

NANO'LTEX JPAZA 1 Federal
SE NE 9-12S-6W Pima County

709

COUNTY Pima AREA Appx. 1 mi. NW of Ajo LEASE NO. Federal A 12723

WELL NAME NANO'LTEX JPAZA 1 Federal

LOCATION SE NE SEC 9 TWP 12 S RANGE 6 W FOOTAGE 1980' ENL, 760' FEL

ELEV 1680 GR _____ KB _____ SPUD DATE 11-24-80 STATUS POA TOTAL DEPTH 1044
 COMP. DATE 12-6-80

CONTRACTOR Jalegar Bros. Drilling

CASING SIZE _____ DEPTH _____ CEMENT _____ LINER SIZE & DEPTH _____
 DRILLED BY ROTARY _____
 DRILLED BY CABLE TOOL _____
 PRODUCTIVE RESERVOIR _____
 INITIAL PRODUCTION _____

| FORMATION TOPS | DEPTHS | SOURCE | | REMARKS |
|----------------|-------------|--------|------|--------------------|
| | | L.L. | E.L. | |
| | 0-40 | | | Alluvial |
| | 40-100 | | | Conglomerate |
| | 100-1044 TD | | | Igneous - volcanic |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| ELECTRIC LOGS | PERFORATED INTERVALS | PROD. INTERVALS | SAMPLE LOG |
|------------------|----------------------|-----------------|---|
| <u>Induction</u> | | | SAMPLE DESCRP. _____ SAMPLE NO. <u>1814</u> CORE ANALYSIS _____ DSTs _____ |
| | | | |
| | | | |

REMARKS _____ APP. TO PLUG _____
 PLUGGING REP. _____
 COMP. REPORT _____

WATER WELL ACCEPTED BY _____

BOND CO. American Motorists Ins. Co. BOND NO. 05M-557-105
 DATE 8-26-80
 BOND AMT. \$ 25,000 CANCELLED _____ ORGANIZATION REPORT
 FILING RECEIPT 1883 LOC. PLAT WELL BOOK PLAT BOOK
 API NO. 02-019-20002 DATE ISSUED 8-28-80 DEDICATION E/2 NE/4

PERMIT NUMBER 709

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: NANO'LTEX, Inc. Address: P.O. Box 431, Boulder City, NV 89005

Federal, State or Indian Lease Number or name of lessor if fee lease: Federal A-12723 Well Number: JPAZ A1 Field & Reservoir:

Location: SE 1/4 NE 1/4 Sec. 9; T12S; R6W County: PIMA, AZ

Sec. TWP-Range or Block & Survey: SE 1/4 NE 1/4 Sec. 9 T12S R6W Gila & Salt River Mer.

Date spudded: 1/24/80 Date total depth reached: 12/6/80 Date completed, ready to produce: Elevation (OD, RKB, RT or Gr.) 1680' GR Elevation of casing hd. Range:

Total depth: 1044' P.E.T.D. Single, dual or triple completion? If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (a) for this completion Rotary tools used (interval) 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) Induction Electric Log 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 |
|---------|-------------------|-----------------|------------------|-----------|--------------|-------------|
| Surface | 9 7/8" | 7" | 201b | 138' G.I. | 45 cu. ft. | none |

TUBING RECORD

| Size | Depth set | Packer set at | Size | Top | Bottom | Sacks cement | Screen (ft.) |
|------|-----------|---------------|------|-----|--------|--------------|--------------|
| in. | ft. | ft. | in. | ft. | ft. | | |
| | | | | | | | |

PERFORATION RECORD

| Number per ft. | Size & type | Depth Interval | Am't. & kind of material used | Depth Interval |
|----------------|-------------|----------------|-------------------------------|----------------|
| | | | | |

INITIAL PRODUCTION

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

| Date of test | Hrs. tested | Choke size | Oil prod. during test | Gas prod. during test | Water prod. during test | Oil gravity |
|--------------|-------------|------------|-----------------------|-----------------------|-------------------------|--------------|
| | | | bbbls. | MCF | bbbls. | ° API (Corr) |
| | | | | | | |

| Tubing pressure | Casing pressure | Cal'ated rate of Production per 24 hrs. | Oil | Gas | Water | Gas-oil ratio |
|-----------------|-----------------|---|--------|-----|--------|---------------|
| | | | bbbls. | MCF | bbbls. | |
| | | | | | | |

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 Managing Director of the NANO'LTEX, 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: December 17, 1980 Signature: *[Signature]*

RECEIVED
DEC 19 1980

O & G CONS. COMM. STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Well Completion or Recompletion Report and Well Log
File One Copy

Permit No. 709 Form No. 4

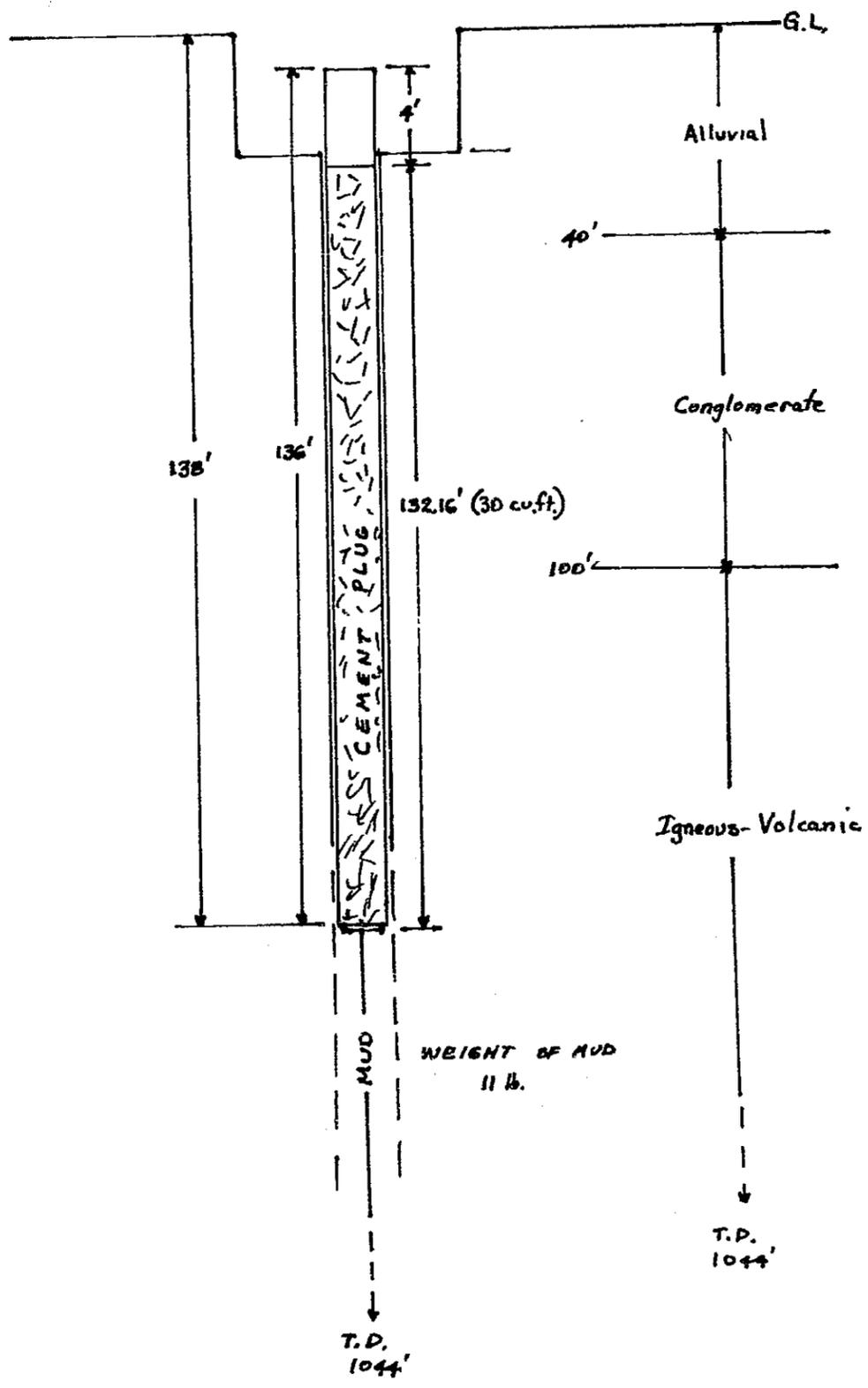
DETAIL OF FORMATIONS PENETRATED

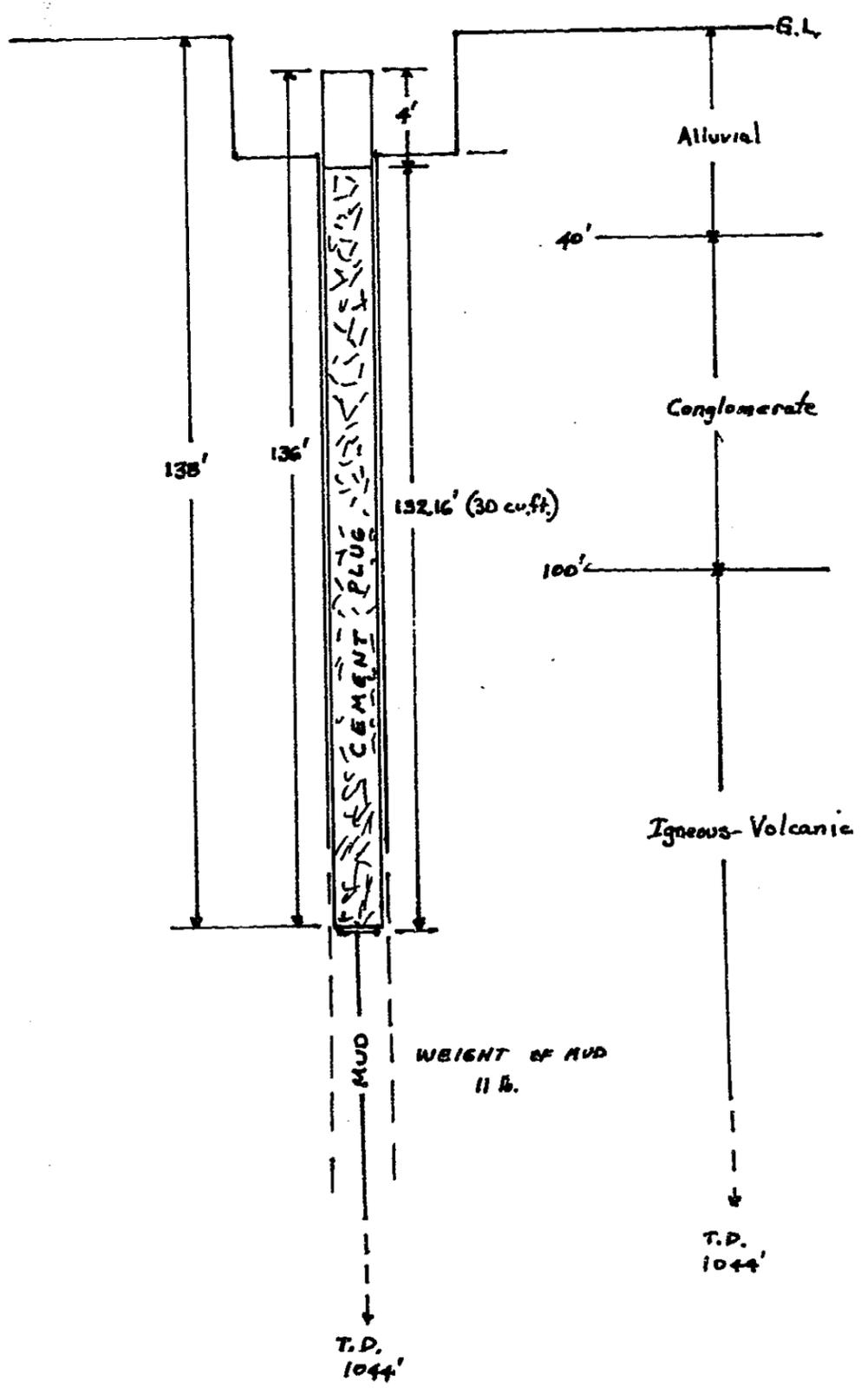
| Formation | Top | Bottom | Description* |
|-----------|------|----------|--|
| | 0 | 40' | Alluvial |
| | 40' | 100' | Conglomerate |
| | 100' | 1044' TD | Igneous,- Volcanic, thin layer of clay at 868' to 872' mixed with volcanic rock. |
| | | | No water was encountered |

* Show all important aspects 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.





APPLICATION TO ABANDON AND PLUG

FIELD _____
 OPERATOR NANO'LTEX, Inc. ADDRESS P O Box 431 Boulder City, NV 89005
 Federal, State, or Indian Lease Number _____
 or Lessor's Name if Fee Lease Federal A 12723 WELL NO. JPAZ A1
 LOCATION SE 1/4 NE 1/4 Sec. 9, T12S R6W, Gila & Salt River Mer. Pima County, AZ

TYPE OF WELL Dry hole TOTAL DEPTH 1044'
(Oil, Gas or Dry Hole)
 ALLOWABLE (If Assigned) _____
 LAST PRODUCTION TEST OIL none (Bbls.) WATER none (Bbls.)
 GAS none (MCF) DATE OF TEST _____
 PRODUCING HORIZON none PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD.

Surface casing set to 138' from Ground level. 7" 20lb. cemented with 45 cu. ft. cement, Class "G" by Halliburton Services. Set for 22 hours before drilling recommenced.

RECEIVED

DEC 19 1980

O & G CONS. COMM.

2. FULL DETAILS OF PROPOSED PLAN OF WORK

Hole filled with drilling mud up to base of surface casing. Cement plug of approx. 132 feet. per Rule 202 A 5

Top of hole sealed with cement with marker cemented in surface per Rule 202 A 7

DATE COMMENCING OPERATIONS December 6, 1980

NAME OF PERSON DOING WORK Halliburton Services ADDRESS El Centro, Calif.

NANO'LTEX, Inc. by _____

Signature _____

Title Managing Director

P. O. Box 431

Address Boulder City, NV 89005

12/17/80

Date _____

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. 709

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
NANO LITEX, Inc.

3. ADDRESS OF OPERATOR
P. O. Box 431; Boulder City, NV 89005

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
SE 1/4 NE 1/4

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 checked="" type="checkbox"/> |
| (other) <input type="checkbox"/> | |

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

See other side for diagram.
Rule 202 A5 of Ariz. Oil & Gas Conservation Commission require mud to base of surf., casing and a cement plug of not less than 20'.
Top of well sealed with concrete and a marker cemented in surface per Ariz. Rule 202 A7.
There are no zones or formations with fluid content.
Well site will be restored to as near former appearance as practicable within approx. 3 weeks - Allowing mud pits to dry but before restoration.

Subsurface Safety Valve: Manu. and Type _____ Ft.

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

SIGNED: J.P. Wagner TITLE Mgr. Dir. DATE 12/12/80

(This space for Federal or State office use)

APPROVED BY: J.P. Wagner TITLE Dist. Supervisor DATE 12/15/80

CONDITIONS OF APPROVAL, IF ANY: J. P. Wagner

cc: DOG, Phoenix, Arizona

709

*See Instructions on Reverse Side

Form Approved
Budget Bureau No. 42-R1424

5. LEASE
Federal A-12723

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.
JPAZ A1

10. FIELD OR WILDCAT NAME
Wildcat

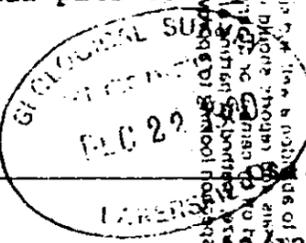
11. SEC. T. R. OR BLK. AND SURVEY OR AREA
Sec 9; T12S; R6W Gila & Salt River

12. COUNTY OR PARISH | 13. STATE Mer.
Pima | Arizona

14. API NO.
02-019-20002

15. ELEVATIONS (SHOW DF, KDB, AND WD)
1680 GR

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



RECEIVED
MAY 20 1981
G. GONS. COMM.

Handwritten mark

RECEIVED
DEC 2 1980
O & G CONS. COMM.

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator NANO'L TEX, Inc.

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name JPAZ A1

Location SE 1/4 - NE 1/4

Sec. 9 Twp. 12 S Rge. 6 W County Pima Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Federal Lease A-12723

5. Field or Pool Name None

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"/> | (OTHER) | <input type="checkbox"/> |
| (OTHER) <u>Progress Report</u> | | | <input checked="" type="checkbox"/> | | |

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

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.)

Spud date 11/24/80 0-20' drilling stopped until 11/28/80
 Recommended drilling 11/28/80 approx. 5 P.M. Completed to depth
 of 138' on 11/29/80. Set surface casing 7" pipe cemented by
 Halliburton with 45 cu.ft. cement. Cementing completed at 8 A.M.
 on 11/29/80.
 Drilling recommenced 11/30/80 at approx. 6 A.M.
 0-40' Alluvial
 40' - 80' Conglomerate
 80 -138' Hard congl. with some volcanic materials

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

Signed *[Signature]* Title Managing Director Date 11/30/80

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

Permit No. 709

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
NANO'LTEX, Inc.

3. ADDRESS OF OPERATOR
P O Box 431; Boulder City, NV 89005

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) Change in depth of surface pipe & Weight of Casing. | |

5. LEASE
A 12723 Federal

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.
JPAZ A1

10. FIELD OR WILDCAT NAME

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA
Sec 9; T12S; R6W Gila & Salt River Meridian

12. COUNTY OR PARISH
Pima

13. STATE
Arizona

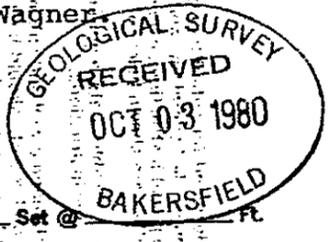
14. API NO.
02-019-20002

15. ELEVATIONS (SHOW DF, KDB, AND WD)
1680'GR

(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.)*

- (1) Had proposed 200' of surface pipe, now changing to 120' because of shallow depth of well, oral approval granted on 9/24/80 in telecommunication with J. P. Wagner.
- (2) Had proposed 4 1/2" casing of 10.5 lb weight, now changing to 9.5 lb weight 4 1/2" casing because of shallow depth of well, oral approval granted 9/24/80 in telecom with J. P. Wagner.



Subsurface Safety Valve: Manu. and Type _____

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

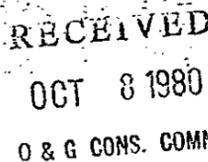
SIGNED J. P. Wagner TITLE President DATE 9/30/80

(This space for Federal or State office use)

APPROVED BY J. P. Wagner TITLE District Super. DATE October 3, 1980
CONDITIONS OF APPROVAL, IF ANY:
J. P. Wagner

cc: DOG, Arizona O&G, Conservation Commission

*See Instructions on Reverse Side



709

Your proposed remedial program is approved subject to the following requirements:

1. Full and complete compliance with Federal Oil and Gas Operating Regulations.
2. Any change in the approved program must receive prior approval of USGS District Engineer.
3. A Subsequent Report of work performed shall be filed in triplicate within 15 days upon completion of the work.

RECEIVED

OCT 8 1980

O & G CONS. COMM.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
NANO LTEX, Inc.

3. ADDRESS OF OPERATOR
P.O. Box 431, Boulder City, Nevada 89005

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
SE 1/4 Sec 9, T12S, R6W
 At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
same

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
760'

16. NO. OF ACRES IN LEASE
1440.95

17. NO. OF ACRES ASSIGNED TO THIS WELL
80

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
862' approx.

19. PROPOSED DEPTH
862' approx.

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
1680' GR

22. APPROX. DATE WORK WILL START*
Sept. 1 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 9 7/8" | 7" | 20.0 | 200' | |
| 6 3/4" | 4 1/2" | 10.5 | 862' appx. | |

5. LEASE DESIGNATION AND SERIAL NO.
A 12723 - Federal

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
T12S; R6W; Gila & Salt Riv Sec 9

12. COUNTY OR PARISH
Pima

13. STATE
Arizona

RECEIVED
 AUG 11 1980
 O & G CONS. COMM.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED J.P. Wagner TITLE **Managing Director** DATE **JUL 7 1980**

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY J.P. Wagner TITLE **District Engineer** DATE **8/8/80**

CONDITIONS OF APPROVAL BY: **J.P. Wagner**
 Deputy Conservation Manager, Oil & Gas, Western Region
 Conservation Manager's Office, Menlo Park
 District Geologist, LA
 BLM, Phoenix District **SEE ATTACHED CONDITIONS AND REQUIREMENTS**
 Arizona Oil & Gas Conservation Commission, Phoenix, AZ

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

NANO'LTEX, Inc.

Address O. Box 431

City Boulder City

State Nevada 89005

Drilling Contractor

Salazar Brothers Drilling

Address 205 Airport Rd.,

Milan, New Mexico 87020

DESCRIPTION OF WELL AND LEASE

| | | |
|--|---|---------------------------------------|
| Federal, State or Indian Lease Number, or if fee lease, name of lessor Federal A 12723 | Well number JPAZA 1 | Elevation (ground) 1680' GR |
| Nearest distance from proposed location to property or lease line: 760' feet | Distance from proposed location to nearest drilling completed or applied—for well on the same lease: 1660' feet | |
| Number of acres in lease: 1440.95 | Number of wells on lease, including this well, completed in or drilling to this reservoir: Three applied for. | |

If lease, purchased with one or more wells drilled, from whom purchased:

Name

Address

| | | |
|---|--|--|
| Well location (give footage from section lines) 1980' from north section line 760' from east section line | Section—township—range or block and survey Sec. 9, T12S; R6W | Dedication (Comply with Rule 105) 80 acres |
|---|--|--|

Field and reservoir (if wildcat, so state)

County

Pima County

Wildcat

Distance, in miles, and direction from nearest town or post office

Approx. 1 mile Northwest of Ajo, Arizona

| | | |
|---|---|---|
| Proposed depth: 862' approx. | Rotary or cable tools Rotary | Approx. date work will start Sept. 1, 1980 |
| Bond Status Amount \$25,000 Statewide | Organization Report On file <input type="checkbox"/> Or attached <input checked="" type="checkbox"/> | Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/> |

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the

NANO'LTEX, 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.

by: E. S. Cooke Jr.
Signature

Date 26 August 1980

Permit Number: 709
Approval Date: 8-26-80

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)

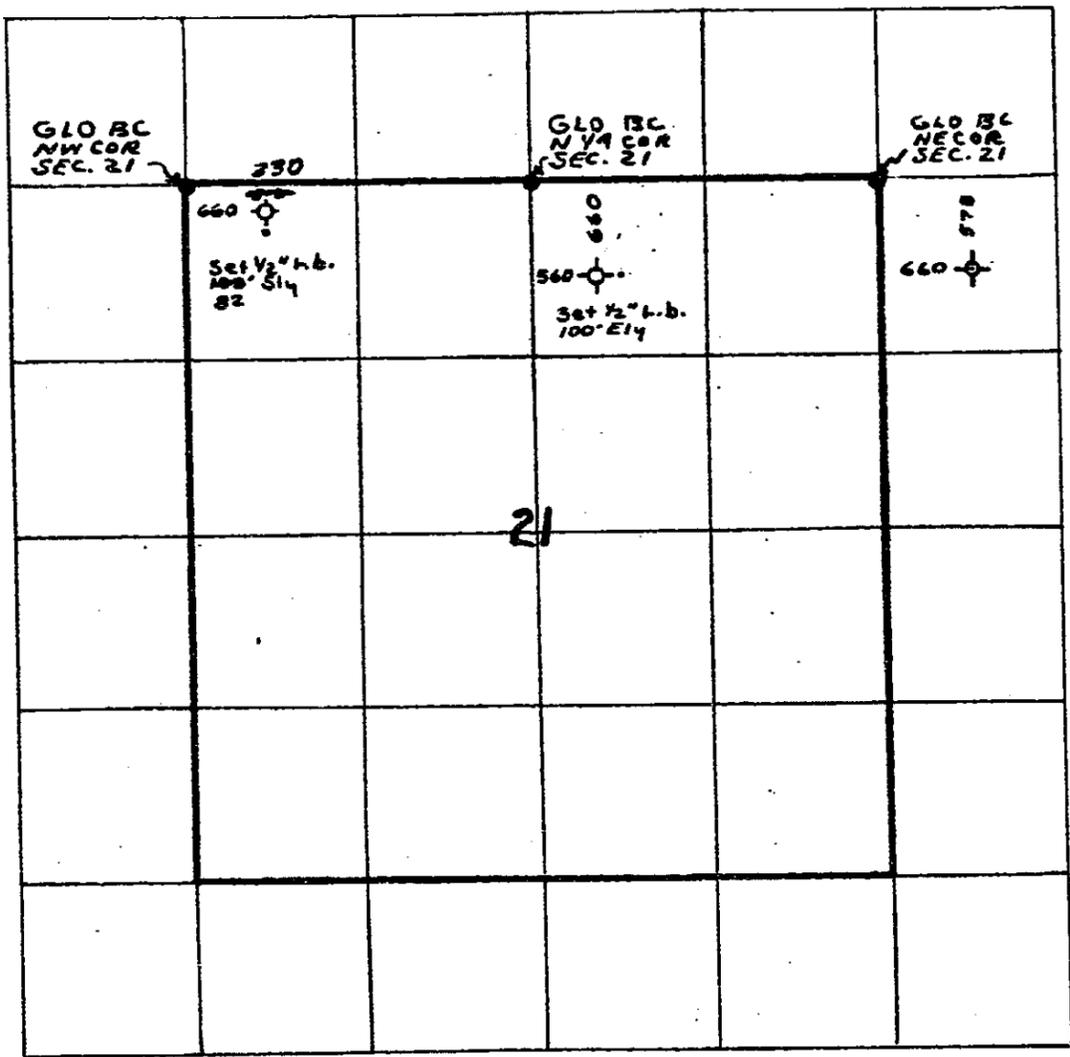
- Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- 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;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p><i>E. S. Cooke Jr.</i></p> <p>Name E. S. Cooke Jr.</p> <p>Position President</p> <p>Company NANO'LTEX, Inc.</p> <p>Date 26 August 1980</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 Depth | Sacks Cement |
|----------------|--------|--------------|-------|--------|-----------------|--------------|
| 7" | 20.0 | K55 | Surf. | 200' | 200' | |
| 4½" | 10.5 | K55 | Surf. | 862' | 862' | |

BY GRA DATE 7-3-80 SUBJECT SECTION PLAT SHEET SHEET NO. 2 OF 2
 CHKD. BY _____ DATE _____ NANOLTEX INC. - PROJ. 3 JOB NO. 80-46
PIMA CO., AZ. Sec. 21 T13S, R6W 1" = 1320'



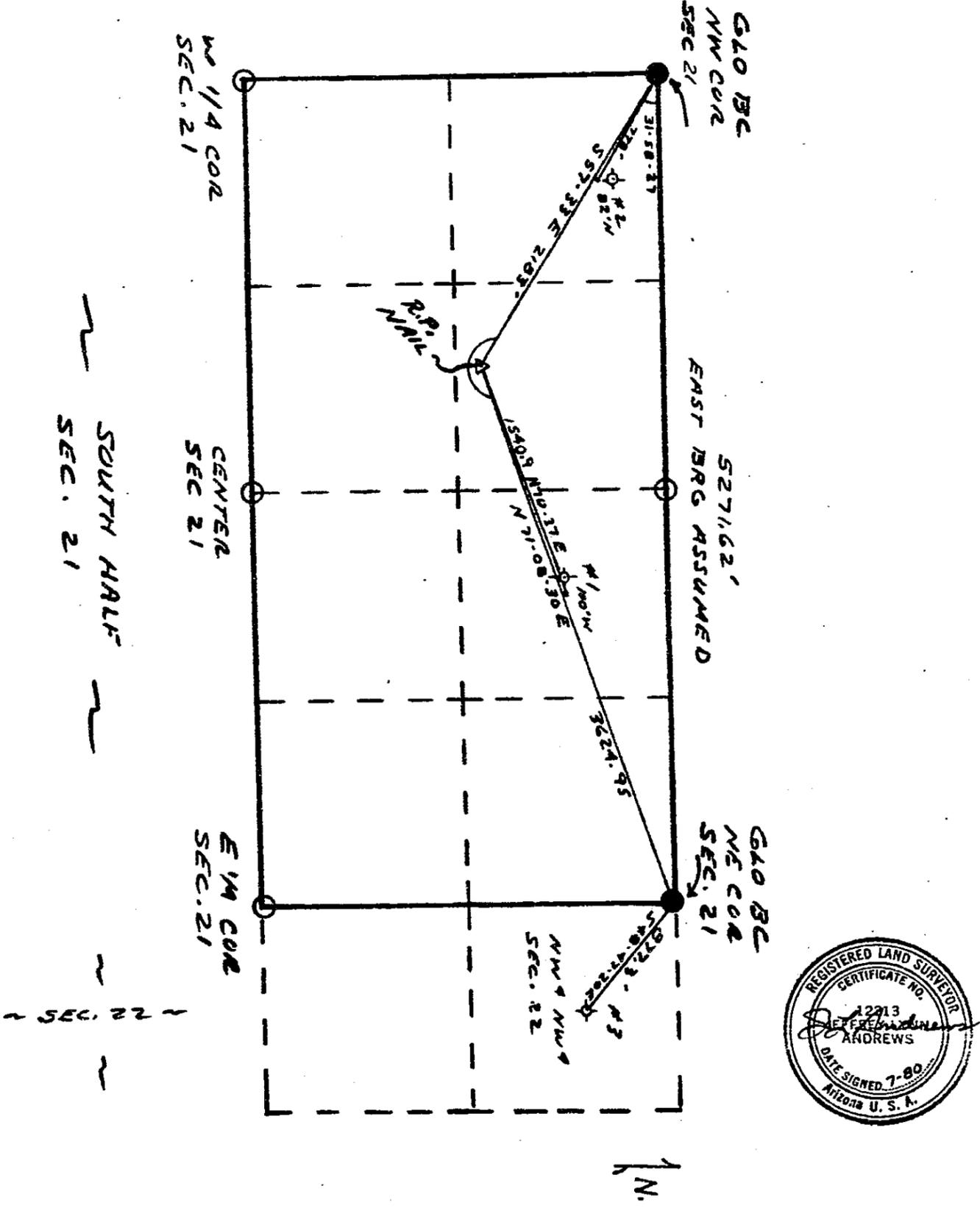
N

| | | | | | |
|---|----|----|----|--|-------|
| | 31 | | | | 36 |
| 1 | 6 | | | | 1 6 |
| | | | 18 | | |
| | 20 | 21 | 22 | | |
| | | | 28 | | |
| | | | | | 36 31 |
| 6 | | | | | 1 |

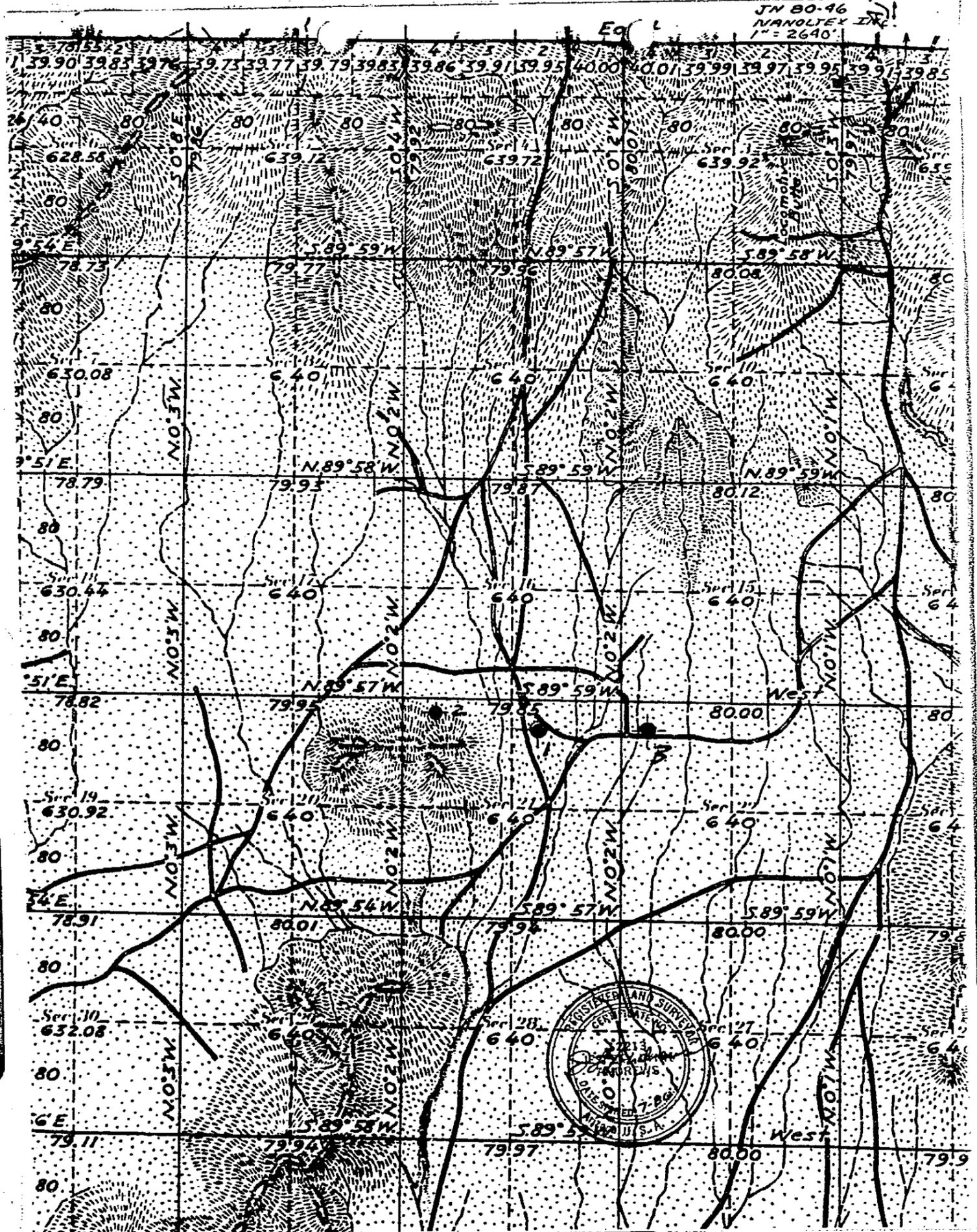


file with 709

BY SRA DATE 7-3-80 SUBJECT SURVEY TIES SHEET NO. 2 OF 2
 CHKD. BY _____ DATE _____ NANDLTEX INC. - PROJ. 3 JOB NO. 80-46
PIMA CO., AZ SEC 21 & 20 T 135, R 6W 1" = 800'



JN 80-46
MANOLTEX INC.
1" = 2640'





PERMIT TO DRILL

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

To: MANO'LTEX, INC.
(OPERATOR)

to drill a well to be known as

JPAZA 1 FEDERAL
(WELL NAME)

located 1980' FROM NORTH LINE AND 760' FROM EAST LINE

Section 9 Township 12 SOUTH Range 6 WEST, PIMA County, Arizona.

The E/2 NE/4 of said
Section, Township and Range is dedicated to this well.

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

Issued this 28th day of AUGUST, 19 80.

OIL AND GAS CONSERVATION COMMISSION

By Klan Whitaker
EXECUTIVE SECRETARY

PERMIT N^o 709

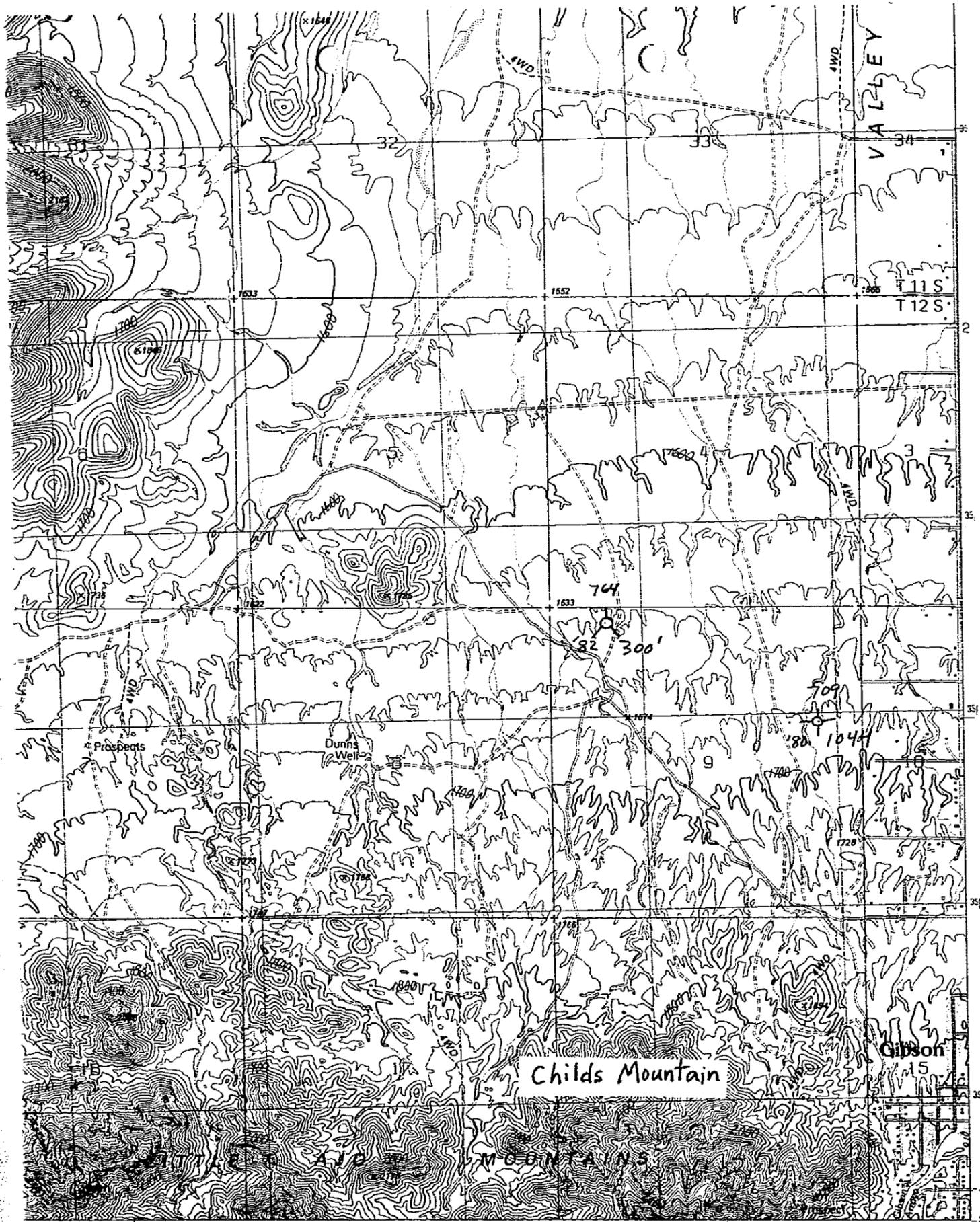
RECEIPT NO. 1883
API NO. 02-019-20002

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

TEN FOOT SAMPLES ARE REQUIRED FROM SURFACE

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



319 55' 320 321 322 223000E 112° 52'

ROAD LEGEND

May 1, 1981

American Motorists Insurance Co.
2850 W. Camelback Road
Phoenix, Arizona 85017

Attention: D. J. Rich, Agent

Re: Bond No. OSM-557-105
NANO'LTEX JPAZA 1 Federal
SE NE 9-12S-6W Pima County
State Permit No. 709

Gentlemen:

The operator of the above referenced well has complied with the rules and regulations of the Oil and Gas Conservation Commission. Therefore, this is your authorization, upon their request, to cancel the above referenced bond.

Yours truly,

William E. Allen
Executive Secretary

WEA:os
CC: E. S. Cooke, Jr.

AL BARKER

Bonds

-the Surety Market for Insurance Brokers

May 27, 1981

RECEIVED

JUN 1 1981

O & G CONS. COMM.

State of Arizona
Oil & Gas Conservation Commission
1645 West Jefferson Street SUITE 420
PHOENIX AZ 85007

SUBJ: Principal NANO'LTEX
Bond No. OSM 557 105
Bond Type Oil Drilling Bond - SE NE 9-12S-6W Pima County
State Permit No 709

Gentlemen:

The undersigned Company became Surety on subject bond effective AUGUST 26, 1980

According to the terms of the bond, we hereby notify you of our desire to terminate our liability effective MAY 1, 1981 ~~days after receipt of this notice~~

If there are any outstanding claims or payments against the bond, please advise us immediately.

Thank you,

AMERICAN MOTORISTS INSURANCE COMPANY

Marie L. Jilek
Marie L. Jilek Attorney in-fact
aom

CC: NANO'LTEX
P O Box 431
BOULDER CITY, NEVADA 89005

6-2-81
Please see attached

Subdivision/Contract/Financial Guarantee Bonds

685 CARONDELET STREET • LOS ANGELES, CALIFORNIA 90057 • (213) 383-2168

709

PERFORMANCE BOND

Executed in Duplicate

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. QSM-557-105
Pr. 250.00

That we: NANO' LTEX, Inc.

of the County of Clark in the State of Nevada

as principal, and AMERICAN MOTORISTS INSURANCE COMPANY

of 685 Carondelet St., Los Angeles, California 90057

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty five Thousand (\$25,000) Dollars lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

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

Blanket bond for all wells drilled in the State of Arizona
(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 26th day of August, 1980

by: [Signature]
E. S. Cooke, Jr., President

Principal

WITNESS our hands and seals this 26th day of August, 1980

AMERICAN MOTORISTS INSURANCE COMPANY

BY: [Signature] Jacqueline Rhodes Attny in Fact

Surety

2850 West Camelback Road
D.J. Rich Phoenix, Arizona 85017

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

249-2857

(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: AUG-28-1980
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: [Signature]

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

Permit No. 709,710,711

AMERICAN MOTORISTS INSURANCE COMPANY
Home Office: Long Grove, IL 60049



POWER OF ATTORNEY

Know All Men By These Presents:

That the American Motorists Insurance Company, a corporation organized and existing under the laws of the State of Illinois, and having its principal office in Long Grove, Illinois, does hereby appoint *****
A. F. Barker and Jacqueline Rhodes of Los Angeles, California (EACH)*****

its true and lawful agent(s) and attorney(s)-in-fact, to make, execute, seal, and deliver during the period beginning with the date of issuance of this power and ending December 31, 1980, unless sooner revoked for and on its behalf as surety, and as its act and deed: Any and all bonds and undertakings provided the amount of no one bond or undertaking exceeds SIX HUNDRED THOUSAND DOLLARS (\$600,000.00)*****

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver any bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the American Motorists Insurance Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said American Motorists Insurance Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Long Grove, Illinois.

THIS APPOINTMENT SHALL CEASE AND TERMINATE WITHOUT NOTICE AS OF DECEMBER 31, 1980

This Power of Attorney is executed by authority of a resolution adopted by the Board of Directors of said American Motorists Insurance Company on May 15, 1939 at Chicago, Illinois, a true and accurate copy of which is hereinafter set forth and is hereby certified to by the undersigned Secretary or Assistant Secretary as being in full force and effect:

"VOTED, That the President or any Vice President or Secretary or any Assistant Secretary shall have power and authority to appoint agents and attorneys in fact, and to authorize them to execute on behalf of the company, and attach the seal of the company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and any such officer of the company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Board of Directors of the company at a meeting duly called and held on the 22nd day of May, 1963:

"VOTED, That the signature of the President, any Vice President, Secretary or Assistant Secretary, and the Seal of the Company, and the certification by any Secretary or Assistant Secretary, may be affixed by facsimile on any power of attorney executed pursuant to resolution adopted by the Board of Directors on May 16, 1962, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

In Testimony Whereof, the American Motorists Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officers, this 11th day of October, 1979.

Attested and Certified:

AMERICAN MOTORISTS INSURANCE COMPANY

C. G. Swan



By *H. L. Kennicott, Jr.*
H. L. Kennicott, Jr., Vice President

C. G. Swan, Secretary

STATE OF ILLINOIS }
COUNTY OF MCHENRY } ss

I, Jo Anne Krein, a Notary Public, do hereby certify that H. L. Kennicott, Jr. and C. G. Swan personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the American Motorists Insurance Company, a Corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth



Jo Anne Krein
Jo Anne Krein, Notary Public

My commission expires: March 21, 1982

CERTIFICATION

I, Sven L. Johanson, Secretary of the American Motorists Insurance Company, do hereby certify that the attached Power of Attorney dated October 11, 1979 on behalf of A. F. Barker and

Jacqueline Rhodes of Los Angeles, California (EACH)***** is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said H. L. Kennicott, Jr. and C. G. Swan who executed the Power of Attorney as Vice President and Secretary respectively were on the date of the execution of the attached Power of Attorney the duly elected Vice President and Secretary of the American Motorists Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the American Motorists Insurance Company on this 26th day of August, 1980



Sven L. Johanson
Sven L. Johanson, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

NANO'LTEX, Inc.

Post Office Address (Box or Street Address)

P. O. Box 431; Boulder City, Nevada 89005

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

Purpose of Organization (State type of business in which engaged) Any or all lawful business in which corporations may engage in the State of Arizona including:
 Energy Resource exploration, development, & production & all related transactions.

If a reorganization, give name and address of previous organization.

| | | |
|---|--|---|
| If a foreign corporation, give (1) State where incorporated Nevada | (2) Name and post office address of state agent Nanorax, Inc. 5650 E. Mining Camp St. Apache Junction, AZ 85220 | (3) Date of permit to do business in state Feb. 20, 1980 |
|---|--|---|

| Principal Officers or Partners (if partnership) NAME | TITLE | POST OFFICE ADDRESS |
|---|----------------|--|
| E. S. Cooke Jr. | Pres. & Treas. | 627 Don Vincente Dr. Boulder City, NV 89005 |
| J. P. Cooke | Secretary | 627 Don Vincente Dr. Boulder City, NV 89005 |
| | | |
| | | |
| | | |
| | | |
| | | |

| DIRECTORS NAME | POST OFFICE ADDRESS |
|-----------------|---------------------------------------|
| E. S. Cooke Jr. | 627 Don Vincente Dr. Boulder City NV |
| J. P. Cooke | 627 Don Vincente Dr. Boulder City, NV |
| E. S. Cooke Sr. | 503 Don Vincente Ct. Boulder City, NV |
| | |
| | |

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the NANO'LTEX, 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.

Signature *E. S. Cooke Jr.*
 Date 26 August 1980

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Organization Report
 File One Copy
 Form No. 1

709

Bill - good morning - 22 Apr 81

Chomp and I just come from Ajo - (permit #709) bulldozed. Jim Bush, whose cord is attached, can do anything you think needs doing yet -!

The inspected site, it is graded, the monument (4" pipe w/ data) will be put in this wk. you could inspect any time after first of next week.

If all is satisfactory, we would like a release of our "Bond" by your usual form, to use can have some cancelled by Al Barker of Los Angeles.

Sorry to have missed the pleasure of a visit with you. See you next trip -

709 Monolith Inc., Best.

Chomp & E. Sr.
Cooks

709

PHONE (702) 293-3160



P.O. BOX 431
BOULDER CITY, NV 89005

6 Jan 81

RECEIVED

JAN 8 1981

O & G CONS. COMM.

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

Att: Mr. D. L. Whittaker, Director
Enforcement Section

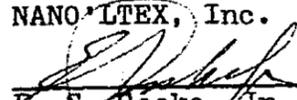
Dear Mr. Whittaker,

Thank you for your nice comments of
December 23 and the encouragement to keep looking in the
State of Arizona for success.

We are keeping in touch with our con-
tractor in Ajo relative to the restoration process and
he has advised that the mud pits haven't quite dried to
a consistency that it would be safe to fill them in and
grade over them. Just as soon as he can get on them
and finish the preparation for inspection, we will go
down and take a look before we call you to make sure we
feel we are ready to have the inspection. We want it
right and the contractor says he has a lot of experience
in this so we should be able to get done what you would
expect. Hopefully we may see you then.

Sincerely yours,

NANO LTEX, Inc.


E. S. Cooke, Jr. Mgr. Dir.

cc/ESCO

709

December 23, 1980

Mr. E. S. Cooke, Jr.
Managing Director
NANO'LTEX, Inc.
P.O. Box 431
Boulder City, Nevada 89005

Re: NANO'LTEX JPAZA 1 Federal
Pima County, Arizona
~~State Permit No. 709~~

Dear Mr. Cooke:

We have received the samples and completed forms required to bring the above captioned well into compliance with our state rules and regulations. I wish to compliment you on the professional manner you exhibited in filing the above-mentioned reports and the processing of the well cuttings.

We are looking forward to your operating within our state again soon and, hopefully, you will have better luck.

Yours truly,

D. L. Whittaker
Director
Enforcement Section

DLW/vb

December 11, 1980

E. S. Cooke, Jr., Managing Director
NANO'LTEX, Inc.
P.O. Box 431
Boulder City, Nevada 89005

Re: NANO'LTEX JPAZA 1 Federal, Pima County
State Permit #709
Forms to plug and abandon

Dear Mr. Cooke:

Please find enclosed the forms required. You may use the reverse side of Form No. 4 for the Driller's Log.

If we can be of further assistance, please advise.

Yours truly,

Don Whittaker
Director
Enforcement Section

DW:os
Enc.

November 26, 1980

E. S. Cooke Jr., Managing Director
NANO'LTEX, Inc.
P.O. Box 431
Boulder City, Nevada 89005

Re: NANO'LTEX JPAZA 1 Federal, State Permit 709
SE/NE 9-12S-6W Pima County
NANO'LTEX JPAZA 2 Federal, State Permit 710
NW/SE 9-12S-6W Pima County
NANO'LTEX JPAZA 3 Federal, State Permit 711
NW/NE 9-12S-6W Pima County

Dear Mr. Cooke:

Please be advised that your request for the above captioned wells is hereby granted. The expiration date for each well is now February 26, 1981.

Please advise us when you do move in on one of these locations.

Yours truly,

Don Whittaker
Director
Enforcement Section

DW:os

PHONE (702) 293-3160



P.O. BOX 431
BOULDER CITY, NV 89005

23 November 1980

RECEIVED

NOV 26 1980

O & G CONS. COMM.

Ariz. Oil & Gas Conservation Commission
1645 W. Jefferson, Suite 420
Phoenix, Arizona 85007
Attention: William E. Allen, Exec. Sec.

Dear Mr. Allen,

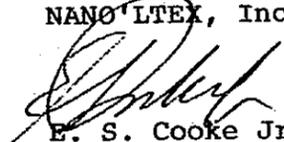
As you mentioned in our phone conversation, I am writing to request a 90 day extension on our drilling permits numbers 709, 710, & 711. This is necessary because of a delay we had in obtaining our drilling contractor.

We finally had to obtain the services of another contractor, J. O. Barnes Drilling Service of Casa Grande, Ariz. He should be rigging up on the 24th of November.

Thanks for your help.

Sincerely,

NANO LTEX, Inc.


E. S. Cooke Jr.
Managing Director

PHONE (702) 293-3180

RECEIVED

OCT 1 1980

O & G CONS. COMM.



P.O. BOX 431
BOULDER CITY, NV 89005

28 September 1980

Ariz. Oil & Gas Conservation Commission
1645 W. Jefferson
Suite 420
Phoenix, Arizona 85007
Attention: William E. Allen, Exec. Sec.

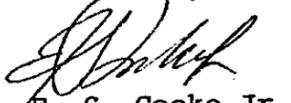
Dear Mr. Allen,

Following on our discussion while in your office on the 26th, this letter is to officially notify you of changes in our plans on the drilling of wildcat wells under permit numbers 709, 710, & 711. Each of these indicated surface pipe to be 200'. Because of the shallowness of the wells, we intend to change the surface pipe on each to 120' unless we encounter water. Also, in each the 4½" casing is shown to be 10.5 lb. weight. Because of the shallowness of the wells, we intend to use 9.5 lb. which is sufficient to depths of at least 2,500', which is much more than we intend to drill to. Thanks very much.

We enjoyed our visit while in your office, as we always do.

Sincerely yours,

NANO LTEX, Inc.


E. S. Cooke Jr.
Mgr. Dir.

709