

M-d

KCM COMPANY COCHISE STATE WELL NO. 1
NE/NE Sec 16-T22S-R31E, Cochise Co. 629

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

KCM Company
NAME OF COMPANY OR OPERATOR

P. O. Drawer 70 **Midland** **Texas 79701**
Address City State

Drilling Contractor
Tri-Service Drilling Company
Address
P. O. Drawer 70 - Midland, Texas 79701

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor Cochise State Lse. No. 14637	Well number 1	Elevation (ground) 4404
Nearest distance from proposed location to property or lease line: 997' North feet	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: None feet	
Number of acres in lease: 640	Number of wells on lease, including this well, completed in or drilling to this reservoir: No	
If lease, purchased with one or more wells drilled, from whom purchased: Name Address		
Well location (give footage from section lines) 997' FNL & 1000' FEL	Section—township—range or block and survey 16 22S 31E G&SRM	Dedication (Comply with Rule 105) E/2 of NE/4
Field and reservoir (if wildcat, so state) Ellenburger Wildcat	County Cochise	
Distance, in miles, and direction from nearest town or post office: 26 miles N.E. Douglas		
Proposed depth: 7000'	Rotary or cable tools Rotary	Approx. date work will start 2-1-75
Bond Status: Blanket Amount: \$25,000	Organization Report On file Or attached XX	Filing Fee of \$25.00 Attached XX

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Nolan W. Allen** of the **KCM 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.

RECEIVED

SEP 11 1974

Q & G CONS. COMM.

Nolan W. Allen
Signature

September 10, 1974

Date

Permit Number: **629**
Approval Date: **9-19-74**
Approved By: *W.R. Allen*

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

Form No. 3

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

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

Owner J. S. Abercrombie Min. Co. - 25% City Investing Co. - 25% Lynn D. Durham - 25% KCM Company - 25%	Land Description
<div style="border: 1px dashed black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; width: 90%; height: 90%; margin: 5px;"> <p style="text-align: center; font-weight: bold;">SEE ATTACHED PLAT</p> </div> </div>	
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#	K-55 ST&C			100'+	Circulate
8-5/8	32 & 24	K-55 ST&C	24#	32#	3000'+	400 sks.
5-1/2	17#	K-55 ST&C	17#	17#	7000'	600 sks.

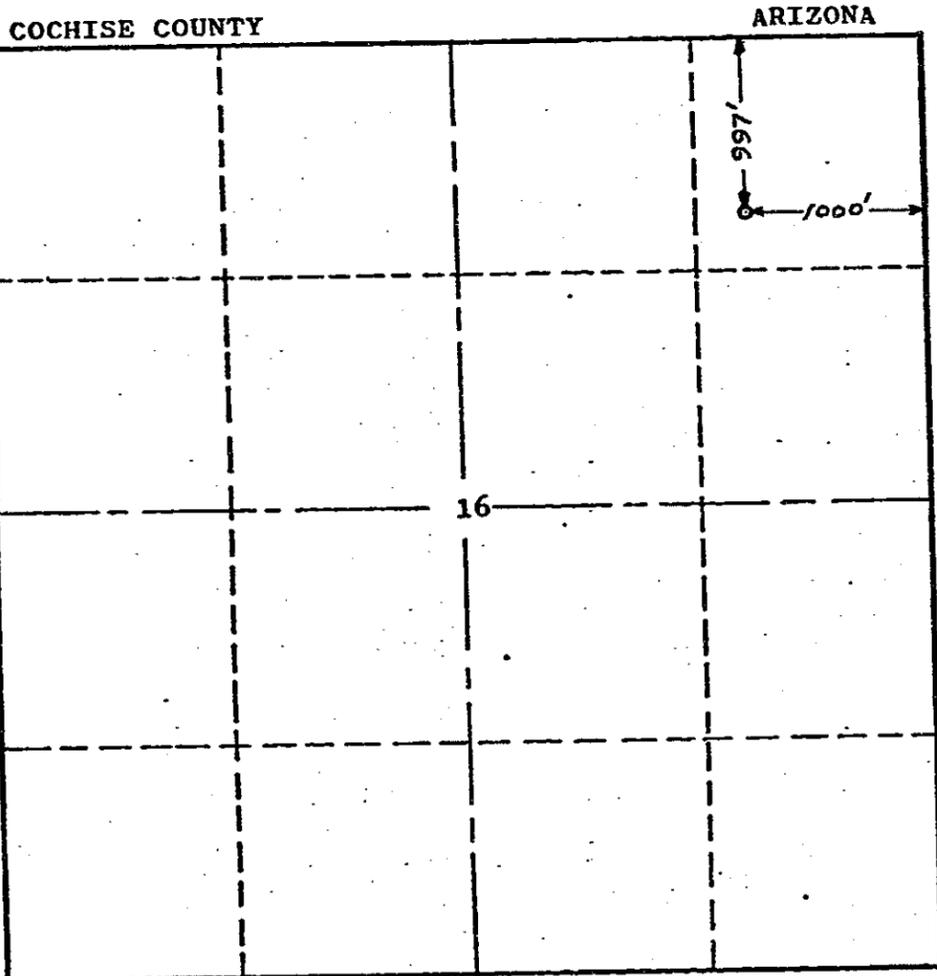
COMPANY TRI-STATE DRILLING COMPANY

K.C.M. Company
LEASE COCHISE - STATE Well No. 1

SECTION 16 T. 22S R. 31E. Gila & Salt River Meridian

LOCATION 997' from the north line
1000' from the east line

ELEVATION 4404 - Ungraded ground



Scale: 1" = 1000'

The undersigned, KROEGER ENGINEERING COMPANY, hereby certifies that the above plat was prepared from field notes of actual surveys made by them, and that the same are true and correct to the best of their knowledge and belief.

RECEIVED DATE: August 27, 1974

SEP 11 1974

O & G CONS. COMM.

629

KROEGER ENGINEERING COMPANY
Ariz. L.S. Reg. No. 2340
By: John A. Kroeger
John A. Kroeger, President





PERMIT TO DRILL

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

To: BRANUM, H.W. dba KCM COMPANY
(OPERATOR)

to drill a well to be known as

Cochise State Well Number 1
(WELL NAME)

located 997' FML & 1000' FEL

Section 16 Township 22S Range 31E, Cochise County, Arizona.

The E/3 of NE/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 19th day of September, 19 74.

OIL AND GAS CONSERVATION COMMISSION

By W.B. [Signature]
EXECUTIVE SECRETARY

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

PERMIT No 629

RECEIPT NO. 197
API NO. 02-003-20003

SAMPLES ARE REQUIRED

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

OIL PROPERTIES

(915) 684-7702

KCM COMPANY

P. O. DRAWER 70
MIDLAND, TEXAS 79701

September 12, 1975

O. C. C. COMM.

Mr. W. E. Allen, Director
Enforcement Section
Oil & Gas Conservation Commission
State of Arizona
8686 N. Central, Suite 106
Phoenix, Arizona 85020

Dear Mr. Allen:

This is to request that Arizona Bond Serial No. 953A3467
issued to M. W. Branum, dba KCM Company, be canceled as no further
drilling activity is contemplated at this time.

Very truly yours,

Mary Moran

Mary Moran
For KCM Company

MM:s

cc: Mr. John W. Rahlfs
P. O. Box 92
Midland, Texas 79701

*Canceled
9-12-75*



THE TRAVELERS
THE TRAVELERS INDEMNITY COMPANY

Hartford, Connecticut

NOTICE OF CANCELLATION

RECEIVED

AUG 22 1975

TAX REVENUE - MVD

August 20, 19 75

Arizona Highway Department
Motor Vehicle Div.
1739 West Jackson St.
Phoenix, Arizona 85007

RECEIVED
SEP 1 1975
O & G

Bond No. 953A3467
Principal M. W. Branum dba KCM Company

On the 23rd day of August, 19 75, THE TRAVELERS INDEMNITY COMPANY, as Surety,
executed a(n) **** See Below bond in the penalty of Twenty-five Thousand and no/100
Dollars (\$ 25,000), on behalf of M. W. Branum dba KCM Company
of Midland, Texas as Principal, in favor of State of Arizona
as Obligee. The bond, by its terms, provides that the Surety may terminate its liability by giving notice of its election
to do so to the Obligee. In accordance with the terms of the bond we hereby elect to terminate our liability and shall, as of
the 23rd day of August, 19 75 consider ourselves released from all liability by reason of
any default committed thereafter by the Principal.

Below is an Acknowledgement which we would appreciate your signing and returning.

THE TRAVELERS INDEMNITY COMPANY

**** Blanket Oil & Gas Well
Drilling Bond

By: Deborah Dobbs
Deborah Dobbs, Attorney in Fact

Please detach and return to
THE TRAVELERS INDEMNITY COMPANY
at the following address:

Two NorthPark East

Dallas, Texas 75231

Principal M. W. Branum dba KCM Company

Bond No. 953A3467

ACKNOWLEDGEMENT

Your Notice of Cancellation has been received. We have arranged to cancel the bond effective the 15th
day of Sept, 19 75
Date: 9-15-, 19 75

OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA

By: W. B. [Signature]
Date: 9-15-75

629

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 953A3467

That we: M. W. Branum dba KCM Company
of the County of Midland in the State of Texas
as principal, and The Travelers Indemnity Company
of Hartford, Connecticut

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty five thousand and No/100 (\$25,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

Blanket Bond

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

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

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

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

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

WITNESS our hands and seals, this 23rd day of August, 1974

RECEIVED

SEP 19 1974

M. W. Branum dba KCM Company
Drawer 70, Midland, Texas, 79701

Principal

O & G CONS. COMM.
WITNESS our hands and seals this 23rd day of August, 1974

The Travelers Indemnity Company

By: John W. Rahlfs, Attorney-in-fact

Box 92, Midland, Texas 79701

W. J. Shudde, Jr., 2200 N. Central, Phoenix, Arizona

Resident Agent

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

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

Approved Date: 9-19-74
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Bond
File Two Copies
Form No. 3

Permit No. 629

Cancelled 9-15-75

The Travelers Indemnity Company
Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

_____ Lee Durrell, John W. Rahlfs, both of Midland, Texas, EACH _____

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

_____ Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof not exceeding in amount Two Hundred and Fifty Thousand Dollars (\$250,000) in any single instance _____

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 13. The Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President, any Second Vice President, any Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 15. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary or when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and countersigned and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

_____ This power of attorney revokes that dated May 24, 1968 on behalf of Lee Durrell, Ronald McFadden, John W. Rahlfs, _____

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 1st day of May 1970 .

THE TRAVELERS INDEMNITY COMPANY

By

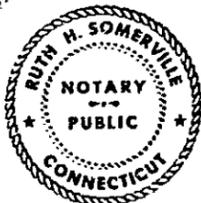
E. A. Houser

Secretary, Surety



State of Connecticut, County of Hartford—ss:

On this 1st day of May in the year 1970 before me personally came E. A. Houser III to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Ruth H. Somerville

Notary Public

RECEIVED

My commission expires April 1, 1974

SEP 19 1974

(Over)

Cancelled 9-15-75

CERTIFICATION

I, D. J. Nash, Assistant Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY certify that the foregoing power of attorney, the above quoted Sections 13. and 15. of Article IV of the By-Laws and the Resolution of the Board of Directors of November 30, 1959 have not been abridged or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this 23rd day of August 1974.



A handwritten signature in dark ink, appearing to read "D. J. Nash", written in a cursive style.

Assistant Secretary, Surety

September 3, 1975

The Travelers Insurance Company
Two North Park East
Dallas, Texas 75231

Attention Ms. Deborah Dobbs, Attorney in Fact

RE: Bond #953A3467
M. W. Branum dba KCM Company

Dear Ms. Dobbs:

We have your Notice of Cancellation dated August 20, 1975.

Please be advised that this Commission will need a request from the principal prior to authorizing cancellation of this bond.

This well was never drilled and the Permit to Drill has expired, therefore there is nothing to prevent Commission's approval for cancellation of the bond. However as stated above, we must have the request to originate with the KCM Company. A copy of this bond, issued to this company, is enclosed for your information.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

Encl.

629



THE TRAVELERS
THE TRAVELERS INDEMNITY COMPANY

Hartford, Connecticut

NOTICE OF CANCELLATION

August 20, 19 75

RECEIVED

AUG 22 1975

TAX REVENUE - MVD

629

Arizona Highway Department
Motor Vehicle Div.
1739 West Jackson St.
Phoenix, Arizona 85007

RECEIVED
No. # SEP 12 1975
& G Comm. Unit.

Bond No. 953A3467
Principal M. W. Branum dba KCM Company

On the 23rd day of August, 19 74, THE TRAVELERS INDEMNITY COMPANY, as Surety,
executed a(n) **** See Below bond in the penalty of Twenty-five Thousand and no/100
Dollars (\$ 25,000), on behalf of M. W. Branum dba KCM Company
of Midland, Texas as Principal, in favor of State of Arizona

as Oblige. The bond, by its terms, provides that the Surety may terminate its liability by giving notice of its election to do so to the Oblige. In accordance with the terms of the bond we hereby elect to terminate our liability and shall, as of the 23rd day of August, 1975 consider ourselves released from all liability by reason of any default committed thereafter by the Principal.

Below is an Acknowledgement which we would appreciate your signing and returning.

THE TRAVELERS INDEMNITY COMPANY

**** Blanket Oil & Gas Well
Drilling Bond

By: Deborah Dobbs
Deborah Dobbs, Attorney in Fact

OIL PROPERTIES

(915) 684-7702

KCM COMPANY

P. O. DRAWER 70
MIDLAND, TEXAS 79701

December 5, 1974

WPA

Oil and Gas Conservation Commission
4515 North Seventh Ave.
Phoenix, Arizona 85013

Re: KCM COMPANY - Cochise St. #1
Sec. 16, T-22-S, R-31-E
Cochise County, Arizona
Permit #629

Gentlemen:

The acute shortage of tubular material and drilling equipment has caused a temporary delay in the commencement of the above captioned well. Please extend this permit to June 1, 1975, to allow for these shortages. If additional forms are required, please notify us and we will be pleased to comply.

Very truly yours,

KCM COMPANY

N. W. Allen
N. W. Allen, Prod. Supt.

NWA/bh

RECEIVED
DEC 09 1974
O & G CONS. COMM.

December 2, 1974

Mr. Nolan W. Allen
KCM Company
P. O. Drawer 70
Midland, Texas 79701

Re: KCM Cochise State No. 1
Sec 18-T22S-R31E
Cochise County
Permit No. 629

Dear Mr. Allen:

This is to remind you that the permit to drill the above referenced well will expire on December 19, 1974, unless your company requests an extension. If the permit is allowed to expire, it will be necessary that you refile prior to drilling the well.

If you desire an extension, we would suggest you request your extension for a period of time great enough to cover your projected spud date.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

September 19, 1974

Mr. Nolan W. Allen
KCM Company
P. O. Drawer 70
Midland, Texas 79701

Re: KCM Cochise State No. 1
Sec 16-T22S-R31E
Cochise County
Permit No. 629

Dear Mr. Allen:

Enclosed please find Receipt No. 0197 covering the \$25.00 filing fee, a copy of your approved bond, approved Application to Drill and Permit to Drill No. 629.

We have arbitrarily indicated a dedication of the E/2 of the NE/4. If this does not meet with your approval, please advise what dedication you wish to assign.

Again we would remind you that this permit will expire December 19, 1974, if the well has not been spudded. Should you wish an extension, please notify this Commission prior to the expiration date.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

Encs.

September 19, 1974

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 September 9, 1974.

KCM Company Cochise State Well No. 1
NE/NE Sec 16-T22S-R31E
Cochise County
Permit No. 629

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

OIL PROPERTIES

(915) 684-7702

WPA

KCM COMPANY
P. O. DRAWER 70
MIDLAND, TEXAS 79701

September 16, 1974

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

Dear Mr. Allen:

In Re: New Permit to Drill
KCM Cochise State No. 1
Sec. 16-T22S-R31E
Cochise County, Arizona

In compliance with your request of September 11, 1974, there is forwarded for your records Performance Bond issued by The Travelers Indemnity Company, along with Power of Attorney, in the amount of \$25,000. We trust that with receipt of this bond you will be in a position to issue the drilling permit.

Very truly yours,

Mary Moran
(Miss) Mary Moran
For KCM Company

MM:s

Encls. (2)

RECEIVED
SEP 19 1974
O & G CONS. COMM.

September 11, 1974

Mr. Nolan W. Allen
K C M Company
P. O. Drawer 70
Midland, Texas 79701

Re: New Permit to Drill
K C M Cochise State No. 1
Sec 16-T22S-R31E
Cochise County

Dear Mr. Allen:

We have received your application for permit to drill, location plat, organization report, and check for \$25.00 filing fee. cursory examination indicates everything to be in fine order. You mentioned in your letter that the performance bond in the amount of \$25,000 was previously filed in this office. As of this date we have not received this bond. Until such time as the bond is received by this office, we cannot issue the drilling permit.

Your letter indicates that the application is being filed early. Should this well not be started within 90 days from the date the application is approved, it will be necessary that you request permission for an extension of the application to drill or else the permit will lapse.

If this application is for an oil permit, there must be a minimum of 80 acres dedicated to this well.

If this office can be of any help whatsoever, please do not hesitate to call on us.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

Enc.

OIL PROPERTIES

MU 4-6641

KCM COMPANY
P. O. ~~BOX 70~~ Drawer 70
MIDLAND, TEXAS

September 10, 1974

Oil & Gas Conservation Commission
State of Arizona
4515 N. 7th Ave.
Phoenix, Arizona 85013

Gentlemen:

Attached are the following forms making application to drill
in the state of Arizona in Cochise County:

1. Application for Permit to Drill
 2. Survey Plats
 3. Organization Report
 4. Check for \$25.00 filing fee
- * Performance Bond for a blanket bond in the amount
of \$25,000 has already been filed in your office.

As this is the first well we have drilled in your state we
hope we have all the necessary forms filed correctly.

This application is being filed early in order to receive a
wildcat allotment for pipe for the drilling of this well.

If any further information is needed please let us know.

Thank you for your cooperation in the immediate handling
of this application.

Yours very truly,

KCM COMPANY

Nolan W. Allen

Nolan W. Allen
Production Supt.

NA/bh

RECEIVED

SEP 11 1974

O & G CONS. COMM.