

CONFIDENTIAL

Release Date _____

Duval Corp. Well No. 63 *State*
SW/SE 12-18N-26E-Apache Co. #675

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 DUVAL CORPORATION		Address 5357 East Pima Street, Tucson, AZ 85712	
Federal, State or Indian Lease Number or name of lessor if fee lease State Prospecting Permit #38335		Well Number 63	Field & Reservoir NA
Location 81.5 FSL, 1649 FEL		County Apache	
Sec. TWP-Range or Block & Survey 12, 18N, 26E			
Date spudded 4/26/77	Date total depth reached 5/16/77	Date completed, ready to produce 5/17/77	Elevation (D.P., R.R.B., RT or Gr.) 6161 feet
Elevation of casing hd. Range 6157 feet			
Total depth 1874	P.B.T.D.	Single, dual or triple completion?	If this is a dual or triple completion, furnish separate report for each completion.
Producing interval (s) for this completion		Rotary tools used (interval) 0-1874	Cable tools used (interval)
Was this well directionally drilled? No	Was directional survey made? No	Was copy of directional survey filed?	Date filed
Type of electrical or other logs run (check logs filed with the commission) Gamma Ray-Neutron			Date filed 5/25/77

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	14"	12"	26 lb.	21'	10	0
Protective	8 5/8"	7"	19.6 lb.	1270'	--	0
Protective	6 1/2"	5 9/16"	17.2 lb.	1752'	--	1752

TUBING RECORD

LINER RECORD

Size in.	Depth set ft.	Packer set at ft.	Size in.	Top ft.	Bottom ft.	Sacks cement	Screen (ft.)
PERFORATION RECORD							
Number per ft.	Size & type	Depth Interval		ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD		Depth Interval	
				Am't. & kind of material used			

INITIAL PRODUCTION

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

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the.....**Geologist**.....of the
DUVAL 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 **May 25, 1977**

Signature *Christopher S. Jaber*

RECEIVED

MAY 24 1977

D & G CONS. COMM.

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

Well Completion or Recompletion Report and Well Log

File One Copy

Form No. 675

Form No. 4

DETAIL OF FORMATIONS PENETRATED

Formation	Top	Bottom	Description*
Bidahochi	0	175	clay, sandy
Chinle	175	1040	claystone, red-brown, sandstone, tan
Shinarump	1040	1162	claystone, grey, red-brown
Moenkopi	1162	1306	siltstone, brown
Coconino	1306	1670	sandstone, buff, red-brown, near bottom
Supai	1670	1874	claystone, siltstone, near top, anhydrite with halite below 1765

* 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.

PLUGGING RECORD					
Operator DUVAL CORPORATION			Address 5357 East Pima, Tucson, AZ 85712		
Federal, State, or Indian Lease Number, or lessor's name if fee lease.		Well No. 63	Field & Reservoir NA		
Location of Well 81.5 FSL, 1649 FEL		Sec-Twp-Rge or Block & Survey 12, 18N, 26E		County Apache	
Application to drill this well was filed in name of Duval Corporation		Has this well ever produced oil or gas	Character of well at completion (initial production): Oil (bbls/day) Gas (MCF/day)		Dry?
Date plugged: 5/17/77	Total depth 1874	Amount well producing when plugged: Oil (bbls/day) Gas (MCF/day)		Water (bbls/day)	
Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging	Fluid content of each formation	Depth interval of each formation	Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement		
Bidahochi Fm.	fresh water	210	100' 25 sacks 140-240'		
Coconino Fm.	salt water	1306	100' 25 sacks 1240-1340'		
Supai Fm.	unknown	1670	100' 12 sacks 1720-1820'		
			(surface plug 10 sacks)		
CASING RECORD					
Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
12"	21	0	21		
7.0"	1270	0	1270		
5 9/16"	1752	1752	0		
Was well filled with mud-laden fluid, according to regulations?			Indicate deepest formation containing fresh water.		
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name	Address		Direction from this well:		
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Geologist</u> of the <u>DUVAL CORPORATION</u> (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.					
Date May 25, 1977		Signature <i>Christopher S. Galbraith</i>			
RECEIVED MAY 27 1977 O & G CONS. COMM.			STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy		
Permit No. 675			Form No. 10		

APPLICATION TO ABANDON AND PLUG

FIELD NA

OPERATOR DUVAL CORPORATION ADDRESS 5357 East Pima, Tucson, AZ 85712
Federal, State, or Indian Lease Number or Lessor's Name if Fee Lease

WELL NO. 63

LOCATION Sec. 12, T18N, R26E, 81.5 FSL, 1649 FEL

TYPE OF WELL Stratigraphic Test TOTAL DEPTH 1874
(Oil, Gas or Dry Hole)

ALLOWABLE (If Assigned) _____

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

PRODUCING HORIZON _____ PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD.

Surface pipe 21' of 12"
 1270' of 7"
 1752' of 5 9/16" pulled 1752'

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

We propose to cement from the top of the Supai Formation approximately 1750 feet to total depth; a 100-ft. plug from the top of the Coconino into the 7-inch casing (1240-1340'); a 100-ft. plug within the casing from (140-240') at the Bidahochi; a 10 sack surface plug.

In the future, we may reenter the hole in order to whip stock and/or obtain water for drilling.

DATE COMMENCING OPERATIONS May 17, 1977

NAME OF PERSON DOING WORK Joe B. Harness Drilling ADDRESS P.O. Box 17526, Tucson, AZ

RECEIVED
 MAY 27 1977
 D & G CONS. COMM.

Signature *Christopher S. Johnson*
 Title Geologist
 Address 5357 East Pima Street, Tucson, Arizona 85712
 Date May 25, 1977

Date Approved _____

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

By: _____

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

Application to Abandon and Plug
 File Two Copies

Form No. 9

Permit No. 675

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

MAY 19 1977

D & G CONS. COMM.

1. Name of Operator DUVAL CORPORATION
 2. Oil WELL GAS WELL OTHER (Specify) STRATIGRAPHIC TEST
 3. Well Name DUVAL 63 STATE
 Location 51.5 FSL 1649 FEL
 Sec. 12 Twp. 18N Rge. 26E County APACHE Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease

5. Field or Pool Name

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

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

5/12 STUCK IN HOLE

5/13 STUCK IN HOLE, FISHING
TRIP OUT; BENT CORE BARREL

5/16 COMPLETE CURING, RUN GAMMA RAY NEUTRON
EXPECT TO PULL CASING; AND WILL CEMENT 5/17

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

Signed Christopher J. Jobs Title GEOLOGIST Date 5/16/77

Permit No. 675

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

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

MAY 10 1977

D & G CONS. COMM.

1. Name of Operator DUVAL CORPORATION

2. OIL WELL GAS WELL OTHER (Specify) STRATIGRAPHIC TEST

3. Well Name DUVAL 63 STATE

Location 91.5 FSL 1649 FEL

Sec. 12 Twp. 18N Rge. 26E County APACHE Arizona.

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

5. Field or Pool Name _____

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

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

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

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

5/3/77 set 1270' of 7' casing into the Moenkopi Fm.
 5/4/77 broken down
 5/7/77 continuing drilling from 1285'

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

Signed Cheryl J. [Signature] Title 6010615T Date 5/7/77

Permit No. 675

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

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator DUVAL CORPORATION
 2. OIL WELL GAS WELL OTHER (Specify) STRATIGRAPHIC TEST
 3. Well Name DUVAL CORP. WELL NO. 63
 Location 815 FSL 16 49 FEL SW/SE 4
 Sec. 12 Twp. 18N Rge. 26E County APACHE Arizona.

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

5. Field or Pool Name NA

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

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

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

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

4/25 set conductor pipe
 4/26 drilling w/ 8 3/4" contacted Chinle Fm. at 265'
 Bidahochi Fm. (0-265)
 4/29 currently at 890'
 we expect to set casing 5/1/77 to
 1300' into the Moenkopi Fm.

RECEIVED
 MAY 5 1977
 O & G CONS. COMM.

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

Signed Christopher S. Jahn Title GEOLOGIST Date 4/30/77

Permit No. 675

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

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

Duval Corporation
NAME OF COMPANY OR OPERATOR

4715 East Fort Lowell Road, Tucson, Arizona 85712

Address

City

State

Harness Drilling Company

Drilling Contractor

Box 17526, Tucson, Arizona 85731

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor State Prospecting Permit #38336		Well number 63	Elevation (ground) 6157 ft.
Nearest distance from proposed location to property or lease line: 81.5 feet		Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: 4161.4 feet	
Number of acres in lease: 640		Number of wells on lease, including this well, completed in or drilling to this reservoir: NA	
If lease, purchased with one or more wells drilled, from whom purchased: NA		Name NA	
Well location (give footage from section lines) 81.5 FSL; 1649 FEL		Section—township—range or block and survey Section 12, T18N, R26E	Dedication (Comply with Rule 105) NA
Field and reservoir (if wildcat, so state)		County Apache	
Distance, in miles, and direction from nearest town or post office 13 miles south from Navajo, Arizona.			
Proposed depth: 1680 ft.	Rotary or cable tools Rotary		Approx. date work will start March 20, 1977
Bond Status Statewide--on file	Organization Report On file <input checked="" type="checkbox"/> Or attached		Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>
Amount \$25,000			

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Vice-President** of the **Minerals Acquisition** (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.

B. G. Messer
Signature **B. G. Messer**

March 9, 1977
Date

O & G CONS. COMM.

Permit Number: **675**

Approval Date: **3-11-77**

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)

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

Owner State of Arizona	Land Description Section 12, T18N, R26E
Surface and Minerals	

	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>B. G. Messer</i></p> <p>Name <u>B. G. Messer</u></p> <p>Position <u>Vice President- Minerals Acquisition</u></p> <p>Company <u>Duval Corporation</u></p> <p>Date <u>March 9, 1977</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 style="text-align: center;">See attached plat</p> <p>Date Surveyed <u>February 22, 1977</u></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p style="text-align: center;"><u>Troy Baldwin</u></p> <p>Certificate No. <u>7334</u></p>
--	--

0	330	660	990	1320	1650	1980	2310	2640	2000	1500	1000	500	0
---	-----	-----	-----	------	------	------	------	------	------	------	------	-----	---

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
8 5/8	19.64	X-42	0	1060		
6 5/8	17.02	B	0	1680	1670-1680	10

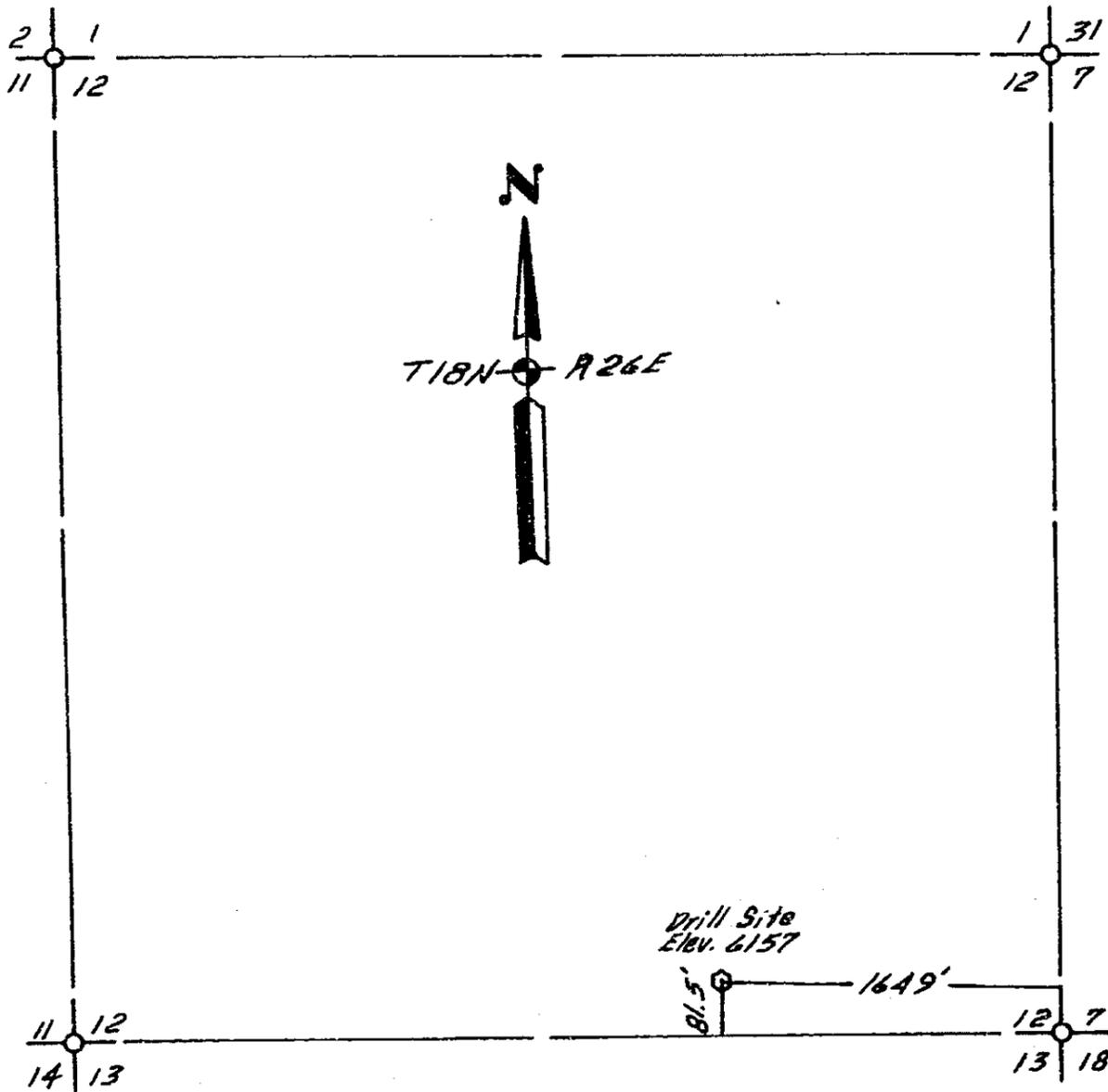
Baldwin Surveying Company

TROY BALDWIN — REGISTERED LAND SURVEYOR

~~Box 186~~
~~55 W. 8th St.~~

Holbrook, Arizona 86025

Phone 524-6550



DRILL SITE LOCATION
FOR: DUVAL CORPORATION
TUCSON, ARIZONA





PERMIT TO DRILL

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

To: DUVAL CORPORATION
(OPERATOR)

to drill a well to be known as

Duval Well No. 63 State
(WELL NAME)

located 81.5 FSL and 1649 FEL (SW/SE4)

Section 12 Township 18 N Range 26 E, Apache County, Arizona.

The _____ 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 11th day of March, 1977.

OIL AND GAS CONSERVATION COMMISSION

By _____
EXECUTIVE SECRETARY

PERMIT No 675

RECEIPT NO. 845

API No. 20227

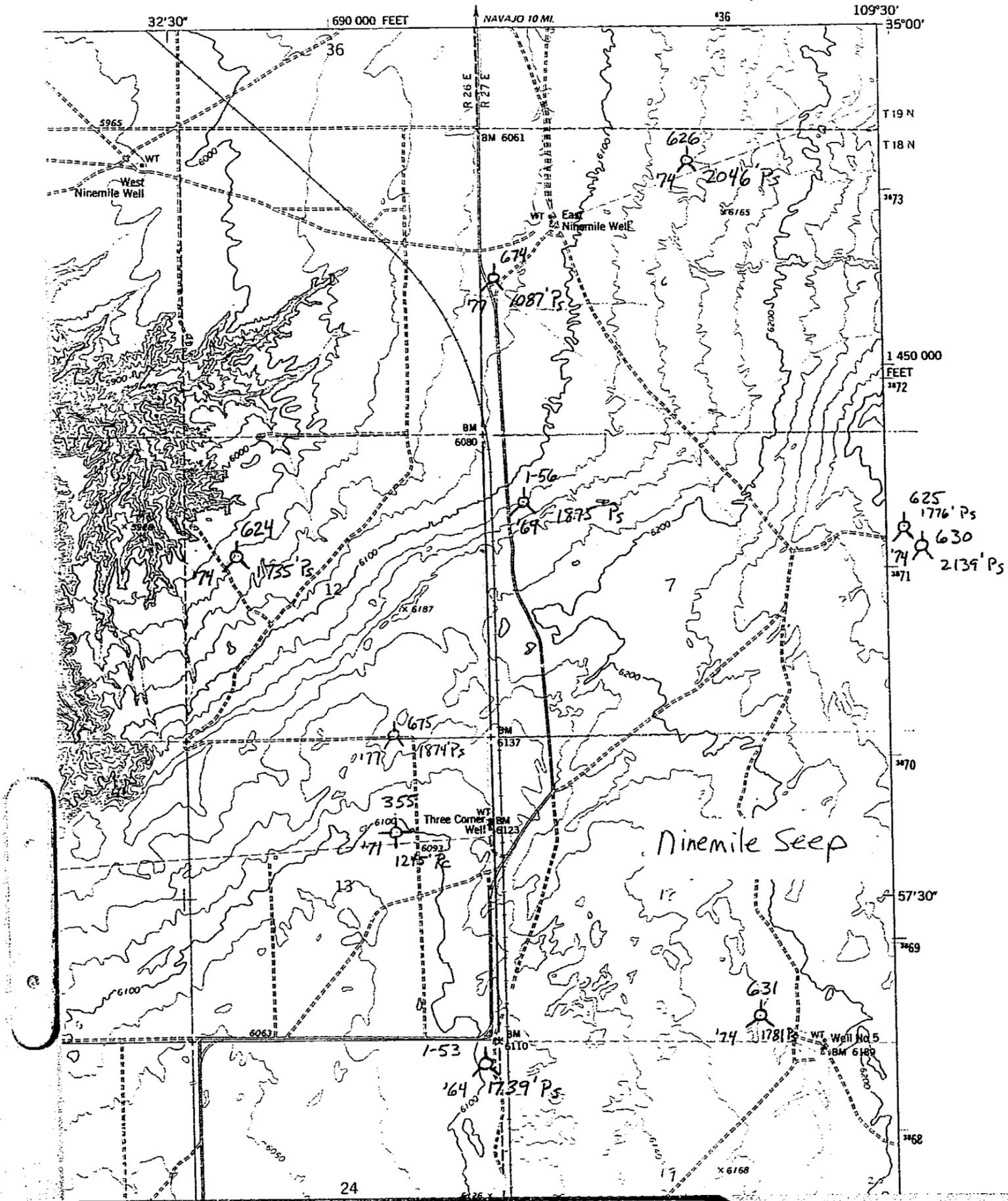
State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

SAMPLES ARE REQUIRED

NINEMILE SEEP QUADRANGLE
ARIZONA - APACHE CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

1/4 SW
NAVAJO SPRING



March 23, 1982

Ms. Vita Ragusa, Surety Dept.
Chubb Group of Insurance Companies
1990 Post Oak Blvd., Ste. 1100
Houston, Texas 77056

Re: Federal Insurance Co. Bond 8060 53 75
Duval Corporation Performance Bond

Dear Ms. Ragusa:

All wells drilled by Duval Corporation under subject bond have been completed in compliance with all the rules and regulations of this Commission.

This will acknowledge authority to release subject bond effective this date, March 23, 1982.

Very truly yours,

R. A. Ybarra
Enforcement Director

RAY:os
CC: Duval Corp.



CHUBB GROUP of Insurance Companies

1990 Post Oak Boulevard, Suite 1100, Houston, Texas 77056

RECEIVED

MAR 22 1982

O & G CONS. COMM.

CERTIFIED MAIL P25 0203605

March 19, 1982

Oil & Gas Conservation Commission
1645 West Jefferson
Suite 420
Phoenix, Arizona 85007

Re: Federal Insurance Company Bond No. 8060 53 75
Duval Corporation/Principal
Type of Bond: Oil Drilling Bond (Copy Attached)

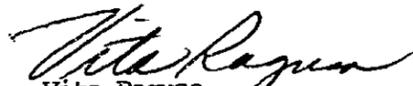
Dear Sir:

We understand from our Principal that the above described bond is no longer required. If these facts are correct, may we please have your authorization to terminate this bond.

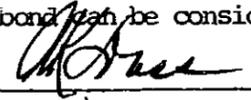
If under your regulations or statutes notice of cancellation is required from our Company, will you kindly accept this letter as notice of our desire to terminate this bond within the shortest period required or in any event within 60 days of the date of the receipt of this communication.

May we have your acknowledgment and the date on which we may consider our bond terminated. The lower portion of this letter has been provided for your convenience in complying with our request.

Sincerely,


Vita Ragusa
Surety Department

The captioned bond can be considered cancelled as of March 23, 1982.

Signed: 

Title: Executive Director

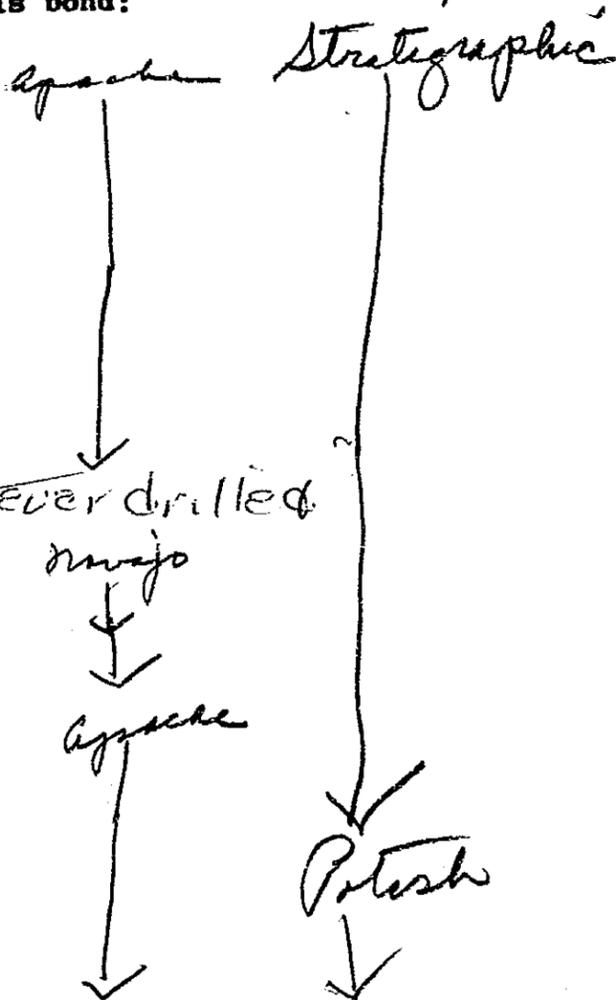
Operator DUVAL CORPORATION

Bond Company Federal Insurance Company Amount \$25,000

Bond No. 80605375 Date Approved 5-28-74

Permits covered by this bond:

- 623
- 624
- 625
- 626
- 630
- 631
- 632
- ~~638~~
- 643
- 644
- 649
- 664
- ~~665~~
- 673
- 674
- 675
- _____
- _____
- _____



PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 80605375

That we: Duval Corporation, 4715 E. Fort Lowell Road, Tucson, Arizona 85712

of the County of Pima in the State of Arizona

as principal, and Federal Insurance Company

of New York, New York

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of \$25,000.00 lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

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

Statewide

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

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

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

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

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

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

Duval Corporation

By: B.G. Messer Principal Vice President

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

Federal Insurance Company

Patricia A. Gregg, Attorney In Fact

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

Approved Date 5-28-74 STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Bond Form No. 2

RECEIVED

MAY 28 1974

O & G CONS. COMM.

Permit No. 623

Copy of
POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 100 William Street, New York, New York, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint
George H. Amos, Jr., Albert W. Gibson, Patricia A. Gregg, Lee Mullins,
Frank L. Smith and John D. Wulfers of Tucson, Arizona _____

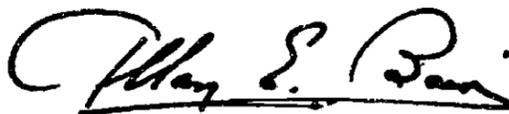
each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to-wit:

1. Bonds and Undertakings (other than Fiduciary Bonds) filed in any suit, matter or proceeding in any Court, or filed with any Sheriff or Magistrate, for the doing or not doing of anything specified in such Bond or Undertaking, in which the penalty of the bond or undertaking does not exceed the sum of One Hundred Thousand Dollars (\$100,000.00).
2. Surety Bonds to the United States of America or any agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; License and Permit Bonds or other indemnity bonds under the laws, ordinances or regulations of any State, City, Town, Village, Board or other body or organization, public or private; bonds to Transportation Companies, Lost Instrument bonds, Lease bonds, Workmen's Compensation bonds, Miscellaneous Surety bonds and bonds on behalf of Notaries Public, Sheriffs, Deputy Sheriffs and similar public officials.
3. Bonds on behalf of contractors in connection with bids, proposals or contracts.

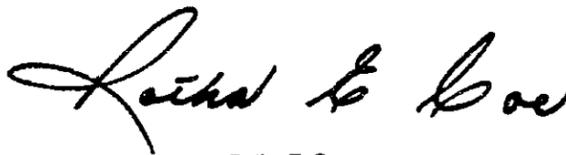
In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice President and Assistant Secretary and its corporate seal to be hereto affixed this 1st day of January 1974.

FEDERAL INSURANCE COMPANY

By



Allan E. Bair
Assistant Vice-President



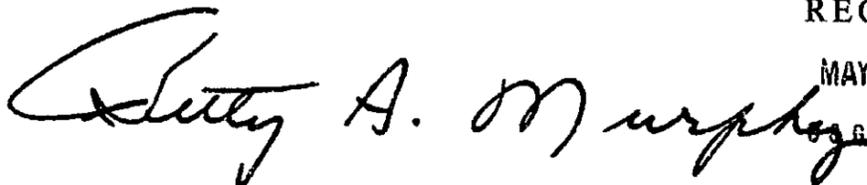
Rotha E. Coe
Assistant Secretary



STATE OF CALIFORNIA, }
County of Los Angeles, } ss.:

On this 1st day of January 1974 before me personally came Rotha E. Coe, to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the Corporation described in and which executed the foregoing Power of Attorney and the said Rotha E. Coe being by me duly sworn did depose and say that she resides in the City of Los Angeles, in the State of California; that she is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company by like authority; that she is acquainted with Allan E. Bair and knows him to be Assistant Vice-President of said Company, and that the signature of said Allan E. Bair subscribed to said Power of Attorney is in the genuine handwriting of said Allan E. Bair and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Acknowledged and Sworn to before me
on the date above written



Notary Public

RECEIVED

MAY 28 1974

CONS. COMM.

CITY AND COUNTY OF LOS ANGELES: ss

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and amended May 27, 1971 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations."

And I further certify that I have compared the foregoing copy of the **POWER OF ATTORNEY** with the original thereof and the same is a correct and true copy of the whole of said original Power of Attorney and that said Power of Attorney has not been revoked.

And I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

Given under my hand and seal of said Company at Los Angeles, California, this 23 day of

May, 1974

Ida M. Virtue

Assistant Secretary



5357 EAST PIMA TUCSON, ARIZONA 85712

RECEIVED
MAY 27 1977
D & G CONS. COMM.

May 25, 1977

Mr. W.E. Allen
Arizona Oil and Gas Conservation Commission
Suite 420
1645 West Jefferson
Phoenix, Arizona 85007

Dear Mr. Allen:

Enclosed are hole completion records for drill hole D-63 in Section 12, T18N,
R26E.

If you have any questions regarding these forms, please contact our office.

Sincerely,

Christopher S. Johnson
Christopher S. Johnson
Geologist

dbh
enc.

675-



5357 EAST PIMA TUCSON, ARIZONA 85712

RECEIVED
MAY 10 1977
O & G CONS. COMM.

May 9, 1977

Oil & Gas Conservation Commission
State of Arizona
Suite 420
1645 West Jefferson
Phoenix, Arizona 85007

ATTN: Mr. W.E. Allen

Gentlemen:

Duval Corporation would like to request that all information on the drill holes with the Oil & Gas Conservation Commission, Permits No. 673, 674, and 675 be kept confidential for the maximum time allowed under the laws of Arizona. We understand that this would be one year from the date of well completion.

Sincerely,

A handwritten signature in cursive script that reads "Ned P. Krier".

Ned P. Krier
Advanced Geological Engineer

dbh



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
8686 NORTH CENTRAL, SUITE 106
PHOENIX, ARIZONA 85020
PHONE: (602) 271-5161

March 11, 1977

Mr. B. G. Messer
Vice President-Minerals Acquisition
Duval Corporation
4715 E. Fort Lowell Road
Tucson, Arizona 85712

- Re: 1. Duval Hole No. 61 located in the NWNW of
Section 8, T18N, R26E.
2. Duval Hole No. 62 located in the SWNW of
Section 6, T18N, R27E.
675 3. Duval Hole No. 63 located in the SWSE of
Section 12, T18N, R26E

Dear Mr. Messer:

Attached are the approved applications to drill and drilling
permits for the above referenced wells. Also attached is
Receipt No. 845 in the amount of \$75.00.

Very truly yours,

William E. Allen
Director
Enforcement Section

WEA/vb
Enc.



4715 EAST FORT LOWELL ROAD TUCSON ARIZONA 85712

March 9, 1977

MAR 11 1977

D & G CONS. COMM.

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

Dear Mr. Allen:

Enclosed are three applications in duplicate for Permits to Drill the following three core tests in Apache County:

1. Duval Hole No. 61 located in the NWNW of Section 8, T18N, R26E.
2. Duval Hole No. 62 located in the SWNW of Section 6, T18N, R27E.
- CAS* 3. Duval Hole No. 63 located in the SWSE of Section 12, T18N, R26E.

Also enclosed is our check in the amount of \$75.00 covering the filing fee for above permits.

Yours very truly,

DUVAL CORPORATION

A handwritten signature in cursive script, appearing to read "B. G. Messer".

B. G. Messer
Vice President-Minerals Acquisition

BGM:eh
enclosures

cc: N. Krier

