

PW

ONE Pet. (Americas), Inc. ERG  
3 Navajo-0, Apache Cty. 640  
SW SW Sec. 23, T41N, R30E

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.

BHP Pet. (Americas), Inc. ERG  
3 Navajo-0, Apache Cty. 640  
SW SW Sec 23, T41N, R30E

sl

COUNTY Apache AREA 2 mi. N. of Teec Nos LEASE NO. 14-20-603-716  
*Name Change: Energy Reserves Group 3-12-76*  
WELL NAME Clinton Oil, Navajo-0 Pos Trading Post

LOCATION SW/SW SEC 23 TWP 41N RANGE 30E FOOTAGE 1000 FSL-900 FWL  
ELEV 5165 GR 5177 KB SPUD DATE 5-28-75 STATUS Oil-Producing TOTAL DEPTH 5325'  
COMP. DATE 7-22-75

CONTRACTOR P&A 12-1-98

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	DRILLED BY CABLE TOOL	PRODUCTIVE RESERVOIR	INITIAL PRODUCTION
<u>13 3/8</u>	<u>110'</u>	<u>100 circ</u>	<u>NA</u>	<u>X</u>		<u>Lower Ismay</u>	<u>122 BBS OIL</u>
<u>8 5/8</u>	<u>514'</u>	<u>395 circ</u>					<u>208 MCF</u>
<u>5 1/2</u>	<u>5326'</u>	<u>100</u>					

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
<u>DeChelly</u>	<u>2582'</u>			<u>Ls. white chalky</u>
<u>Cutler</u>	<u>2885'</u>			
<u>Hermosa</u>	<u>4372'</u>			
<u>m Upper Ismay</u>	<u>5098'</u>			
<u>Lower Ismay</u>	<u>5163'</u>			
<u>Desert Creek</u>	<u>5250'</u>			

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
<u>Induction-Electric</u>	<u>5214-5228'</u>	<u>5214-5228</u>	<u>SAMPLE DESCRP. <i>Bit. Str.</i></u>
<u>Borehole Compensated</u>	<u>5265-5270</u>		<u>SAMPLE NO. <u>1774</u></u>
			<u>CORE ANALYSIS</u>
			<u>DSTs <u>X</u></u>

REMARKS Date of first production July 14, 1975  
APP. TO PLUG \_\_\_\_\_  
PLUGGING REP. \_\_\_\_\_  
COMP. REPORT X

WATER WELL ACCEPTED BY CROSS CREEK  
BOND CO. Seaboard Surety Company *filed in P/N 689* BOND NO. 73141  
DATE 9-18-70 ORGANIZATION REPORT 7-17-70  
BOND AMT. \$ 25,000 CANCELLED 10-9-90  
FILING RECEIPT 0342 LOC. PLAT X WELL BOOK X PLAT BOOK X  
API NO. 02-001-20207 DATE ISSUED 3-31-75 DEDICATION W/2 SW/4 80 acres

PERMIT NUMBER 640  
(over)

*W. P. ...  
...  
...*



**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: Box 3280, Casper, Wyoming 82601  
 Federal, State or Indian Lease Number or name of lessor if fee lease: Navajo "O" Well Number: 3 Field & Reservoir: LOWER ISMAY  
 Location: 1000' FSL, 900' FWL County: Apache

Sec. TWP-Range or Block & Survey  
Sec. 23, T 41 N, R 30 E

Date spudded: 5/28/75 Date total depth reached: 6/23/75 Date completed, ready to produce: 7/14/75 Elevation (DF, REB, RT or Gr.): KB 5177 feet Elevation of casing hd. flange: 5165 feet

Total depth: 5325' P.B.T.D.: 5301' Single, dual or triple completion?: Single If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion: 5214' to 5228' Rotary tools used (interval): Surf. to TD 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): Induction - Electric, Borehole Compensated Sonic Date filed:

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
Conductor	17 3/8	13 3/8	48	110'	100 circ	
Surface	12 1/2	8 5/8	23	514'	395 circ	
Production	7 7/8	5 1/2	14	5326'	100	

TUBING RECORD

LINER RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)
in.	ft.	ft.	in.	ft.	ft.		
2 3/8	5190						

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Am't. & kind of material used	Depth Interval
2	JSPF	5214 - 5228	4000 gal 28% HCl	
2	JSPF	5265 - 5270	500 gal 28% HCl	Retained above these perf's

INITIAL PRODUCTION

Date of first production: 7/14/75 Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump): flowing

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)
7/20/75	24	20/64	122	208	0	41

Tubing pressure	Casing pressure	Cal'ated rate of Production per 24 hrs.	Oil	Gas	Water	Gas-oil ratio
			bbls.	MCF	bbls.	
455	650		122	208	0	1705

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

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

*Tony J. Cox*  
Signature

RECEIVED

JUL 22 1975

O & G CONS. COMM.

Permit No. 640

Form No. 4

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

**DETAIL OF FORMATIONS PENETRATED**

Formation	Top	Bottom	Description
De Chelly	2582'		
Cutler	2885'		
Hermosa	4372'		
Upper Ismay	5098'		
Lower Ismay	5163'		Ls. white chalky
Desert Creek	5250'		
T.D.	5325'		

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

**INSTRUCTIONS:**

Attach driller's log or other acceptable log of well.  
 This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

UNITED STATES  
 DEPARTMENT OF THE INTERIOR - AM 6:45  
 BUREAU OF LAND MANAGEMENT  
 Sundry Notices and Reports on Wells  
 070 FARMINGTON, NM

December 8, 1998

1. Type of Well  
 Oil

2. Name of Operator  
 Cross Creek Corporation

3. Address & Phone No. of Operator

4. Location of Well, Footage, Sec., T, R, M  
 1000' FSL and 900' FWL, Sec. 23, T-41-N, R-30-E, NMPM

5. Lease Number  
 BIA 14-20-603-716 ✓

6. If Indian, All. or Tribe Name  
 Navajo

7. Unit Agreement Name

8. Well Name & Number  
 Navajo 0 #3

9. API Well No.  
 02-001-20207-00

10. Field and Pool

11. County & State  
 Apache County, AZ

*P/N 640*

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 -	

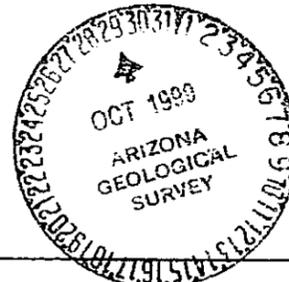
13. Describe Proposed or Completed Operations

A-Plus Well Service plugged and abandoned this well under BLM Contract Number 1422-N670-P98-0032 on December 1, 1998 per the attached report.

ENTERED  
 AFMSS

DEC 11 1998

BY *Sm*



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

Signed *William F. Clark* Title President Date 12/8/98  
 William F. Clark, A-Plus Well Service

(This space for Federal or State Office use)  
 APPROVED BY \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 CONDITION OF APPROVAL, if any:

ACCE. RECORDED

DEC 11 1998

FARMINGTON DISTRICT OFFICE  
*Sm*

FARMINGTON COPY

Form 1160-5  
(November 1983)  
(Formerly 0-331)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE\*  
(Other instructions  
verse side)

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

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.

#3

10. FIELD AND POOL, OR WILDCAT

Tesc Nos Pos

11. SEC., T., R., M., OR BLK. AND  
SURVY OR ARMA

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

2. NAME OF OPERATOR

Dry Mesa Corporation

3. ADDRESS OF OPERATOR

P. O. Box 5446 Farmington, NM 87499

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

1000' FSL & 900' FWL (SW SW)

14. PERMIT NO.

640

15. ELEVATIONS (Show whether DF, WT, OR, etc.)

GRD 5165' ; K. B. 5177'

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)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

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 perti-  
nent to this work.)\*

Proposed plugging program included on following pages.

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

SIGNED

TITLE

Engineer

DATE

9/2/90

(This space for Federal or State office use)

APPROVED BY

TITLE

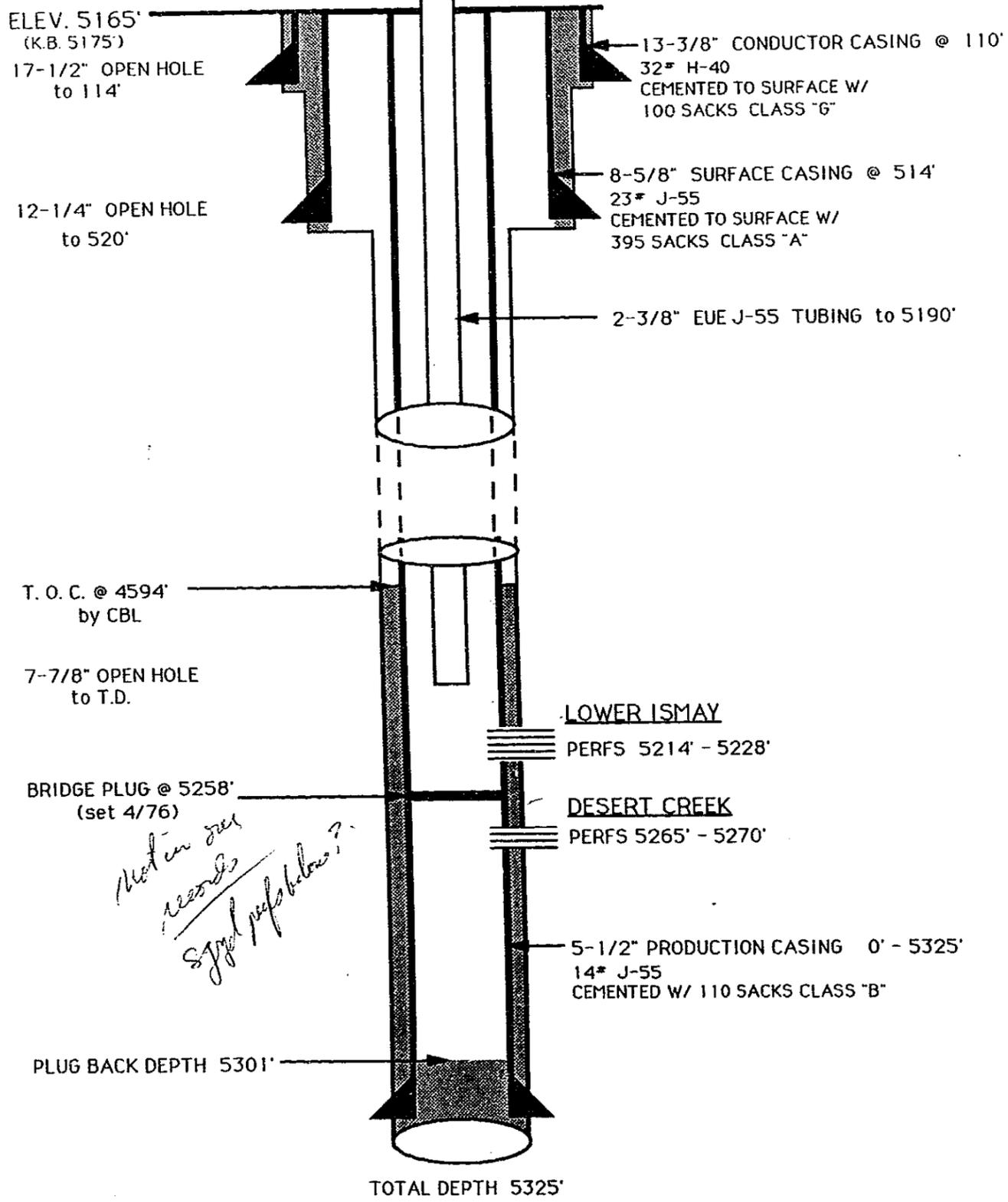
DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

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.

**Navajo 'O' - Well #3**  
 T41N R30E SW SW Section 23  
 Teec Nos Pos Field Apache Co., Arizona



*Not in our records  
 spot perf below?*

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION

TRANSPORT OIL OR GAS FROM LEASE

Federal, State or Indian Lease Number, or lessor's name if fee lease <b>14-20-603-716</b>	Field <b>Teec Nos Pos</b>	Reservoir <b>Ismay</b>
Survey or Sec-Twp-Rge <b>Sec. 23, T41N, R30E</b>	County <b>Apache</b>	State <b>Arizona</b>
Operator <b>Dry Mesa Corporation</b>		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street <b>P. O. Box 5446</b>	City <b>Farmington</b>	State <b>New Mexico 87499</b>
Above named operator authorizes (name of transporter) <b>Gary-Williams Energy Corporation</b>		
Transporter's street address <b>370 17th St., Suite 5300</b>	City <b>Denver</b>	State <b>Colorado 80202-5653</b>
Field address <b>89 Road 4990, Bloomfield, New Mexico 87413</b>		
Oil, condensate, gas well gas, casinghead gas		
To transport	<b>100</b> % of the <b>oil</b>	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. <b>This form is submitted because a change in gatherer for the oil. The change was effective July 1, 1990.</b>		

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 *Kenneth R. Dard*

Date approved: \_\_\_\_\_  
 STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 By: *[Signature]* 8/30/90  
 Permit No. 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

**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 <b>14-20-603-716</b>	Field <b>Teec Nos Pos</b>	Reservoir <b>Ismay</b>
Survey or Sec-Twp-Rge <b>Sec. 23, T41N, R30E</b>	County <b>Apache</b>	State <b>Arizona</b>
Operator <b>Dry Mesa Corporation</b>		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street <b>P.O. Box 5446</b>	City <b>Farmington</b>	State <b>New Mexico 87499</b>
Above named operator authorizes (name of transporter) <b>The Permian Corporation</b>		
Transporter's street address <b>P.O. Box 1183</b>	City <b>Houston</b>	State <b>Texas 77251</b>
Field address <b>2502 West Main, Farmington, New Mexico 87501</b>		
Oil, condensate, gas well gas, casinghead gas		
To transport	<b>100 % of the Oil</b>	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.		
<b>Change Of Operator      February 1, 1989</b>		

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. Lovel

Date approved: 1/9/90  
STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

By: [Signature] O & G C.S. C.

Permit No. 232, 582, 640, 663

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

WELL NO. 3

F-2

CURRENT STATUS - Pumping

640

LOCATION: 1000' FSL & 900' FWL Section 23-T41N-R30E

ELEVATION: 5,175' KB TD/PBTD 5,326'/5,301'

SURFACE CASING: 13-3/8" 48# set @ 114' KB; Cemented with 100 sacks.  
8-5/8" 23# set @ 514' KB; Cemented with 394 sacks.

PRODUCTION CASING: 5-1/2" 14#, K-55 set @ 5,326' KB; Cemented with 110 sacks.

WELL EQUIPMENT:

Rods: 149 - 3/4", 59 - 7/8"  
Tubing: 2-3/8" J-55 EUE - 5,289'  
Pumping Unit: Lufkin D-160  
Prime Mover: 8-1/2 x 10 Ajax Gas Engine

LOGS AVAILABLE (Attached copies thru pay): IES, BHC

PERFORATION RECORD: Desert Creek - 5,265'-70' (isolated with B.P)  
Lower Ismay - 5,214'-28'

COMPLETION DATE: 7-75

INITIAL POTENTIAL: 208 MCFD/122 BOPD

PRODUCTION HISTORY

MONTHLY PRODUCTION  
NAVAJO "O" NO. 3

YEAR	MONTH	OIL	WTR	GAS	YEAR	MONTH	OIL	WTR	GAS
1975	JAN				1976	JAN	1,150	0	1,673
	FEB					FEB	1,218	0	1,769
	MAR					MAR	311	0	1,840
	APR					APR	1,929	0	2,117
	MAY					MAY	2,047	0	4,191
	JUNE					JUNE	1,958	0	3,119
	JULY	1,553				JULY	2,103	0	2,768
	AUG	1,817		6,262		AUG	1,517	0	2,132
	SEPT	1,645		3,930		SEPT	1,534	30	2,421
	OCT	1,399		-----		OCT	1,578	31	2,997
	NOV	1,516		-----		NOV	1,474	28	2,161
	DEC	1,371		-----		DEC	2,261	31	2,326
TOTAL		9,301		10,192	TOTAL	19,080	120	28,514	

MONTHLY PRODUCTION  
NAVAJO "O" NO. 3

YEAR	MONTH	OIL	WTR	GAS
1977	JAN	1,821	33	1,229
	FEB	1,169	22	1,023
	MAR	1,447	29	1,337
	APR	1,362	27	1,050
	MAY	849	17	759
	JUNE	1,351	25	902
	JULY	1,304	25	961
	AUG	1,327	25	843
	SEPT	1,707	83	1,460
	OCT	1,284	62	1,634
	NOV	1,742	84	1,220
	DEC	1,824	83	1,059
TOTAL		17,187	515	13,477

YEAR	MONTH	OIL	WTR	GAS
1978	JAN	1,807	82	1,362
	FEB	1,564	71	905
	MAR	1,820	144	630
	APR	1,731	115	547
	MAY	1,886	126	901
	JUNE	1,509	110	921
	JULY	1,576	115	997
	AUG	1,504	111	1,191
	SEPT	1,439	107	1,257
	OCT	1,421	101	937
	NOV	1,377	98	1,044
	DEC	1,438	103	722
TOTAL		19,072	1,283	11,414

YEAR	MONTH	OIL	WTR	GAS
1979	JAN	1,313	94	869
	FEB	1,224	87	1,118
	MAR	1,389	482	1,199
	APR	1,193	414	995
	MAY	1,145	397	1,009
	JUNE	1,356	277	1,365
	JULY	1,231	274	1,634
	AUG	944	210	1,403
	SEPT	1,442	134	1,542
	OCT	1,510	154	1,276
	NOV	1,454	148	1,276
	DEC	1,426	145	1,440
TOTAL		15,737	2,816	15,470

YEAR	MONTH	OIL	WTR	GAS
1980	JAN	1,486	182	1,297
	FEB	1,425	174	1,045
	MAR	1,401	172	1,090
	APR	1,404	172	1,369
	MAY	1,537	188	1,018
	JUNE	1,438	176	1,332
	JULY	1,461	179	1,526
	AUG	1,346	165	1,312
	SEPT	1,310	179	1,028
	OCT	1,169	0	1,235
	NOV	1,169	0	1,235
	DEC	1,125	0	1,049
TOTAL		16,561	1,415	14,584

YEAR	MONTH	OIL	WTR	GAS
1981	JAN	1,218	0	807
	FEB	1,070	0	1,072
	MAR	1,109	0	1,218
	APR	994	0	1,040
	MAY	1,072	31	777
	JUNE	1,042	30	1,072
	JULY	1,052	30	782
	AUG	1,009	29	1,029
	SEPT	950	27	828
	OCT	1,198	31	1,330
	NOV	1,212	30	1,189
	DEC	757	60	687
TOTAL		12,683	268	11,831

YEAR	MONTH	OIL	WTR	GAS
1982	JAN	649	52	534
	FEB	534	51	305
	MAR	600	53	579
	APR	593	75	464
	MAY	562	78	393
	JUNE	915	151	823
	JULY	997	129	886
	AUG	934	795	922
	SEPT	704	732	602
	OCT	801	765	761
	NOV	774	513	735
	DEC			
TOTAL				

(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

478  
463  
582  
640  
232

GAS-OIL RATIO TEST REPORTS

Filed under GAS-OIL RATIO TESTS REPORTS, TEEC NOS POS FIELD,  
in cabinet in office of Enforcement Director

**OPERATOR 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" 14-20-603-716	Teec Nos Pos, Ismay	Paradox
Survey or Sec-Twp-Rge	County	State
Sec. 23, T41N, R30E	Apache	Arizona
Operator Energy Reserves Group, Incorporated		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street	City	State
P.O. Box 3280	Casper	Wyoming 82601
Above named operator authorizes (name of transporter)		
Plateau, Incorporated		
Transporter's street address	City	State
Box 108	Farmington	New Mexico 87401
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	% of the	from said lease.
100	Oil	
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
El Paso Natural Gas Company	100%	Gas
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.		
Effective 2-11-76, Energy Reserves Group, Incorporated is the new name for Clinton Oil Company		

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 Clerk of the Energy Reserves Group, Inc. (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 March 29, 1976 Signature Terrence L. Ruder

Date approved: 4-1-76

By: W.E. [Signature]

Permit No. 232,582,640

RECEIVED

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. 8

**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' #3 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

Terrence L. Ruden  
Signature

Date approved: 11-28-75

By: [Signature]

Permit No. 640

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

**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" 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.		

**RECEIVED**  
NOV 14 1975  
O & G CONSV. COMM.

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: 11-17-75

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

By: *W. C. 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

**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" 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	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 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. 640

**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" #3  
 Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 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"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
(OTHER)	<input type="checkbox"/>		(OTHER)	REPAIRING WELL	<input type="checkbox"/>
				ALTERING CASING	<input type="checkbox"/>
				ABANDONMENT	<input type="checkbox"/>
				Weekly 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.)

7/11/75 1275 psi on tubing. Released press. bled down in 20 mins. Well dead. Released pkr. Set B.P. at 5235' K.B. and packer at 5132' K.B. Acidized with 2000 gals water frac 60, 5000 gals waterfrac 60 + 2#/gal 100 mesh sand, 4000 gals 28% Hcl, overflushed with 5000 gal waterfrac 10 at 7½ BPM at 2000 psi. Pulled swab 3 times, well kicked off flowing.  
 7/12/75 Flowing approx. 10 BPPH, 10% oil, 90% acid water, Oil cut increased to 92% by end of day. Killed well, pulled B.P. and packer.  
 7/13/75 Casing press. 1100#, tubing press. 1100#, could not retrieve B.P. and packer. Let flow overnight.  
 7/14/75 Flowing pressure 450 psi. Flowing 12 BOPH. Pulled B.P. and packer, ran production tubing. Started well flowing.  
 Completion report will follow.

RECEIVED

JUL 23 1975

O & G CONS. COMM.

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

Signed Terry J. Cox Title Rocky Mountain District Production Engineer 7/18/75

Permit No. 640

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

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" #3  
 Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 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) <u>Weekly 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.)

Navajo "O" #3  
 Apache County, Arizona  
 Teec Nos Pos, Ismay

7/7/75 Move Drake Well Service unit #30 to location. Rigged up pit - reverse unit & pump. Nippled up BOP - pick up bit and 164 jts 2 3/8" EUE 8Rd CW75 4.7# tubing. SD for nite.

All measurements RBM

7/8/75 Drilled cmt. 5295' - 5301' - cementing plug @ 5301'. TOH w/tubing laid down bit. Picked up 5 1/2" casing scraper. RIH to 5301' - TOH w/csg scraper. Rigged up Schl. - Ran CBL - top cmt. @ 4595'. Ran correlation log - perf 5265' - 5270' (5') Desert Creek - perf L. Ismay 5214' - 5228' (14') w/2JPF. Rigged down Schl. Picked up Baker retrievable B.P. + 1 jt tubing (33' lg) + Baker retrievable pkr. RIH w/tbg. Set BP @ 5277.43'. Set pkr @ 5235.43'. Tail pipe @ 5275'. SD for nite. (3 misfires on Schl. gun)

7/9/75 Rigged up Dowell - tstd lines @ 3200 psi, spotted acid over perms. Set pkr. Pumped 500 gals 28% acid. Displ w/44 1/2 BW. Formation broke @ 1800 psi back to 900 psi. Incr. displ. rate to 3 BPM. Press. built up to 2600 psi slowly. Maintain 2600 psi - decr. rate slowly to 1/2 BPM. SD pump. Press. drop 2600 psi to 1600 psi in 15 min. SI - rig down Dowell - release press. after 30 min. Well unloaded water, acid gas, w/trace oil. Flowed back for 45 min and slowly died. Rigged up to swab test. @ 12 noon run in hole w/swab. approx. 450' fluid in hole. Swabbed 2 B acid water & BS - made 3 runs w/swab - no fluid - no gas. From 1 to 3 PM SD for buildup. RIH w/swab - approx. 600' fluid in hole. made 2 runs w/swab from bottom - rec. 2 B acid water & BS - no gas.

7/10/75 Opened well - slight blow of gas - ran in w/swab - approx. 1200' fluid in hole. Swabbed 6 1/2 bbls water & BS - small amount of gas - no oil show - Swab dry in 3 runs.

RECEIVED

JUL 14 1975

O & G CONS. COMM.

640

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" #3  
 Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 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) <u>Weekly 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.)

Navajo "O" #3  
 Apache County, Arizona  
 Teec Nos Pos, Ismay

7/7/75 Move Drake Well Service unit #30 to location. Rigged up pit - reverse unit & pump. Nippled up BOP - pick up bit and 164 jts 2 3/8" EUE 8Rd CW75 4.7# tubing. SD for nite.

All measurements ~~RBM~~

7/8/75 Drilled cmt. 5295' - 5301' - cementing plug @ 5301'. TOH w/tubing laid down bit. Picked up 5 1/2" casing scraper. RIH to 5301' - TOH w/csg scraper. Rigged up Schl. - Ran CBL - top cmt. @ 4595'. Ran correlation log - perf 5265' - 5270' (5') Desert Creek - perf L. Ismay 5214' - 5228' (14') w/2JPF. Rigged down Schl. Picked up Baker retrievable B.P. + 1 jt tubing (33' lg) + Baker retrievable pkr. RIH w/tbg. Set BP @ 5277.43'. Set pkr @ 5235.43'. Tail pipe @ 5275'. SD for nite.  
 (3 misfires on Schl. gun)

7/9/75 Rigged up Dowell - tstd lines @ 3200 psi, spotted acid over perms. Set pkr. Pumped 500 gals 28% acid. Displ w/44 1/2 BW. Formation broke @ 1800 psi back to 900 psi. Incr. displ. rate to 3 BPM. Press. built up to 2600 psi slowly. Maintain 2600 psi - decr. rate slowly to 1/2 BPM. SD pump. Press. drop 2600 psi to 1600 psi in 15 min. SI - rig down Dowell - release press. after 30 min. Well unloaded water, acid gas, w/trace oil. Flowed back for 45 min and slowly died. Rigged up to swab test.  
 @ 12 noon run in hole w/swab. approx. 450' fluid in hole. Swabbed 2 B acid water & BS - made 3 runs w/swab - no fluid - no gas. From 1 to 3 PM SD for buildup. RIH w/swab - approx. 600' fluid in hole. made 2 runs w/swab from bottom - rec. 2 B acid water & BS - no gas.

7/10/75 Opened well - slight blow of gas - ran in w/swab - approx. 1200' fluid in hole. Swabbed 6 1/2 bbls water & BS - small amount of gas - no oil show - Swab dry in 3 runs.

RECEIVED

7/7/75 - 7/10/75 See Attached Sheet

RECEIVED

JUL 14 1975

O & G CONS. COMM.

I hereby certify that the foregoing is true and correct.

Signed

*Temp JCB*

Rocky Mountain District

Title Production Engineer Date 7/11/75

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies

Form No. 23

Permit No. 640

WA

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" #3  
 Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 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>Weekly 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.)

7/3/75 WOCT

RECEIVED

JUL 07 1975

O & G CONS. COMM.

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

Signed Hear B. Barnes

Title Rocky Mountain District Drilling Engineer Date 7/3/75

Permit No. 640

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

WA

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" #3

Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E

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) <u>Weekly 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.)

6/20/75 TD 5230' TOH for DST #1

DST #1 Interval 5196' - 5230', Lower Ismay  
Packers @ 5191' and 5196' - 34' anchor.

IF	15 min	slight blow	87 PSI
ISI	60 min	- - - -	262 PSI
FF	60 min	?	87 PSI
FSI	?	?	?

BHT 120° F

Recovery - pipe - 120' mud - bottom 20' gas cut  
Sample Chamber 1/4 ft<sup>3</sup> gas - 1900 cc gas cut mud  
Test inconclusive - tool plugged.

6/21/75 DST #2 Interval 5196' - 5230', Lower Ismay  
Packers @ 5191' and 5196' - 34' anchor

IF	15 min	gas to surface in 11 min. good blow	4' flare for 15 min - died.
ISI	20 min	none	154 PSI ?
FF	45 min	4' flare throughout Est. 25-30 MCF	1595 PSI
FSI	120 min	Flared for quite awhile	1660 PSI

Hyd. I - 2523 PSI F - 2523 PSI

BHT 110° F

Recovery - pipe - 430' gas cut drilling mud  
Sample Chamber 0.65 ft<sup>3</sup> gas - no fluid

Test questionable - perfs may have been plugged.  
Slid tool 20' to get to bottom.

6/22/75 Drilling @ 5317'.

6/23/75 Drilled to 5325', ran logs IES and BHC Sonic, TD to base  
surface casing. TIH w/bit to condition hole for DST#3.

6/24/75 DST #3 - Interval 5196' - 5325', Lower Ismay  
Packers @ 5191' and 5196' - TD 5325'  
8' perfs opposite Lower Ismay - 37' perfs on bottom

IF	15 min.	gas to surface in 5 min 20# on 3/4" choke-280 MCF	186-159 PSI
ISI	60 min	slowly died in 20 min.	1766 PSI
FF	60 min	surface blow-17# on full choke - 250 MCF	186-159 PSI
FSI	120 min	slowly died in 25 min	1740 PSI

Hyd. I - 2582 PSI F - 2582 PSI

BHT 120° F

Recovery - pipe - 240' gas cut mud  
Sample Chamber - 0.2 ft<sup>3</sup> gas @ 25 PSI, no fluid.

WA

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" #3

Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E

Sec. 23 Twp. 41 N Rgc. 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"/>	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) <u>Weekly Report</u>	<input checked="" type="checkbox"/>
(OTHER) _____	<input type="checkbox"/>		

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

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

6/20/75 TD 5230' TOH for DST #1

DST #1 Interval 5196' - 5230', Lower Ismay  
Packers @ 5191' and 5196' - 34' anchor.

IF	15 min	slight blow	87 PSI
ISI	60 min	- - - -	262 PSI
FF	60 min	?	87 PSI
FSI	?	?	?

BHT 120° F  
Recovery - pipe - 120' mud - bottom 20' gas cut  
Sample Chamber 1/4 ft<sup>3</sup> gas - 1900 cc gas cut mud  
Test inconclusive - tool plugged.

6/21/75 DST #2 Interval 5196' - 5230', Lower Ismay  
Packers @ 5191' and 5196' - 34' anchor

IF	15 min	gas to surface in 11 min. good blow	4' flare for 15 min - died. 154 PSI ?
ISI	20 min	none	1595 PSI
FF	45 min	4' flare throughout Est. 25-30 MCF	1660 PSI
FSI	120 min	Flared for quite awhile	

Hyd. I - 2523 PSI F - 2523 PSI

BHT 110° F  
Recovery - pipe - 430' gas cut drilling mud  
Sample Chamber 0.65 ft<sup>3</sup> gas - no fluid

Test questionable - perfs may have been plugged.  
Slid tool 20' to get to bottom.

6/22/75 Drilling @ 5317'.

6/23/75 Drilled to 5325', ran logs IES and BHC Sonic, TD to base  
surface casing. TIH w/bit to condition hole for DST#3.

6/24/75 DST #3 - Interval 5196' - 5325', Lower Ismay  
Packers @ 5191' and 5196' - TD 5325'  
8' perfs opposite Lower Ismay - 37' perfs on bottom

IF	15 min.	gas to surface in 5 min 20# on 3/4" choke-280 MCF	186-159 PSI
ISI	60 min	slowly died in 20 min.	1766 PSI
FF	60 min	surface blow-17# on full choke - 250 MCF	186-159 PSI
FSI	120 min	slowly died in 25 min	1740 PSI

Hyd. I - 2582 PSI F - 2582 PSI  
BHT 120° F

Recovery - pipe - 240' gas cut mud

zones pertinent to this work.

SEE ATTACHED SHEET

RECEIVED

JUN 27 1975

O & G. CONS. COMM.

I hereby certify that the foregoing is true and correct.

Signed

*Alan B. Barnes*

Title

Rocky MOUNTAIN District  
Drilling Engineer Date 6/24/75

Permit No.

640

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies

Form No. 23

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" #3  
 Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 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) <u>Weekly 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.)

6/13/75 Drilling @ 4205'

RECEIVED  
 JUN 16 1975  
 O & G CONS. COMM.

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

Signed Alan Barnes Rocky Mountain District  
 Title Drilling Engineer Date 6/13/75

Permit No. 640

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

WPA

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" #3  
 Location: 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 Sec. 23 Twp. 41 N Rge. 30 E County Apache Arizona.  
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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) Spud, Run & Cmt surf csg <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.)

All measurements from RBM  
Well was spudded at 5:30 AM 5/28/75. Drilled 12 1/4" hole to 114' and opened up to 17 1/2". Ran 3 jts (95') 13 3/8" 48# casing. Set @ 110', cemented w/100 sks Class "G" w/3% CaCl<sub>2</sub>. Plug down @ 7:30 PM 5/29/75. Circulated cement.

Drilled cement and shoe w/12 1/4" bit. Nippled up and installed 10" BOP. Drilled 7 7/8" hole to 1500' and opened up to 12 1/4" to 520'. Ran 13 jts (502') 8 5/8" 23# casing. Set @ 514', cemented w/395 sks Class "A" w/3% CaCl<sub>2</sub>. Plug down @ 4:15 AM, 6/3/75. Circulated cement.

Drilled cement and shoe w/7 7/8" bit. Nippled up and installed casing head and 10" BOP.

6/4/75 - Drilling @ 1695'.

RECEIVED

JUN 09 1975

O & G CONS. COMM.

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

Signed Dean B. Barner

Title Rocky Mountain Dist. Drilling Engineer Date 6/6/75

Permit No. 640

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

9-331  
1973

Form Approved  
Budget Bureau No. 42-R1424

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

**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 Form 9-331-C for such proposals.)

1. oil well  gas well  other

2. NAME OF OPERATOR  
Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR  
P.O. Box 3280 - Casper, Wyoming 82602

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE:  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH:

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

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) <u>Beta Ratio</u> <input checked="" type="checkbox"/>	<u>X</u> <input type="checkbox"/>

5. LEASE 14-20-603-716	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME Navajo Tribal	
7. UNIT AGREEMENT NAME	
8. FARM OR LEASE NAME Navajo Tribal 'O'	
9. WELL NO.	
10. FIELD OR WILDCAT NAME Teec Nos Pos	
11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA Section 23-T31N-R30E	
12. COUNTY OR PARISH Apache	13. STATE Arizona
14. API NO.	
15. ELEVATIONS (SHOW DF, KDB, AND WD)	

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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.)\*

The orifice plate on the lease master sales meter was changed from 0.375 in. to 0.500 in. on March 30, 1983. This changed the beta ratio from 0.09 to 0.12 which is within the tolerances as set forth by the A.G.A. Committee in Report No. 3.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Ft.

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

SIGNED Paul Bertoglio TITLE Prod. Engr-RMD DATE April 5, 1983

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

640

Form 9-331  
(May 1963)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN THIS CATEGORY  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R1424

5. LEASE DESIGNATION AND SERIAL NO.

14-20-603-716

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo "0"

7. UNIT AGREEMENT NAME

Navajo "0"

9. WELL NO.

#3

10. FIELD AND POOL, OR WILDCAT

Teec Nos Pos Ismay

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

Sec. 23, T 41 N, R30E

12. COUNTY OR PARISH | 13. STATE

Apache

Ariz.

14. PERMIT NO.  
640

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5165' GR

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) Spud, Run & Cmt. surf csg x

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

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.)

All measurements from RBM

Well was spudded at 5:30 AM 5/28/75. Drilled 12 1/4" hole to 114' and opened up to 17 1/2". Ran 3 jts (95') 13 3/8" 48# casing. Set @ 110', cemented w/100 sks Class "G" w/3% CaCl<sub>2</sub>. Plug down @ 7:30 PM 5/29/75. Circulated cement.

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Drilled cement and shoe w/7 7/8" bit. Nipped up and installed casing head and 10" BOP.

6/4/75 - Drilling @ 1695'.

RECEIVED

JUN 09 1975

O & G CONS. COMM.

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

SIGNED

*Hean B. Barnes*

TITLE

Rocky Mountain District  
Drilling Engineer

DATE 6/6/75

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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" #3  
 Location 1000' FSL, 900' FWL, Sec. 23, T 41 N, R 30 E  
 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 checked="" type="checkbox"/>	(OTHER)	_____	ABANDONMENT	<input type="checkbox"/>
(OTHER)	_____	(OTHER)	_____	(OTHER)	_____	(OTHER)	_____

(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.)

As a result of further intra-company discussions concerning the drilling of this well, another change in plans is requested.

It is felt that 500' of surface casing is required to adequately protect any Indian water wells near the base of the mesa upon which the well site is located.

Therefore, it is planned to drill a 17 1/2" hole to 100'+ and set 100' of 13 3/8" casing and cement it to surface. Then drill a 7 7/8" hole to 1500'± and depending on hole conditions encountered, ream hole to 12 1/4" and set at least 500' of 8 5/8" casing and cement to surface. All cement to be Class "G" with 3% CaCl<sub>2</sub>.

APPROVED  
 OIL & GAS CONSERVATION COMMISSION  
 STATE OF ARIZONA  
 By W.B. [Signature]  
 Date 5-9-75

RECEIVED  
 MAY 09 1975  
 O & G CONS. COMM.

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

Signed [Signature] Rocky Mountain District  
 Title Drilling Engineer Date 5/6/75

Permit No. 640

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

WA

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" #3

Location 1000' FSL, 900' FWL, Sec. 23, T41N, R30E

Sec. 23 Twp. 41 N 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 - Isma<sup>y</sup>

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 checked="" type="checkbox"/>	(OTHER)	_____	ABANDONMENT	<input type="checkbox"/>
(OTHER)	_____						

(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.)

A detailed check of numerous wells in the vicinity and discussion with Mr. McGrath of the U.S.G.S. at Farmington, indicates that 300' of 10 3/4" surface casing will be sufficient. A 13 3/4" hole will be drilled and the casing will be cemented with 225 sacks Class "G" with 3% CaCl<sub>2</sub>.

RECEIVED

APR 28 1975

O & G CONS. COMM.

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

Signed Alan B. Barnes Title Rocky Mountain District Drilling Engineer Date 4/25/75

Permit No. 640

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

MUSEUM OF NORTHERN ARIZONA  
DEPARTMENT OF ANTHROPOLOGY

ARCHAEOLOGICAL INVESTIGATIONS  
CLINTON OIL COMPANY  
TEEC NOS POS - ISMAY FIELD  
NAVAJO INDIAN RESERVATION, LAND DISTRICT 9  
APACHE COUNTY, ARIZONA

Final Report

for

Archaeological Survey of Navajo "O" No. 3 Well and  
Associated Access Road

Prepared by:

Charles D. James III  
Supervisory Archaeologist

Submitted by:

Alexander J. Lindsay, Jr.  
Coordinator of Archaeological Research

March 27, 1975

RECEIVED  
APR 04 1975  
O & G CONS. COMM.

ABSTRACT: On February 26, 1975, the Museum of Northern Arizona conducted archaeological clearance investigations at the proposed Clinton Oil Company's Navajo "O" No. 3 well and access road. During this survey one historic Navajo site, NA13,494, was located adjacent to the proposed development. Archaeological clearance for this proposed oil well and access road is provisionally recommended, contingent upon the complete and permanent circumvention of this site.

#### INTRODUCTION

On February 26, 1975, the Museum of Northern Arizona, as a research consultant acting under Federal and Tribal Antiquities Acts, and by an in-force permit granted by the Navajo Tribe, conducted an archaeological survey of the proposed Clinton Oil Company's Navajo "O" No. 3 well and associated access road. This project is located in the SW-1/4 of the SW-1/4 of Section 23, T41N, R30E, on the Navajo Indian Reservation, Land District 9, Apache County, Arizona, approximately 1 mi. west of the junction of Highways 160 and 504. The investigation was conducted at the request of the Clinton Oil Company. Charles D. James III, Museum Archaeologist, conducted the survey.

The project consists of an oil well drilling location of unspecified dimensions and an access road leading from their existing Well No. 1 to this proposed drilling area (Fig. 1). An area 150 ft. to each side of the center stake for the Navajo "O" No. 3 well was surveyed, and the access road right-of-way was surveyed for a total width of 50 ft. These areas were carefully walked.

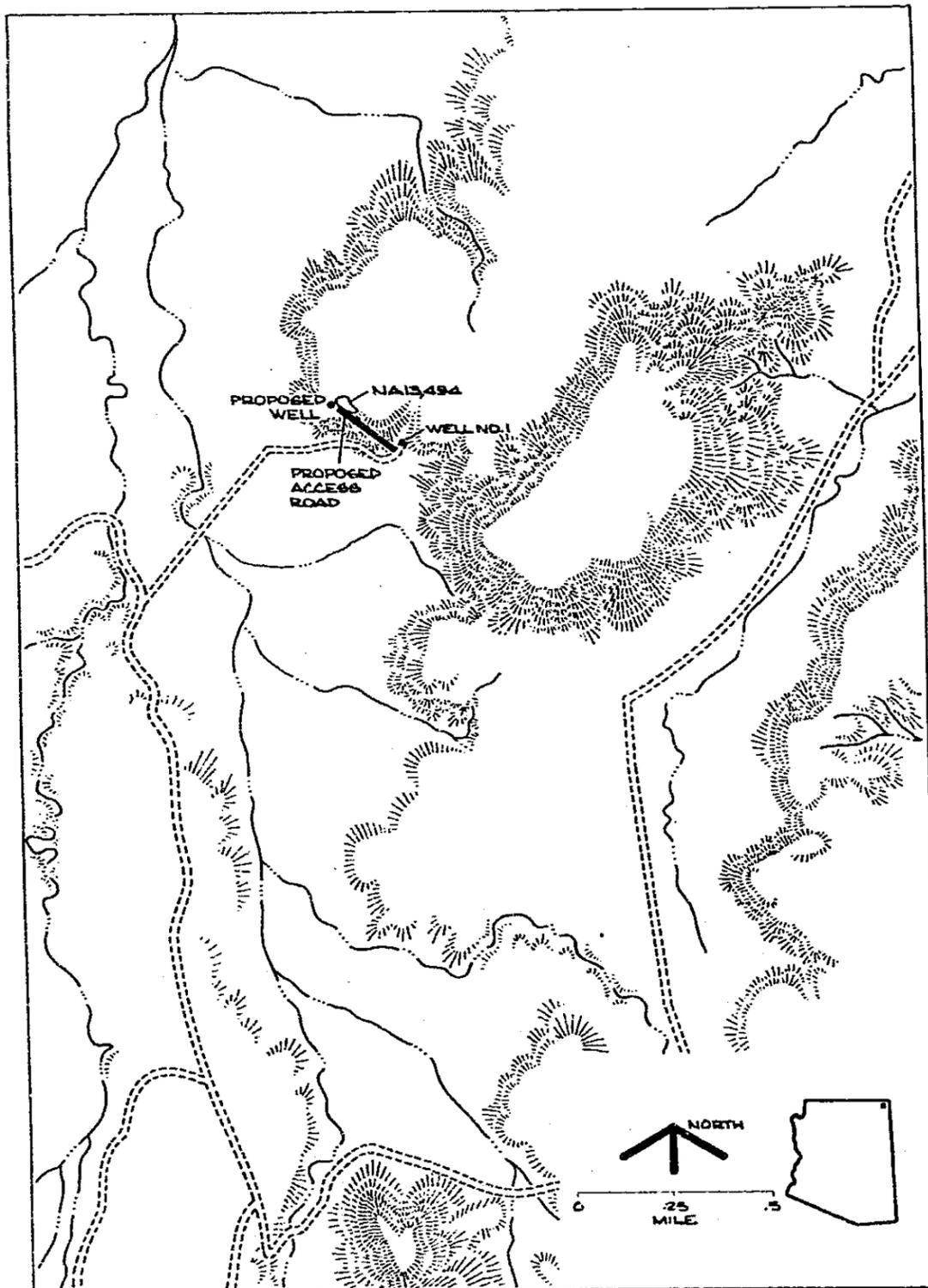


Figure 1. Location of Clinton Oil Company's Navajo "O" #3 well and access road.

-2-

The proposed access road extends westward along the scree slope at the base of a small mesa, and ascends the mesa in the vicinity of a Navajo foot trail. From this point, the access road extends to the west-northwest to the drill site. The drill site is located near the southwest end of the mesa. At the point where the access road ascends the mesa, an historic site, NA13,494, is found 60 ft. to the north. Another component of this Navajo site is found 120 ft. northeast of the center stake of the proposed well.

#### RECOMMENDATIONS

Provisional archaeological clearance is recommended for the Clinton Oil Company's Navajo No. 3 well site and associated access road, contingent upon the complete and permanent avoidance of the Navajo site, NA13,494. This site should be flagged along its southern boundary prior to construction, 60 ft. north of the point where the access road first crosses onto the mesa top. The southwestern boundary of the site in proximity to the drill site should also be flagged 100 ft. northeast of the drill hole center stake prior to construction. Heavy equipment should remain outside of these flagged boundaries. The site should then be reflagged each time additional work in the area is anticipated. Specific recommendations and site location will be found in Appendix I.

Archaeological clearance is restricted to a 50 ft. wide access road and an area extending 150 ft. on all but the northeast side of the drill location. The northeast side of the drill location is recommended for clearance for a distance

-3-

of 100 ft. from the center of the well stake.

If any additional buried antiquities are encountered during the course of work at this project, they must be reported to: Bruce Anderson, National Park Service, Southwest Region, P.O. Box 728, Santa Fe, New Mexico 87501; J. Lee Correll, Supervisor, Research Section, Navajo Parks and Recreation Department, P.O. Box 418, Window Rock, Arizona 86515; and Alexander J. Lindsay, Jr., Curator of Anthropology, Museum of Northern Arizona, P.O. Box 1389, Flagstaff, Arizona 86001. Concurrent with this procedure, construction should be stopped in the vicinity of the newly found antiquities until their disposition has been determined. In addition, any damage to the site mentioned in this report must be reported to the administrative offices mentioned above.

A review of the most recent listing of the National Register of Historic Places shows that there are no sites known or currently proposed for listing to the National Register in proximity to this project.

APPENDIX I

Clinton Oil Company  
Navajo "O" No. 3 Well and Access Road  
Location, Description, and Recommendation  
for Site Adjacent to the Project

Site: NA13,494 Ariz. E:4:11(MNA)

Location: 60 ft. north of the point where the access road first crosses the top of the mesa. The site parallels this access road for a distance of 50 ft. The site again comes into proximity of the project at a point 120 ft. northeast of the drill hole center stake.

Cultural Affiliation: Historic Navajo, Reservation period.  
Site dates about A.D. 1890 - 1920.

Description: A minimum of four circular stone hogans, measuring about 3.5 m. in diameter with walls standing about 1 to 1.5 m. high are present. A single wall may indicate the presence of another outdoor feature. A rectangular area about 2 by 3 m., consisting of stone rubble may indicate another Navajo structure, or possibly a prehistoric component at the site. A 3 by 5 m. area of whitewash on a sandstone cliff, behind the cluster of three hogans and the rectangular rubble area, is attributed to the Navajo. A small corral is situated in a nearly rectangular recess of this small cliff. Access to this site is by a switch-back trail, formed by placing rock walls in areas of the scree slope, and this feature is attributed to the Navajo. Few metal items, a Noxema jar, and a number of stone flakes were present around the hogans, but no definable ash dumps or trash areas were found. This suggests the early date for the site.

Recommendations: Flag a line that is 40 ft. north of the point where the access road first crosses onto the mesa to a point approximately 100 ft. Allow no vehicle movement north of this flagged line, nor to the east of where the road first crosses onto the mesa. Flag a line 100 ft. northeast of the center of the drill site, with this line running in a southeast to northwest direction. Allow no construction work or vehicular traffic beyond this line.

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 COMMIS-  
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.

640

(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



NOTICE OF HEARING

CASE NO. 49

Notice is hereby given to all interested parties that the OIL AND GAS CONSERVATION COMMISSION, STATE OF ARIZONA, will hold a hearing on the motion of CLINTON OIL COMPANY at 10 a.m. on March 21, 1975, at its office at 4515 North 7th Avenue, Phoenix, Arizona, to consider applicant's request for an unorthodox location, in exception to Rule 105A of its rules and regulations, requested location to be the SW 1/4 of SW 1/4, Section 23, T41N, R30E, G. & S. R. M., Apache County, Arizona.

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

(original signed)

\_\_\_\_\_  
Ralph W. Bilby, Chairman

Done this 3rd day of March, 1975  
at Phoenix, Arizona

ATTEST

(original signed)

\_\_\_\_\_  
John Bannister  
Executive Secretary

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. 49

ORDER NO. 48

THE APPLICATION OF CLINTON OIL COMPANY  
FOR AN EXCEPTION TO RULE 105A UNDER  
THE COMMISSION RULES AND REGULATIONS  
AND REQUESTING AN OIL WELL LOCATION TO  
BE APPROVED IN THE SW 1/4 OF SW 1/4,  
SECTION 23, T41N, R30E, APACHE COUNTY,  
ARIZONA

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause was considered at 10:00 a.m. on March 21, 1975  
at Phoenix, Arizona, by the OIL AND GAS CONSERVATION COMMISSION  
of the STATE OF ARIZONA, hereinafter referred to as the COMMISS-  
SION.

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

FINDINGS:

- (1) THAT the COMMISSION has jurisdiction of the subject  
matter thereof.
- (2) THAT adequate geological reasons were presented to the  
COMMISSION to warrant the granting of an exception to its Rule

*Copies sent to Clinton, Monsanto, R. L. Bayless*

Case No. 49  
Order No. 48  
Page 2

105A and that the granting of this exception will allow recovery of oil and/or natural gas not otherwise recoverable.

(3) THAT it is in the best interest of the people of the STATE OF ARIZONA that the requested location of the SW 1/4 of SW 1/4, Section 23, T41N, R30E, Apache County, Arizona, be allowed.

IT IS THEREFORE ORDERED:

THAT the application of Clinton Oil Company for an unorthodox location in exception to Rule 105A so that a well may be located in the SW 1/4 of SW 1/4, Section 23, T41N, R30E, Apache County, Arizona, is hereby approved.

DONE at Phoenix, Arizona, on the 21st day of March, 1975.

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

By (Original Signed)  
Ralph W. Bilby, Chairman

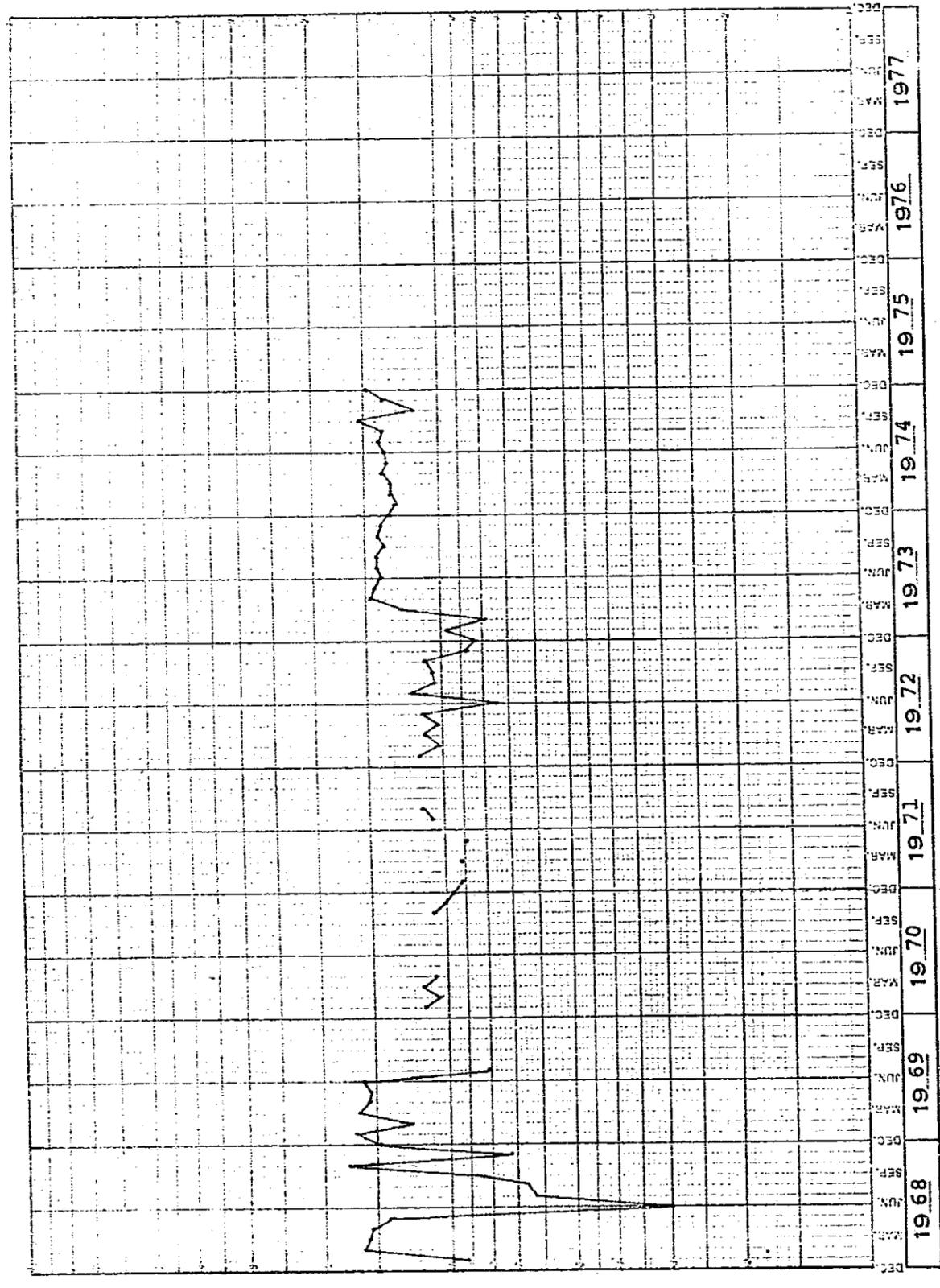
( S E A L )

ATTEST:

(Original Signed)  
John Bannister  
Executive Secretary

CLINTON OIL COMPANY, INC. HOUSTON, TEXAS 77002  
CREDIT RECORD COMPANY, INC. HOUSTON, TEXAS 77002

Clinton Oil Company  
Navajo "O" #1  
SE SW Sec. 23, T41N, R30E  
Apache Co., Arizona



1000  
BOPM

100

Clinton Oil Company, P. O. Box 3280, Casper, Wyoming 82601  
Application for exception to Spacing Rule 105A

Reservoir Data

Porosity 11%  
Water Saturation 30%  
FVF 1.4

Estimated original oil in place - 427 BPAF

Extrapolation of the production decline curve for well #1 indicates a cumulative recovery of 220,000 barrels of oil.

The reservoir appears to have an active water drive.

<u>Well No.</u>	<u>Drainage acres (acres)</u>	<u>Acre Feet</u>	<u>OOIP (BO)</u>	<u>Recovery Factor (%)</u>	<u>Recoverable Oil (BO)</u>
1	71	1420	606,000	36	218,000
3	54	1080	461,000	36	166,000
Regular Location 20		400	171,000	36	61,500

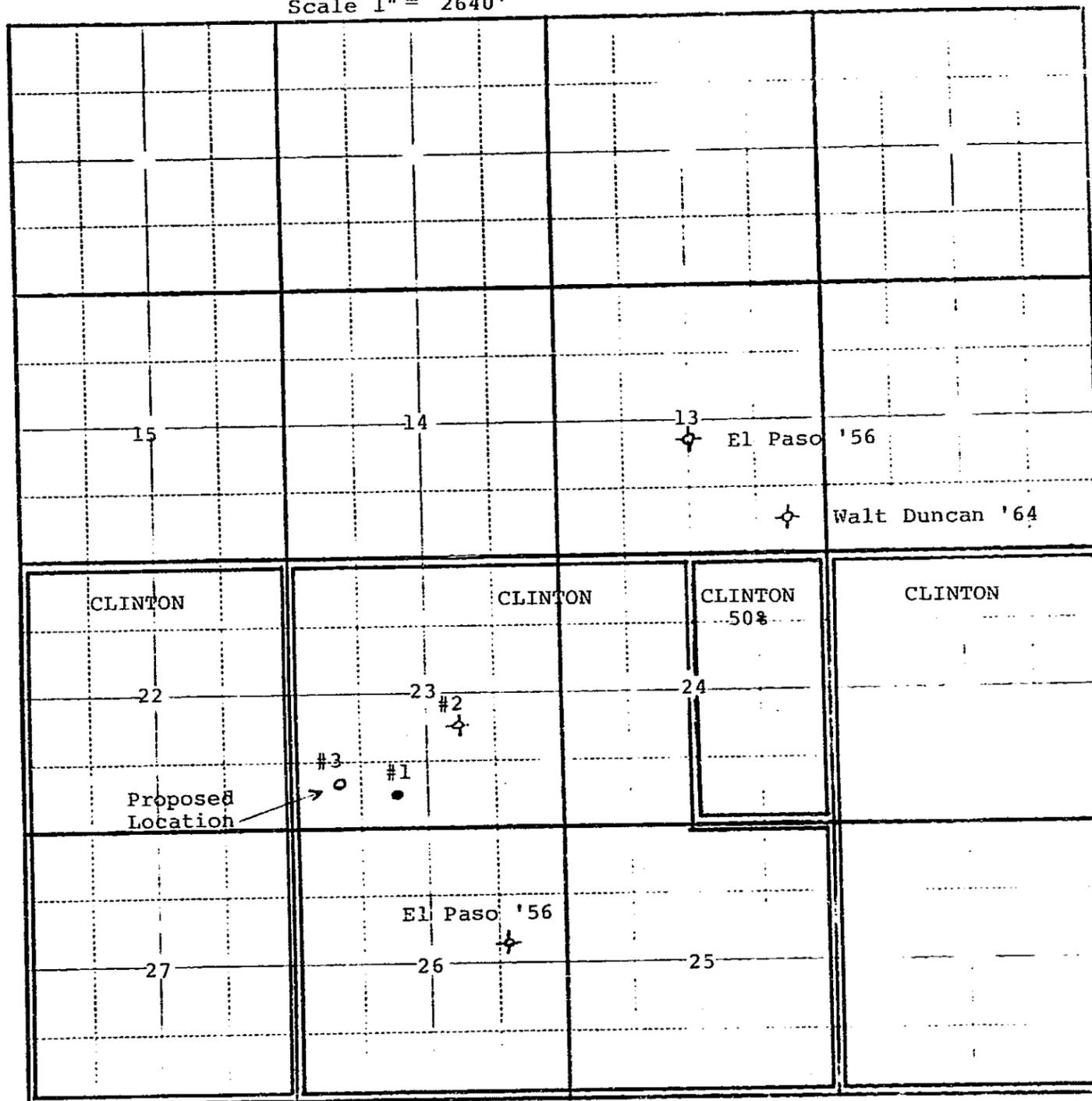
Clinton Oil Company, P. O. Box 3280, Casper, Wyoming 82601  
Application for exception to Spacing Rule 105A



Clinton Oil Company, P. O. Box 3280, Casper, Wyoming 82601  
 Application for exception to Spacing Rule 105A

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

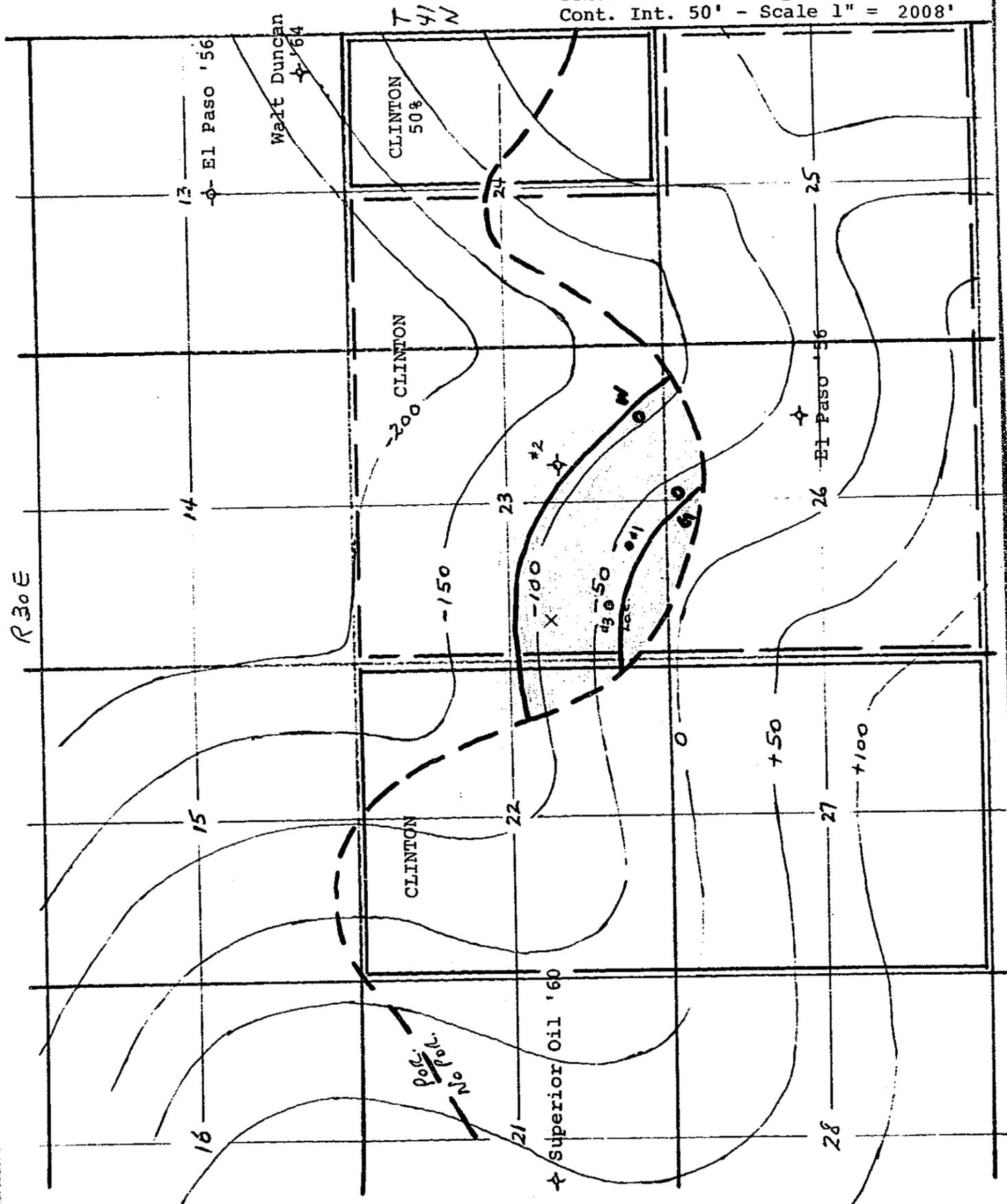
Scale 1" = 2640'



- #1 - Navajo "O"      660' FSL, 1880' FWL
- #2 - Navajo "O"      1830' FSL, 1980' FEL
- #3 - Navajo "O"      1000' FSL, 900' FWL

CLINTON OIL COMPANY P. O. BOX 3280, CASPER, WYOMING 82601  
Application for exception to Spacing Rule 105A

Contoured on L. Ismay  
Cont. Int. 50' - Scale 1" = 2008'



NAVAJO 'O' #1  
SE SW 23-41N-30E  
ARIZONA Co. ARIZONA

Top U/ISMAH

4/ISMAH

Desert Creek

AKAA

5000

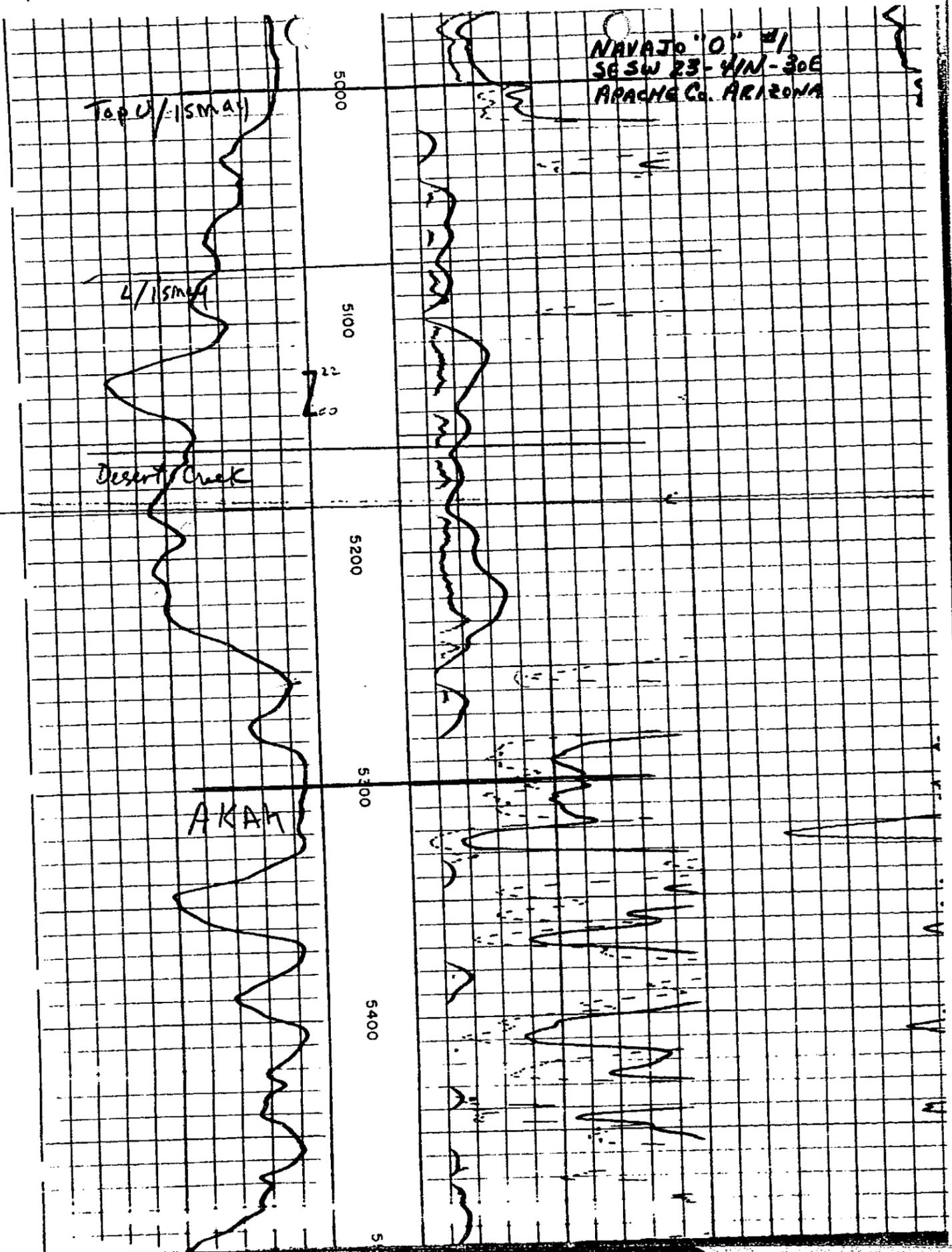
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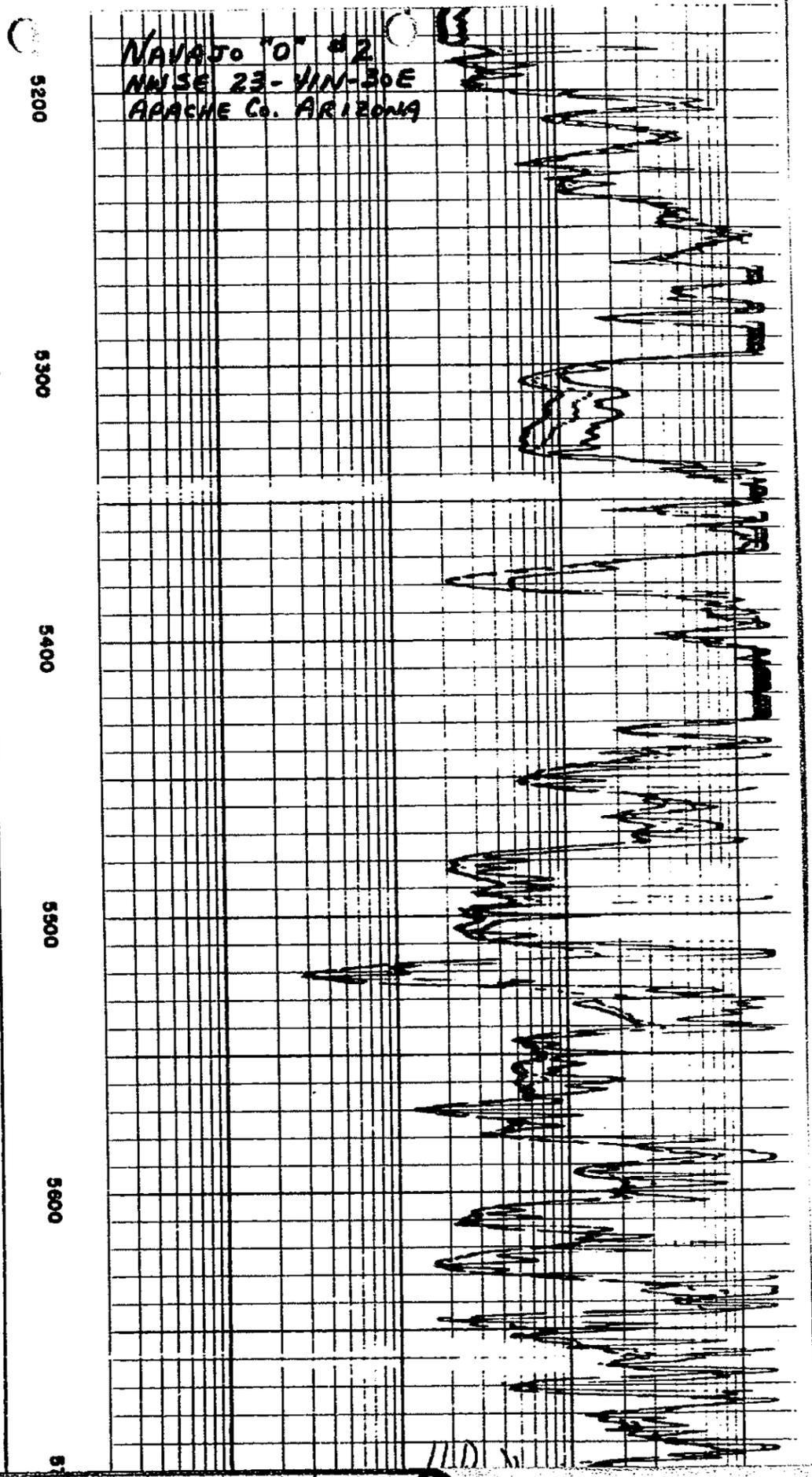
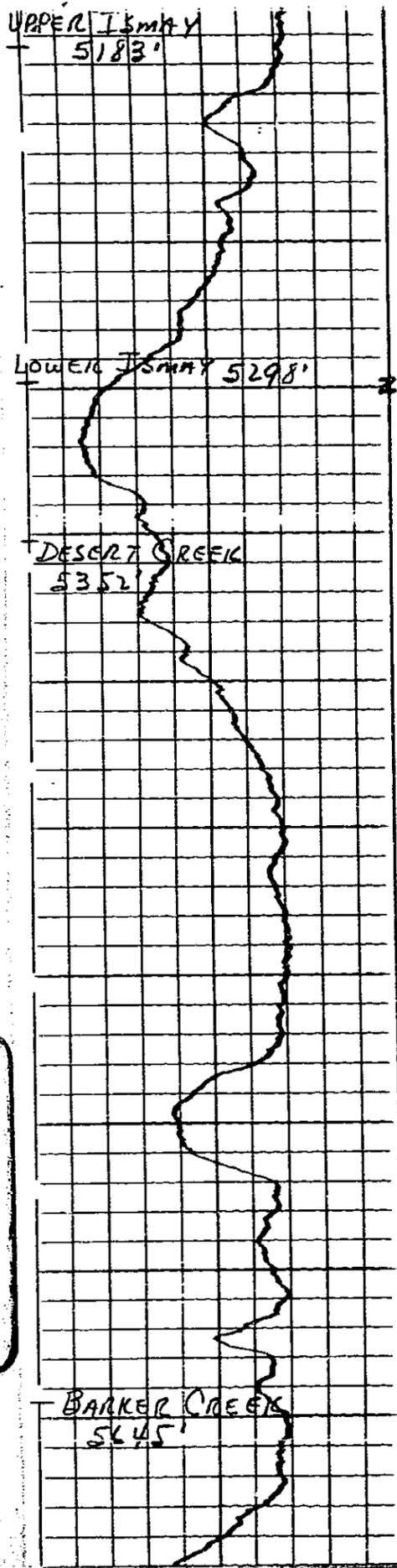
5200

5300

5400

5

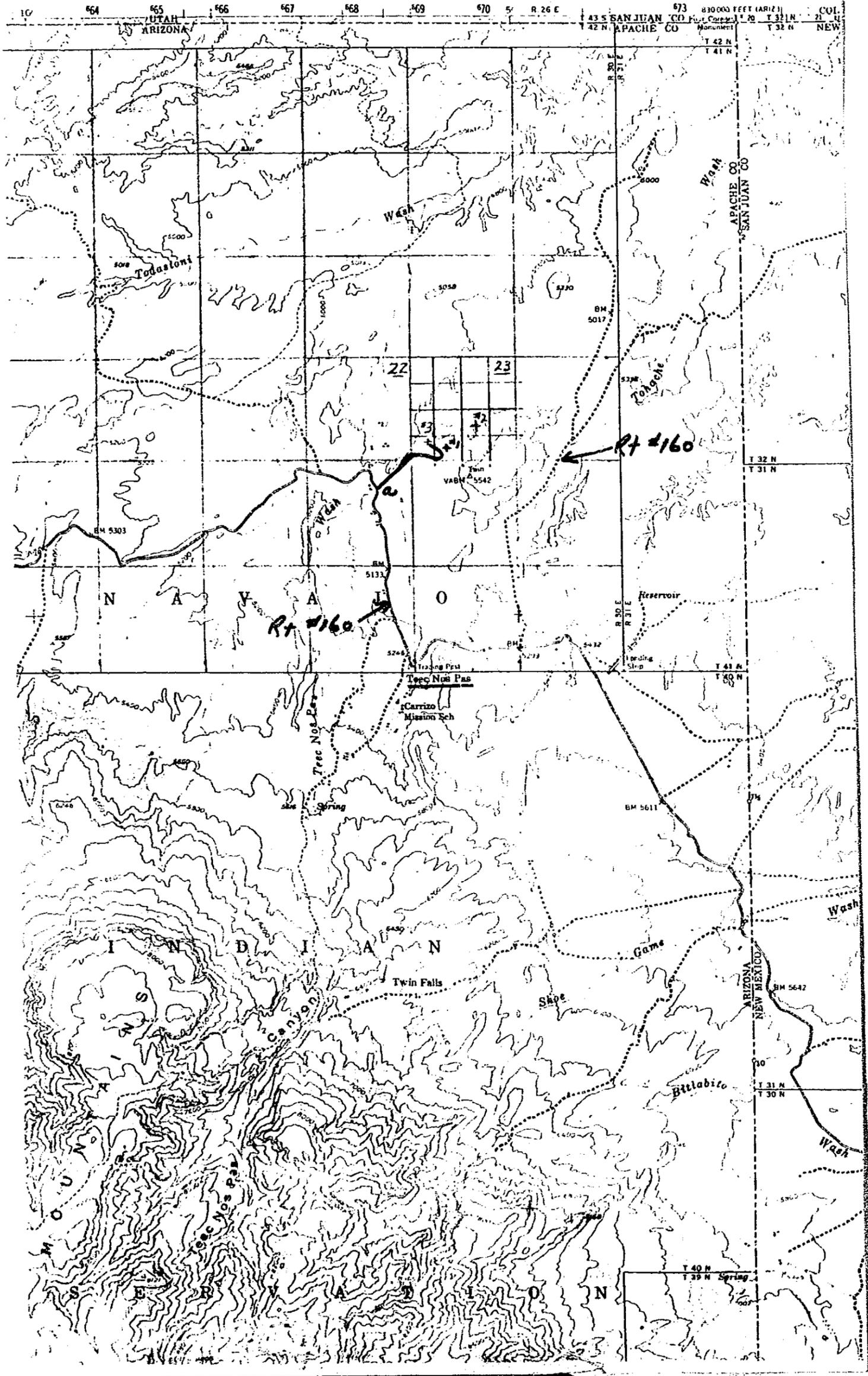




Clinton Oil Company  
Navajo "O" #3  
SW SW Sec. 23, T41N, R26E

Scale - 1" = 1 mile

PASTOR,  
ARIZ.  
15 MINUT



Page 2

Clinton Oil Company proposes to drill the above well with rotary tools from surface to TD. No cores are anticipated. Potential zones which may be drill stem tested are the Hermosa at 4200', Lower Ismay at 5020', Desert Creek at 5077', and the Barker Creek at 5417'. The anticipated zone of completion is the Lower Ismay. Copies of all logs run will be furnished upon completion of the well. Copies of the location plat are attached. Archaeology approval has been requested from the National Park Service, Southwest Regional Office in Santa Fe, New Mexico. (Copy of letter attached.)

Application for permit to drill has been filed with the U.S.G.S. on their forms.

RECEIVED

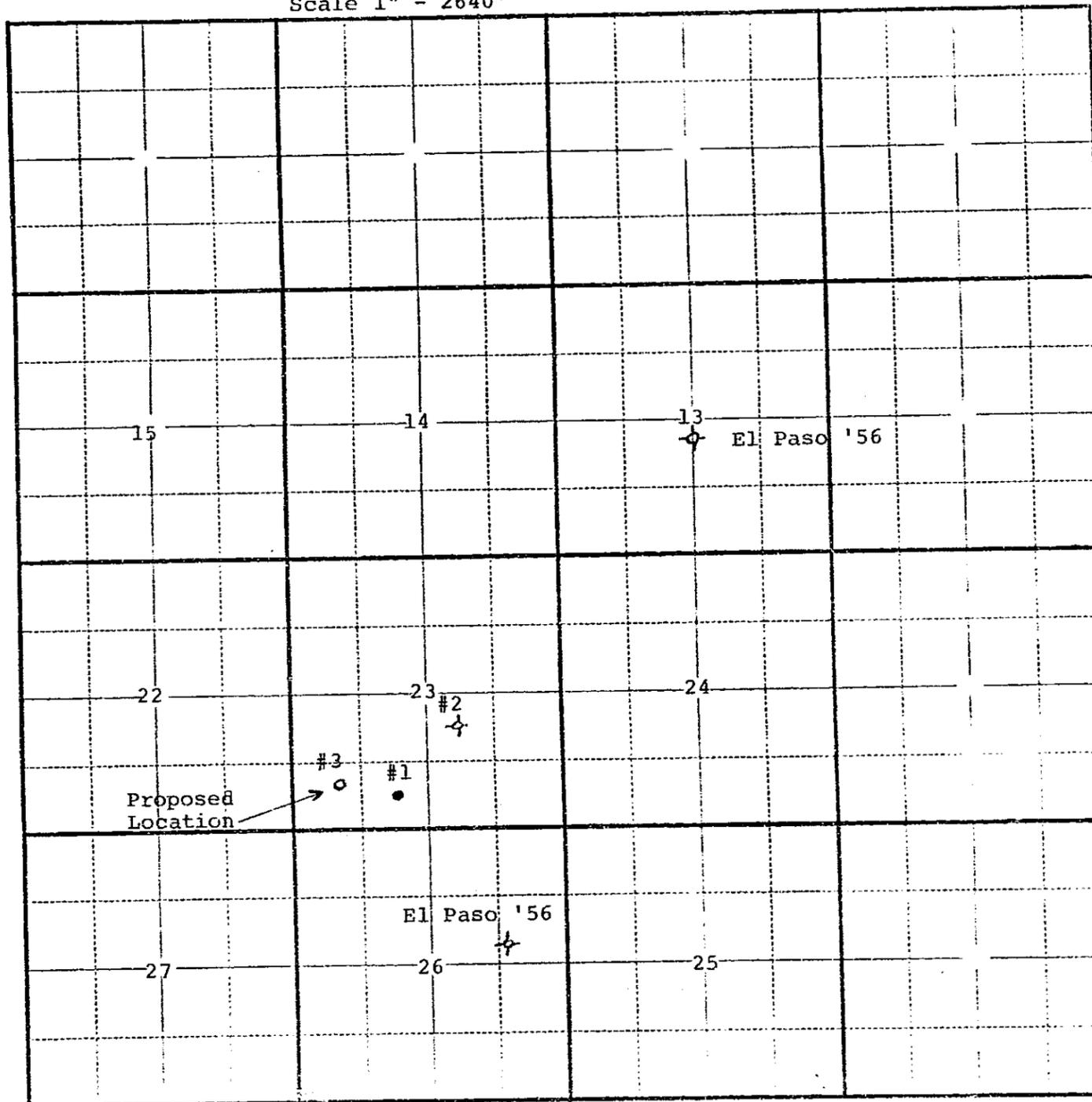
FEB 11 1975

O & G CONS. COMM.

Clinton Oil Company, P. O. Box 3280, Casper, Wyoming 82601  
Application for exception to Spacing Rule 105A

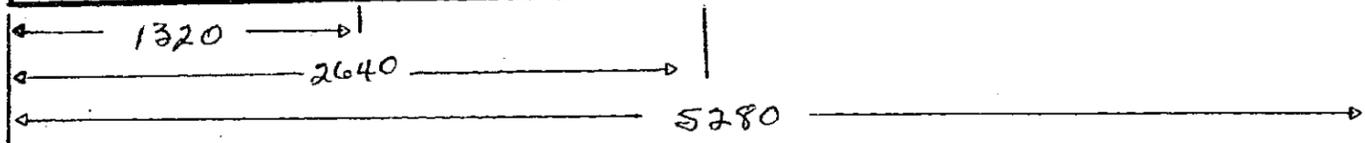
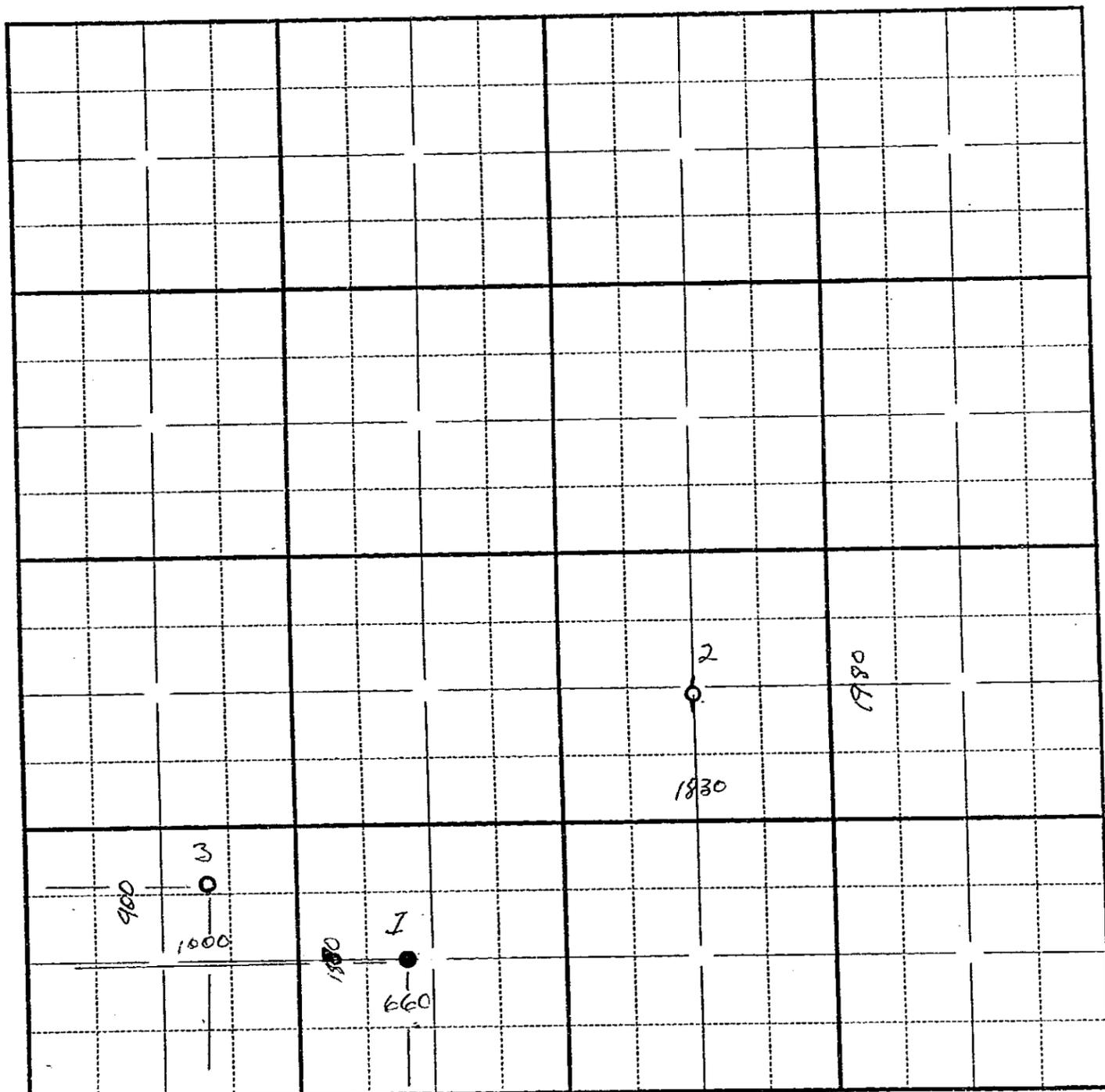
Township, 41N Range, 30E County, Apache State, Arizona

Scale 1" = 2640'



#1 - Navajo "O" 660' FSL, 1880' FWL  
#2 - Navajo "O" 1830' FSL, 1980' FEL  
#3 - Navajo "O" 1000' FSL, 900' FWL

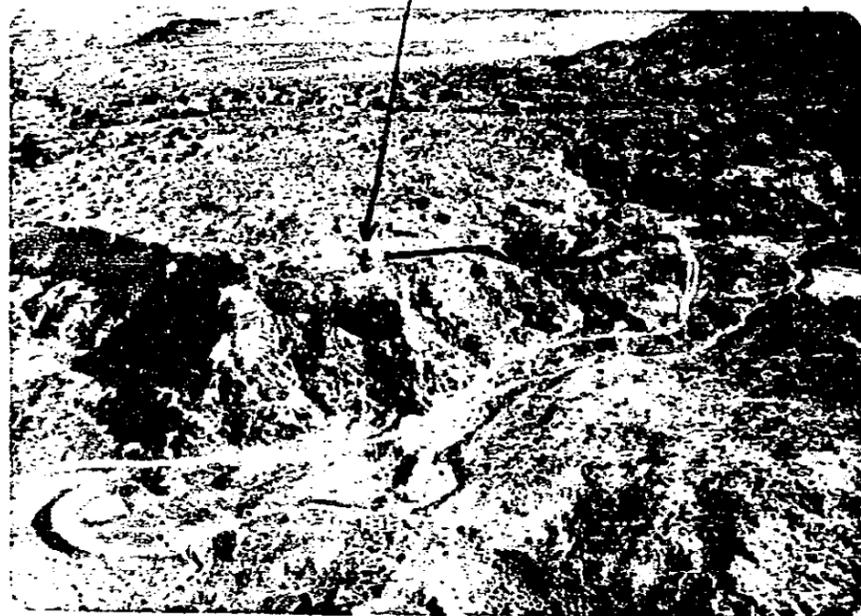
Township, 41N Range, 30E County, \_\_\_\_\_ State, \_\_\_\_\_





Clinton Oil Company  
Navajo "O". #3  
SW SW Sec. 23, T41N, R30E

PROPOSED LOCATION



ROAD TO BE  
CONSTRUCTED  
TO PROPOSED  
WELL

WELL #1 /  
TANK BATTERY  
LOCATION

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FEB 11 1975

O & G CONS. COMM.

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

APPLICATION TO DRILL

RE-ENTER OLD WELL

Clinton Oil Company

NAME OF COMPANY OR OPERATOR

P. O. Box 3280

Casper

Wyoming 82601

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 14-20-603-716	Well number Navajo "0" #3	Elevation (ground) 5165'
Nearest distance from proposed location to property or lease line: 900 feet	Distance from proposed location to nearest drilling completed or applied—for well on the same lease: 1386 feet	
Number of acres in lease: 2560	Number of wells on lease, including this well, completed in or drilling to this reservoir: 3	
If lease, purchased with one or more wells drilled, from whom purchased: Name: Amoco Production Co., Box 591, Tulsa, Oklahoma Address:		
Well location (give footage from section lines) 1000' FSL, 900' FWL	Section—township—range or block and survey Sec. 23, T41N-R30E	Dedication (Comply with Rule 105) 80 acres*
Field and reservoir (if wildcat, so state) Teec Nos Pos - Ismay	County Apache	
Distance, in miles, and direction from nearest town or post office: Approximately 2 miles north of Teec Nos Pas Trading Post		
Proposed depth: 5800'	Rotary or cable tools Rotary	Approx. date work will start March 31, 1975
Bond Status: Active Amount: 25,000	Organization: Report On file July 1970 Or attached	Filing Fee of \$25.00 Attached X

See Page 2 attached.

Rocky Mountain District

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Drilling 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 $\frac{1}{2}$ SW $\frac{1}{4}$

RECEIVED

FEB 11 1975

*Wear B. Barnes*  
Signature

February 7, 1975

Date

Permit Number: 640 O&G COM. COMM.

Approval Date: 3-31-75

Approved By: *[Signature]*

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

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

Form No. 3

(Complete Reverse Side)

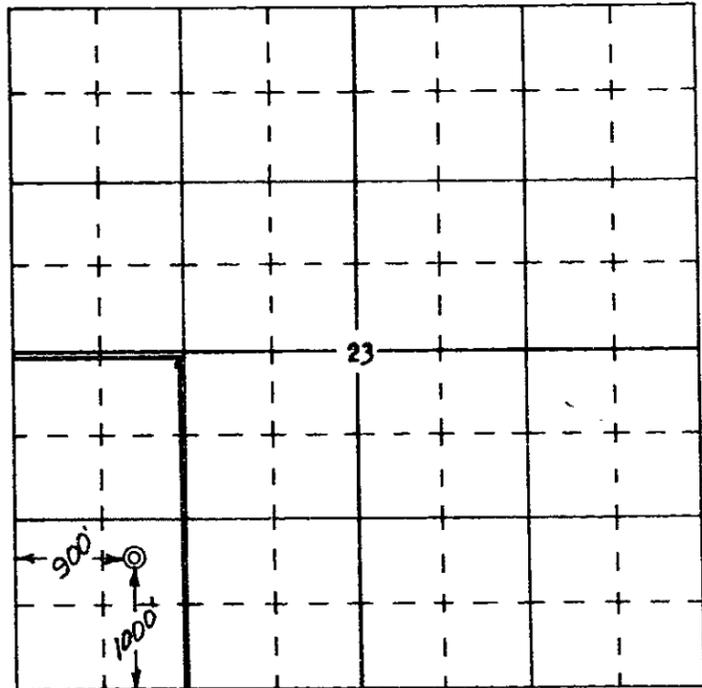
- Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.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

Owner	Land Description
	<p style="text-align: center;"><b>CERTIFICATION</b></p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Name <u>Alan B. Barnes</u></p> <p>Position <u>Drilling Engineer</u></p> <p>Company <u>Clinton Oil Company</u></p> <p>Date <u>2/7/75</u></p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed _____</p> <p>Registered Professional Engineer and/or Land Surveyor _____</p> <p>Certificate No. _____</p>

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
<del>8 5/8"</del>	23#	MU-46	0	1500'	0' - 1500'	675-
10 3/4"		ST&C		300'	300'	225-
5 1/2"	14#	K-	0	5800'	3800' - 5800'	350
	15 5#	CTP				

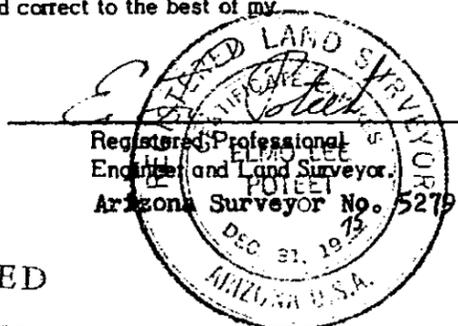
COMPANY Clinton Oil Company  
 Well Name & No. Navajo "O" #3 Lease No. \_\_\_\_\_  
 Location 1000 feet from South line and 900 feet from West line  
 Being in Apache County, Arizona  
 Sec. 23, T.41N., R.30E., G. & S.R.M.  
 Ground Elevation 5165



Scale - 4 inches equals 1 mile

Surveyed January 30, 19 75

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.



RECEIVED

FEB 11 1975

O & G CONS. COMM.



# 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 NAVAJO "O" #3  
(WELL NAME)

located 1000' FSL - 900' FWL

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

The W 1/2 SW 1/4 80 acres of said  
Section, Township and Range is dedicated to this well.

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

Issued this 31st day of March, 19 75.

OIL AND GAS CONSERVATION COMMISSION

By W.O. [Signature]  
EXECUTIVE SECRETARY

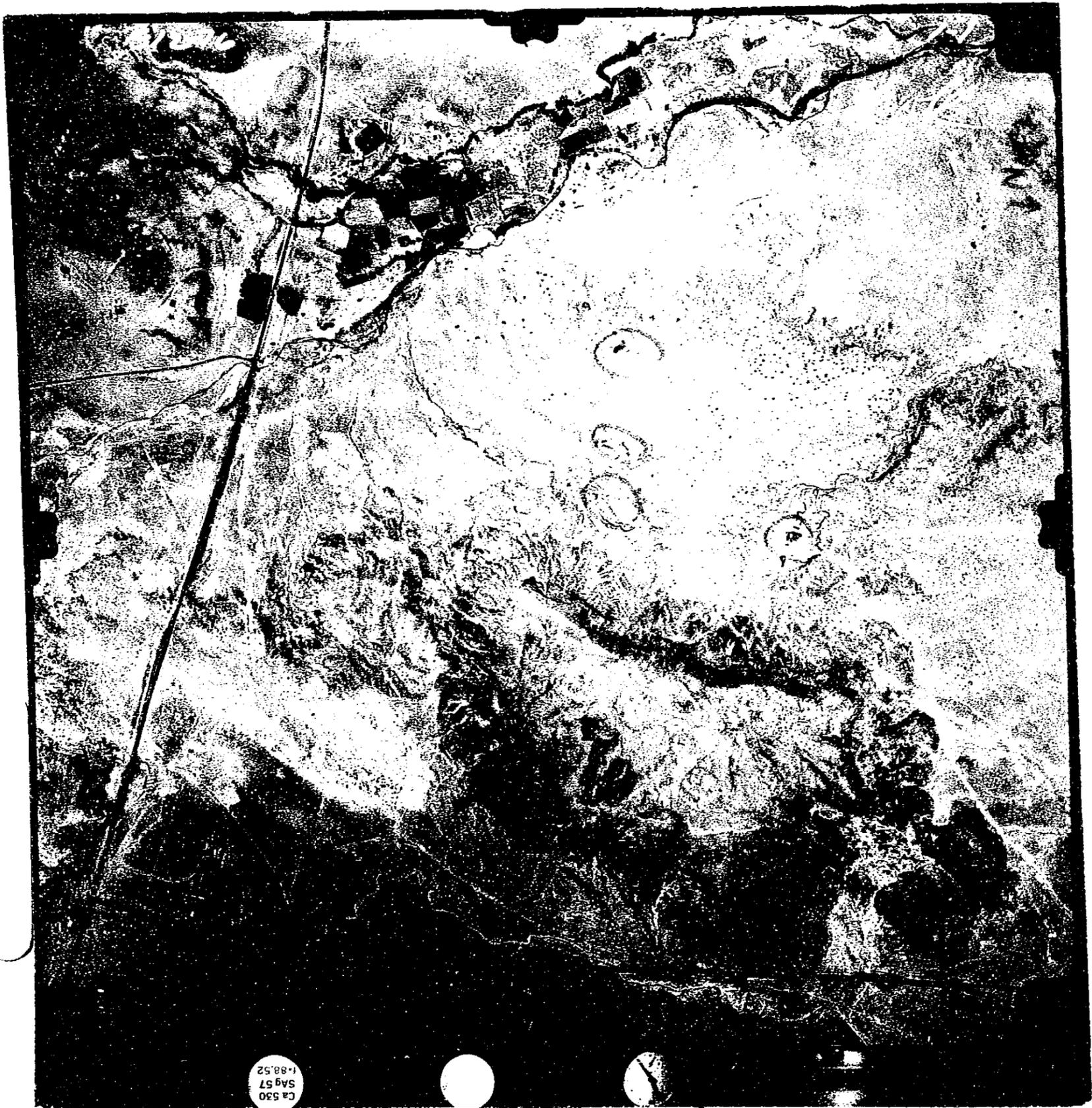
PERMIT N<sup>o</sup> 640

RECEIPT NO. 0342  
API NO. 02-001-20207

FORM NO. 27

State of Arizona  
Oil & Gas Conservation Commission  
Permit to Drill

SAMPLES ARE REQUIRED





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

640

663

678

✓ P4A 12-1-98



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

*Permit # 640*

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). <sup>2/</sup> 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 IBLA 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). <sup>3/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> 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 Daymon 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 IBIA 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 IBIA 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 IBIA 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). <sup>11/</sup> 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. <sup>12/</sup>

<sup>11/</sup> 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.

<sup>12/</sup> 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

640

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>Steven L. Rainz</u>	<u>11/7/97</u>	BY <u>Steven L. Rainz</u>	Authorized Signature
Authorized Signature Date			
OIL & GAS CONSERVATION COMMISSION		STATE TREASURER AUTHORIZATION	
Bank or Firm		BY <u>Kathleen Johnston</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 640

DATE: 11/29/89

STATE AGENCY NO. \_\_\_\_\_

STATE AGENCY: OIL & GAS CONSERVATION COMM. ✓

COMPANY: DRY MESA CORPORATION ✓  
P O BOX 5446

FARMINGTON, NEW MEXICO 87499

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 \$

STATE TREASURER VALIDATION NO. \_\_\_\_\_

RECEIVED  
 STATE TREASURER  
 NOV 29 3 19 PM '89

RECEIVED THE ABOVE RELEASE

STATE AGENCY AUTHORIZATION

BY

Authorized Signature

Date

BY Kate Bernice

Authorized Signature

STATE TREASURER AUTHORIZATION

BY Katherine Jaramillo

Authorized Signature

Bank or Firm

FOR BANK USE ONLY

BANK AUTHORIZATION

BY

Authorized Signature

Checked by

Verified by

STATE'S DEPOSITORY BANK

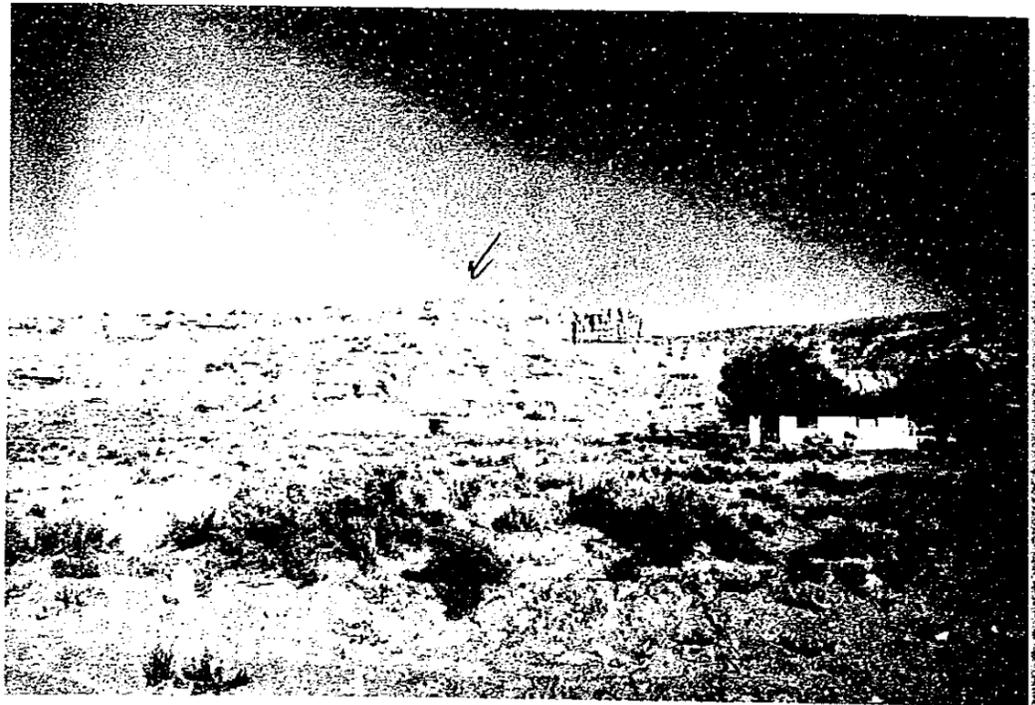


21A Teec Nos Pos

1089

PN-640

Cross Creek (ERG) 3 Navajo - 0 -  
SW SW 23, 41N-30E



24A Teec Nos Pos 10/89 (PN 640)

Cross Creek (ERG) 3 Navajo 0  
SWSW 23, 41N-30E

10



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

640  
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



**MEMORANDUM TO FILE**

*pin 64b*

**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**

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

642

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.



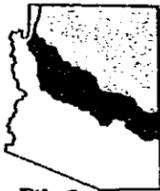
SCHEDULE "A"

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

March 5, 1992

640

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

Dear Mr. Hand:

Enclosed are copies of the material in our #3 Navajo "O" file. The material is pretty much duplicated in the other well files from the Teec Nos Pos field.

Sincerely,

*Steven L. Rauzi*

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosures



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

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*

Steven L. Rauzi  
Oil & Gas Program Administrator

640



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

640

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

640

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 "O"  
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 O and that ownership will revert to Cross Creek.*

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



INSTRUMENT / O

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



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

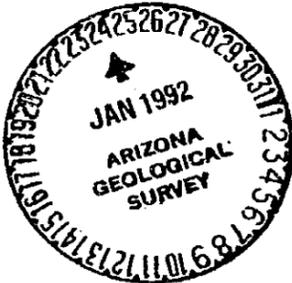
Steve:

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 —————

**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	4680' (EST)	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

*P/N 232, 582, (640), 667, 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.

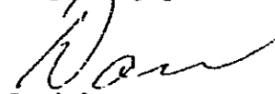
Mr. Bob Hand  
Dry Mesa Corporation

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

**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-141  
Phoenix, Arizona 85016 September 5, 1990

71N 582  
640

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.

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' on 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.

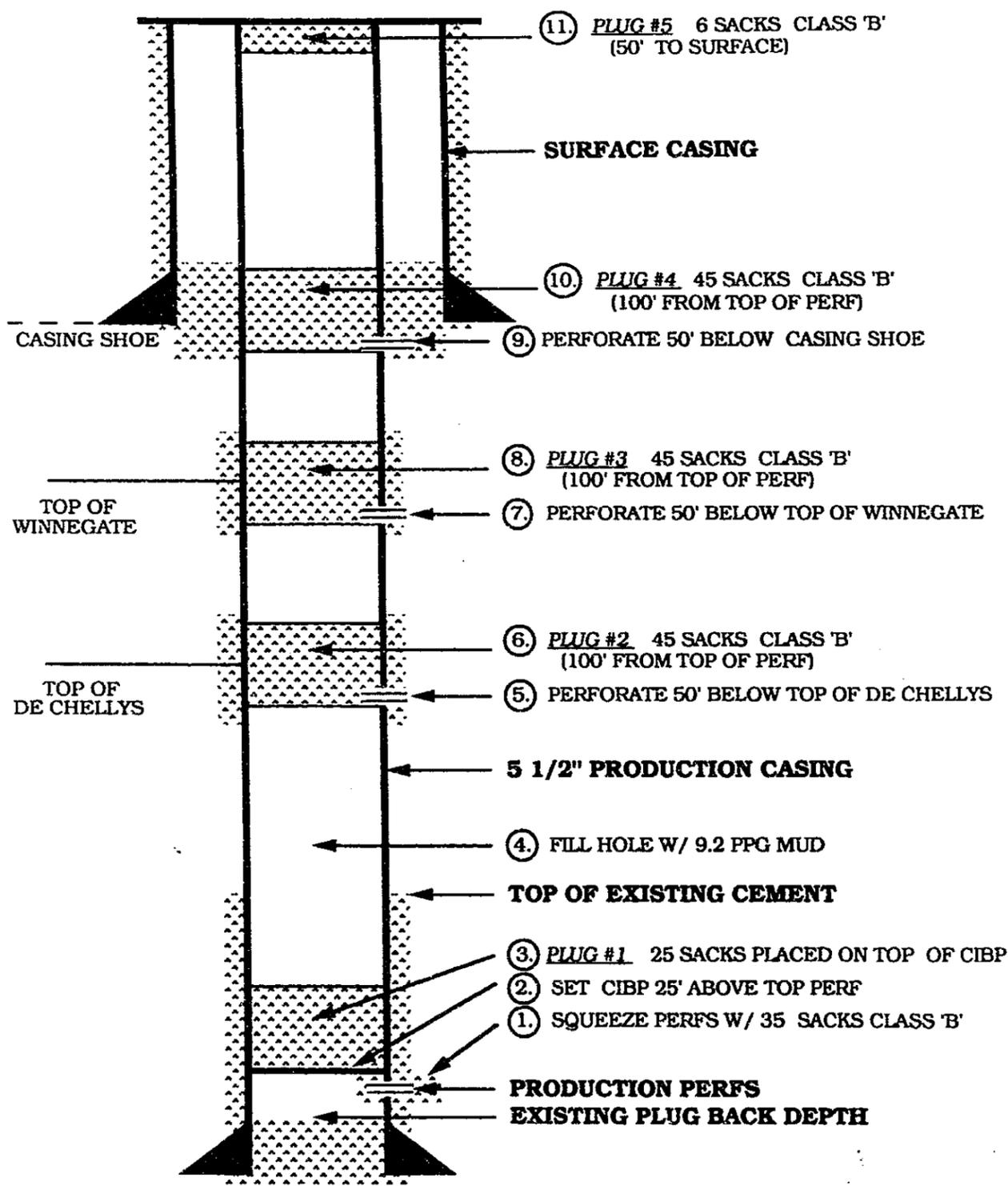
Well #3: CIBP @ 5189'; perf #1 @ 2632'; perf #2 @ 1374'; perf #3 @ 564'; plug #1 @ 5189' - 4989'; plug #2 @ 2632' - 2532'; plug #3 @ 1374' - 1274'; plug #4 @ 564' - 464'; plug #5 @ 50' - surface.

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.

## PROPOSED PLUGGING DIAGRAM

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



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  
(TUCAN, 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:

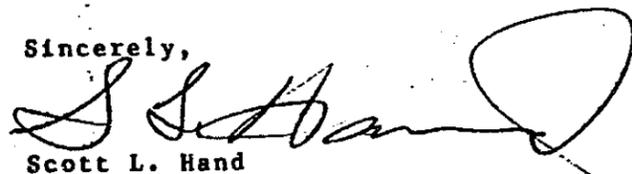
- a) Copy 1988 Tax Statement, delivered 2/13/89
- b) Original 1988 Tax Stment, delivered 2/14/89
- c) Delinquent Tax Notice, mailed 10/5/89
- d) 1989 Original Tax Statement, mailed 10/5/89
- e) Tax Sale Notice, mailed 1/23/89

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**

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

JAN 26 1990

JAN 22 REC'D

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

JAN 26 1990

AGREEMENT OF SALE AND PURCHASE

This agreement made and entered into this 15<sup>th</sup> 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 interests in the Subject Interests~~ Necessary Interest 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. ~~Assignment~~ The conveyance and assignment of Subject Interests to Buyer shall be made effective as to the date ~~stated 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, demands, costs, losses or expenses, including fines, damages, rulings and judgments accruing on or after the effective date and based on or in any way related to the use, operation, maintenance or repair or maintenance of the personal property, improvements and moveables included in the Subject Interests.~~
  - (c) ~~Buyer agrees that, from the closing 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 Buyer or operations 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

- (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 in any business or operations 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 CONSV. 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

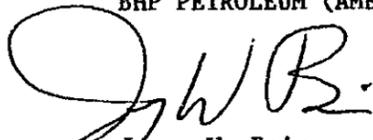
Gentlemen:

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.

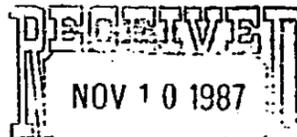
Sincerely,

*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	660' 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 '0'

<u>Well #'s</u>	<u>State Permit No.</u>	<u>Section No.</u>	TWP 41N-30E.
1	232	23	
2	582	23	
3	640	23	
4	663	23	
5	678	26	
6	683	25	
9	687	26	



June 13, 1977

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

Re: Navajo "0" #3, SW/4 SW/4 Sec. 23, T41N, R30E,  
Apache County, Arizona; State Permit No. 640

Navajo "0" #4, SW/4 SE/4 Sec. 23, T41N, R30E,  
Apache County, Arizona; State Permit No. 663

Dear Dean:

We have never received the samples from the above-referred wells. Will you please send a set of samples on each of these wells to this Commission and also a set from each well to the Bureau of Mines, University of Arizona, 845 N. Park, Tucson, Arizona 85719.

We would appreciate receiving these samples as quickly as possible.

Very truly yours,

W. E. Allen  
Director  
Enforcement Section

WEA/vb

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

 Energy Reserves Group

RECEIVED

MAY 19 1976

O & G CONS. COMM.

May 17, 1976

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

Re: Navajo "O" #3  
SW SW Sec. 23, T41N, R30E  
Permit #640

Dear Mr. Allen:

In regard to your letter dated May 6, 1976, requesting well samples from the above captioned well drilled by Energy Reserves Group, formerly Clinton Oil Co., we find it impossible at this time to fill your request.

The samples were left in the care of a foreman who has since left our employment. In the process, we have lost the samples of this well. WE will continue our search and, in the event we do recover the samples, a complete set will be sent to your office.

Very truly yours,



Terry Cox  
Production Engineer  
Rocky Mountain District

TC:ed

May 6, 1976

Mr. Terrence L. Ruder  
Energy Reserves Group  
P. O. Box 3280  
Casper, Wyoming 82601

RE: Clinton Oil "O" #3  
SW/SW Sec 23, T41N, R30E  
Permit #640

Dear Mr. Ruder:

A check of our records reveal that we have never received the well samples from the above referenced well. Would you please have a set of these samples sent to this Commission and also a set sent to the Bureau of Mines in Tucson. Please refer to Rule #119 of the Rules and Regulations of the Oil and Gas Conservation Commission.

It would be appreciated if you would give this matter your prompt attention.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/sl

XXXXXXXXXXXXXXXXXXXX 8686 N. Central  
XXXX Suite 106, 85020

December 29, 1975

Mr. Terry J. Cox  
Clinton Oil Company  
P. O. Box 3280 *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

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

640

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> Operator		<u>Navajo Tribal O #1, 243</u> Well Name	
<u>95-005-01</u> Meter Code	<u>95005-0</u> Site Code	<u>N</u> Well Unit	<u>23-41N-30E</u> S-T-R
<u>Bits Peak Paradox</u> Pool		<u>El Paso Natural Gas Company</u> Name of Purchaser	

WAS MADE ON October 24, 1975  
Date

FIRST DELIVERY November 3, 1975  
Date

AOF \_\_\_\_\_

CHOKER \_\_\_\_\_

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

cc: Operator Wichita, Kansas  
Oil Conservation Commission - § 1 - 4515 N. 7th - Phoenix  
Proration - El Paso

File

RECEIVED

NOV 17 1975

O & G CONS. COMM.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

8686 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

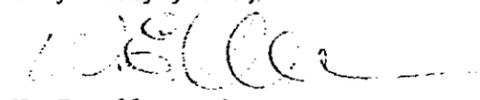
Dear Mr. Barnes:

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.

August 15, 1975

Ms. Kay Waller  
Petro-Well Libraries, Inc.  
150 Security Life Building  
1616 Glenarm Place  
Denver, Colorado 80202

Dear Kay:

Enclosed you will find the following current material for July, 1975.

Data: Completion Report and miscellaneous information on  
Clinton Oil Navajo "O" #3, Permit #640

Logs: Borehole Compensated Sonic Log, Cement Bond Log and  
Induction-Electrical Log

Very truly yours,

Saralee Lorenzo (Mrs.)  
Secretary to W. E. Allen  
Director, Enforcement Section

sl

Encis.

P. S. By the way Rhema had a baby boy - he is almost 2 weeks old.

August 14, 1975

Mr. Jim Webster  
Photogrammetry & Mapping  
Highway Division  
Department of Transportation  
1739 W. Jackson, Room 61  
Phx., AZ 85007

RE: Clinton Oil Navajo "O" #3  
SW/SW Sec 23-T41N-R30E  
Apache County

Dear Mr. Webster:

In checking this file, I can not find a copy of a letter to you notifying you of the spud date on the above well. This well was spudded 5-28-75.

If you already have this information, please disregard this information.

Very truly yours,

Saralee Lorenzo  
Secretary

SL

640

August 14, 1975

Mr. Rollo Pool  
Petroleum Information  
Box 301  
Durango, Colorado 80301

Dear Rollo:

Enclosed please find pertinent information on our Well File #640 for Clinton Oil Navajo "O" #3.

Also enclosed is an invoice for \$1.75 for 5 copies at 35¢ each.

If we can be of further service, please let us know.

Very truly yours,

Saralee Lorenzo  
Secretary

SL

Encls.

640

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/sl

Encls. (6)

640

WA

CLINTON OIL COMPANY

Northern Division / Casper Office

P. O. Box ~~3280~~ 3280 / Casper, Wyoming 82601 / 307 265-7331

April 29, 1975

Arizona Oil and Gas Conservation Commission  
8686 N. Central, Suite 106  
Phoenix, Arizona 85020

Re: Hearing Before the Oil and Gas Conservation  
Commission, March 21, 1975, Case No. 49

Gentlemen:

As per your request, enclosed is our check No. 292 in  
the amount of \$152.84 representing costs incurred for  
the captioned hearing.

Yours very truly,

*Dean B. Barnes*  
Dean B. Barnes  
Drilling Engineer  
Rocky Mountain District

DBB:ed

Encls.

RECEIVED

MAY 6 1975

O & G CONS. COMM.

WA

CLINTON OIL COMPANY

Northern Division / Casper Office

P. O. Box 2434 / Casper, Wyoming 82601 / 307 265-7331

April 1, 1975

Arizona Oil and Gas Conservation Commission  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Re: Application to Drill Navajo "O" #3  
SW SW Section 23, T41N, R30E  
Apache County, Arizona

Gentlemen:

Attached is a copy of the archaeological report prepared  
by the Museum of Northern Arizona for the subject well.

Very truly yours,

*Dean B. Barnes*

Dean B. Barnes  
Drilling Engineer  
Rocky Mountain District

DBB:ed

Encls.

RECEIVED

APR 02 1975

O & G CONS. COMM.

See other side of file for report.

March 31, 1975

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

Dear Mrs. Ratcliff:

The following permit was issued this date:

Clinton Oil Navajo "O" #3  
SW/SW Sec 23-T41N-R30E  
Apache County  
Permit No. 640

Very truly yours,

Rhema L. Brandt  
Secretary to W. E. Allen  
Director, Enforcement Section

/rlb

March 31, 1975

Mr. Dean B. Barnes  
Clinton Oil Company  
P. O. Box 3280  
Casper, Wyoming 82601

Re: Navajo "O" #3  
SW/SW 23-41N-30E  
Apache County  
Permit No. 640

Dear Mr. Barnes:

Enclosed please find Receipt No. 0342 covering the \$25 filing fee,  
a copy of your approved Application to Drill and Permit to Drill  
No. 640.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Encs.

WJH

CLINTON OIL COMPANY

P. O. BOX 3280

Northern Division / Casper Office

P. O. Box 2434

Casper, Wyoming 82601

307 265-7331

March 25, 1975

Arizona Oil and Gas Conservation Commission  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Re: Application to drill Navajo "O" #3  
SW SW Section 23, T41N, R30E  
Apache County, Arizona

Gentlemen:

We are re-submitting the Application for a Permit to Drill the subject well. (2 copies attached) Enclosed with the application data is a letter from the Museum of Northern Arizona recommending archaeological clearance. When the completed report is received, a copy will be forwarded to you for your records.

It was a pleasant experience to attend the recent hearing and to meet the personnel at the Oil and Gas Commission. We wish to thank you for the courteous treatment we received.

Yours very truly,

*Dean B. Barnes*  
Dean B. Barnes  
Drilling Engineer  
Rocky Mountain District

DBB:ed

Encls.

RECEIVED

MAR 31 1975

O & G CONS. COMM.

March 21, 1975

Mr. Dean B. Barnes  
Drilling Engineer  
Clinton Oil Company  
Box 3280  
Casper, Wyoming 82601

Re: Application to Drill No. 3 Navajo "O"  
SW/SW Section 23-T41N-R30E

Dear Mr. Barnes:

Your application to drill the above referenced location will be approved and the permit issued as quickly as we receive your check in the amount of \$25 for the permit. When you originally filed this application, we retained a copy of the application and all pertinent information. Therefore all we need at the present time is your check.

I wish to apologize to you, Mr. Olds and Mr. Spurlock for the apparent abruptness of our Commissioners. I don't think that they meant to be rude but were just anxious to conclude the hearing. As I previously assured you that it was just routine as far as the Commission staff was concerned.

If this office can be of any assistance to you in any way whatsoever, please do not hesitate to advise us.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/r1b

Enc. - Case 49, order 48 (after hearing)

MUSEUM OF NORTHERN ARIZONA  
HAROLD S. COLTON RESEARCH CENTER



NORTHERN ARIZONA SOCIETY OF  
SCIENCE AND ART, INC.

March 12, 1975

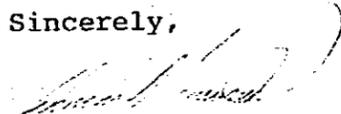
Mr. Dean C. Barnes  
Drilling Engineer  
Clinton Oil Company  
P. O. Box 3280  
Casper, WY 82601

Dear Mr. Barnes:

This letter is to inform you that the Museum of Northern Arizona has conducted an archaeological survey at your proposed Clinton #3 well in the Teec Nos Pos - Ismay Field on February 26, 1975. During the survey, one historic Navajo site, NA13,494, was located adjacent to your proposed access road and drill site. Archaeological clearance for this proposed drill hole and access road is recommended, contingent upon the circumvention of this site during construction work, and later operations associated with drilling and maintenance.

A report detailing this site, and recommendations to avoid it will be forthcoming shortly. If you have any questions concerning this matter, please contact me at the Museum.

Sincerely,

  
Charles D. James, III  
Project Manager

for

Alexander J. Lindsay, Jr.  
Coordinator for  
Archaeological Research

CDJ/bd

**CLINTON OIL COMPANY**

Northern Division / Casper Office

P. O. BOX 3283  
P. O. Box 2434

Casper, Wyoming 82601

307 265-7331

February 20, 1975

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

Re: Application to Drill Navajo "O" #3  
SW SW Section 23, T41N, R30E  
Apache County, Arizona

Dear Mr. Allen:

Clinton Oil Company requests an exception to Spacing Rule 105A for the drilling of the subject well.

Present geologic interpretation indicates that if the well is drilled at the normal location (NW SW Sec.23), it will not be favorably located in the oil ring of the reservoir.

All facts stated herein are known by me to be true and the data on the plat correctly locates the respective positions of the wells in the immediate area.

Would you please place us on the docket of the next hearing, which we understand is March 21, 1975.

Yours very truly,

*Dean B. Barnes*

Dean B. Barnes  
Drilling Engineer  
Rocky Mountain District

DBB:ed

Encls.

February 11, 1975

Mr. Dean B. Barnes  
Drilling Engineer  
Clinton Oil Company  
Box 3280  
Casper, Wyoming 82601

Re: Application to Drill No. 3 Navajo "O"  
SW/SW Section 23-T41N-R30E

Dear Mr. Barnes:

Your application to drill the above referenced well is being returned for the following reasons:

1. The S/2 of the SW/4 is dedicated to your Navajo "O" No. 1 located in the SE/SW Section 34-T41N-R30E. According to our records, this well is completed in the Lower Ismay Formation.
2. Rule 105 of the Rules and Regulations of the Oil and Gas Conservation Commission states in Section A, Paragraph 4, "No well drilled for oil shall be located within the bounds of a quarter-quarter section or lot having one side common with another quarter-quarter section or lot upon which there is located a well completed in or drilling to the same pool."

Should you desire to drill this well in the exact location as submitted on your application, it will require a hearing before the Commission. Please see Rule 105, Section D.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

CC - M. L. Seelinger

Encs.

CLINTON OIL COMPANY

Northern Division / Casper Office

P. O. BOX 3280

P. O. Box ~~3280~~

Casper, Wyoming 82601

307 265-7331

February 7, 1975

National Park Service  
Southwest Regional Office  
P. O. Box 728  
Santa Fe, New Mexico 87501

Attn: Mr. Bruce Anderson

Gentlemen:

Clinton Oil Company plans to drill an oil well in the  
Teec Nos Pos - Ismay Field at the following location:  
(See attached map.)

1000' FSL, 900' FWL (SW SW) Section 23  
T 41 N, R 30 E, Apache County, Arizona

We are requesting archaeological approval. If it is  
necessary to have an archaeological field team inspect  
the proposed location, would you please secure the  
services of same and have them bill us for their  
services at the following address:

Clinton Oil Company  
P. O. Box 3280  
Casper, Wyoming 82601

Very truly yours,

*Dean B. Barnes*

Dean B. Barnes  
Drilling Engineer  
Rocky Mountain District

DBB:ed

Encls.

RECEIVED  
FEB 11 1975  
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. 49

ORDER NO. 48

THE APPLICATION OF CLINTON OIL COMPANY  
FOR AN EXCEPTION TO RULE 105A UNDER  
THE COMMISSION RULES AND REGULATIONS  
AND REQUESTING AN OIL WELL LOCATION TO  
BE APPROVED IN THE SW 1/4 OF SW 1/4,  
SECTION 25, T41N, R30E, APACHE COUNTY,  
ARIZONA

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause was considered at 10:00 a.m. on March 21, 1975  
at Phoenix, Arizona, by the OIL AND GAS CONSERVATION COMMISSION  
of the STATE OF ARIZONA, hereinafter referred to as the COMMISS-  
SION.

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

FINDINGS:

- (1) THAT the COMMISSION has jurisdiction of the subject  
matter thereof.
- (2) THAT adequate geological reasons were presented to the  
COMMISSION to warrant the granting of an exception to its Rule  
105A and that the granting of this exception will allow recovery

Case No. 49  
Order No. 48  
Page 2

of oil and/or natural gas not otherwise recoverable.

(3) THAT it is in the best interest of the people of the STATE OF ARIZONA that the requested location of the SW 1/4 of SW 1/4, Section 23, T41N, R30E, Apache County, Arizona, be allowed.

IT IS THEREFORE ORDERED:

THAT the application of Clinton Oil Company for an unorthodox location in exception to Rule 105A so that a well may be located in the SW 1/4 of SW 1/4, Section 23, T41N, R30E, Apache County, Arizona, is hereby approved.

DONE at Phoenix, Arizona, on the 21st day of March, 1975.

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

By (Original Signed)  
Ralph W. Bilby, Chairman

( S E A L )

ATTEST:

(Original Signed)  
John Bannister  
Executive Secretary