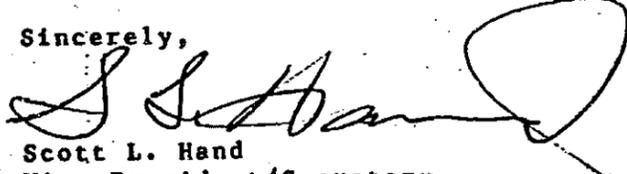
- a) Copy 1988 Tax Statement, delivered 2/13/89
- b) Original 1988 Tax Stment, delivered 2/14/89
- c) Delinquent Tax Notice, mailed 10/5/89
- d) 1989 Original Tax Statement, mailed 10/5/89
- e) Tax Sale Notice, mailed 1/23/89

We have also notified by mail, the sale of these properties, to the Arizona Department of Revenue, Division of Evaluation and Equalization, Sales, Use & Severance Tax Division and Apache County Tax Assessor.

We are asking that any further request regarding these properties be sent to the current operator, Kenneth R. Hand d/b/a Dry Mesa Corporation at the address or addresses above.

Thank you for your prompt attention and cooperation in this matter.

Sincerely,



Scott L. Hand
Vice-President/Secretary

cc: Kenneth R. Hand d/b/a Dry Mesa Corporation
cc: Arizona Oil & Gas Commission

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 26 1990

LAVERE O. CONNOLLY
APACHE COUNTY TREASURER
P. O. BOX 699
ST. JOHNS, ARIZONA 85936
TELEPHONE: (602) 337-4364 EXT. 252

JAN 22 RECD

JANUARY 8, 1990

CROSS CREEK CORP.
SCOTT HAND
P. O. BOX 447
FARMINGTON, N. M. 77057

PARCEL ID 989-12-700-00-8
DESCRIPTION VALUE OF PRODUCING OIL AND GAS INTEREST

** TAX SALE NOTICE **

YEAR	RECEIPT	TAX CERT	TAX	INTEREST	TOTAL
88 F	43741		8,993.06	1,438.89	10,431.95
89 F	43644		4,403.62	88.07	4,491.69
TOTAL IF PAID BY FEBRUARY 1, 1990					14,923.64

PAYMENT MUST BE MADE BY CERTIFIED CHECK, CASHIERS CHECK, OR POSTAL MONEY ORDER.
THIS PARCEL HAS DELINQUENT TAXES. ADDITIONAL TAXES, INTEREST, AND PENALTIES MAY BE DUE.
UNDER THE PROVISIONS OF THE STATUTES COVERING DELINQUENT TAXES, IT IS MANDATORY FOR ME TO ADVERTISE & SELL ALL TAXES OLDER THAN 1989, WHICH ARE OUTSTANDING AGAINST THIS PROPERTY AFTER FEBRUARY 1, 1990 (ARS #42-385).

SINCERELY YOURS,
LAVERE O. CONNOLLY
APACHE COUNTY TREASURER

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

Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-716	Field Teec Nos Pos	Reservoir Ismay
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Dry Mesa Corporation		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P.O. Box 5446	City Farmington	State New Mexico 87499
Above named operator authorizes (name of transporter) The Permian Corporation		
Transporter's street address P.O. Box 1183	City Houston	State Texas 77251
Field address 2502 West Main, Farmington, New Mexico 87501		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the Oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
Change Of Operator February 1, 1989		

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

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

Date 4-12-89 Signature Kenneth R. Javel

Date approved: 1/9/90

By: [Signature]

Permit No. 232, 582, 640, 663

RECEIVED
APR 19 1989
O & G. C.S. C.

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

JAN 26 1990

AGREEMENT OF SALE AND PURCHASE

This agreement made and entered into this 15th day of February, 1989 by and between CROSS CREEK CORPORATION, an Oklahoma corporation, with an office and place of business at #30 Road 1990, Farmington, New Mexico 87499; hereinafter sometimes called "Seller," and DRY MESA CORPORATION, a Delaware corporation, with an office and place of business at #15 Willowbrook, Wichita, Kansas 67207, hereinafter sometimes called "Buyer."

Seller agrees to sell and Buyer agrees to buy for the sum described hereinafter the following described and referred to properties and interests which are together hereinafter sometimes referred to as the "Subject Interests."

All of Seller's right, title and interest in and to:

1. All of those properties, rights and interests described on Exhibit "A", attached hereto and made a part hereof for all purposes, together with all operating rights as to the oil, gas and mineral leases described on Exhibit "A".
2. Together with all units associated with the oil, gas and mineral leases noted on said Exhibit and all personal property, improvements, moveables, easements, permits, licenses, servitudes and rights-of-way situated upon or used or useful or held for future use in connection with the exploration, development, maintenance or operation of the properties, rights and interests described in No. 1 hereinabove or the production, treating, storing or transportation of the oil, gas or other minerals produced from such leases, including, but not by way of limitation, wells, tanks, boilers, buildings, fixtures, machinery and other equipment, pipelines, power lines, telephone and telegraph lines, roads and other appurtenances situated upon or used or useful or held for future use in connection with the exploration, development, maintenance or operation of the properties, rights and interests described in No. 1 hereinabove or the production, treating, storing or transportation of oil, gas or other minerals produced from the properties, rights and interests described in No. 1 hereinabove.

This agreement does not cover the sale and conveyance of any gas purchase pipelines, gas purchase facilities or gas purchase contracts.

This agreement and conveyance is made and accepted subject to the following terms and conditions:

1. Seller's Representations: Seller represents to Buyer:
 - (a) That the Subject Interests include all the property rights acquired by CROSS CREEK CORPORATION on those leases. (See Exhibit "A".)
 - (b) That, to the best of Seller's knowledge, there are no administrative proceedings, litigations or claims pending (other than those listed below), affecting or relating to the ownership, use, operation or maintenance of the Subject Interests.
 - (c) That, to the best of Seller's knowledge, all oil and gas leases, contracts, licenses, easements, permits and other rights and interests comprising

any portion of the Subject Interests are now and shall be as of the date of closing in full force and effect according to their respective terms and provisions and that all rights granted thereby are valid and subsisting, and Seller has received no notices or demands affecting or relating to such rights.

- (d) That, to the best of Seller's knowledge, all payments of rentals, royalties, and other charges, if any, required by the terms and provisions of the oil, gas and mineral leases, contracts, licenses, permits and easements comprising any portion of the Subject Interests to be made prior to closing date to prevent forfeiture or termination thereof shall have been fully and timely paid.
- (e) That all consents, waivers or permissions required for the valid and effective conveyance and assignment to Buyer of any rights or interests included within the Subject Interests have been obtained or will be obtained prior to the date of closing, and, if requested by Buyer, satisfactory evidence thereof will be furnished to Buyer at or before the date of closing.
- (f) That Seller has caused no lien to attach to any of the Subject Interests.
- (g) Seller has full power and authority to enter into and perform its obligations under this agreement and has taken all proper corporate action to authorize entering into this agreement and the performance of its obligations hereunder.
- (h) That Seller shall not have received, prior to the closing date, any prepayment for production of oil, gas or other minerals from the Subject Interests produced subsequent to the effective date hereof except payments for which Seller will make proper accounting to Buyer on the date of closing.
- (i) The conveyance and assignment from Seller to Buyer of the Subject Interests will contain no warranty of title to the Subject Interests, either expressed or implied, except that as to those items listed on Exhibit "A". Seller warrants that the Subject Interests have not been disposed of, mortgaged or encumbered by Cross Creek Corporation.

2. Buyer's Representations: Buyer represents to Seller:

- (a) That Buyer is negotiating this transaction and entering into this contract for its own account.
- (b) That Buyer will promptly cooperate in the closing of the transaction evidenced hereby after being informed by Seller that the papers necessary for such conveyance have been prepared.
- (c) That Buyer will promptly post a bond necessary to meet the requirements of operation of the Subject Interests. The buyer will accept any and all liabilities that should occur by the absence of such bonds.

3. Buyer's Conditions to Closing: The obligations of Buyer under this agreement to purchase the Subject Interests

shall, at Buyer's option, be conditioned upon the following:

- (a) Seller shall have performed all of the terms and provisions contained in this agreement to be performed.
 - (b) At the date of closing, no suit, action or other proceeding shall be pending or threatened in which it is sought to restrict or prohibit the consummation of the sale of the Subject Interests as contemplated by this agreement or in which title of Seller to any part of the Subject Interests is brought into question.
4. Records, Contracts and Files: If requested by Buyer, all original lease and land records, and all existing contracts, well files, including all well logs, core analyses, drilling records, filed forms, and all other materials pertaining to the Subject Interests in possession of Seller and copies or duplicates of which Buyer does not have shall be delivered to Buyer and, as of closing, shall become the property of Buyer as a part of the Subject Interests.
 5. ~~Property and/or~~ Property and/or ~~any~~ any ~~interest~~ interest ~~Taxes that remain unpaid against the~~ Taxes that remain unpaid against the ~~Subject Interests shall be the responsibility of Buyer.~~
 6. Conditions and Covenants: Buyer agrees that from and after the effective date, hereinafter noted, it will assume and carry out all conditions and covenants and obligations contained in the leases, contracts, licenses, easements and permits comprising the Subject Interests which Buyer is legally obligated to perform. Seller declares that, to the best of its knowledge, such conditions, covenants and obligations have been fully complied with and performed down to the effective date hereinafter noted and agrees to hold Buyer harmless from any claim or judgment arising out of Seller's failure to so comply with and perform any such conditions, covenants and obligations with which Seller was legally obligated to comply or as to which Seller was legally obligated to perform.
 7. ~~Effective Date: The conveyance and assignment of Subject~~ Effective Date: The conveyance and assignment of Subject ~~Interests to Buyer shall be made effective as to the date~~ Interests to Buyer shall be made effective as to the date ~~hereinafter noted above.~~
 8. The Buyer will assume ownership of any and all oil remaining in the tanks on the Subject Interests. The Seller will receive all monies for oil sold before the effective date and will pay all royalties and severance taxes due upon said production. After such royalties and taxes are paid, fifty (50) percent of the remaining monies will be paid to Hay Hot Oil under the terms of Exhibit "C", and the remaining fifty (50) percent will be credited to Sun's Interest.
 9. Closing Date: This sale and purchase shall be consummated and closed on the day first written above.
 10. Operation of Subject Interests: All costs and expenses of the operation of the Subject Interests after the effective date shall be charged to the account of Buyer and shall be paid solely by Buyer.
 11. Delivery of Records, Contracts and Files: At the time of

closing, or as soon thereafter as possible, Seller shall deliver to Buyer all records, contracts, files and other materials herein required to be furnished and delivered by Seller and which have not already been so delivered to Buyer. At closing, Seller shall then deliver to Buyer instruments of assignment and conveyance covering all of the Subject Interests duly executed and acknowledged on behalf of Seller.

12. Payment of Purchase Price: Buyer agrees to assume the liabilities as shown on Exhibit "B". The liability to Hay Hot Oil, Incorporated will be met under the conditions as set out in an agreement between Hay Hot Oil, Incorporated and Cross Creek Corporation and attached as Exhibit "C". The liability to Cross Creek Corporation will be met by and in a promissory note and agreement between the Buyer and Seller and a copy herein attached as Exhibit "D".
13. Negotiations of This Sale and Purchase: Each party represents that it has negotiated this transaction only through its own personnel and has incurred no obligation to any agent, or broker for any commission in connection with this transaction.
14. Entire Agreement: This agreement contains the entire agreement between the parties hereto with respect to the transaction covered hereby and supersedes all prior agreements between the parties, oral or written, relating to the subject matter of this agreement. This agreement shall extend to and be binding upon the heirs, successors and assigns of the parties hereto. An assignment shall be executed in consummation of this agreement. Any conflict between said assignment and this agreement shall be resolved in favor of this agreement.
15. Miscellaneous:
 - (a) The personal property, improvements and moveables included in the Subject Interests are to be conveyed without any warranties, expressed or implied, as to quality, merchantability or fitness for use of or for a particular purpose. Additionally, such items will be conveyed "as is" and "where is."
 - (b) ~~Buyer agrees to indemnify and hold Seller harmless from any and all claims, attorneys' fees, damages, costs, losses, interest, fines, damages, rulings and judgments accruing on and after the effective date and based on or arising out of or to the maintenance of the personal property, improvements and moveables included in the Subject Interests.~~
 - (c) ~~Buyer agrees to assume the obligation of this transaction, it solely assumes the responsibility to properly and promptly plug and abandon all wells needing such operations and located on the Subject Interests.~~
 - (d) ~~Buyer shall fully comply with all rules, regulations, orders, laws and rulings with respect to the Subject Interests and agrees to indemnify and hold Seller harmless from any attorneys' fees, judgments and damages accruing on and after the effective date and resulting from Buyer's failure to so comply.~~

- (e) Buyer shall fully comply with all terms, covenants and conditions of the oil, gas and mineral leases included in the Subject Interests and all related documentation and agrees to indemnify and hold Seller harmless from all claims, demands, fines, attorneys' fees, judgments and damages accruing on and after the effective date and resulting from Buyer's failure to comply.
- (f) Buyer hereby agrees to indemnify and hold harmless Seller from all attorneys' fees, costs, fines, damages, claims, judgments, and losses, accruing after said effective date, and resulting from, arising out of our association with any person or organization as to the Subject Interests, or any part thereof.
- (g) Buyer and Seller, for themselves and any related business concerns, hereby waive and release any and all claims and causes of action in favor of Buyer or Seller, and any related business concern, against Buyer or Seller, and any related business concern, and arising out of the contractual or business relationship of Buyer and Seller, or any related business, as to the Subject Interests, excluding this Agreement of Sale and Purchase and said Assignment executed pursuant to this Agreement of Sale and Purchase. If this waiver and release is legally ineffectual then Buyer and Seller hereby agrees to indemnify and hold harmless each other from any and all claims, damages and causes of action in behalf of each (or in behalf of any affiliate or related business concern of each) except for those claims, damages and causes of action arising by virtue of or pursuant to this Agreement of Sale and Purchase or said Assignment, and arising out of, related to or associated with the contractual or business relationship of Seller (or any affiliate or related business concern of Seller) with Buyer (or any affiliate or related business concern of Buyer) as to the Subject Interests.
- (h) The conveyance of the Subject Interests shall be made specifically subject to any and all conveyances, reservations and matters of record in Apache County, Arizona, or the Bureau of Land Management, even though such conveyances, reservations and matters are not specifically recited herein or in said conveyance, to any gas purchase contracts currently in force as to the Subject Interests, if any, and to all non-consent elections by seller or its predecessors in interest.

This agreement may be executed in one or more counterparts, each of which shall have the same validity as the original. This instrument is signed effective as to the date first written above.

SELLER: CROSS CREEK CORPORATION


S. L. Hand
Vice President/Secretary

BUYER: DRY MESA CORPORATION


Kenneth R. Hand
President

EXHIBIT "A"

LEASE SCHEDULE

LEASE NO.	NAME	LEASE DATE & TERM	BASIC RI	ORRI BURDEN	DESCRIPTION	GROSS ACRES	NET ACRES
BIA 14-20-603-4190	Navajo Tract 138	05/28/58 HBP	16.67%	-0-	Township 40 North, Range 28 East Section 1 : All Section 2 : All Section 11 : All Section 12 : All	2,357.00	1,178.50
					Apache County, Arizona		
BIA 14-20-603-716	Teec Nos Pos	10/07/54	12.5%	-0-	Township 41 North, Range 30 East Section 23: S $\frac{1}{2}$ Section 25: W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 26: NE $\frac{1}{4}$	640.00	640.00



Oil and Gas Conservation Commission

STATE OF ARIZONA
3110 N. 19th AVENUE, SUITE 190
PHOENIX, ARIZONA 85015
PHONE: (602) 255-5161

December 24, 1987

BHP Petroleum
5613 DTC Parkway, Ste 600
Englewood, CO 80111

Attn: J. W. Bair

Gentlemen:

Thank you for your letter of Dec. 21, 1987, confirming the sale of property in the Dry Mesa and Teec Nos Pos fields to Cross Creek Corp.

Please be aware that your bonds (Nos. 731451 and 8111-66-21) on these properties cannot be released until Cross Creek files their own bond(s), which to date they have not done.

If we can be of any assistance, please advise.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

RAY:lr

RECEIVED

DEC 23 1987

O & G CONS. COMM.

Suite 600
5613 DTC Parkway
Englewood, Colorado 80111
Telephone (303) 850-9090
DEX: (303) 850-9110

December 21, 1987



Oil and Gas Conservation Commission
State of Arizona
Suite 190
3220 N. 19th Avenue
Phoenix, Arizona 85015
Attn: R. A. Ybarra

Re: Transfer of Property
Dry Mesa and Teec Nos Pos Fields
Apache County, Arizona

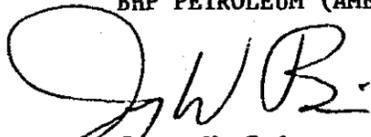
Gentlemen:

Pursuant to your letter dated October 14, 1987 (copy attached), this is to notify you that Tract 138 property in Dry Mesa Field and property in Teec Nos Pos Field, Apache County, Arizona, has been sold by BHP Petroleum (Americas) to Cross Creek Corporation, P. O. Box 1957, Duncan, Oklahoma 73534. Operations were assumed from BHP by Cross Creek at 7:00 a.m. on April 1, 1987. A list of wells involved is attached.

If you have any further questions, please do not hesitate to contact us.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.


Jerry W. Bair

/js
Attachment



Oil and Gas Conservation Commission
STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190
PHOENIX, ARIZONA 85015
PHONE: (602) 255-5161

October 14, 1987

BHP Petroleum Company, Inc.
1300 Post Oak Tower
5051 Westheimer
Houston, TX 77056

RE: Transfer of Property
Dry Mesa and Teec Nos Pos Fields
Apache County, Arizona

Gentlemen:

We understand that certain wells located in the above-captioned fields have been transferred to Cross Creek Corp., effective July 20, 1987.

Please be informed that BHP is also required to notify the Commission in writing to confirm the transfer. Identify and give a location for each well transferred and confirm the effective date of transfer.

Your bonds, Nos. 731451 and 8111-66-21, will be released as soon as we receive proper bonding from the new operator.

If you have any questions on this matter, please call.

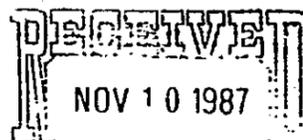
Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

/kb

cc: Cross Creek Corp.
P. O. Box 447
Farmington, NM 87499-0447

NOV 4 1987



BHP PETROLEUM
DNV LAND DEPT.

WELL LOCATIONS

BHF Petroleum (Americas) Inc.

<u>Well Name</u>	<u>Description</u>
Old Trading Post #1	790' FSL and 1850' FWL Sec. 10, T26N, R14W
Navajo "0" #1	1880' FWL and 660' FSL Sec. 23, T41N, R30E
Navajo "0" #2	1830' FSL and 1930' FEL Sec. 23, T41N, R30E
Navajo "0" #3	1000' FSL and 900' FWL Sec. 23, T41N, R30E
Navajo "0" #4	660' FSL and 660' FEL Sec. 23, T41N, R30W
Navajo "0" #5	560' FNL and 660' FEL Sec. 26, T41N, R30E
Navajo Tract 138 #1	630' FNL and 660' FEL Sec. 11, T40N, R28E
Navajo Tract 138 #2	1980' FNL and 660' FWL Sec. 12, T40N, R28E
Navajo Tract 138 #3	760' FSL and 2035' FEL Sec. 2, T40N, R28E
Navajo Tract 138 #6	1689.5' FSL and 2289.7' FWL Sec. 2, T40N, R28E

1300 Post Oak Tower
5051 Westheimer
Houston, Texas 77056
Telephone (713) 877-5999
Fax (713) 877-5950
Telex 262496



August 19, 1986

Mr. R. A. Ybarra
Enforcement Director
Oil & Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Re: BHP Petroleum (Americas)-
Bond #731451
BHP Petroleum Company -
Bond #8111-66-21

Dear Mr. Ybarra:

Pursuant to your request July 16, 1986 of Ms. Diana Jones, we submit the following well information by company:

BHP Petroleum Company Apache County, Arizona
Formerly: Monsanto Oil Company
Dry Mesa Field
Navajo Tract 138
Well #'s

State Permit No.

1	77
2	106
3	115
6	852

Legal Description on the above is: Sec 1, 2, 11 & 12 TWP 40N-29.

BHP Petroleum (Americas) Apache County, Arizona
Teec Nos Pos, Ismay Field
Navajo Tribal 'O'

Well #'s

State Permit No.

Section No.

TWP 41N-30E.

1	232	23
2	582	23
3	640	23
4	663	23
5	678	26
6	683	25
9	687	26

August 5, 1977

Mr. Dean Barnes
Energy Reserves Group
Box 3280
Casper, Wyoming 82601

Re: Navajo "o" #2, NW/SE/4 Sec. 23, T41N, R30E,
Apache County, State Permit No. 582

Dear Dean:

In the future, when reporting the water injection into
the referred well, please use the enclosed forms.

Very truly yours,

W. E. Allen
Director
Enforcement Section

WEA/vb

Enc.

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. 52

ORDER NO. 51

THE APPLICATION OF ENERGY RESERVES
GROUP FOR AUTHORITY TO DISPOSE OF
SALT WATER PRODUCED FROM THE LOWER
ISMAY ZONE BY INJECTION INTO THE
LOWER ISMAY ZONE IN THE NAVAJO "O"
NO. 2 WELL LOCATED 1830 FEET FROM
THE SOUTH AND 1980 FEET FROM THE
EAST LINE OF SECTION 23, TOWNSHIP
41 NORTH, RANGE 30 EAST, APACHE
COUNTY, ARIZONA, THROUGH PERFORA-
TIONS IN THE LOWER ISMAY ZONE

BY THE COMMISSION

This cause was considered at 10:00 a.m. on March 25, 1977,
at Phoenix, Arizona, before the OIL AND GAS CONSERVATION COMMISS-
SION of the STATE OF ARIZONA, hereinafter referred to as the
"COMMISSION".

NOW, the COMMISSION, a quorum being present, having con-
sidered the testimony presented and the exhibits received at
said hearing, and being fully advised in the premises, finds
as follows;

FINDINGS:

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

(2) THAT due public notice has been given as required by
law.

582

(3) THAT Energy Reserves Group has made proper application to the COMMISSION for approval of its plan to dispose of salt water in subject well through perforations at a depth from 5298 feet to 5328 feet in the Lower Ismay Formation.

(4) THAT to allow Energy Reserves Group to proceed as outlined in its plan of operations as amended during this hearing is to the best public interest of the STATE OF ARIZONA.

IT IS THEREFORE ORDERED:

THAT Energy Reserves Group is hereby authorized to dispose of salt water in the Energy Reserves Navajo "O" No. 2 Well located 1830 feet from the south and 1930 feet from the east line of Section 23, Township 41 North, Range 30 East, Apache County, Arizona, through perforations from a depth of 5298 feet to 5328 feet in the Lower Ismay Formation and to condition the well in the following manner in order to preclude any chance of the salt water injected into this well from entering into or contaminating any other oil or gas producing zones or water aquifers: perforate 5-1/2 inch casing at 3500 feet, set a retrievable packer above these perforations and attempt to circulate cement up the hole and into the surface casing. Should this prove to be impossible, Energy Reserves Group will squeeze cement the casing perforations at 3500 feet and perforate 5-1/2 inch casing at 3100 feet and attempt to pump cement into the casing annulus, and up the annulus into the surface casing. Should this attempt to recement prove impossible, the operators will then squeeze cement the perforations



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

~~XXXXXXXXXXXXXXXX~~ 8686 N. Central
PHOENIX, ARIZONA ~~85018~~ Suite 106, 85020
PHONE: (602) 271-5161

December 29, 1975

Mr. Terry J. Cox
Clinton Oil Company
~~P. O. Box 5260~~ *217 N. Water Street*
Casper, WY 82601 *Wichita Kansas 67201*

RE: Navajo "O" #1
Permit # 232

Navajo "O" #2 ✓
Permit #582

Navajo "O" #3
Permit #640

Dear Mr. Cox:

Your production report for the month of November indicates gas sales from all three of the above referenced wells. However, you failed to break out the amount of gas sold from each individual well. It will be necessary in the future for you to indicate the amount of gas sold from each well on your future production reports.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl



OFFICE OF
Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

8626 N. CENTRAL, SUITE 106
PHOENIX, ARIZONA 85020

November 17, 1975

Mr. Dean B. Barnes
Drilling Engineer
Clinton Oil Company
P. O. Box 2434
Casper, Wyoming 82601

RE: Navajo Tribal "O" Lease
SW SW Sec 23, T41N, R30E
Apache County, Arizona

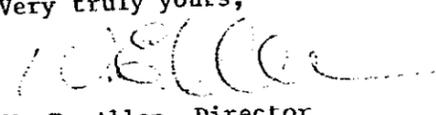
Dear Mr. Barnes:

We have been advised that El Paso Natural Gas Company has made connection to your lease for the purpose of purchasing gas produced from your wells located on the above referenced lease.

Please submit a copy of Form #8, Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease, for each well that is connected to El Paso Natural Gas line. Please refer to Rule #801 of our Rules and Regulations for the Oil and Gas Conservation Commission.

We would appreciate receiving these forms as soon as possible.

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/sl

Encls.

Form 23-119 (Rev. 4-73)

EL PASO NATURAL GAS COMPANY
POST OFFICE BOX 990
FARMINGTON, NEW MEXICO

RE/
NOTICE OF GAS CONNECTION

DATE November 13, 1975

THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT CONNECTION FOR PURCHASE OF

GAS FROM <u>Clinton Oil Company</u>		<u>Navajo Tribal O #1, 273</u>	
Operator		Well Name	
<u>95-005-01</u>	<u>95005-0</u>	<u>N</u>	<u>23-41N-30E</u>
Meter Code	Site Code	Well Unit	S-T-R
<u>Bitu Peak Paradox</u>		<u>El Paso Natural Gas Company</u>	
Pool		Name of Purchaser	

WAS MADE ON October 24, 1975
Date

FIRST DELIVERY November 3, 1975
Date

AOF _____

CHOKE _____

El Paso Natural Gas Company
Purchaser
[Signature]
Representative
Chief Dispatcher
Title

cc: Operator Wichita, Kansas
Oil Conservation Commission - 81 - 4515 N. 7th - Phoenix
Proration - El Paso

File

RECEIVED

NOV 17 1975

O & O CONS. COMM.

XXXXXXXXXXXXXXXXXXXX
XXXX

8686 N. Central
Suite 106, 85020

October 27, 1975

Mr. Duane L. Kihle
Clinton Oil Company
P. O. Box 3280
Casper, Wyoming 82601

RE: Clinton Oil Company Navajo "O" #2
NW SE Sec. 23, T 41N, R30E
Apache County, Arizona
File #582

Dear Mr. Kihle:

So long as the above referenced well is producing, Form 25, Sundry Notice, will not be required by this office. Should this well or any other well operated by Clinton within the state change status, the change in status should be reported on Form #25.

Should you have any questions regarding this, please advise.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

Nov-1975
25

To be filed on an annual basis
around Oct-Nov.

November 4, 1974

Mr. M. A. Stead
Clinton Oil Company
P. O. Box 1201
Wichita, Kansas 67201

Re: Clinton Oil Company Navajo "O" #2
NW/SE Sec 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

Our letter of October 2, 1972 regarding the above referenced well requested a Sundry Notice, Form 25, to be filed on this well on an annual basis.

Please submit this form reporting the current status of this well as soon as possible.

Very truly yours,

Mrs. Rhema Brandt
Secretary to W. E. Allen
Director-Enforcement Section

/rlb

Enc.

74 report received

file no
longer required

11-29-74
7-19-75
9-29-75

CLINTON OIL COMPANY

Northern Division / Casper Office

P. O. Box ~~2334~~ 3280

Casper, Wyoming 82601

307 265-7331

RECEIVED

SEP 2 1975

O & G CONS. COMM.

September 29, 1975

Ms. Saralee Lorenzo
Oil and Gas Conservation Commission
State of Arizona
8686 N. Central, Suite 106
Phoenix, Arizona 85020

Re: Your letter of 9/12/75
Clinton Oil Company Navajo "O" #2
NW SE Sec. 23, T 41 N, R 30 E
Apache County, Arizona
Your File #582

Dear Ms. Lorenzo:

In reply to subject letter requesting the Annual Sundry Notice on subject well, please find attached the Sundry showing the current status of the well.

Due to the fact the well is now on production status, is it necessary to file this Annual Sundry Notice?

Please advise. Also, please change our mailing address for all correspondence to the address on this letterhead.

Thanking you in advance,

Yours very truly,

Duane L. Kihle
Duane L. Kihle
District Production Clerk
Rocky Mountain District

DLK:ed

Encls.

*Form 25 no longer necessary
see ME*

SUNDAY NOTICES AND REPORTS ON WELLS

1. Name of Operator Clinton Oil Company
 2. OIL WELL GAS WELL OTHER (Specify) _____
 3. Well Name Navajo "O" #2
 Location 1980' FEL and 1830' FSL
 Sec. 23 Twp. 41N Rge. 30E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease. 14-20-603-716

5. Field or Pool Name Teec Nos Pos, Ismay

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

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

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

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

Well was drilled to TD of 5855'. Lower Ismay was perforated at 5298' - 5301' and tested as uneconomical due to excessive water. Well was held as possible disposal well. In June 1975 a pump unit was installed to test the well. A potential test was filed on Form 6, 7-22-75. We have now installed a permanent pumping unit and the well will remain on as a producing oil well.

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

Signed [Signature] Title Dist. Prod. Clerk Date 9-29-75

Permit No. 582

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

*Nov
1-75*

XXXXXXXXXXXXXXXXX 8686 N. Central
XXXX Suite 106
85020

September 12, 1975

Mr. M. A. Stead
Clinton Oil Company
P. O. Box 1201
Wichita, Kansas 67201

RE: Clinton Oil Company Navajo "0" #2
NW/SE Sec 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

This is to remind you that the Sundry Notice, which is due on an annual basis, for the above referenced well will be due again around the end of October.

I will be gone for approximately 6 weeks and I wanted to make sure that you received this notice in plenty of time.

Very truly yours,

Saralee Lorenzo
Secretary to W.E. Allen
Enforcement Section

sl

*Received
10-2-75*

CLINTON OIL COMPANY

Northern Division / Casper Office

P. O. Box 2434 / Casper, Wyoming 82601 / 307 265-7331

August 11, 1975

Mr. W. E. Allen
Oil & Gas Conservation Commission
8686 N. Central
Suite 106
Phoenix Arizona 85020

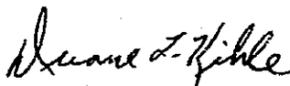
Re: Navajo "O" # 2
NW/SE $\frac{1}{4}$ Sec 23, T41N, R30E
Permit #582

Dear Mr. Allen:

In reply to your letter of July 31, 1975 regarding the operator's certificate of Compliance and Authorization to transport oil or gas from lease please find attached a copy of subject form approved by you on June 20, 1975. The oil from this well is going into test tanks until such time as we can determine whether to run a line to battery at No. 1 or set permanent tanks at this well.

If I can be of any further assistance please let me know.

Yours very truly,



Duane L. Kihle
Rocky Mountain District Production Clerk

Encl: 1

DLK:vlf

RECEIVED
AUG 13 1975
O & G CONS. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if free lease Navajo Tribal "O" #2	Field Teec Nos Pos, Ismay	Reservoir Paradox
Survey or Sec-Twp-Rge Sec. 23, T41N, R30E	County Apache	State Arizona
Operator Clinton Oil Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 3280	City Casper	State Wyoming 82601
Above named operator authorizes (name of transporter) Plateau, Inc.		
Transporter's street address P. O. Box 108	City Farmington	State New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the oil from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. This to transport oil from #2 well while testing; if economical, the oil from this well will go to Battery with #1 well.		

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Clerk of the Clinton Oil 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 June 16, 1975
Date approved: 6-20-75
By: W.E. [Signature]
Permit No. 582

[Signature]
Signature

RECEIVED
JUN 23 1975
O & G CON. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to Transport Oil or Gas from Lease
File Two Copies
Form No. 2

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

8686 N. Central
Suite 106
85020

July 31, 1975

Mr. Duane L. Kihle
District Production Clerk
Rocky Mountain District
Clinton Oil Company
P. O. Box 3280
Casper, Wyoming 82601

RE: Navajo "O" #2
NW/SE $\frac{1}{4}$ SEC. 23, T41N, R30E
Permit #582

Navajo "O" #3
Permit #640

Dear Mr. Kihle:

Thank you for the information concerning the amount of water produced on the above well's Potential Test.

Our letter dated July 25, 1975 regarding the Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease requested this form for both your #2 and #3 wells. We, of course, received the form for the #3 well, but we also need a completed Form #8 for your #2 well. Please refer to Rule #801 of the Rules and Regulations of the Oil and Gas Conservation Commission.

We are returning the approved copies of Form #8 covering the Navajo "O" #3 well.

Thanks for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/si

Encls.

WPA

CLINTON OIL COMPANY

Northern Division / Casper Office

P. O. Box ~~2439~~ 3280 / Casper, Wyoming 82601 / 307 265-7331

July 28, 1975

Mr. W. E. Allen
Oil & Gas Conservation Commission
8686 N. Central, Suite 106
Phoenix, Arizona 85020

Re: Navajo "0" #2, Permit #582
Navajo "0" #3, Permit #640

Dear Mr. Allen:

In reply to your letter of July 25, 1975 to our Mr. Cox, please be advised that the barrels of water produced on a test of Navajo "0" #2 was 342 barrels per day.

Enclosed please find two (2) copies of Form #8, Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease for well #3.

Yours very truly,

Duane L. Kihle
Duane L. Kihle
District Production Clerk
Rocky Mountain District

DLK:ed

Encls. (2)

RECEIVED
JUL 30 1975
O & G CONS. COMM.

640
582

XXXXXXXXXXXXXXXXXXXX
XXXXXX

8686 N Central
Suite 106
Phx., Az 85020

July 25, 1975

Mr. Terry J. Cox
Clinton Oil Company
P. O. Box 3280
Casper, Wyoming 82601

RE: Navajo "O" #2
Permit #582

Navajo "O" #3
Permit #640

Dear Mr. Cox:

Please complete and return to our office a copy of Form #8,
Operator's Certificate of Compliance and Authorization to
Transport Oil or Gas from Lease.

On your Potential Test for Navajo "O" #2 you failed to
indicate the number of barrels of water produced. Please
advise us of the amount of water produced from this well
during the test so that it can be added to the well history.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/si

Encls. (6)

582

July 15, 1975

Mr. Dean B. Barnes
Drilling Engineer
Clinton Oil Company
P. O. Box 3280 Casper, Wyoming 82601

RE: Navajo "O" #2
NW/SE Sec. 23, T41N/R30E
Permit #582

Dear Mr. Barnes:

Your production report for the month of June indicated the above referenced well produced 355 barrels of oil during this period.

Will you please complete the attached Form #6, Potential Test, and return to this office. As you know, this form is not usually required, however, your production report for this well dated September 29, 1972 indicated "No Production". Therefore, to complete our records, we request this form as required.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

Encls.

November 4, 1974

Mr. M. A. Stead
Clinton Oil Company
P. O. Box 1201
Wichita, Kansas 67201

Re: Clinton Oil Company Navajo "O" #2
NW/SE Sec 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

Our letter of October 2, 1972 regarding the above referenced well requested a Sundry Notice, Form 25, to be filed on this well on an annual basis.

Please submit this form reporting the current status of this well as soon as possible.

Very truly yours,

Mrs. Rhema Brandt
Secretary to W. E. Allen
Director-Enforcement Section

/rlb

Enc.

CLINTON OIL COMPANY

WMA

Our New Mailing
Address

is

P.O. BOX 1201
WICHITA, KANSAS 67201

November 13, 1973

Mr. M. A. Stead
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Clinton Oil Company Navajo "O" #2
NW/SE Section 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

Our letter of October 2, 1972 regarding the above referenced well requested a Sundry Notice, Form 25, to be filed on this well on an annual basis.

Please submit this form reporting the current status of this well as soon as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.



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

April 16, 1973

Clinton Oil Company
217 North Water
Wichita, Kansas 67202

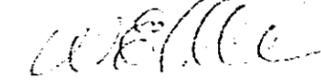
Re: Pan American No. 1 Navajo "O"
SE/SW Sec 23-T41N-R30E
Apache County
Our File #232

Clint Oil Navajo "O" 2
NW/SE Sec 23-T41N-R30E
Apache County
Our File #582

Gentlemen:

Please refer to our letter of February 23, 1973, which informed you that the field in which the above referenced wells are located has been named Teec Nos Pos, Ismay. In the future it would be appreciated if you would use this name on the various forms you submit or any correspondence concerning these wells.

Very truly yours,


W. E. Allen, Director
Enforcement Section

WEA/rlb

February 23, 1973

Mr. V. W. Krutsinger
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Pan American No. 1 Navajo "0"
SE/SW Sec 23-T41N-R30E
Apache County, Arizona
Our File # 232

Dear Mr. Krutsinger:

After due consideration, this Commission has decided to name the field in which the above referenced well is located as the Teec Nos Pas Ismay. We hope that this meets with your approval.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



CLINTON OIL COMPANY

217 NORTH WATER / WICHITA, KANSAS 67202 / 316 252-4411
Cable Address: CLINTOIL

October 30, 1972

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

Attention Mr. W. E. Allen

Re: Pan American No. 1 Navajo "O"
SE/SW Section 23-T41N-R30E
Apache County, Arizona
Your File No. 232

Gentlemen:

Thank you for your letter giving us the opportunity to choose a name for the subject field. We submit the following choices:

Goldwater South
Goldwater North
Goldwater West
Goldwater East

Yours very truly,

V. W. Krutsinger
Manager
Joint Operations

VWK:pw

RECEIVED

NOV 02 1972

O & G CONS. COMM.

October 25, 1972

Mr. Mike A. Stead
Clinton Oil Company
217 North Water Street
Wichita, Kansas 67202

Re: Pan American #1 Navajo "0"
SE/SW Section 23-T41N-R30E
Apache County
Our File #232

Dear Mr. Stead:

The above referenced well is currently producing on your lease and your No. 2 Navajo "0" is temporarily abandoned. The field or pool from which your No. 1 Navajo "0" is producing has never been officially named. Primarily for identification purposes, this Commission desires that this field now be named.

If you will submit three choices of names for this field, this Commission will pick one of the three and officially assign the chosen name to this field. If you have no desire to assist in the naming of this field, the Commission will arbitrarily assign a name.

Your cooperation is appreciated.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b.

October 2, 1972

Mr. M. A. Stead
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Clinton Oil Company Navajo "O" #2
NW/SE Section 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

We regret to learn that the above referenced well did not prove to be a commercial producer. Your request to leave this well temporarily abandoned for future use as a water disposal well is granted.

Prior to re-entry of this well for any purpose, this Commission will need to be advised of your plans before any work is started. We would also appreciate a Sundry Notice, Form 25, reporting the status of this well to be filled on an annual basis.

We are returning a copy of Halliburton's ticket number SA 484354 which we believe was inadvertently sent to this office.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

WA



CLINTON OIL COMPANY

217 NORTH WATER / WICHITA, KANSAS 67202 / 316 262-8231
Cable Address: CLINTOIL

July 21, 1972

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

Re: Clinton Oil Company Navajo "O" #2
NW/SE Section 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Allen:

Pursuant to your letter of July 18, 1972, we are aware of the expiration date of August 9, 1972. We intend to drill this well as soon as possible although a starting date has not yet been established.

We are, therefore, requesting that you extend our permit #582 for an additional 90 days.

Yours very truly,

CLINTON OIL COMPANY

M. A. Stead
District Production Engineer
Rocky Mountain District

MAS/dw
cc: Phil McGrath

RECEIVED
JUL 24 1972
O & G CONS. COMM.

July 18, 1972

Mr. M. A. Stead
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Clinton Oil Company Navajo "O" #2
NW/SE Section 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

This is to advise you that the above referenced permit issued for the drilling of your Navajo "O" #2 well in Apache County will expire on August 9, 1972.

If you wish to extend this permit, please advise this office prior to the expiration date.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

May 8, 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 May 1, 1972.

Clinton Oil Company, Navajo "O" #2
NW/SE Section 23-T41N-R30E
Apache County
Our File #582

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

May 8, 1972

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

Dear Mr. Getscher:

The following permit was issued on May 8, 1972.

Clinton Oil Company, Navajo "D" #2
NW/SE Section 23-T41N-R30E
Apache County, Elevation 5171
Our File #582

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

May 8, 1972

Mr. M. A. Stead
Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Re: Clinton Oil Company, Navajo "O" #2
NW/SE Section 23-T41N-R30E
Apache County
Our File #582

Dear Mr. Stead:

Enclosed please find Receipt No. 2917, covering the \$25 filing fee, a copy of your approved Application for Permit to Drill and Permit to Drill #582.

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

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Enc.



CLINTON OIL COMPANY

217 NORTH WATER / WICHITA, KANSAS 67202 / 316 262-8231
Cable Address: CLINTOIL

May 4, 1972

Arizona Oil & Gas Conservation Comm.
4515 North 7th Avenue
Phoenix, Arizona 85013

Re: Navajo "O" #2
Sec. 23-T41N-R30E
Apache County, Arizona
582

Gentlemen:

Enclosed is an Application For Permit To Drill the captioned well. All information on this well is to be held confidential.

Very truly yours,

CLINTON OIL COMPANY

M. A. Stead
District Production Engineer
Rocky Mountain District

MAS/kb
Encl.

RECEIVED

MAY 08 1972

O & G CONS. COMM.

RECEIVED

MAY 08 1972

O & G CONS. COMM.

CLINTON OIL COMPANY
217 NORTH WATER STREET
WICHITA, KANSAS 67202

NAME ARIZONA OIL AND GAS CONS. COMM.

990404

DESCRIPTION

Drilling Permit Application

\$25.00

RECEIVED

MAY 08 1972

O & G CONS. COMM.

582

PLEASE DETACH BEFORE DEPOSITING

Permit No. 5
By
Date

3-15-76

Address on Water street

Memo to File:

Received notice on 3-12-76 that Clinton Oil Company changed their name from Clinton Oil Company to Energy Reserves Group. This is a name change only, address stays the same.