

MTN. STATES RESOURCES (ENERGY RESERVES)
12 NAVAJO-0
SE NE 1/4 T1N 30E APACHE CO. 801

PLUGGING RECORD

Operator Mountain States Resources, Inc.		Address P.O. Box 250 - Cut Bank, Montana 59427			
Federal, State, or Indian Lease Number or lessor's name if fee lease NOO-C-14-20-4433		Well No. 12	Field & Reservoir Teec Nos Pos Field - Ismay		
Location of Well 2310' FNL & 330' FEL, Section 22, T41N, R30E		Sec-Twp-Rge or Block & Survey	County Apache		
Application to drill this well was filed in name of Mountain States Resources	Has this well ever produced oil or gas Yes	Character of well at completion (initial production): Oil (bbls/day) 240 Gas (MCF/day) 200 Dry?			
Date plugged: May 9, 1991	Total depth 5155' KB	Amount well producing when plugged: Oil (bbls/day) 0 Gas (MCF/day) 0 Water (bbls/day) 0 (SI)			
Name of each formation containing oil or gas. Indicate which formation open to wellbore 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		
Ismay (open)	Oil, Gas, & Water	4936-4940' KB, 5040-5046' KB, 5052-5056' KB	See Back		
Desert Creek	Oil, Gas, & Water	5108-5118' KB	CIBP at 5090' KB		
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
8 5/8"	520	0	520		
4 1/2"	5155	0	5155		
Was well filled with heavy drilling mud, according to regulations? Yes		Indicate deepest formation containing fresh water. Navajo			
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name Navajo Tribe	Address Window Rock, Arizona		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>Vice President</u> of the <u>Mountain States Resources, Inc.</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 June 10, 1991	Signature Reno N. Roncco				
AZ OIL & GAS CONSERVATION COMMISSION JUN 20 1991 Permit No. 801			STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy Form No. 10		

13. 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.)

Mountain States Resources, Inc. re-entered and re-plugged the Navajo Tribal "O" 12 as follows:

1. MIRUSU on 5-06-91. Nippled up BOP. Tagged top of top cement plug at 3' GL.
2. Picked up fishing tools and washed over 24' of 2 3/8" tubing to 30' GL.
3. Drilled out cement plug to 455' GL (bottom of top plug). RIH and tagged top of bottom cement plug at 2876' GL. Drilled out hard and soft cement to 2981' GL.
4. TOOH with tubing and BHA. RIH with open-ended 2 3/8" tubing to 4496' GL. Reverse circulated 4 1/2" casing with 10 ppg, 50+ second viscosity fresh water gel mud.
5. Nippled up BJ Services and spotted 35 sx of 50:50:2 Pozmix cement cement from 4496' GL to 3987' GL. TOOH with tubing.
6. Perforated 2-way squeeze shots at 1457' GL and 900' GL. RIH with tubing and set 4 1/2" cement retainer at 1407' GL. Rotated out and stung into retainer.
7. Nippled up BJ Services and broke circulation through hole at 900' GL. Spotted and circulated 4 1/2" casing and 7 7/8"-4 1/2" annulus with 205 sx of 50:50:2 Pozmix. Stung out of retainer and spotted 4 sx of 50:50:2 Pozmix cement on top of retainer.
8. TOOH with tubing. RIH with tubing and set 4 1/2" CIBP at 442' GL. TOOH with tubing and laid down setting tool.
9. RIH with tubing to top of CIBP. Nippled up BJ Services and circulated 35 sx of 50:50:2 Pozmix cement to surface. TOOH with tubing. Nippled down BOP. RDMSU on 5-10-91.
10. Cut off casing head and welded on dry hole marker. Reclaimed location.

Form 1000-1
(Rev. 5-63)

RECEIVED
AUG 16 1982

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE
(See instructions on reverse side)

Form approved
Budget Bureau No. 42-R355.6

O & G CONS. COMM.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
CBM BLDG. - Box 176 - Cut Bank, Montana 59427

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2310'FNL & 330'FEL SESENE

At top prod. interval reported below As Above
At total depth As Above

14. PERMIT NO. 801 (Arizona) DATE ISSUED Feb. 26/82

5. LEASE DESIGNATION AND SERIAL NO.
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
NONE

8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL

9. WELL NO.
NO. 12

10. FIELD AND POOL, OR WILDCAT
TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 22 - T41N - R30E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

15. DATE SPUNDED April 22/82 16. DATE T.D. REACHED May 3/82 17. DATE COMPL. (Ready to prod.) July 3/82 18. ELEVATIONS (OF. RKB, RT. OR, ETC.)* 4940 Gr. - 4954 K.B. 19. ELEV. CASINGHEAD Gr. 4940

20. TOTAL DEPTH, MD & TVD 5155 K.B. 21. PLUG. BACK T.D., MD & TVD 5141' 22. IF MULTIPLE COMPL., HOW MANY* FOUR 23. INTERVALS DRILLED BY 0 - 5155 24. ROTARY TOOLS None 25. CABLE TOOLS None

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Upper Ismay 4936-4940 Lower Ismay 5052-5060
Upper/Lower Ismay 5040-5046 Desert Creek 5108-5118

26. TYPE ELECTRIC AND OTHER LOGS RUN Schlumberger DIL/SFL, CNL, CYBERLOOK 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24# J55	520'	12 1/4"	350 Sax Cement 3% CaCl ₂	None
4 1/2"	11.6# J55	5155'	7 7/8"	150 Sax	None

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)
None					2 3/8" EUE	5107'

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5108-5118	2SPF - 1 11/16" Glass	5108-5118	3000 Gals. 28% HCL
5052-5056	2SPF - 1 11/16" Glass	5052-5056	1000 Gals. 28% HCL
5040-5046	2SPF - 1 11/16" Glass	5040-5046	1000 Gals. 28% HCL
4936-4940	2SPF - 1 11/16" Glass	4936-4940	1000 Gals. 28% HCL

33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
May 5, 1982		Flowing from Desert Creek 5108-5118				Producing	
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
May 5/82	8 Hrs.	1/4"	→	164	30mcf	81	T.S.T.M.
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
170#PSI	750#PSI	→	240	200mcf	80	40.1	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Used for fuel for treater. TEST WITNESSED BY J. V. Montalban Reno Roncco

35. LIST OF ATTACHMENTS
None

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED J. V. Montalban TITLE Mgr. of Operations DATE July 30, 1982

(See Instructions and Spaces for Additional Data on Reverse Side)

AKK
Py

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. (Drillers, geologists, sample and core analysis, all types electric, etc.), formations and/or State laws. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. All attachments should be filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments, interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Stack's Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES. SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CURBION TEST, TANK TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERY		38. GEOLOGIC MARKERS			
FORMATION	TOP	DESCRIPTION, CONTENTS, ETC.	NAME	MEAN. DEPTH	TRUE VERT. DEPTH
Porous Zones				Surface	Same
Upper Ismay	4935	Trace Porosity - Trace Oil	Morrison	800	"
Upper/Lower Ismay	5040	Fair to Good Porosity - Oil & Gas	Carmel	1080	"
Lower Ismay	5052	Fair to Good Porosity - Oil-Gas & Water	Kayenta	1395	"
Desert Creek	5108	Good Porosity - Oil-Gas & Water	Chinle	2335	"
Cored Intervals	None		DeChelley	3230	"
Drill Stem Tests	None		Cutler	4185	"
			Hemosa	4936	"
			Upper Ismay	5000	"
			Lower Ismay	5052	"
			Lower Ismay Porosity	5088	"
			Desert Creek	5108	"
			Desert Creek Porosity	5155	"
			T. D.		"

RECEIVED

MAY 20 1982

O & G CONS. COMM.

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: Energy Reserves Group, Inc. Address: P. O. Box 3280, Casper, Wyoming 82602
 Federal, State or Indian Lease Number or name of lessor if fee lease: Navajo Tribal N00-C-14-20-4433 Well Number: 12 Field & Reservoir: Teec Nos Pos Ismay-Desert Creek
 Location: 2310' FNL & 330' FEL (SE NE) County: Apache
 Sec. TWP-Range or Block & Survey: Sec 22 - T41N-R30E

Date spudded: 4-21-82 Date total depth reached: 5-2-82 Date completed, ready to produce: Elevation (DF, RCB, RT or Gr.) feet: KB4952 Elevation of casing hd. flange feet: 4940
 Total depth: 5155' P.B.T.D.: 5154' Single, dual or triple completion?: Single
 Producing interval (s) for this completion: Desert Creek 5108'-5118' Rotary tools used (interval): 0'-5155' 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): Dual Induction - SFL VFDC-CL 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	12-1/4"	8-5/8"	24	514'	350	-
production	7-1/4"	5-1/2"	10.5	5155'	150	-

TUBING RECORD

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

PERFORATION RECORD

Number per ft.	Size & type	Depth Interval	Am't. & kind of material used	Depth Interval
2	Jet	5108'-5118'	3000 Gals 28% HCl	5108'-5118'

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

INITIAL PRODUCTION

Date of first production: 5-5-82 Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump): Flowing
 Date of test: 5-6-82 Hrs. tested: *SEE ATTACHED FEDERAL FORM Choke size: Oil prod. during test: Gas prod. during test: Water prod. during test: Oil gravity: * API (Corr):
 Tubing pressure: Casing pressure: Cal'd rate of Production per 24 hrs.: Oil: Gas: Water: 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 District Manager 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: 5-17-82 Signature: Lee A. McLean

Permit No. 801 API No. 02-001-20258 STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Well Completion or Recompletion Report and Well Log Form No. 4 File One Copy

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AZ OIL & GAS
CONSERVATION COMMISSION

FEB 26 1991

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL & 330' FEL, Section 22, T41N, R30E

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "0" 12

9. API Well No.

02-001-20258

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

13. 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.)*

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "0" 12 on October 14, 1990 as shown below:

- MIRUSU. SITP = SICP = 60 psi. Bled well down.
- TOOH and LD rods and pump.
- Worked to release anchor. Twisted off rod cut tubing on top of anchor and TOOH with 150 jts. of tubing.
- Nippled up cementers, pressure tested lines, and established rate with water.
- Pumped 40 sx of 50:50 Pozmix cement. Displaced cement with 53 bbl of mud. Bottom of plug at 4500 ft., top at 3937 ft. Avg. P = 975 psi.
- Pumped 40 sx of 50:50 Pozmix cement. Bottom of plug at 563 ft., top at surface. Avg. P = 1175 psi.
- Shut-in well. WOC.
- Pumped 50 sx of 50:50 Pozmix into 8 5/8"-4 1/2" annulus. Bottom of plug at 254 ft., top at surface. Avg. P = 100 psi.
- WOC.
- Cut off casings and welded on steel plate and dry hole marker.

Stretch data obtained in July, 1986 during servicing indicated the casing to be stuck at approximately 1940' (9" stretch w/pull of 35000#).

I hereby certify that the foregoing is true and correct.
Signed: Non-Falban Title: President Date: December 21, 1990
(This space for Federal or State office use)

Approved by: _____ Title: _____ Date: _____
Conditions of approval, if any: _____

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.

*See Instruction on Reverse Side



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 250 - Cut Bank, Montana AZ OIL & GAS (406) 873-2235

CONSERVATION COMMISSION

FEB 26 1991

TO: J. V. Montalban

FROM: R. N. Roncco

SUBJECT: Navajo Tribal "O" 12, 16, and 18; Teec Nos Pos Field; Apache County
Arizona

Paul Smith of Smith Welding performed the following work on the above captioned wells during the plugging and abandonment of the wells:

- N. T. "O" 12: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing dropped approximately 3 feet inside the 8 5/8" casing when the 4 1/2" casing was cut.
- N. T. "O" 16: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing dropped approximately 3 feet inside the 8 5/8" casing when the 4 1/2" casing was cut.
- N. T. "O" 18: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing did not drop inside the 8 5/8" casing when the 4 1/2" casing was cut.

The above work was done on approximately October 17, 1990. I was not present but the work was done according to my instructions. The above information was given to me by Paul Smith during our telephone conversation on February 18, 1991.

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AZ OIL & GAS
CONSERVATION COMMISSION

FEB 26 1991

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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

5. Lease Designation and Serial No.
N00-C-14-20-4433
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

Navajo
7. If Unit or CA, Agreement Designation

2. Name of Operator

8. Well Name and No.

Mountain States Resources, Inc.

Navajo Tribal "0" 12

3. Address and Telephone No.

9. API Well No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

02-001-20258

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

10. Field and Pool, or Exploratory Area

2310' FNL & 330' FEL, Section 22, T41N, R30E

Teec Nos Pos

11. County or Parish, State

Apache Co., Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

13. 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.)

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "0" 12 on October 14, 1990 as shown below:

- 1) Pressure tested lines.
- 2) Pumped 40 sx 50:50 Pozmix cement. (t.o.i)
- 3) Displaced bottom plug with 53 bbl.
- 4) Pumped 40 sx 50:50 Pozmix cement, cement top at surface.
- 5) Shut-in well.
- 6) Pumped 50 sx 50:50 Pozmix cement w/2% CaCl₂ into 8 5/8" - 4 1/2" annulus.
- 7) WOC.
- 8) Cut off and capped casings, welded on dry hole marker.

RECEIVED

NOV 5 1990

MOUNTAIN STATES
RESOURCES, INC.

I hereby certify that the foregoing is true and correct

Signed

(This space is for the name of the individual or the name of the company)

Title President

Approved by

Conditions of approval, if any:

Title

Date October 24, 1990

Date

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.

*See instruction on reverse side

PRINTED IN U.S.A.

JOWELL SCHLUMBERGER INCORPORATED

TREATMENT NUMBER 1569-2417 DATE 10-16-91
STAGE DS DISTRICT 10112

NAME AND NO. MARIANO Tribal # 0-12
LOCATION (LEGAL) Sec 22 41N-30E
FORMATION
COUNTY/PARISH Apache STATE Arizona API NO

NAME Mountain States Resources
AND
ADDRESS
ZIP CODE

SPECIAL INSTRUCTIONS Pump 50 sks 50:50:2
Down Bradenhand close in

RIG NAME: none
WELL DATA: BIT SIZE, CSG/Liner Size, TOTAL DEPTH, WEIGHT, () ROT () CABLE, FOOTAGE, MUD TYPE, GRADE, () BHST () BHCT, THREAD, MUD DENSITY, LESS FOOTAGE SHADE JOINT(S), MUD VISC, Disp Capacity

NOTE: Include Footage From Ground Level To Head In Disp Capacity
FIBR TYPE, DEPTH, SHAPE TOOL TYPE, DEPTH

Head & Plugs () TBG () D P SQUEEZE JOB
() Double SIZE TOOL TYPE
() Single () WEIGHT DEPTH
() Swage () GRADE TAIL PIPE SIZE DEPTH
() Knockoff () THREAD TUBING VOLUME Bbls
TOP OR () W () NEW () USED CASING VOL. BELOW TOOL Bbls
BOT OR () W DEPTH TOTAL Bbls
ANNUAL VOLUME Bbls

IS CASING/TUBING SECURED? YES NO
LIFT PRESSURE PSI CASING WEIGHT - SURFACE AREA (14 x R)
PRESSURE LIMIT PSI BUMP PLUG TO PSI
ROTATE RPM RECIPROCATATE FT No of Centralizers

Table with columns: TIME, PRESSURE (TBC OR D P, CASING), VOLUME PUMPED (INCREMENT, CUM), JOB SCHEDULED FOR (TIME, DATE), ARRIVE ON LOCATION (TIME, DATE), LEFT LOCATION (TIME, DATE), SERVICE LOG DETAIL. Includes handwritten entries for pressure (2900, 110) and service log details like 'PRE-JOB SAFETY MEETING', 'Establish Injection Rate', 'Start Cement', 'End Cement', 'Flush Line / close in'.

Table with columns: SYSTEM CODE, NO OF SACKS, YIELD CU FT/SK, COMPOSITION OF CEMENTING SYSTEMS, SLURRY MIXED (BBLs, DENSITY). Includes handwritten entry for system 1 with 50 sacks and yield 1.04.

Table with columns: BREAKDOWN FLUID TYPE, VOLUME, DENSITY, PRESSURE, MAX, MIN, HESITATION SO, RUNNING SO, CIRCULATION LOST, DISPLACEMENT VOL, MEASURED DISPLACEMENT, PERFORATIONS, CUSTOMER REPRESENTATIVE, SUPERVISOR.

801

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

NOV 22 1988

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

MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR

P.O. Box 250 - Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: Sec. 22, 2310' FNL & 330' FEL
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

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

PULL OR ALTER CASING

MULTIPLE COMPLETE

CHANGE ZONES

ABANDON*

(other)

LEASE

N00-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo Tribal "O"

9. WELL NO.

12

10. FIELD OR WILDCAT NAME

Teec Nos Pos

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

Sec. 22, T41N, R30E

12. COUNTY OR PARISH 13. STATE

Apache Arizona

14. API NO.

02-001-20258

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

4940' GL

(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.)*

MOUNTAIN STATES RESOURCES, INC. proposes to plug and abandon this well because commercial production has not been attained and the lease has been cancelled. All work will be done in accordance to BLM and AOGCC regulations. The proposed procedure is as follows:

- MIRUSU.
- TOOH with rods, pump, tubing, and anchor-catcher. RIH with tubing to 5080 ft. Spot 20 sx of 50:50 Pozmix cement at 5000 ft. TOOH with tubing.
- Shoot off 4 1/2" casing at 4000 ft. and TOOH with casing. Fill the hole with 9.0 ppg fresh water gel mud.
- RIH with tubing to 570 ft. Spot 30 sx of 50:50 Pozmix cement at 570 ft. TOOH with tubing to 20 ft.
- Spot 10 sx of 50:50 Pozmix cement in 8 5/8" casing to surface. TOOH with tubing.
- RDMOSU and reclaim location.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED [Signature] TITLE President DATE October 3, 1988

Montalban (This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

BLM(4), AOGCC(3)

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
Mountain States Resources, Inc.

3. ADDRESS OF OPERATOR
P.O. Box 176, Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: SE/4 NE/4 Sec. 22, 2310' FNL & 330
AT TOP PROD. INTERVAL: FEL
AT TOTAL DEPTH:

5. LEASE
N00-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo Tribal "O"

9. WELL NO.
12

10. FIELD OR WILDCAT NAME
Teec Nos Pos

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22, T41N, R30E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4954 KB

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) <input type="checkbox"/>	X Cement 4 1/2" csg. from 1500'KB to surface casing. Plugback to Lower Ismay.

(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.)*

-29-83 MIRUSU. TOOH w/rods, pump, and tubing. Ran wireline CIBP and set at 5090' KB. TIH w/RBP and packer w/l jt. tailpipe. Set RBP at 3025'KB and tested to 500 psi. Set packer at 1428'KB. Pumped 1 sack of sand on RBP. Perforated 4-way squeeze shot at 1500'KB using thru tubing, small charge gun. Displaced 200 sx class B cement into perforations with surface casing valve open. WOC 14 hrs. TOOH w/tubing and packer. TIH w/bit and scraper and cleaned out. Tested squeeze to 800 psi for 0.5 hrs., held. TOOH w/bit and scraper. TIH w/tubing and retrieving head. Circulated sand off RBP and TOOH with RBP. Ran cement bond log from 1500'-500'KB. TIH w/production string and placed well on production. Copies of logs will be forthcoming when received.

Subsurface Safety Valve: Manu. and Type Dowell 4 1/2" float shoe Set @ 5155 KB Ft.

18. I hereby certify that the foregoing is true and correct
Gearhart 4 1/2" CIBP set @ 5090 KB.

SIGNED [Signature] TITLE Mgr. of Operations DATE April 11, 1983
[Signature] P. Eng.

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



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

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MSR/ERG NAVAJO "O" #12 WELL

NL SERVICE RIG #192

Thurs. May 27/82 continued.....

tension on tubing string. Shut down - 8:PM.

Friday

May 28/82

33rd Day of Operations - 8:AM

12 hours shut-in. Well died. Rigged to run rods. Ran 132 x 3/4" sucker rods, totalling 3300'. Ran 68 x 7/8" sucker rods, totalling 1700'. One x 1 1/4" x 22' polish rod. One x 8' x 7/8" pony rod. One 4' x 7/8" pony rod. One 2' x 7/8" pony rod. One 20' x 2" x 1 1/2" top hold down bottom hole pump. Seated BHP, stroked rods, well pumped up to surface. NOON - Rods landed, rig released.

3:PM - NL Rig #192 rigged down and off location to Cortez yard. Summary: Well has now been completed, after selective perforating, acidizing, and testing each zone separately. Well appears to be capable of producing 15 BPH (360 BPD) with 10 Bbls. of water. Will commence to build battery next week.

Saturday

May 29/82

Drained acid water from test tank and heated for shipping. Shipped 190 Bbls. of 39.4° gravity oil to Giant Refinery, Farmington, N. M. Cleaned up test tanks for return to Wright's Roustabouts in Cortez.

3300
1700
5000' rods

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MSR/ERG NAVAJO "O" #12 WELL

NL SERVICE RIG #192

Monday - May 24 - continued...

productive zone. 4:PM - Pumped 15 Bbls. KCL water down tubing to kill well. Released packer, picked up RBP - pulled up and reset packer @ 5026'. Laid down 1 jt. and reset packer @ 4894'. Pumped 10 Bbls. KCL down tubing. Pressured up to 1000#PSI - did not hold, 0 pressure in 10 minutes. Pressured backside with 18 Bbls. KCL. No pressure. 5:PM - shut down for night. Notes: Portable separator picked up Sat. afternoon, May 22. Ran pressure bomb in well Sat. afternoon for weekend pressure build up over zone 5040'-5046'

Tuesday

May 25/82

30th Day of Operation - 7:AM

Pumped 7 Bbls. KCL down annulus, pressured to 1000#PSI, packer did not hold. Pumped 5 Bbls. down backside. Pressured to 800# on tubing and annulus, both sides held pressure for 15 minutes. RBP holding O.K. BP set at 5020'. Tripped out tubing to change Packer. TIT with new Packer, MST Model R. Set Packer at 4869' KB with end of tubing at 4899'. Swabbed to 2500', fluid level remained steady, everything holding. Perforated top of Upper Ismay, 4936'-40' with 1 11/16" tubing gun using 2 SPF. 9:AM - released Packer to spot acid, moved tailpipe to 4956', spotted 1 Bbl. acid on bottom with 18.5 Bbls. of flush, pulled 1 stand (2 jts.) of tubing & reset Packer at 4857', pressured annulus to 1000#, Packer would not hold. Released Packer, reset and pressured up to 1000#PSI, Packer leaked again. Spotted acid out and around bottom of tubing, prepare to "bullhead" acid treatment. Maximum pressure 3000#, broke to 2700#, minimum injection rate 1.3 BPM, maximum injection rate 2.6 BPM, at 3000#. Average pressure thru treatment 2750#PSI, average rate 1.2 BPM. 7:30 PM - instant SIP 2750#PSI, 15 min. SIP 2750#, no bleed off (tight formation). 8:PM - flowed tubing to pits, well died in 15 min. Continued swabbing tubing to pits, well started to make some gas. 9:PM - Shut-in for night.

Wednesday

May 26/82

31st Day of Operation - 7:AM

14 Hours SI - TP700#PSI - CP 0. Swabbed tubing all day to test tank, from perforated interval 4936'-40' (Upper Ismay). Recovered total of 30 Bbls. fluid all day, coming in very slow. Well making small flow of gas TSTM. Zone appears very light and almost non-productive. Days swabbing recovered 25 Bbls. load, water and spent acid, and 5 Bbls. oil. Drained water from test tanks. 5:PM-Shut down.

Thursday

May 27/82

32nd Day of Operations - 7:AM

Bled well to pits. Pumped 10 Bbls. KCL water down tubing, and 15 Bbls. KCL down annulus. Hooked onto RBP and pulled 1 stand of tubing. Well started to flow from lower zones. Flowed well to test tank for 3 hours, made 60 Bbls. fluid (20 BPH) - 30 Bbls. oil and 30 Bbls. water, from lower perforations in Desert Creek and Lower Ismay. Circulated well with KCL water for one hour, to kill. TOOH with tubing and Packer. TIOH with 2 3/8" EUE tubing. Ran 157 jts., overall measurement 5107'. Tubing string as follows, starting at bottom: 2" BP with 1/2" opening; 33' gas anchor; One 2 3/8" x 6' EUE pup jt.; seating nipple at 5068'. Landed tubing in slips, anchor catcher set at 4888' KB. Set catcher with 10,000#

80/



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MSR/ERG NAVAJO "O" #12 WELL

NL SERVICE RIG #192

May 19/82
Wednesday

26th Day of Operations - 8:AM

Shut-in 11 hours - TP 200#PSI - CP 0 (Packer finally holding). Opened tubing and flowed to pits on 2" opening, died in half hour @ 8:30AM. Made two runs with swab. Well kicked off to pits. Flowing load and acid water to pits, until noon.

NOON - We nipped up to separator @ 12:30PM. Well died @ 1:15PM, bypassed separator and started flowing to tank - gauge at 3'5" or 68.47 Bbls. Flowed to tank for 4 hours to 5:15PM. Well made 73 Bbls. fluid to tank. Made 20 Bbls. of load, acid, and formation water. Closing gauge 5:15PM - 7' 1 1/2" pr 141.11 Bbls.

Compliance Officer, Lorraine Thomas, on location today, as well as Bill Blackard, Minerals Management Inspector.

May 20/82
Thursday

27th Day of Operations - 8:AM

TP800#PSI - CP 0 - 15 hours shut-in. Beginning gauge 6' 11" - lost 1" overnight. Flowed directly to tankage, bypassing separator. Well died every hour. Continued swabbing and flowing to 5:PM. Gauge 11'8". Made 4'9" total fluid, or 95.19 Bbls. fluid or 10.57 BPH.

Wellhead cuts taken every hour. Showed 25% oil and 75% water at end of day. Have recovered acid & load. Well appears to be averaging roughly 5 Bbls. of oil and 5 Bbls. of formation water, per hour.

May 21/82
Friday

28th Day of Operations - 8:AM

Today plan to move Bridge Plug to 5050'. Will perforate second interval of Lower Ismay 5040' - 5046', and acidize with 1000 gals. of 28% HCL.

Friday - 8AM - 14 Hrs. SI - TP 770#PSI - CP 0. Flowed to tank 1 hr., made 30 Bbls. in 1 hr. flow period. 10:AM - Perforated 5040'-5046' using 1 11/16" tubing gun. 11:PM - Acidized with 1000 gals 28% HCL, using twenty-two 7/8" ball sealers. Got 3 pressure build ups when balls hit - good ball action. Average treating pressure 2700#.

12:30PM - finished acid job. 1:PM - Started swabbing to pits, made 3 runs. 1:30PM - flowed well to test tank. Flowed for 3 hrs., to 4:30PM. Opening gauge - 13' 1", closing gauge - 16' 9", made 73.5 Bbls. total fluid in 3 hrs. - 55 Bbls spent acid water (AW), and 18.5 Bbls. oil. Well head sampling at 1:PM 100% load & AW; 2:30PM - 40% load & AW; 3:30PM - 35% load & AW; 4:30PM - 25% load & AW; well cleaning up. 5:PM - shut well in for weekend. Appears second Lower-Ismay will make added production amounting to some 3-5 BPH.

May 24/82
Monday

29th Day of Operations - 8:AM

SI 64 hrs. - TP1370#PSI - CP 0 - Removed pressure bomb from well after weekend.

9:45PM - Started flowing to TT#2 - opening gauge 2'4", flowed 5 1/2 hrs., end gauge 10'6", made 8' 2", or 140 Bbls. total fluid - 58 Bbls. oil, 82 Bbls. spent AW, load & formation water. Appears Upper-Lower Ismay will be an added

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MAY 24 1982

MSR/ERG NAVAJO "O" #12 WELL

NL SERVICE RIG #192

O & G CONS. COMM.

May 13/82
Thursday

22nd day of Operations - 7:AM

TP 800#PSI, CP 265#PSI, swabbed and flowed well through separator for 6 hours. Flowed to pits while repairing dump on separator. Made 10 Bbls oil and 2 Bbls. water. 5:PM - shut down - tank gauge 2'1" or 41.75 Bbls.

May 14/82
Friday

23rd Day of Operations - 7:AM

Run bottom hole pressure bomb for pressure survey, over weekend. Well shut-in.

May 17/82
Monday

24th Day of Operations - 7:AM

Well shut-in from 9:30AM Friday to 7:30AM Monday - 46 hour shut-in test. SITP 1350#PSI, SICP 540#PSI, packer definitely leaking. 10:AM began flowing well thru separator on 6/64 choke. 5:PM well died, after flowing 7 hours. Well produced 12.5 Bbls. oil and 10 Bbls. water. (Salt water appears to be formation water from Desert Creek, produced thru tubing.) Well also flowed 18 Bbls. of oil from backside (annulus). Well made total 30 Bbls. oil and 10 Bbls. water in 7 hrs. Killed well with 16 Bbls. of KCL water down tubing and 5 Bbls. down annulus. Used NL tank for KCL water and NL pump. (\$250/day, 3 day min.) TOOH with tubing and Baker R-3 Packer. Rubbers and Packer O.K. (Reason for Packer not holding unknown). Ran in hole with 3 3/4" Smith Bit and casing scraper. Ran 30 jts. - shut down for dark @ 9:PM.

May 18/82
Tuesday

25th Day of Operations - 7:AM

Ran rest of tubing to bottom. Scraped casing walls to TD 5140'. Went O.K. no hangups. Well started to flow. Mixed 15 more Bbls. of KCL water to kill well. TOOH with scraper, laid down same. Scraper O.K., no evidence of milling. Picked up and ran in hole with RBP and Packer (Model R Packer). Set Bridge Plug at 5080' KB - swab tested tubing, BP leaking, fluid kept rising in tubing. Packer set at 4940'. Went to bottom, picked up and reset BP @ 5072' KB, with Packer set at 4930' KB. Swabbed tubing to 3000'. Fluid level remaining constant. BP holding O.K.

2:PM - Rigged up Blue Jet Perforators and ran one 11/16 tubing gun, using glass dispensable charges. Perforated 5052 - 5056 with 2spf. Set packer @ 5026' KB, with end of tail pipe @ 5058' KB. Circulated and spotted 4 Bbls. of 28% HCL acid across perfos. Displaced tubing with KCL water. Pulled one joint and reset packer @ 4994', and tail pipe @ 5026'.

7:PM - Started acidizing with 20 Bbls. of 28% HCL (total 1000 gals.), dropped 16 balls; good ball action, had 4 breakdowns. Max treating pressure 3000#PSI; max rate - 5 BPM; average treating pressure 2800#PSI; average injection rate 1.75 BPM, instant shut-in vacuum.

8:15PM - Made two runs with tubing, swab to pits. Swabbing from 3000'. Swabbed 15 Bbls. of load water to pits, before shut down @ dark - 9:PM.

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MSR/ERG NAVAJO "O" WELL

NL SERVICE RIG #192

May 7 / 82
Friday

17th Day of Operations - 7:AM

Overnight casing pressure 800#PSI, tubing pressure 780#PSI, after 15 hours shut-in. Open tubing and flowed to tank. Opened tubing and flowed to tank.
9:30 - Flowed 2½ hours on 1/2" choke, well made 20.02 Bbls.. Flowed and swabbed for 9½ hours, made 3' 10" = 77 Bbls.
4:30PM - Total fluid (oil & load) in test tank now 15' 2" = 303.94 Bbls.
5:00PM - Shut in well. PRODUCTION SUMMARY:- Well has made 304 Bbls of oil and load in total of 23 hours. Average = 13.2 BPH.

May 8/82
Saturday

18th Day of Operations - 7:AM

Overnight shut-in tubing pressure 950#PSI, casing pressure 950#PSI. Opened well to tank on 1/4" choke, flowed 15' 2" - 16" 2" = 12" = 20.67 Bbls. to
10:AM. PRODUCTION SUMMARY: - Now total of 323.98 Bbls. in test tank, produced during cumulative 25 hours test period, for average of 12.95 BPH.
10:AM - Shut-in well, started heating and treating tank of oil and acid water emulsion for shipping.
3:PM - Shipped 65 Bbls. of good oil in tanker truck to Giant Refinery, in Farmington, New Mexico. Balance of fluid in tank heavy emulsion of oil and acid water, in excess of 2% BS & W. Did not break out or clean up enough to ship. Clean test tank and drained BS & W to pits.
5:PM - Shut down operations for weekend.

May 10/82
Monday

19th Day of Operations - 7:AM

Well shut-in for 43 hours over weekend, tubing pressure 800#PSI, casing pressure 975#PSI. Flowed well for 2 hours, made 30 Bbls. of oil.
9:AM - Pumped 16 Bbls. of 2% KCL water with Dowell. Killed well. Pulled 159 jts. of tubing with Baker R-3 Packer (Packer rubbers torn and damaged, reason for packer not holding and pieces of rubber plugging choke).
1:30PM - Picked up new Baker R-3 Packer, and reran tubing. Set Packer at 5041', bottom of tubing at 5073'.
3:PM - Swabbed well to pits and kicked off well.
3:30PM - Turned well into portable separator.
5:PM - Shut down for night.



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MSR/ERG NAVAJO "O" #12 WELL

NL Service Rig #192

May 4
Tuesday

14th Day of Operation - 8:AM

Depth: PBTD 5143 - Status: Perforated & Acidized

✓ 7:AM - 10:AM - Rigged up Blue Jet logging truck. Pull on 5 jts. tubing, (150') bottom tubing @ 4990' - packer @ 4960'. Ran Gamma Correlation Log, logged casing collars under tubing. Swabbed tubing down to 2500'. Packer appears to be leaking. Fluid (displacement water) keeps rising in tubing as swabbed. Attempt to reset packer 3' higher. Appears to be holding.

10:AM - 2:PM - Perforate interval Desert Creek 5108-5118. 2 shots per foot, 5108 - 5110; 4 shots per foot, 5110 - 5118. Total shots = 36 shots. Swabbed tubing to packer for show.

2:PM - 4:PM - Nipple up Dowell - pressure test lines to 10,000# and prepare to acidize.

4:PM - 7:PM - Acidize with 3,000 gals 28% HCL acid. Maximum pressure to breakdown 3,500#. Packer not holding. Pickup 5 jts. of tubing and run bottom of tubing to 5110'. Pumped 1,000 gals. of acid, dropped 8 balls. Perfos plugged off, pressure increase 2500# to 3200#. Pumped next 1000 gals. at 2500# pressure. Dropped 20 balls. Pressure increased to 3000# when balls hit perfos. Pumped remaining 1000 gals. Final pressure 2500#. Instant shut-in pressure 1500#.

7:PM - 8:PM - Rig down Dowell trucks.

8:PM - 10:PM - Flow well to pits. Tubing flow pressure @ 8:PM - 550#.

10:PM - Tubing pressure - 750#. Well cleaning itself blowing load water and acid water to pits. Well started to make gas @ 8:45PM. estimated @ 3.5MMCF. Shut well in for night @ 10:PM - instant shut-in pressure 950#.

May 5/82
Wednesday

15th Day of Operations - 7:AM

Overnight shut-in tubing pressure 1150#PSI. Opened tubing to pits, well started flowing gas & load to pits.

10:15AM - Well started to cut oil with gas and load.

11:AM - Nippled up well to flow into test tank. Casing pressure 775#PSI, tubing pressure 220#PSI

7:PM - Well flowed at rate of 15 Bbls. of oil and load to test tank in 8 hours testing. Spent acid and load water 30% cut. Drained off acid water to gauge - 7' 6". Leave well open for flow to test tank on 1/4" choke. Shut down rig for night.

May 6
Thursday

16th Day of Operations - 7:AM

Well flowed overnight making 26 Bbls. on 1/4" choke. Choke plugged off with piece of rubber. Swabbed and flowed well to tank for 6 hours today, making 68.5 Bbls. of oil and some acid water and load. Cut now running 10% to nil. Casing pressure 750#PSI, tubing pressure 170#PSI. Gauge tonight, 12' 3". Shut in well and shut down rig @ 5:PM. Unloading portable testing separator today.

May 2
Sunday

(12) Day Operation 6:00A/M

Depth: 5155' T.D. Made last 24 hrs. 137', Status: Logging w/Schlumberger
 Bit: #4, SEC-S88F, size 7 7/8", Jt. size 2X12-1 Blank, Ser.#: 145907
 In @ 3886, Out 5155 T.D., Ftge. 1269', Hrs: 73.50, Ft/per/hr. past 24hrs. 5.70'
 Ft/per/hr. cum. 17.26'.

D/S: 120,000/50, 20D/C., size 6 1/2, Bot. Hol. Assembly 622.47'
 Pump: #2-Omega-D750, liners 6 1/2 X 8, Stks. 100, Press. 2,000#, Table RPM. 60
 Mud: Vis. 45, Wt. 9.6, W.L. 6.8c/c, Ph. 10, F.C. 2/32, LCM: Nil
 Mixed past 24 hrs: Nothing
 Surveys: 5155' @ 1°
 Past 24 hrs:

9 3/4 Hrs. Drill to total depth 5155'
 3 1/4 Hrs. Circ. samples @ 4 Shows in Lower Ismay and Desert Creek.
 1 Hrs. Short trip for logs
 5 Hrs. Out of hole and trip in when logs bridged @ 1940.
 2 3/4 Hrs. Trip out after cleaning out Bridge to bottom.
 1 Hr. Rig up Schlumberger - Ready to log.

Remarks: Ran Schlumberger Dual Induction - SFL and Compensated Neutron Density.
 Logs - Confirm 5 shows indicated on mud logging unit.
 From Log interpretation, Desert Creek appears Prime Zone for completion.
 in 10' zone from 5108' to 5118'. Water saturations appear to be less
 than 20% and porosities as high as 18%, Will lay down Drill Pipe
 and run 4 1/2 production casing.

May 3/82
Monday

13th Day Operation - 8:AM

Depth 5155' Status: WOC - Moving Bayless Rig #1 off location.
 Bit #4, SEC-S88F, 7 7/8" - 2x12 - SN#145907 - In at 3886, Out at 5155 T.D.
 Footage 1269 in 73.5 hours - 17.26 FPH.

Sun: 6:AM - 2:PM (8 hrs) Ran and analyzed Schlumberger logs. Logs indicate
 four potential payzones, as follows: Upper Ismay - 4936

Upper/Lower Ismay - 5040 - 5046 Lower Ismay - 5052 - 5068

Logs indicate 9% porosity and 25% water saturation.

Desert Creek - 5108 - 5118; Logs indicate 5% water saturation and porosities
 of 9% - maximum 18%. Decide to run casing.

2:PM - 5:PM - Run in with drill pipe and Drill Collars to come out laying down pipe.

5:PM - 8:PM - Lay down drill pipe.

8:PM - 12:AM - Midnight - Ran 129 jts. of 4 1/2" - 11.6# J55 R3 production casing.
 (Overall measurement 5165') Landed at 5155 K.B. Cemented with 150 sax 50/50
 POZ mix with 10% salt and 2% Gel added. Ran Dowell 4 1/2" Float shoe and six
 centralizers. (E joint covering bottom 250' of casing). Bumped plug with
 500# PSI over displacement pressure. (Total 1000#) Had good returns through
 pumping operations. Held 1500# for 5 minutes. Shoe held O. K.

12:AM - 4:AM - Nipple down BOP, land casing in 4 1/2" slips. Cut casing and install
 flanged tubing head.

4:AM - RIG RELEASED

4:AM - Noon - Move off Bayless #1 and move on NL Service Rig #192

Noon - 4:PM - Rig up over hole with NL Rig #192.

4:PM - 8:PM - Ran 160 jts. 2 3/8" EUE 8 Rd. tubing. Tagged bottom @ 5146'.
 Ran Baker R-3 production packer. Ready to log and perforate Tuesday morning.
 Shut down 8:PM.

Con't
April 29
Thursday

con't past 24 hrs:

1/4 Hrs. Survey 3886'
4 1/2 Hrs. Round trip for Bit#4.
1/2 Hrs. Rig repair. Change "Pump wire"
1/4 Hrs. Rig Service.

Total..... 24 Hrs.

Remarks:

Well Sight Sample Tops.
Chinlee1420'
De Shaye.....2380'
Cedar Mesa - "Anydrite".....3270'
Hermosa.....4170'
Cumulative mud cost to date \$8,454.00

April 30
Friday

(10) Days operation 6:00A/M

Depth: 4628', Made last 24 Hrs. 428', Status: Drilling w/Bit#4
Bit:#4, SEC-S88F, size 7 7/8", Jt.size 2X12-1Blank, Ser.#145907
In @ 3886', still in 4628', Ftge.742', 40 1/2Hrs., Ft/per/hr.18.43ft/per/hr.
D/S: 116,000/50,000, D.C.20, Size 6 1/2", Bot.Hol.Assembly 622.47
Pump: #2-Omega-D-750, liners 6 1/2X8, Stks.100, Press.2,000#, Table RPM.60
Mud: Vis:33, WT.9.4, W.L.10c/c, PH.10, F.C.2/32,LCM:Nil
Mixed past 24 hrs: 32 sax Gel, 5 sax Caustic Soda, 2 Sax Drispac,
1 Soda Ash, 6 sax Bicarbonate of Soda, 3 sax Permaflow.

Surveys: 1° @ 4372

Past 24 Hrs:

23 1/2 Hrs. Drilling
1/4 Hrs. Rig Service
1/2 Hrs. Survey 4372'

\$1,392.00 Daily mud cost.
Cumulative mud costs to date \$9,846.00

May 1
Saturday

(11) Days operation 6:00A/M

Depth: 5018', Made last 24 hrs. 390', Status: Drilling w/Bit#4.
Bit:#4 SEC.S88F, 7 7/8", Jt.size 2X12-1 Blank, Ser.#145907
In @ 3886, still in @ 5018', Ftge.1132', 63 3/4Hrs., Ft/per/hr.cum.17.75 per hr.
Past 24= 16.59 per hr.

D/S: 119,000-50,000, 20D/C., Size 6 1/2, Bot.Hol.Assembly 622.47
Pump: #2-Omega-D750, liners 6 1/2X8, Stks.100,Press.2,000#, Table RPM.60
Mud: Vis.40, Wt.9.5, W.L.8.8c/c, Ph.10, F.C.2/32, LCM: Nil.
Mixed past 24 hrs: Gel - 51Sax, Caustic Soda - 7 Sax. Perma Flow-9 Sax.
Drispac - 4 Sax, Bicromate 1 sax.

Surveys: 1 1/2° @ 4869

Past 24 Hrs:

23 1/2 Hrs. Drilling
1/4 Hrs. Rig Service
1/4 Hrs. Circ. and surveys

Sample tops:

Lower Ismay top.....5005'
Top lower is Porosity.5037 - 5043
Second Porosity.....5050 - 5060
Top Desert Creek.....5086

con't.

April 26
Monday

Past 24 hrs:

20½ hrs. Drilling w/Bit #3.
 1/2 hrs. R/Service
 1 hrs. Run 2 surveys
 1/2 hrs. Rig repair - fuel lines
 1½ hrs. Mix mud and work pipe.

Total

24 hrs.

Remarks:

Drilling 2 mins. per ft.

April 27
Tuesday

(7) Day operation 6:00A/M

Depth: 3397', Made last 24 hrs. 481', Status: Drilling w/Bit#3.

Bit:#3 STC-F-3, 7 7/8", Jt.size 2X12-Blank. Ser.#CE-4087

In @ 1285, still in 3397', Ftge.2112, 65½hrs., Ft/per/hr.32.50, 20.04per/hr.past 24.

D/S: 108,000/50,000. DC20, size 6½X31, Bot.Hol.Assem.622.47

Pump: #2-Omega D-750, liners 6½X8", stks.100, Press.2000#, RPM.60

Mud: vis.34, wt.9.5, w.l.10.1c/c, Ph.9, F.C.1/32, LCM.nil.

Mixed past 24 hrs: Nil.

Surveys: 3/4° @ 2821.

Past 24 hrs:

23½ hrs. Drilling
 1/2 hrs. Rig service.

Total

24 hrs.

Remarks:

Cumulative hours drilling 88½ hrs.

April 28
Wednesday

(8) Days operation 6:00A/M

Depth: 3860, Made last 24 hrs.463' Status: Drilling

Bit:#3, STC-F-3, size 7 7/8", Jt.size 2X12 - Blank, Ser.#CE4087

In at 1285', still in @3860', Ftge.2575', 88 3/4hrs. 29.01'per hr.19.70'p/hr.past 24hrs

D/S: 110,000/50,000, 20D/C, size 6½, Bot.Hol.Assem.622.47

Pump: #2-Omega D-750, liners 6½X8", stks.100, Press.2,000 - RPM.60

Mud: Vis.35, WT.9.4, W.L.12.4c/c, PH.11, F.C.1, LCM: Nil

Mixed past 24 hrs: 50 Sax Gel, 9 Caustic Soda, 1 Drispac, 3 Soda Ash.3 Perma Flow.

Surveys: 3/4° @ 3425.

Past 24 Hrs:

23½ Drilling
 ½ Survey and R/S
 24 Hrs.

April 29
Thursday

(9) Day operation 6:00A/M

Depth: 4200', Made last 24 hrs. 340'. Status: Drilling with Bit #4.

Bit:#3, F-3, size 7 7/8", Jt.size 2X12-1 Blank, Ser.#CE4087

In @ 1285', out 3886', Ftge.2601', Hrs.89 3/4, Total 28.98' per hr. 14.17per/hr.past 24

Bit:#4 SEC-S88F, size 7 7/8, Jt.size 2X12-1 Blank, In @ 3886, still in 4200,

Ftge.314' In 17Hrs., Ft/per/hr. 18.47.

D/S: 112,000/50,000, DC 20, size 6½", Bot.Ho.Assembly 622.47

Pump: 2-Omega, liners 6½X8, Stks.100, Press.2,000, Table RPM.60
D-750

Mud: Vis.32, WT.9.3, W.L.8½c/c, PH.11, F.C.2/32, LCM: Nil

Mixed past 24 hrs: Gel 21 sax, caustic soda 12 sax, Barite "Pill", 10 sax,
Soda Ash 2 sax, Perma flow 15 sax, Cedar Fibre 3 sax.

Surveys: 1/2° @ 3886'

Past 24 Hrs:

18 Hrs. Drilling
 ½ Hrs. Dropped "Pill" 10 sax

DAILY WELL REPORT

Wayless Drilling Co. Rig #1

MSR-ERG #12 NAVAJO "0"

April 24
Saturday

Days Operation (4) 6:A/M
 Depth: 1290' Made last 24 hrs. 765', Status: Drilling
 Bit: #2 STC, size (7 7/8)", Jt. 2X12-1X13, Ser. #CF8380
 DGT.
 In @ 525' still in @ 1285', Ftge. 760' Hrs. 10, Ft./Hr. 76'.
 Bit: #3, STC-F-3, size 7 7/8", Jt. 2x12-1 blank. Ser.: #CE-4087
 In @ 1285, still in, Ftge. 5', Hrs. 1/4, Ft. per hr. 30'
 D/S: 50,000/40,000, 20D/C, size 6 1/2 X 3 1/2 X 2 1/4, Bot. Hol. Assem. 20-DC = 617:47
 Bit.. = 5:47
 Assem. = 622.47

Pump: Make #1-Omega D750, liners 6 1/2" X 8", stks. 104, Press. 1900#, RPM. 50
 Mud: vis. water.

Mixed past 24 hrs: mixed 10 gel - 1 Fibre (used on floor)

Surveys: 1⁰ @ 525 - 1 1/2⁰ @ 1005

Past 24 hrs:

- 1 Hrs. Nipple up
- 2 Hrs. Test BOP & surface pipe, change rams-did not hold.
- 2 Hrs. Drill 78' cement left in surface pipe. Did not dis-
place plug to float collar.
- 3 1/2 Hrs. Repair and weld on mud lines, vibrator hose - stand pipe.
- 1/2 Hrs. Flush hole (circ. hole)
- 1/2 Hrs. Ran surveys
- 1/2 Hrs. Measure water flow @ 1000' (1 1/2" to 2" flow.)
- 1/2 Hrs. Rig service.
- 3 3/4 Hrs. 2 trips (Bit #2 in & out, #3 in @ 1285').
- 10 1/4 Hrs. Drilling w/Bit #2 & #3.

Total 24 Hrs. Fuel used 950 gallons per day

April 25
Sunday

Days operation (5) 6:00A/M
 Depth: 2100' Made last 24 hrs. 810' Status: Drilling
 Bit: #3, STC size 7 7/8", Jt. size 2X12-1 blank. Ser. #CE4087
 In @ 1285', still in, Ftge. 815', 21 1/2 hrs. Ft. per hr. 38.35'
 D/S: 96,000/40,000, D/C20, size 6 1/2 X 3 X 2 1/4 I.D. - Bot. hol. Assem. 617/622.47
 Pump: Omega 750, liners 6 1/2 X 8", stks. 100, Press. 1900, Table RPM. 60.
 Mud: vis. water
 Mixed past 24 hrs. Nothing
 Surveys: 1862⁰ @ 1 1/2⁰
 Past 24 hrs.

- 21 hrs. Drilling
- 1/2 hrs. R/Service
- 1/2 hrs. Change new light plant.
- 3/4 hrs. Run surveys
- 1/4 hrs. Change over pumps. Advance clock.
- 1 hrs. Loose 1 hr. change clock.

Total 24 hrs.

April 26
Monday

Days operation (6) 6:00A/M.
 Depth: 2916" Made last 24 hrs. 816' Status: Drilling
 Bit: #3, STC size 7 7/8", Jt. size 2X12 - Blank. Ser. #CE4087
 In @ 1285, still in 2916', Ftge. 1631' Hrs. 42 1/2, Ft. per hr. 38.60'
 D/S: 105,000/40,000, D.C. 20, size 6 1/2, Bot. Hol. Assem. 617 D.C. 617/622.47
 Pump: #2 Omega-D750, liners 6 1/2 X 8, Stks. 100, Press. 2000, Table RPM. 60
 Mud: vis. 36, wt. 9.5, wl. 12, ph. 8, F/C. 2/32, lcm. nil.
 Mixed past 24 hrs. 80 sax gel, 85 sax Barite (killed wtr. flow w/9.3mud)
 Surveys: 3/4⁰ @ 2313, 3/4⁰ @ 2821

April 22:
Thurs.

(2) Day operation 6:00A/M
Depth: 154' Made last 24 hrs. 154' Status: Drilling 12 1/4" surface hole.
Bit: #1S/B STC, size 12 1/4", Jt.size 1 X 11-1X12 Blank, Ser.#AH504
In at 0, still in 154', Ftge. 154', Hrs.6 1/2, Ft/per/hr. 23.6'
D/S: DC4, String wt.20,000/10,000,size 6 1/2X31,BHA: 115
Pump: 2-Omega D-750, liners 6 1/2, stks.8"
Mud: vis. water.
Mixed past 24 hrs: 30 Gel.
Surveys: 1/4 @ 100'

Past 24 hrs:
6A/M to 7A/M Dry watch...Rig up.....1 hr.
7A/M to 9A/M Wait on subcontractor.....2 hrs.
9A/M to 4P/M Rig up.....7 hrs.
4P/M to 10.30 Drill and set rat & mouse hole 6 1/2 hrs.
10:30P/M to 6:A/M Drilling Surface.....6 1/2 hrs.
1/4 hrs. surveys.....1/4 hrs.
3/4 hrs. Run service and
clean pump screen..3/4hrs.
Total 24 Hrs.

Remarks: No Surface on location. No floating equipment.
Mud OK. (American Mud) water OK. (Dawn Trucking)
(John going to Denver to-day).

April 23
Friday

(3) Day operation 6:00A/M
Depth: 525' Made last 24 hrs. 371' Status: WOC. Nipple up.
Bit: #1S/B + STC, size DTJ 12 1/4, Jt.size 1X11-1X12-open
Ser.#AH504, In @ 0, still in 525', Ftge.525', 14 1/2hrs, Ft/er/hr.36.2'
Bit.#2 STC. size 7 7/8", DGJ, Jt.size 2X12, open.
Mud: vis. water.
Mixed past 24 hrs: 5 Gel, 3 cedar fibre.
Surveys: 1/4 @ 100, 3/4 @ 235', 1 @ 525.
Past 24 hrs:

6:00A/M to 2:00P/M - Drilling surface hole.....8hrs.
2:00P/M to 4:30P/M - Circ. & Dummy trip.....2 1/2hrs.
4:30P/M to 8:00P/M - Ran 13 Jts. 8 5/8", -24# over-
all measurement. 502.10 landed
@ 514KB. Cemented with HOWCO &
350 sax of type "A"ideal cement.
3% Ca Cl₂
Plug down @ 8:00P/M shut in.
Cement dropped 4' around pipe.3 1/2Hrs.
8:00PM to 4:00AM WOC.....8hrs.
4:00AM to 6:00AM Nipple up BOP, prepare to drill out.
at 7:00AM Total 24 hrs.

(John Steele on location for cementing till plug. down at 8:P/M)
John to Denver saturday morning.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

1982

DAILY WELL REPORT

RECEIVED

MAY 14 1982

O & G CONS. COMM.

MSR - ERG - #12 NAVAJO - "0"

Bayless Drilling Rig #1.
(Contractor) Daywork
IDECO H1000 (Rated 10,000)

TEEC NOS POS FIELD - Apache County, Arizona
LOCATION: SE/4 of NE4 and NE/4 of SE/4 Sec.22, T.41N, R.30E.
2310' FNL - 330' FEL (SE NE)
Ground Elevation 4940' K-B Elevation 4952'
Pusher - Danny Phillips (505) 334-2067 - Residence
(505) 327-0880 - (Unit 5011)

April 16: Order 2 cats from Urado Construction, Dove Creek, Colorado (D-6 & D-8 W/Rippers)
Friday to load out for #12 Navajo location.

April 17: Start making location w/ 2 cats, work all Saturday night.
Saturday

April 18: Finish location - grade pad.
Sunday Grade road from location and field (2) miles south to village of Teec Nos Pos.
Start digging reserve pit, need to blast rock to get six feet deep.

April 19: Finish dressing up location. Ready for Bayless #1 Rig.
Monday Finish digging reserve pit, install plastic liner.
Wait on drilling opinion from ERG. Order trucks for move.

April 20: Bayless Rig #1 released by Tricentral at noon today. Trucks on location 12 noon:
Tuesday Start rigging down.

April 21: (1) Day operation 8:AM
Wednesday - Moving on and rigging up to-day.
D/S: 4 1/2 F.H. D.C.-20, size: 6 1/2 X 31' X 1 1/4".
Pump: 750 Omega, liners 6 1/2", strokes: 8"
Past 24 hrs:

Tuesday April 20/82. Land production casing and nipple down. On Tricentral Hole.
8A/M = Noon All trucks on location by 1:30P/M. To move from Tricentral.
Noon to 4PM. Rig down Rig #1 and load out 12 trucks.
4P/M to 8P/M All loads on new location including unit, except substructures -
at Montezuma Creek. @ 7P/M.
8P/M - 6A/M Dry watch.
Mud supplied: American Mud Warehouse. Farmington (Jim Hunter)
Engineer: Eddie McDaniel.
Halliburton cement surface casing: Will run 500' of 8 5/8 - 24#
w/ 350 sax 3 % Ca C12.

Form 9-331
Dec. 1973

REPORT #6

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
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
CBM Bldg. - Box 176 - Cut Bank, Mt. 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 2310' ENL & 330' FEL SESENE
AT TOP PROD. INTERVAL: As Above
AT TOTAL DEPTH: As Above

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>Oil Run Ticket #9-491 - May 8, 1982</u>	

5. LEASE NOO-C-14-20-4433	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME NAVAJO	
7. UNIT AGREEMENT NAME NONE	
8. FARM OR LEASE NAME NAVAJO "O" TRIBAL	
9. WELL NO. NO. 12	
10. FIELD OR WILDCAT NAME TEEC NOS POS FIELD	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22 - T41N - R30E	
12. COUNTY OR PARISH Apache	13. STATE Arizona
14. API NO. 02-001-20258	
15. ELEVATIONS (SHOW DF, KDB, AND WD) 4940 Ground - KB 4954	

AKS
RECEIVED
MAY 26 1982
O & G CONS. COMM.

(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.)

Saturday - May 8, 1982 - Shipped first oil from this lease. Oil produced from Desert Creek Formation, interval 5108 - 5110; during testing period May 5th thru May 8, 1982.

Copy of Run Ticket No. 9-491, from Giant Refining Company, dated May 8, 1982 (Refinery Tkt. #65898), is attached. Shipment was witnessed by Mr. Reno Ronco, our Petroleum Engineer, and by Mr. Bill Blackard, Dist. Inspector for Minerals Management Service, Farmington, New Mexico office.

Subsurface Safety Valve: Manu. and Type DOWELL 4 1/2" FLOAT SHOE Set @ 5155 Ft.

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

SIGNED [Signature] TITLE Mgr. of Operations DATE May 24/82
D. V. Montalban

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

*See Instructions on Reverse Side

801

GIANT REFINING COMPANY
 Bloomfield Highway
 Farmington, New Mexico 87401
 (505) 632-3306

Division of
GIANT
 INDUSTRIES, INC.
 Phoenix, Arizona

LEASE RUN TICKET

OWNER <i>Energy Resources</i>		RUN TICKET NO. <i>9-491</i>	
NAME OF WELL <i>Navajo Tribal</i>		WELL NO. <i>#19</i>	
OPERATOR <i>Mountain State Resources</i>			
DISTRICT NO.	NO. DAY YEAR	REFINERY TICKET NO.	
	<i>5 8 89</i>	<i>65898</i>	
FED. ON STATE LEASE NO. <i>Mooc-14-20-4435</i>		GIANT LEASE NO.	
TANK SIZE <i>400</i>	TANK HEIGHT <i>30 FT. 1 in.</i>	TANK NO. <i>Frame</i>	
GAU. FT. IN. & IN.	OIL LEVEL		CALCULATIONS
NET. OF CONNECTION	GAUGE	FT. IN. W. IN.	
1st	1st	<i>3 11 3</i>	
2nd	2nd	<i>- 10 -</i>	
OBS. GRAVITY		TEMPERATURE	
2nd	<i>39.0</i>	<i>100°</i>	
OIL MOVED BY		ESTIMATED BBL.	
PUMP GRAV. TRUCK		<i>63</i>	
<input checked="" type="checkbox"/> <i>6.0 %</i>		POWER FURNISHED BY	
<i>Acuda</i>		PL. CO. OTHER	
SEAL OFF NO. <i>none</i>	Time <i>4:45</i>	M	
SEAL ON NO. <i>190</i>	Time <i>6:15</i>	M	
OIL MOVED BY TRUCK NO. <i>106</i>	TURNED ON		
TO RECEIVING POINT	GAUSET		
	OWNER WITNESS		
	<i>George J. ...</i>		
	<i>Reno ...</i>		
	SHUT OFF		
	GAUSET		
	OWNER WITNESS		
	<i>George J. ...</i>		
	<i>Reno ...</i>		
REMARKS			

NOV 3 1989
 RECEIVED

Form 9-331
Dec. 1973

REPORT #7 RECEIVED

JUN 3 1982

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form Approved.
Budget Bureau No. 42-R1424

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
CBM Bldg. - Box 176 - Cut Bank, Mt. 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 2310' FNL & 330' FEL SESENE
AT TOP PROD. INTERVAL: As Above
AT TOTAL DEPTH: As Above

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

5. LEASE
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
NONE

8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL

9. WELL NO.
NO. 12

10. FIELD OR WILDCAT NAME
TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22 - T41N - R30E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

14. API NO.
02-001-20258

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4940 Ground - KB 4954

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

PULL OR ALTER CASING

MULTIPLE COMPLETE

CHANGE ZONES

ABANDON*

(other)

SUBSEQUENT REPORT OF:

COMPLETION

Second Shipment (190 Bbls.)

(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.)*

Friday - May 21/82 - Perforated 5040'-5046' using 1 11/16" tubing gun. 11:PM, acidized with 1000 gals 28% HCL, using twenty-two 7/8" ball sealers - good ball action. Average treating pressure 2700#. Flowed for 3 hrs., to 4:30PM, opening gauge 13' 1", closing gauge, 16' 9", made 73.5 Bbls. total fluid in 3 hrs., 55 Bbls. spent acid water (AW), and 18.5 Bbls. oil. 5:PM - shut-in well for weekend.

Monday - May 24/82 - SI 64 hrs. - TP 1370#PSI - CP 0. Removed pressure bomb from well after weekend. Started flowing to TT#2 - opening gauge 2' 4", flowed 5 1/2 hrs., end gauge 10' 6", made 8' 2", or 140 Bbls. total fluid - 58 Bbls. oil, 82 Bbls. spent AW, load & formation water. Pumped 15 Bbls. KCL water down tubing to kill well. Pressured back-side with 18 Bbls. KCL. No pressure. Shut down for night.

Tuesday - May 25/82 - RBP holding O. K. BP set at 5020'. Set Packer at 4869' KB with end of tubing at 4899'. Perforated top of Upper Ismay, 4936'-40, with 1 11/16" tubing
Subsurface Safety Valve: Manu. and Type DOWELL 4 1/2" FLOAT SHOE Set @ 5155 Ft.

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

SIGNED J. N. Montalban TITLE Mgr. of Operations DATE _____
J. N. Montalban

(This space for Federal or State office use)

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

801

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

gun, using 2 SPF. Released packer to spot acid, moved tailpipe to 4956', spotted 1 Bbl. acid on bottom with 18.5Bbl. flush, pulled 1 stand (2 jts) of tubing & reset packer at 4857', pressured annulus to 1000#, packer would not hold. Released packer, reset and pressured up to 1000#PSI, packer leaked again. Spotted acid out and around bottom of tubing, prepare to "bullhead" acid treatment. Max pressure 3000#, broke to 2700#, min injection rate 1.3 BPM, max injection rate 2.6BPM, at 3000#. Swabbed tubing to pits, well started to make some gas. (9:PM-Shut-in-for night)

Wednesday - May 26/82 - 14 hrs. SI - TP 700#PSI - CP 0. Swabbed tubing all day, from perforated interval 4936-40' (Upper Ismay). Zone appears very tight and almost non-productive. Days swabbing recovered 25 Bbls. load, water & spent acid, and 5 Bbls. oil 5:PM - Shut-down.

Thursday - May 27/82 - Hooked onto RBP and pulled 1 stand of tubing. Well started to flow from lower zones. Flowed well to test tank 3 hrs., made 60 Bbls. fluid (20BPH) - 30 Bbls. oil & 30 Bbls. water, from lower perforations in Desert Creek and Lower Ismay. Circulated well with KCL water one hr., to kill. TOOH with tubing & packer. Ran 157 jts., overall measurement 5107'. Seating nipple at 5068'. Landed tubing in slips, anchor catcher set at 4888' KB. Shut-down 8:PM.

Friday - May 28/82 - Ran 132 x 3/4" sucker rods, totalling 3300'. Ran 68 x 7/8" sucker rods, totalling 1700'. One x 1 1/2" x 22' polish rod. One 20' x 2" x 1 1/2" top hold down bottom hole pump. 3:PM NL Rig #192 rigged down. Summary: Well has now been completed, after selective perforating, acidizing & testing each zone separately. Well appears to be capable of producing 15 BPH (360BPD) with 10 Bbls. water. Will commence to build battery next week.

Saturday - May 29/82 - Drained acid water from test tank and heated for shipping. Shipped 190 Bbls. of 39.4° gravimetric oil to Giant Refinery, Farmington, N. M. Cleaned up test tanks for return to Wright's Rousatabouts in Cortez.

REPORT #5
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 (For Energy Reserves Group)
MOUNTAIN STATES RESOURCES, INC.
3. ADDRESS OF OPERATOR
CBM Bldg. - Box 176 - Cut Bank, Mt. 59427
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 2310' FNL & 330' FEL SESENE
AT TOP PROD. INTERVAL: As Above
AT TOTAL DEPTH: As Above

5. LEASE
NOO-C-14-20-4433
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO
7. UNIT AGREEMENT NAME
NONE
8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL
9. WELL NO.
NO. 12
10. FIELD OR WILDCAT NAME
TEEC NOS POS FIELD
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22 - T41N - R30E
12. COUNTY OR PARISH
Apache
13. STATE
Arizona
14. API NO.
02-001-20258
15. ELEVATIONS (SHOW DF, KDB, AND WD)
4940 Ground - KB 4954

RECEIVED

MAY 24 1982

O & G CONS. COMM.

Energy Reserves

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

REQUEST FOR APPROVAL TO:
TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
PULL OR ALTER CASING
MULTIPLE COMPLETE
CHANGE ZONES
ABANDON*
(other)

SUBSEQUENT REPORT OF:
 Completion & Preliminary Testing

(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.)*

REPORT #5

Monday - May 17/82 - Well shut-in from 9:30AM Friday to 7:30AM Monday - 46 hr. shut-in test. SITP 1350#PSI, SICP 540#PSI, packer leaking. 10:AM began flowing well thru separator on 6/64 choke. 5:PM well died, after flowing 7 hrs. Well produced 12.5 Bbls. oil and 10 Bbls water. (Salt water appears to be formation water from Desert Creek, produced thru tubing). Well also flowed 18 Bbls. oil from backside (annulus). Well made total 30 Bbls. oil and 10 Bbls. water in 7 hrs. Killed well with 16 Bbls. of KCL water down tubing and 5 Bbls down annulus. TOOH with tubing & Baker R-3 Packer. Rubbers and Packer O.K. Ran in hole with 3 3/4" Smith Bit and casing scraper. Ran 30 jts. Shut down for dark @ 9:PM.

Tuesday - May 18/82 - Ran rest of tubing to bottom. Scraped Casing walls to TD 5140'. Well started to flow. Mixed 15 more Bbls. of KCL water to kill well. TOOH with scraper,

Subsurface Safety Valve: Manu. and Type DOWELL 4 1/2" Float Shoe Set @ 5155 Ft.

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

SIGNED *[Signature]* TITLE Mgr. of Operations DATE May 21, 1982

(This space for Federal or State office use)

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

801

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

laid down same. Scraper O.K., no evidence of milling. Picked up and ran in hole with RBP and Packer (Model R Packer).
Set Bridge Plug @ 5080' KB, swab tested tubing, BP leaking, fluid kept rising in tubing. Packer set at 4940'. Well
to bottom, picked up and reset BP @ 5072' KB, with Packer set at 4930' KB. Swabbed tubing to 3000'. Fluid level
remaining constant - BP holding O.K. 2:PM - Rigged up Blue Jet Perforators and ran 1 11/16" tubing gun, using glass
dispensable charges. Perforated 5052 - 5056 with 2spf. Set Packer @ 5026' KB, with end of tail pipe @ 5058' KB. Circ-
ulated and spotted 4 Bbls. of 28% HCL acid across perfos. Displaced tubing with KCL water. Pulled one joint and reset
Packer @ 4994', and tail pipe @ 5026'. 7:PM - Started acidizing with 20 Bbls 28% HCL (total 1000 gals), dropped 16
balls; good ball action, had 4 breakdowns. Max treating pressure 3000#PSI, average injection rate 1.75 BPM, instant
shut-in vacuum. 8:15PM - Made 2 runs with tubing, swab to pits. Swabbed from 3000'. Swabbed 15 Bbls. load water to
pits, before shut down @ dark - 9:PM.
Wednesday - May 19/82 - Shut-in 11 hrs. - TP 200#PSI - CP 0 (Packer finally holding). Opened tubing and flowed to pits
on 2" opening, died in half hour @ 8:30AM. Made two runs with swab. Well kicked off to pits. Flowing load and acid
water to pits, until noon. NOON - Nipped up to separator @ 12:30PM. Well died @ 1:15PM, bypassed separator and start-
ed flowing to tank - gauge @ 3'5" or 68.47 Bbls. Flowed to tank for 4 hrs. to 5:15PM. Well made 73 Bbls. fluid to
tank. Made 20 Bbls. load, acid & formation water. Closing gauge 5:15PM - 7' 1 1/4" or 141.11 Bbls. Compliance Officer,
Lorraine Thomas on location today, as well as Bill Blackard, Minerals Management Inspector.
Thursday - May 20/82 - TP800#PSI - CP 0 - 15 hrs. shut-in. Beginning gauge 6'11" - lost 1" overnight. Flowed directly
to tankage, bypassing separator. Well died every hour. Continued swabbing and flowing to 5:PM. Gauge 11'8" Made 4'9"
total fluid, or 95.19 Bbls., or 10.57BPH. Appears to be averaging 5 Bbls. oil & 5 Bbls. formation water per hour.
Friday - May 21/82 - Today plan to move Bridge Plug to 5050'. Will perforate second interval of Lower Ismay 5040-5046,
and acidize with 1000 gals. of 28% HCL.

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 (For Energy Reserves Group)
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
Box 176 - CBM Bldg. - Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 2310' FNL & 330' FEL SESENE
AT TOP PROD. INTERVAL: As Above.
AT TOTAL DEPTH: As Above.

5. LEASE
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
NONE

8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL

9. WELL NO.
NO. 12

10. FIELD OR WILDCAT NAME
TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec: 22 - T41N - R30E

12. COUNTY OR PARISH
Apache County

13. STATE
Arizona

14. API NO.
02-001-20258

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4940 Ground - K.B. 4954

AKW

RECEIVED

MAY 17 1982

O & G CONS. COMM.

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"/>	Completion & Preliminary Testing Report.	<input checked="" 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)	<input type="checkbox"/>		<input type="checkbox"/>

(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.)*

Tuesday - May 4/82 - Perforated Desert Creek interval 5108' - 5118'. Acidized with 3000 gallons Dowel 23% HCL acid. Flowed well to pits, tubing unloaded 20 Bbls. to pits. After 15 Bbls of spent acid was recovered, well started to make strong gas, estimated at 3,5MMCF. Well shut-in at 10:PM - instant SIP 950#PSI.

Wednesday - May 5/82 - Overnight SIP 1150#PSI on tubing. Flowed to pits making good gas and load. Well started to flow oil at 10:15 AM. Nipped up test tank CP 775#PSI, TP 220#PSI. Flowed well to test tank at rate of 15BPH, making oil and load. Cut is 30% acid water and load. Flowed 245 Bbls. in 8 hour flow test. Drained off acid water to 7' 6". Well flowed to tank on 1/4" choke for overnight test.

Thursday - May 6/82 - Continued flow-testing. Well made 26.7 Bbls. oil overnight. Choke plugged with piece of rubber. CP 750#PSI, TP 170#PSI. BS & W cut now 10%. Well cleaned up. Swabbed and flowed 68.5 Bbls oil and load water during 6 hour (OVER)

Subsurface Safety Valve: Manu. and Type DOWELL 4 1/2" Float Shoe Set @ 5155 Ft.

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

SIGNED [Signature] TITLE Mgr. of Operations DATE May 10, 1982
J.V. Montalban

(This space for Federal or State office use)

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

801

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between, and above plugs; amount, size, method of packing of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

CPC: 1278 0 - 214-140

Cont. from front page.....

test period today. Gauge in test tank 12' 3". Shut-in well at 5:PM. Unloaded portable testing separator today.

Friday - May 7/82 - Overnight SICP 800#PSI, TP 780#PSI, after 15 hours SI. Flowed well to test tank for 9 1/2 hours today, made 77 Bbls. oil with 0 to 5% BS & W cut. Total fluid recovered today, in test tank, 15' 2" = 303.94 Bbls. of oil & spent acid water & load emulsion. Shut-in well at 5:PM. PRODUCTION SUMMARY: Well has now made 304 Bbls. oil and load in 23 hours flow testing, for average of 13.2 BPH, during test period.

Saturday - May 8/82 - Overnight SITP 950#PSI, SICP 950#PSI. Opened well to tank for 2 hours on 1/4" choke, flowed 20.67 Bbls to 16' 2" in tank. Now have 323.98 Bbls. in test tank, produced during cumulative 25 hour flow test, for average of 12.95 BPH. Started heating and treating tank of oil and acid water emulsion for shipping today. Shipped 65 Bbls. to Giant Refinery, in Farmington. Dumped balance of acid emulsion and oil in excess of 2%, to pit. Could not break emulsion with heat. Cleaned test tank. Shut in well for weekend.

Monday - May 10/82 - Well shut-in 43 hours, TP 300#PSI, CP 975#PSI. Flowed well for 2 hours, made 30 Bbls. oil. Pumped 16 Bbls. of 2% HCL water with Dowell, killed well. Pulled 159 joints of tubing with Baker R-3 Packer, (packer rubbers torn & damaged, reason for packer not holding & pieces of rubber plugging choke.) Picked up new Baker R-3 Packer and reran tubing. Set Packer @ 5041', bottom of tubing @ 5073'. Swabbed well to pits and kicked off well. Turned well into portable test separator. 5:PM - shut down for night.

UPDATE - May 14/82:

Tuesday - May 11/82 - Overnight pressure TP 690#PSI, CP 100#PSI. Rig released this morning. Flowed well through separator on 8/64" choke for 5 hours, making gas @ 125mcf, 2.4 BPH, and 1.1 Bbls. water. Well died @ 1:PM. Shut-in. Ordered NL Rig #192 back to location.

Wednesday - May 12/82 - TP 750#PSI, CP 175#PSI, appears packer is holding. Moved on & rigged up #192. Kicked well off and flowed to tank thru separator. Flowed all day through choke sizes 8/64 & 16/64. Worked on separator repairing dump - 4 hrs. Flowed well 5 hours - made 4 Bbls. of oil & 4 Bbls. of water (KCL water), gas 110mcf.

Thursday - May 13/82 - TP 800#PSI, CP 265#PSI. Swabbed & flowed well through separator for 6 hours. Flowed to pits while repairing dump, made 10 Bbls. oil and 2 Bbls. water. 5:PM - shut down, tank gauge 2' 1" or 41.75 Bbls.

Friday - May 14/82 - Run bottom hole pressure survey, over weekend. Well shut-in.

127111668101

2219

218063

CCY 3622

**Western Union
Electronic Mail, Inc.**

1651 Old Meadow Road, McLean, Virginia 22102

CONFIRMATION OF MAILGRAM TO: MR. JAMES SIMS, DIST. SUPVR.
U.S. GEOL. SURVEY - OIL & GAS OPRS.
BOX 959
FARMINGTON, NEW MEXICO 87401

RECEIVED

MAY 14 1982

O & G CONS. COMM.

MOUNTAIN STATES RESOURCES
JOE MONTALBAN
CBM BLDG 33 FIRST AVE SW
CUTBANK MT 59427

RE: NAVAJO "0" #12 WELL
LEASE #N00-C-14-20-4433
SEC: 22 - T14N - R30E
TEEC NOS POS FIELD
APACHE COUNTY, ARIZONA
MOUNTAIN STATES RESOURCES, INC., OF P.O. BOX 176, CUT BANK,
MONTANA, 59427, TELEPHONE (406)873-2235, HEREBY ADVISES THE
ABOVE CAPTIONED WELL HAS BEEN PLACED IN A PRODUCING STATUS
AS OF NOON, WEDNESDAY, MAY 5, 1982, PRODUCING FROM THE DESERT
CREEK HORIZON (5108' - 5118'). ZONE WAS ACIDIZED WITH 3000
GALLONS AND FLOWED 245 BBLs. OF OIL AND LOAD DURING 8 HOURS
TESTING ON WEDNESDAY. THURSDAY THE WELL PRODUCED 68.5 BBLs.
DURING 6 HOUR FLOW PERIOD. LOAD AND ACID WATER DECREASING
FROM 25% TO 10%. FRIDAY, MAY 7, INSTALLING PORTABLE SEPARATOR
UNIT FOR ADDITIONAL TESTING. WILL HOT OIL AND TREAT 300 ODD
BBLs. OF OIL AND PREPARE FOR SHIPMENT AND SALE TO FARMINGTON
REFINERY MAY 8 & 10, THEREBY CONSITUTING SALE OF PRODUCED
HYDROCARBONS BY MAY 10, 1982.
MOUNTAIN STATES RESOURCES, INC.
J. V. MONTALBAN, PRESIDENT---MAY 7, 1982

2219

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

<small>Federal, State or Indian Lease Number, or lessor's name if fee lease</small> Arizona 122	<small>Field</small> Teec Nos Pos	<small>Reservoir</small> Desert Creek RECEIVED
<small>Survey or Sec-Twp-Rge</small> SE NE Sec. 22-T41N-R30E	<small>County</small> Apache	<small>State</small> Arizona MAY 10 1982
<small>Operator</small> Energy Reserves Group, Inc.		O & G CONS. COMM.
<small>ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:</small>		
<small>Street</small> P.O. Box 3280	<small>City</small> Casper	<small>State</small> Wyoming 82602
<small>Above named operator authorizes (name of transporter)</small> Giant Refining		
<small>Transporter's street address</small> 5107 N. 7th St.	<small>City</small> Phoenix	<small>State</small> Arizona 85014
<small>Field address</small> P.O. Box 256, Farmington, New Mexico 87401		
<small>Oil, condensate, gas well gas, casinghead gas</small>		
<small>To transport</small> 100 % of the Oil		<small>from said lease.</small>
<small>OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:</small>		
<small>Name of gatherer</small>	<small>% transported</small>	<small>Product transported</small>
<small>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.</small>		
New Lease		

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 5-6-82

Signature Judith L. Ross
Judith L. Ross

Date approved: 5-12-82

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: R. G. yfana

Permit No. 801

**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

Energy Reserves Group, Inc.
Trinity Place, Suite 500
1801 Broadway
P.O. Box 1407
Denver, Colorado 80201
Phone 303 572 3323

 Energy Reserves Group

13 May 1982

Minerals Management Service
Drawer 600
Farmington, New Mexico 87401

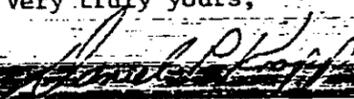
Attn: Mr. Ken Townsend

Re: Designation of Operator
Serial No. NOO-C-14-20-4433
Apache County, Arizona

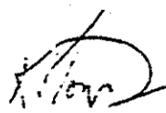
Gentlemen:

~~Please be advised of the change in operator of the captioned lease
as evidenced by the enclosed Designation of Operator form. Please
handle accordingly.~~

Very truly yours,


Daniel P. Kropp
Landman

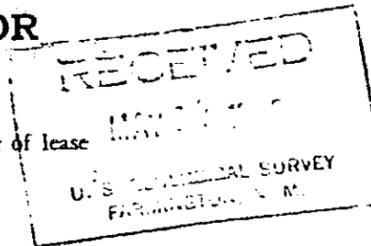
DPK:kkd
Enclosure (original + 2 copies)

 5/18/82

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Farmington, New Mexico
SERIAL NO.: N00-C-14-20-4433



and hereby designates

NAME: Mountain States Resources, Inc.
ADDRESS: P.O. Box 176, Cutbank, Montana 59427

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 41 North, Range 30 East G.S.R.M.
Section 22: All
Section 27: All

Apache County, Arizona

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

Energy Reserves Group, Inc.

Bernard A. Wirth

(Signature of lessee)

Bernard A. Wirth, Attorney-In-Fact

P.O. Box 1407, Denver, CO 80201

(Address)

5/13/82

(Date)

5-5-82 Joe Montalban, Mtn States Res. Co.,
reported:

1. Spudded on April 22, 1982

2. Reached T.D. of 5155' on May 3

2. 8 5/8", 24 #, Cem 5155', 350 Sy
— Returns

3. Reached T.D. of 5155' on May 3

4. 4 1/2", 11.6 #, Cem. 5155', 150 Sy

5. Logged & perf'd Desert
Creek Fm. 5108'-5118' (w/4-
1/2" holes per foot)

6. On May 4 acidized w/ 3000
gals of Dowell (28%) acid +
completd job at 7:00 pm

7. Flowed well to reserve pit
8:00 to 10:00 pm when
well unloaded & produced
natural gas for 45 minutes

of 20 B/hr gross (480 B/D)
of which 40% is oil (± 192
B/D)

This would still be a new discovery,
either pool or field, depending if
the Ismay is productive at
this well. 20 Navajo-0 has
not been tested ~~as yet~~ for
Ismay prod. — will test
later.

Advised him to have his company
file all required forms, sundry,
compl. & prod until all the
official transfer to Mtn. States
Resources, Inc. is made.

at an est. rate of 5,000,000
cubic feet per day.

Initial press (Abq) ~~575~~ - 575 #
increased to 750 #

S.I. press at 10:00 pm - 975 #

S.I. " at a.m. on

May 5 was 1800 #

An engr. fr. Farmington is
on way to well to officially
test.

Are laying temp. line to Tree
Nos Pos Fld. facilities today
w/np ok

5-6-82 Bill Fiant Reported:
yesterday pm the well started
making oil, flowing at a rate

5-5-82 Joe Muntelbar, Mtn States Res. Co. reported:

- 1. Spudded on April 22, 1982
- 2. Reached T.D. of 5155' on May 3
- 3. 8 5/8" 24 #, Cem 5155', 350 lb
- 4. Returns
- 5. Reached T.D. of 5155' on May 3
- 6. 4 1/2" 116 #, Cem. 5155', 150 lb
- 7. Logged & perf'd Desert Creek Fm. 5108' - 5118' (10/4 - 1/5" holes per foot)

at an est. rate of 5,000,000 cubic feet per day.
 Initial press. (lb) 575 #
 increased to 750 #
 S.I. press at 10:00 pm - 975 #
 S.I. " at a.m. 0.12
 May 5 was 1800 #
 An engr. fr. Farmington is on way to well to officially test

Are laying temp. line to Tree Nos. Pos. Fld. facilities today. ~~at night~~
 Bill Front Reported: yesterday pm. the well started making oil, flowing at a rate

of 20 B/hr gross (460 B/D) of which 40% is oil (\pm 192 B/D)

This would still be a new discovery either pool or field depending if the Jenny is productive at this well. 20 name - 0 has not been tested except for Ismay prod. will test later.

Advised him to have his company file all required forms, sundry, compl. & prod until all the official transfer to Mtn States Resources, Inc. is made.

RECEIVED

Form 9-331 C
(May 1963)

OCB 25 1982

SUBMIT IN TRIPlicate*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 42-R1425.

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
Energy Reserves Group, Inc.

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
2,310' FNL & 330' FEL SE/NE
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx 2-3/4 miles NW of Teec Nos Pos Trading Post

10. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE
1.280

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.
2,400'

19. PROPOSED DEPTH
5,250'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4,940' GR (Ungraded)

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	500'±	360 sx
7-7/8"	5-1/2"	14#	5,250'±	150 sx

Energy Reserves Group, Inc., proposes to drill the above well with rotary tools from surface to T.D. The anticipated zone of completion is the Lower Ismay or the Desert Creek. No coring is planned. Two DST's of the Lower Ismay may be run. Copies of all logs run will be furnished upon completion of the well. Copies of the location plat and the surface use plan are attached. An archaeological inspection has been conducted by the Navajo Tribe and will be submitted by the National Park Service.

Estimated Formation Tops:

Chinle	1,456'	Lower Ismay	5,026'
De Chelly	2,424'	Desert Creek	5,111'
Cutler	2,736'	Akah	5,250'
Hermosa	4,228'	T.D.	5,250'
Upper Ismay	4,962'		

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 William J. Hunt TITLE Field Services Administrator DATE 2-22-82

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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

TEN POINT PROGRAM

1) SURFACE FORMATION: Morrison

2 & 3) ESTIMATED TOPS:

1,456'	Chinle
2,424'	DeChelly
2,736'	Cutler
4,228'	Hermosa
4,962'	Upper Ismay - possible oil
5,026'	Lower Ismay - primary zone of completion - oil
5,111'	Desert Creek - possible oil
5,250'	Akah

4) CASING PROGRAM:

0-500' - 8-5/8", 24#, K-55, ST&C, new casing, cement to surface
0-5,250' - 5-1/2", 14#, K-55, ST&C, new casing, 200 sx.

5) PRESSURE CONTROL EQUIPMENT: (See attached schematic diagram) BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing and then will be checked daily as to mechanical operating condition. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly or to 70% of the minimum internal yield pressure of the casing. Annular type preventors will be tested to 50% of their rated working pressure. BOP's will be pressure tested at least once every 30 days.

6) MUD PROGRAM:

Fresh water base chemical gel mud. Low solids non dispersed. 9.4#/gal

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at wellsite.

7) AUXILIARY EQUIPMENT:

- Upper & lower Kelly Cock
- Bit floats will be available if needed
- A sub w/full opening valve & drill pipe thread will be on rig floor
- Mud monitoring will be visual, unless otherwise specified

8) LOGGING: IES, BHC-Sonic, FDC-CNL from base of surface casing to T.D.

CORING: None

TESTING: Possibly two DST's Lower Ismay & Desert Creek

STIMULATION: to be determined upon evaluation of logs

9) ABNORMAL PRESSURE: No abnormal pressures or temperatures are anticipated. H₂s is apparent in other wells in the Navajo "O" Field.

ESTIMATED BOTTOMHOLE PRESSURE: 2280 psi

10) ANTICIPATED STARTING DATE: As soon as regulatory approval is granted and a drilling rig becomes available.
DURATION OF OPERATION: 30 days †

LEASE: Tribal Lease No. 14-20-4433

Lease No. 14-20-4433

LOCATION: SE/NE Sec. 22, T41N-R30E

DATE: 2-22-82

SURFACE USE AND OPERATIONS PLAN

1. Existing roads

- A. See attached topographic map
- B. Route and distance from nearest town:
Proceed West from Teec Nos Pos Trading Post for approx. one mile, turn Right (North) and proceed along an improved dirt road 1-1/4 miles to the proposed well site
- C. Access roads to location: Color coded.
- D. Exploratory well: Not applicable.
- E. Development well: For all existing roads within a one mile radius See Map.
- F. Plans for improvement and/or maintenance: Minor maintenance will be required - routine blading as necessary is performed by ERG's contractor.

2. Planned access roads. See Map.

1. Width: 20' running surface
2. Maximum grade: Less than 2%
3. Turnouts: None planned
4. Drainage design: None
5. Location and size of culverts: One culvert may be necessary
Major cuts and fills: None
6. Surface Materials: None
7. Gates: None
Cattleguards: None
Fence cuts: None
8. Center-line road flagging: The route of the new access road is flagged as shown on Map.

3. Location of existing wells

1. Water wells: NE/NE Sec. 27 - Tribal water well
2. Abandoned wells: No. 6 1980' FNL 740' FWL Sec. 25 - No. 7 1900' FSL 2200' FWL Sec. 25
3. Temporarily Abandoned wells: No. 9 2310' FNL 1650' FWL Sec. 24
NA
4. Disposal wells: No. 2 1830' FSL 1980' FEL Sec. 23
5. Drilling wells: None
6. Producing wells: No. 1 660' FSL 1880' FWL Sec. 23 - No. 3 1000' FSL
7. Shut-in wells: None
8. Injection wells: None
9. Monitoring or observation wells: None

4. Location of existing and/or proposed facilities owned and/or controlled by Energy Reserves Group, Inc.

A. Existing facilities:

1. Tank batteries: All existing wells produce into a central tank battery located near Well No. 1
2. Production facilities: Each well is equipped with a beam unit
3. Oil gathering lines: From each well to the Tank Battery.
4. Gas gathering lines: From each well to the comp. located @ Well No. 1.
5. Injection lines: None
6. Disposal lines: From the tank battery to Well No. 2

B. New production facilities:

1. Proposed tank battery: It is planned to use the existing tank battery located near Well No. 1.
2. Dimensions of facilities: NA
3. Construction methods and materials: Area to be used will be leveled with dozer, materials used for foundation will consist of crushed rock and native materials.
4. Protective measures and devices: Pits will be fenced and flagged to protect livestock, wildlife and waterfowl. No new pits will be necessary.
- C. Plans for rehabilitation of disturbed area: All disturbed areas not needed for operation will be contoured to match existing terrain and reseeded with the seed mixture recommended by the ~~surface~~-owner: B.I.A.

5. Location and type of water supply

- A. Location: Approx. 3-1/2 miles West of Teec Nos Pos
Supply: Water Hole
- B. Method of transportation: Water will be hauled by tank trucks using existing roads.
- C. Water wells to be drilled: None

6. Source of construction materials

- A. Location: NA
- B. From Federal or Indian lands: NA
- C. Additional materials: NA
- D. Access roads on Federal or Indian lands: NA

7. Methods of handling waste disposal

- 1 & 2. Cuttings and drilling fluids: Deposited during drilling operations will be put in reserve pits.
3. Produced fluids: Tanks will be used for storage of produced fluids during testing.
4. Sewage: Sewage will be contained in a portable latrine or bored hole and a suitable chemical will be used to decompose waste materials.
5. Garbage and other waste materials: Garbage and other waste materials will be put in burn pit and all flammable materials will be burned. Burn pits will be enclosed with small mesh wire to prevent littering.

6. Proper clean-up of well-site: Upon completion of drilling all trash and litter will be picked up and placed in the burn pit which will be buried. The reserve pits will be fenced on three sides during drilling and the fourth side will be fenced when drilling is completed. They will remain fenced until dry at which time they will be backfilled.

8. Ancillary facilities

1. None planned.

9. Wellsite layout

1. Cuts and fills: See Diagram.
2. Location of pits and stockpiles: For location of mud tanks, reserve, burn and trash pits, pipe racks, living facilities and soil materials stockpiles, See Diagram.
3. Pad orientation: For rig orientation parking areas and access roads, see Diagram.
4. Lining of pits: No plans to line reserve pits at this time.
5. O.S.H.A. requirements: Area needed to conduct the fracturing operations in a safe manner and in accordance with O.S.H.A. standards will be within the areas already disturbed.

10. Plans for restoration of surface

1. Backfilling, leveling, contouring, and waste disposal: Topsoil will be stripped from the location and stockpiled for use after completion of contouring at which time it will be redistributed on the location. Backfilling of the reserve pits will be done as soon as the pits are dry. Contouring of the location will be done, in the event of a dry hole, to restore the surface to as near its original condition as possible. In the event of production those portions of the pad not needed for operations will be contoured in such a manner as to support vegetation and blend into the surrounding topography as much as possible. Waste disposal will begin immediately after completion of drilling. All trash and litter will be picked up, placed in the burn pit and buried.
2. Revegetation and rehabilitation: Revegetation of the location and access roads (those not left for landowner use) will begin with reseeding which will be done in the Spring or Fall of the year with the seed mixture specified by the appropriate agency or landowner. Rehabilitation of the location and access road will include contouring, replacement of topsoil and reseeding as discussed above.
3. Prior to rig release: The pits will be fenced on four sides to protect livestock and wildlife. Fence will remain until pits are backfilled.
4. Oil on pit will be removed or overhead flagging will be installed for the protection of waterfowl.
5. Timetable of rehabilitation operations: Commencement of rehabilitation work will be upon completion of drilling. Completion of rehabilitation work will depend on weather conditions and time required for pits to dry.

11. Other information used

1. Topography, soil characteristics, geologic features, flora and fauna:
The area is the typical high desert type terrain found in the SouthWest. The area is very arid and supports very little vegetation. The soil is highly erosive and numerous sandstone outcroppings are visible. Vegetation consists of juniper trees, sage brush and assorted small shrubs and grasses. Surface use is primarily livestock grazing.

2. Surface-use and ownership: Grazing - Navajo Tribe

3. Proximity of water, occupied dwellings, archeological, historical or cultural sites:

The closest water consists of a small creek approx 1/4 mile West of the proposed site. There are several occupied dwellings in the area. The nearest appear to be about 3/8 of a mile away. Archaeological inspections revealed that significant sites will be affected.

12. Lessee or operator's field representative

ENERGY RESERVES GROUP, INC.
P.O. BOX 3280
CASPER, WYOMING 82602
Phone No. 307-265-7331 (office)

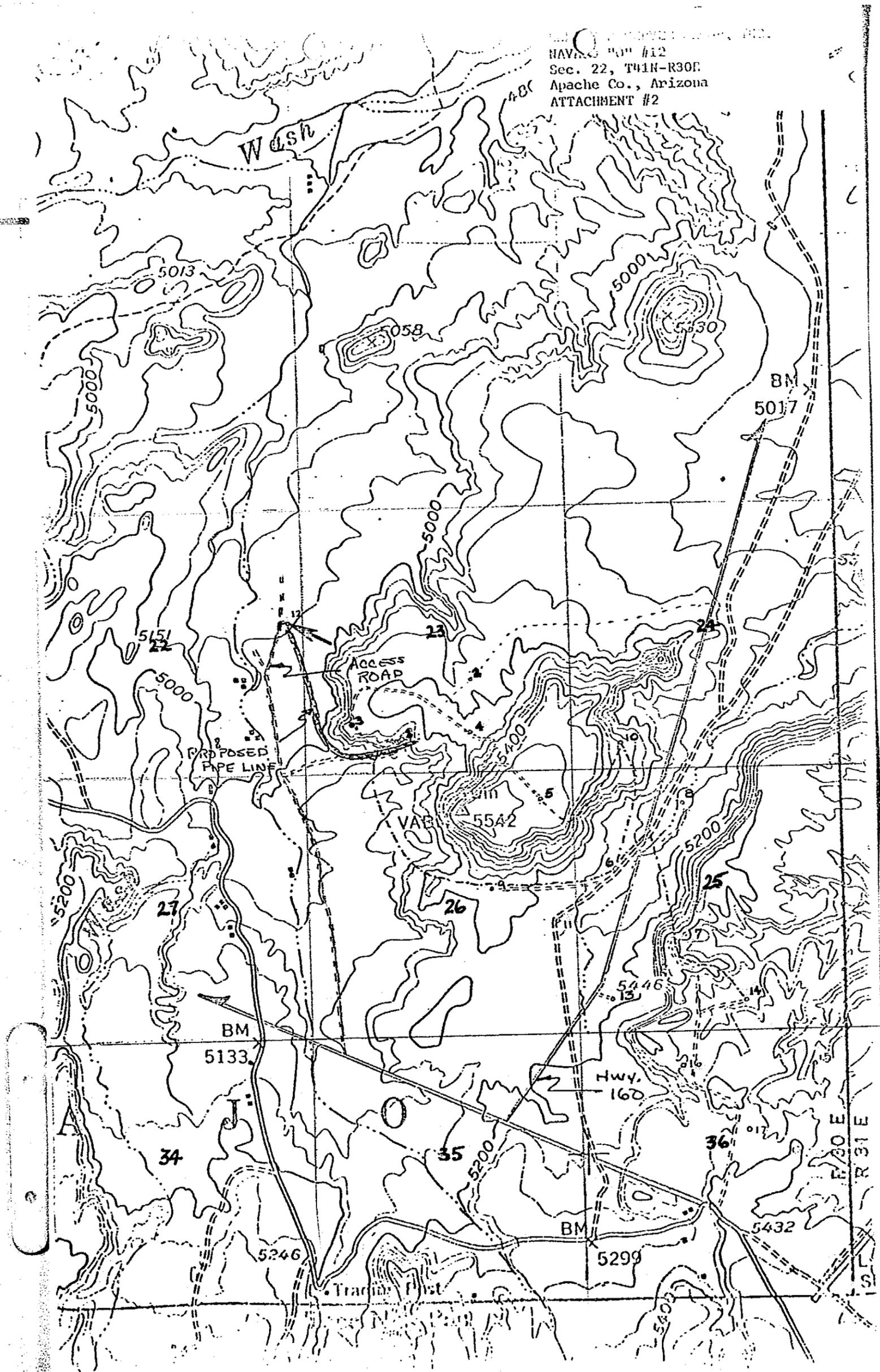
13. Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Energy Reserves Group, Inc. and its contractos and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

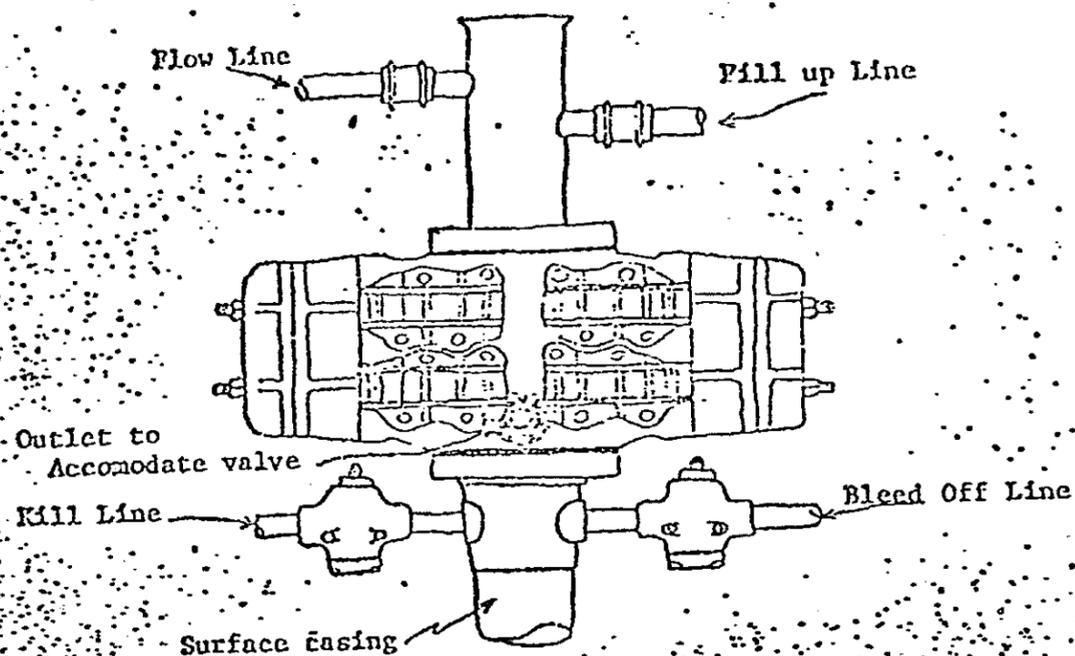


FIELD SERVICES ADMINISTRATOR
ENERGY RESERVES GROUP, INC.

NAVING "0" #12
Sec. 22, T41N-R30E
Apache Co., Arizona
ATTACHMENT #2



ENERGY RESERVES GROUP, INC.
WYAJ0 "0" #12
Sec. 22, T41N-R30E
Apache Co., Arizona
ATTACHMENT #3



Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

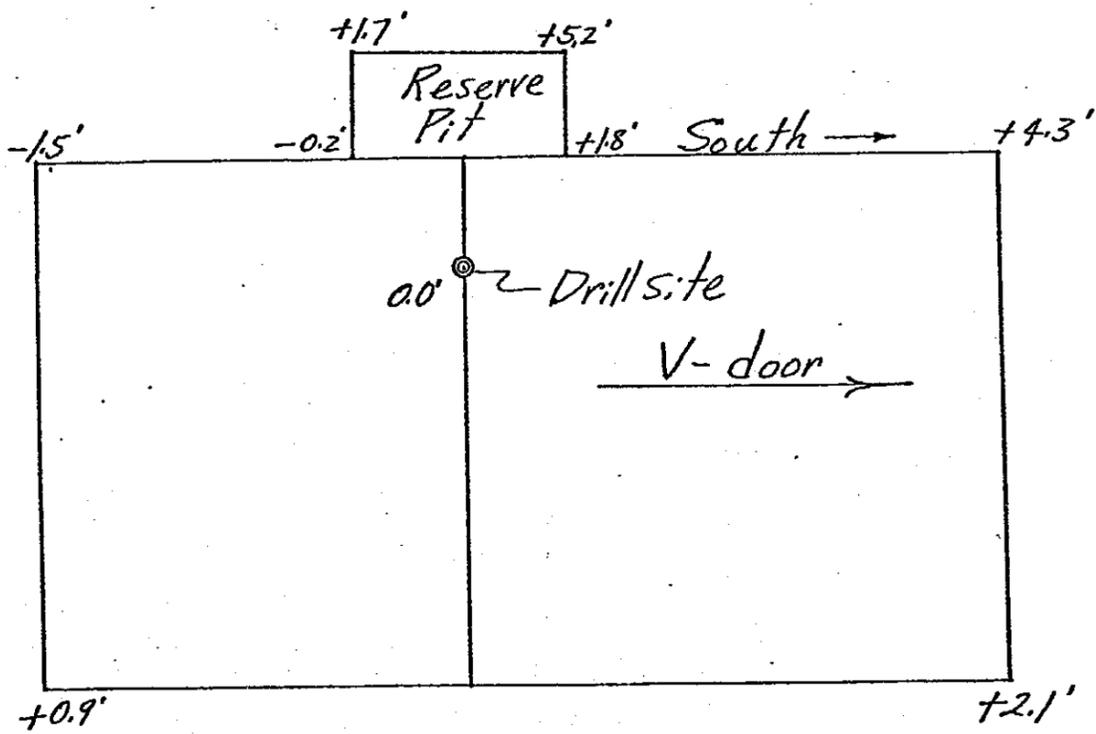
Blowout preventer closing unit is Koomey 30 gallon accumulator unit.

When choke manifold is used, it will be installed downstream from bleed off valve.

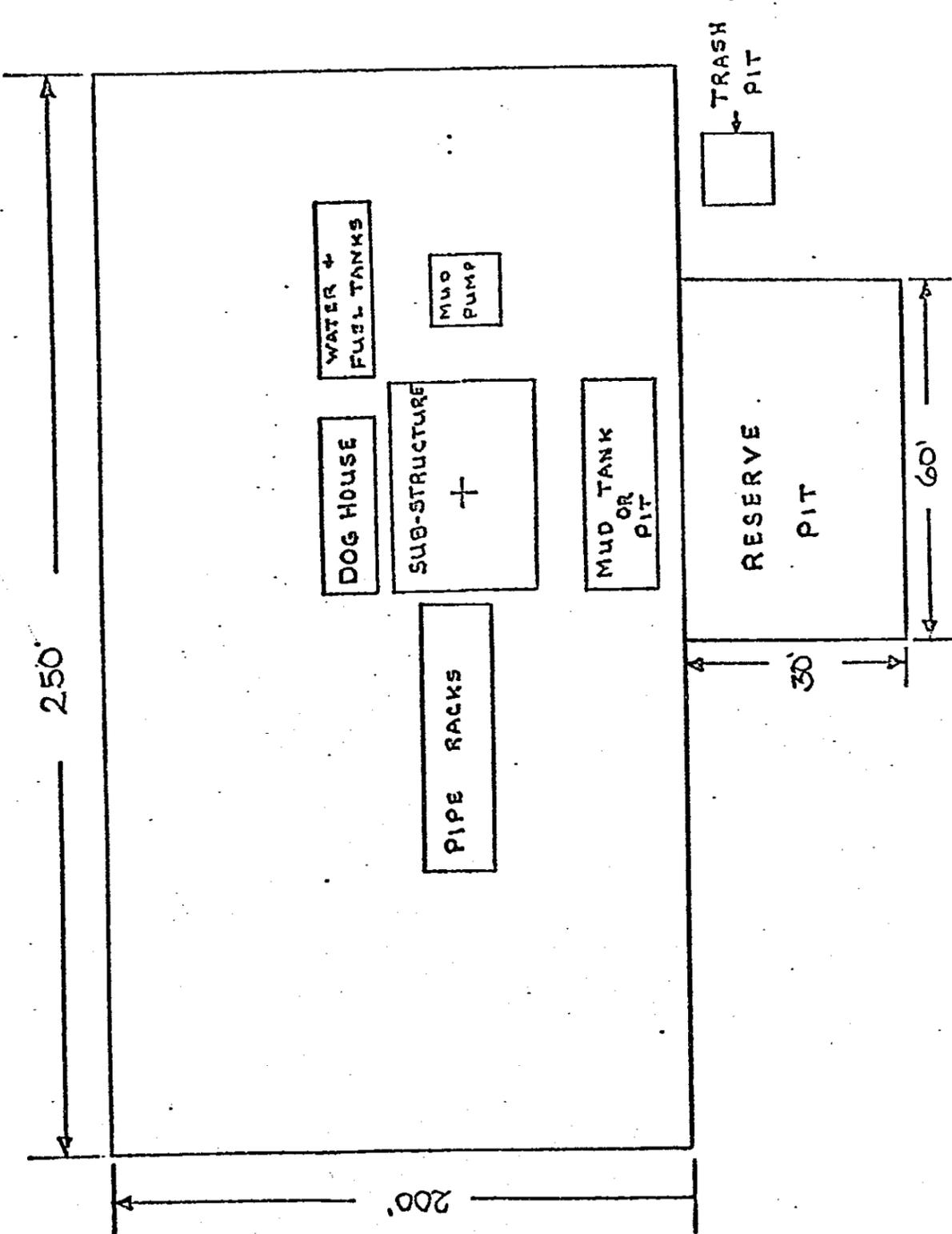
Kill line or bleed off line may be installed at flanged opening in blowout preventer.

ENERGY RESERVES GROUP, INC.
MOJAVE "O" #12
Sec. 22, T41N-R30E
Apache Co., Arizona
ATTACHMENT #4

Energy Reserves Group, Inc.
Navajo "O" No. 12
2310' FN & 330' FE Sec. 22-41N-30E
Apache County, Arizona



Rig Layout



RECEIVED

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

FEB 25 1982

APPLICATION TO DRILL

RE-ENTER OLD WELL & G CONS. COMM

Energy Reserves Group, Inc.

NAME OF COMPANY OR OPERATOR

82602

RAY
OS

P.O. Box 3280

Casper
City

Wyoming
State

Address

Unknown at this time

Drilling Contractor

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor Navajo Tribal NOO-C-14-20-4433	Well number 12	Elevation (ground) 4,940' (Ungraded)
Nearest distance from proposed location to property or lease line: 330' feet	Distance from proposed location to nearest drilling completed or applied—for well on the same lease: 2,400' feet	
Number of acres in lease: 1,280	Number of wells on lease, including this well, completed in or drilling to this reservoir: 12	
If lease, purchased with one or more wells drilled, from whom purchased: Name Address		
Well location (give footage from section lines) 2,310' FNL & 330' FEL <i>see note</i>	Section—township—range or block and survey Sec. 22, T41N-R30E	Dedication (Comply with Rule 105) 80 acres
Field and reservoir (if wildcat, so state) Teec Nos Pos	County Apache	
Distance, in miles, and direction from nearest town or post office: 2-3/4 miles Northwest of Teec Nos Pos Trading Post		
Proposed depth: 5,250'	Rotary or cable tools Rotary	Approx. date work will start March, 1982
Bond Status: Active Amount: \$25,000.00	Organization Report On file July, '70r attached	Filing Fee of \$25.00 Attached X

Remarks:
Energy Reserves Group, Inc., proposes to drill the referenced well with rotary tools. No cores are anticipated. Potential zones which may be tested are the Lower Ismay at 5,026' and the Desert Creek at 5,111'. Copies of all logs run will be furnished upon completion of the well. Our anticipated zone of completion is the Lower Ismay.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Field Services Administrator 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.

[Signature]
Signature

February 22, 1982
Date

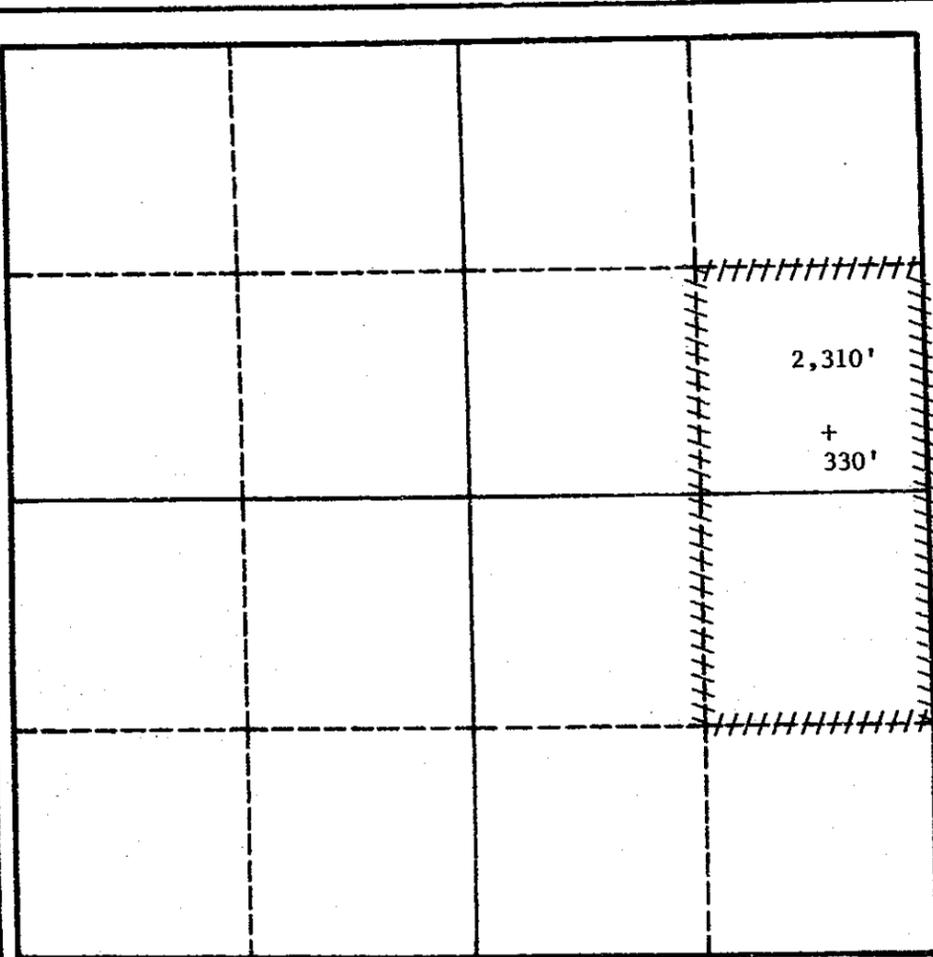
Permit Number: 801
Approval Date: 2-26-82
Approved By: R.A. YBARRA

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

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

Form No. 3

- 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 All Sec. 22 and 27
	
CERTIFICATION	
I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
Name <u><i>William J. Jones</i></u>	
Position <u>Field Services Administrator</u>	
Company <u>Energy Reserves Group, Inc.</u>	
Date <u>February 22, 1982</u>	
I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed _____	
Registered Professional Engineer and/or Land Surveyor _____	
Certificate No. _____	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top Surf.	Bottom Surf.	Cementing Depths	Sacks Cement
8-5/8"	24#	MV-46	500'±	5,250'±	0' - 500'	360 sx
5-1/2"	14#	K-55			4,850' - 5,250'	150 sx

COMPANY Energy Reserves Group, Inc.

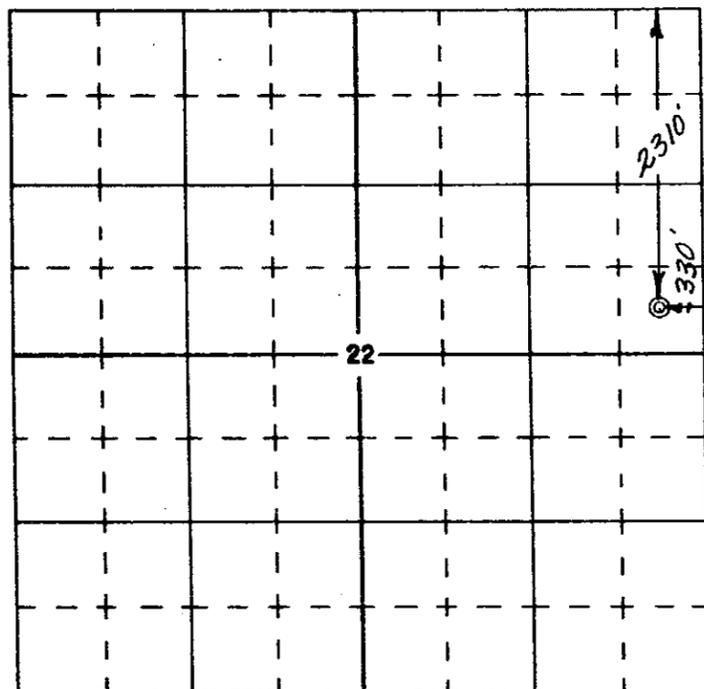
Well Name & No. Navajo "O" No. 12 Lease No. _____

Location 2310 feet from North line and 330 feet from East line

Being in Apache County, Arizona

Sec. 22, T.41N., R.30E., G. & S.R.M.

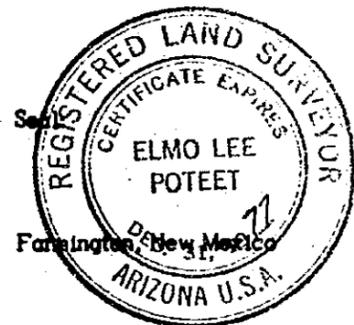
Ground Elevation 4940



Scale - 4 inches equals 1 mile

Surveyed November 3, 19 77

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.





PERMIT TO DRILL

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

ENERGY RESERVES GROUP, INC.

To: _____
(OPERATOR)

to drill a well to be known as

12 NAVAJO-0
(WELL NAME)

located **2310' FROM NORTH LINE AND 330' FROM EAST LINE (SE NE)**

Section **22** Township **41 NORTH** Range **30 EAST**, **APACHE** County, Arizona.

The **SE/4 of NE/4 AND NE/4 of SE/4** of said
Section, Township and Range is dedicated to this well.

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

Issued this **26th** day of **February**, 19 **82**.

OIL AND GAS CONSERVATION COMMISSION

By *R. A. Yama*
EXECUTIVE SECRETARY

PERMIT N^o 801

RECEIPT NO. 2227
API NO. 02-001-20258

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

TEN FOOT SAMPLES ARE REQUIRED FROM SURFACE

WELL SITE GEOLOGY
WELL LOGGING

801



Final Report

MOUNTAIN STATES RESOURCES, INC.
Energy Resources
NAVAJO TRAIL #12
SE/NE SECTION 22 - T41N - R30E
APACHE COUNTY, ARIZONA

ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL SITE GEOLOGY - MUD LOGGING

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL SITE GEOLOGY - MUD LOGGING

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

RECEIVED

MAY 12 1982

O & G CONS. COMM.

May 6, 1982

Mountain States Resources, Inc.
Box 176
Cut Bank Montana 59427

Gentlemen:

Enclosed are the final logs on the Navajo Trail #12 well, located in SE/NE Section 22, T41N, R30E, of Apache County, Arizona.

We have appreciated the opportunity of working with you on this project. If we can be of further assistance to you in the final evaluation of zones encountered, please do not hesitate to call.

We look forward to serving you again in the near future.

Sincerely,

Robert L. Wright
President

RLW:de

ENC: 2 Final Logs

XXC: Energy Reserves Group, Inc., Denver, CO - 1
P & M Petroleum Management, Denver, CO - 1
W. W. Whitley, Denver, CO. - 1
C. M. Krivanek, Farmington, N.M. - 1



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL LOGGING — CORE AND WATER ANALYSIS
 2450 INDUSTRIAL BLVD. PHONE 243-3044 GRAND JUNCTION, COLORADO 81501

COMPANY MOUNTAIN STATES RESOURCES, INC.
 WELL NO. NAVAJO TRIBAL #12
 LOCATION APACHE COUNTY, ARIZONA

ZONE OF INTEREST NO. 1

INTERVAL: From 4930' To 4934'

DRILL RATE: Abv 4 MIN/FT Thru 2.5 - 2 MIN/FT Below 3.5-4 MIN/FT

MUD GAS-CHROMATOGRAPH DATA

	TOTAL	C ₁	C ₂	C ₃	C ₄	C ₅	OTHER
Before	2 U	200	TR	TR	--	--	
During	160 U	13020	1596	506	TR	--	
After	2 U	200	TR	TR	--	--	

Type gas increase: Gradual Sharp

Gas variation within zone: Steady Erratic Increasing Decreasing

CARBIDE HOLE RATIO: $\frac{\text{GRAMS}}{\text{READING}}$ X Min. in Peak = _____ Sensitivity: Poor Fair Good

FLUO: Mineral Even Spotty
 None % in total sample _____
 Poor
 Fair % in show lithology _____
 Good COLOR: _____

CUT: None Streaming
 Poor Slow
 Fair Mod
 Good Fast
 COLOR: _____

STAIN: None Poor Fair Good Live Dead Residue Even Spotty Lt. Dk.

POROSITY: Poor Fair Good Kind _____

LITHOLOGY LS bf shy-sdy xl ip/sm visible por

SAMPLE QUALITY GOOD

NOTIFIED CONNIE KRIVANEK @ _____ HRS. DATE: _____

REMARKS _____

ZONE DESCRIBED BY ELLIOTT STROTHER



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL LOGGING — CORE AND WATER ANALYSIS

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

COMPANY MOUNTAIN STATES RESOURCES, INC.

WELL NO. NAVAJO TRIBAL #12

LOCATION APACHE COUNTY, ARIZONA

ZONE OF INTEREST NO. 2

INTERVAL: From 5006' To 5011'

DRILL RATE: Abv 3.5 MIN/FT Thru 2.5 MIN/FT Below 3 MIN/FT

MUD GAS-CHROMATOGRAPH DATA

	TOTAL	C ₁	C ₂	C ₃	C ₄	C ₅	OTHER
Before	12 U	924	204	168			
During	30 U	2100	608	336			
After	12 U	924	204	168			

Type gas increase: Gradual Sharp

Gas variation within zone: Steady Erratic Increasing Decreasing

CARBIDE HOLE RATIO: $\frac{\text{GRAMS}}{\text{READING}}$ X Min. in Peak = _____ Sensitivity: Poor Fair Good

FLUO: Mineral Even Spotty CUT: None Streaming
 None % in total sample 10% Poor Slow
 Poor Fair Mod
 Fair % in show lithology _____ Good Fast
 Good COLOR: GREEN COLOR: _____

STAIN: None Poor Fair Good Live Dead Residue Even Spotty Lt. Dk.

POROSITY: Poor Fair Good Kind INTERGRANULAR

LITHOLOGY LS drty wh-gytn xl sdy splty

SAMPLE QUALITY GOOD

NOTIFIED CONNIE KRIVANEK @ _____ HRS. DATE: _____

REMARKS _____

ZONE DESCRIBED BY ELLIOTT STROTHER



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL LOGGING — CORE AND WATER ANALYSIS

2450 INDUSTRIAL BLVD. PHONE 243-3044 GRAND JUNCTION, COLORADO 81501

COMPANY MOUNTAIN STATES RESOURCES, INC.

WELL NO. NAVAJO TRIBAL #12

LOCATION APACHE COUNTY, ARIZONA

ZONE OF INTEREST NO. 3

INTERVAL: From 5037' To 4043'

DRILL RATE: Abv 4 MIN/FT Thru 3, 1 3/4, 1 3/4, 2 1/2 MIN/FT Below 4 MIN/FT

MUD GAS-CHROMATOGRAPH DATA

	TOTAL	C ₁	C ₂	C ₃	C ₄	C ₅	OTHER
Before	8 U	420 PPM	76 PPM	TR			
During	145 U	5050 PPM	1460 PPM	1260 PPM			
After	14 U	590 PPM	190 PPM	168 PPM			

Type gas increase: Gradual Sharp

Gas variation within zone: Steady Erratic Increasing Decreasing

CARBIDE HOLE RATIO: $\frac{\text{GRAMS}}{\text{READING}}$ X Min. in Peak = _____ Sensitivity: Poor Fair Good

FLUO: Mineral Even Spotty
 None % in total sample 10%
 Poor
 Fair % in show lithology 12%
 Good COLOR: YELLOW GREEN

CUT: None Streaming
 Poor Slow
 Fair Mod
 Good Fast
 COLOR: _____

STAIN: None Poor Fair Good Live Dead Residue Even Spotty Lt. Dk.

POROSITY: Poor Fair Good Kind INTERGRANULAR

LITHOLOGY 90% LS drty wh-ltgy xl/sm DOL sm slty mhd-frn

10% SH SAMPLE QUALITY GOOD

NOTIFIED _____ @ 9:00 HRS. DATE: 5-01-82

REMARKS _____

ZONE DESCRIBED BY MARTIN W. CHENOWETH



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL LOGGING — CORE AND WATER ANALYSIS

2450 INDUSTRIAL BLVD. PHONE 243-3044 GRAND JUNCTION, COLORADO 81501

COMPANY MOUNTAIN STATES RESOURCES, INC.

WELL NO. NAVAJO TRIBAL #12

LOCATION APACHE COUNTY, ARIZONA

ZONE OF INTEREST NO. 4

INTERVAL: From 5050' To 5060'

DRILL RATE: Abv 4 MIN/FT Thru 1 1/2, 2 1/4, 1 3/4, 22 MIN/FT Below 4 MIN/FT

MUD GAS-CHROMATOGRAPH DATA

	TOTAL	C ₁	C ₂	C ₃	C ₄	C ₅	OTHER
Before	11 U	490	152	147			
During	65 U	3000	860	740			
	74 U	3570	990	860			
After	41 U	2020	530	550	BEGINNING FROM ZONE	RECIRCULATED GAS B	

Type gas increase: Gradual Sharp

Gas variation within zone: Steady Erratic Increasing Decreasing

CARBIDE HOLE RATIO: $\frac{\text{GRAMS}}{\text{READING}}$ X Min. in Peak = _____ Sensitivity: Poor Fair Good

FLUO: Mineral Even Spotty
 None % in total sample 10%
 Poor
 Fair % in show lithology 12%
 Good COLOR: YELLOW GREEN

CUT: None Streaming
 Poor Slow
 Fair Mod
 Good Fast

COLOR: _____

STAIN: None Poor Fair Good Live Dead Residue Even Spotty Lt. Dk.

POROSITY: Poor Fair Good Kind INTERGRANULAR

LITHOLOGY 80% LS drty wh-ltgy x1/sm DOL sm slty

20% SH SAMPLE QUALITY _____

NOTIFIED _____ @ 9:00 HRS. DATE: 5-01-82

REMARKS _____

ZONE DESCRIBED BY MARTIN W. CHENOWETH



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL LOGGING — CORE AND WATER ANALYSIS

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

COMPANY MOUNTAIN STATES RESOURCES, INC.

WELL NO. NAVAJO TRIBAL #12

LOCATION APACHE COUNTY, ARIZONA

ZONE OF INTEREST NO. 5

INTERVAL: From 5088' To 5090'

DRILL RATE: Abv 4 1/2 MIN/FT Thru 3 1/2, 2 3/4 MIN/FT Below 3 MIN/FT

MUD GAS-CHROMATOGRAPH DATA

	TOTAL	C ₁	C ₂	C ₃	C ₄	C ₅	OTHER
Before	12 U	500	150	130			
During	32 U	1700	490	280			
After	10 U	420	110	130			

Type gas increase: Gradual Sharp

Gas variation within zone: Steady Erratic Increasing Decreasing

CARBIDE HOLE RATIO: $\frac{\text{GRAMS}}{\text{READING}}$ X Min. in Peak = _____ Sensitivity: Poor Fair Good

FLUO: Mineral Even Spotty CUT: None Streaming
 None % in total sample 1% Poor Slow
 Poor Fair Mod
 Fair % in show lithology 2% Good Fast
 Good COLOR: YELLOW GREEN COLOR: _____

STAIN: None Poor Fair Good Live Dead Residue Even Spotty Lt. Dk.

POROSITY: Poor Fair Good Kind INTERGRANULAR

LITHOLOGY 75% LS drty wh-ltgy x1/sm DOL sm slty frm-mhd

25% SH SAMPLE QUALITY GOOD

NOTIFIED _____ @ 10:30 HRS. DATE: 3-01-82

REMARKS _____

ZONE DESCRIBED BY MARTIN W. CHENOWETH



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL LOGGING — CORE AND WATER ANALYSIS

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

COMPANY MOUNTAIN STATES RESOURCES, INC.

WELL NO. NAVAJO TRIBAL #12

LOCATION APACHE COUNTY, ARIZONA

ZONE OF INTEREST NO. 6

INTERVAL: From 5103' To 5110'

DRILL RATE: Abv 4, 3 MIN/FT Thru 1, 2, 2 MIN/FT Below 3 MIN/FT

MUD GAS-CHROMATOGRAPH DATA

	TOTAL	C ₁	C ₂	C ₃	C ₄	C ₅	OTHER
Before	12 U	500	150	130			
During	310 U	29900	5020	2180			
After	14 U	630	190	170			

Type gas increase: Gradual Sharp

Gas variation within zone: Steady Erratic Increasing Decreasing

CARBIDE HOLE RATIO: $\frac{\text{GRAMS}}{\text{READING}}$ X Min. in Peak = _____ Sensitivity: Poor Fair Good

FLUO: Mineral Even Spotty
 None % in total sample 1%
 Poor
 Fair % in show lithology 1%
 Good COLOR: YELLOW GREEN

CUT: None Streaming
 Poor Slow
 Fair Mod
 Good Fast
 COLOR: _____

STAIN: None Poor Fair Good Live Dead Residue Even Spotty Lt. Dk.

POROSITY: Poor Fair Good Kind _____

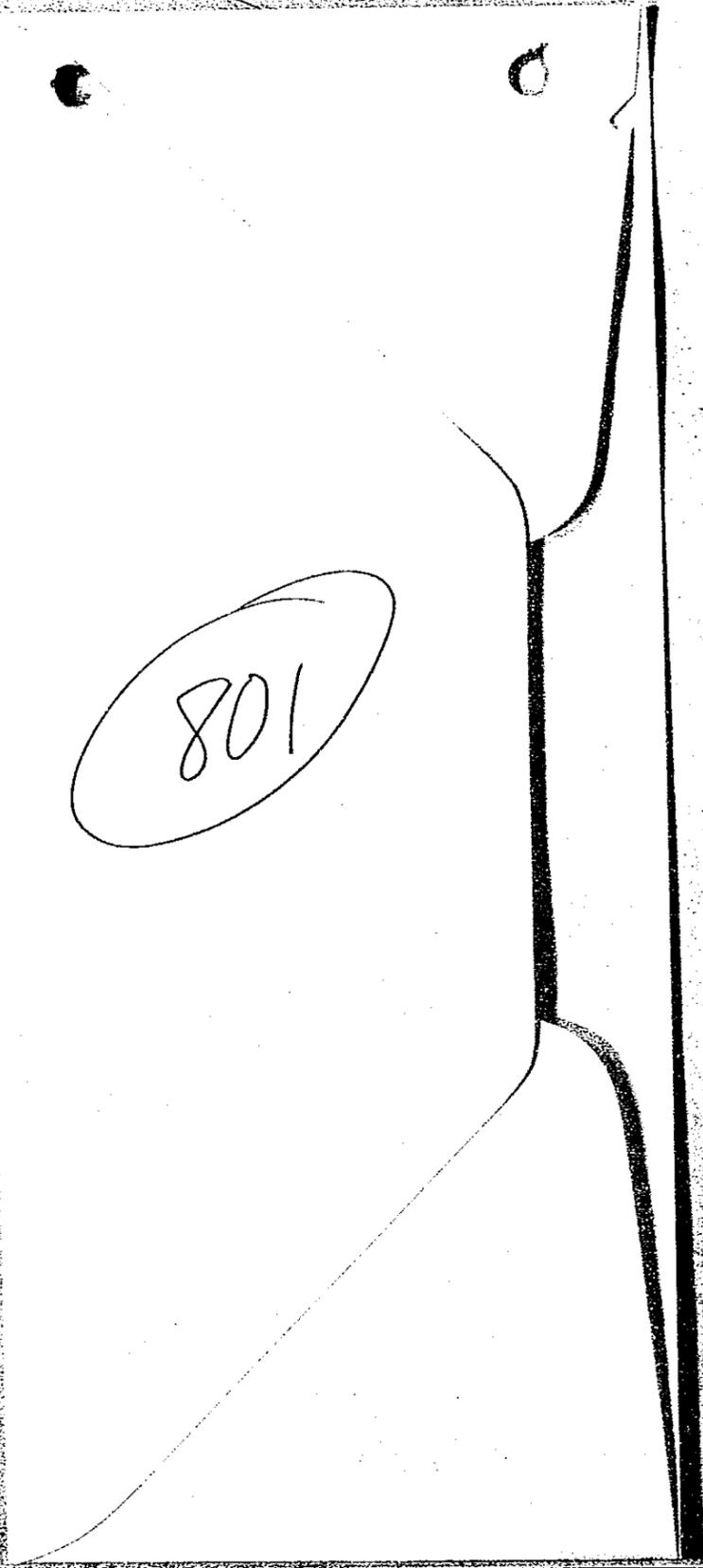
LITHOLOGY 80% LS drty wh-ltgy x1/sm DOL sm slty sm OOL frm-mhd

20% SH SAMPLE QUALITY GOOD

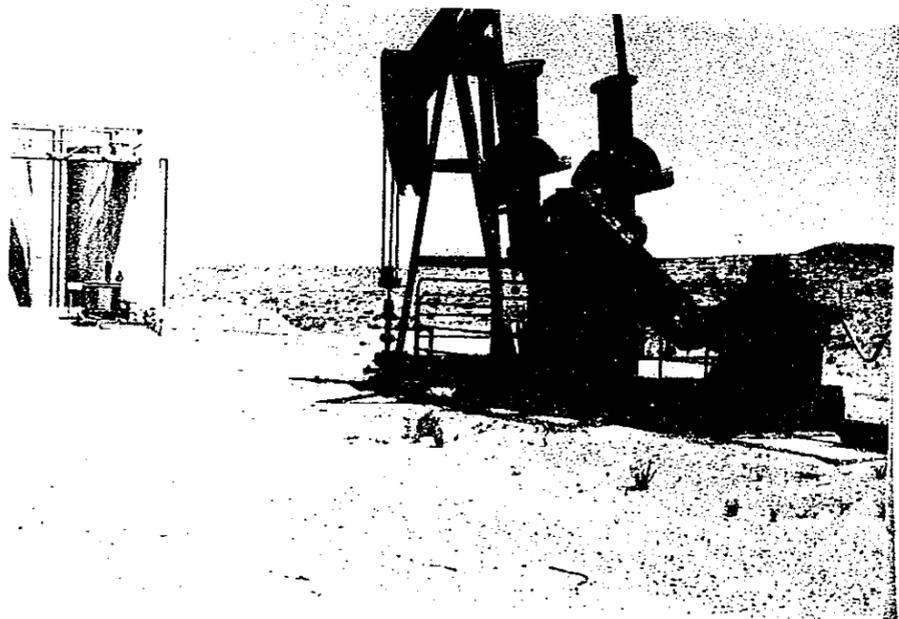
NOTIFIED _____ @ 11:00 HRS. DATE: 3-01-82

REMARKS _____

ZONE DESCRIBED BY MARTIN W. CHENOWETH

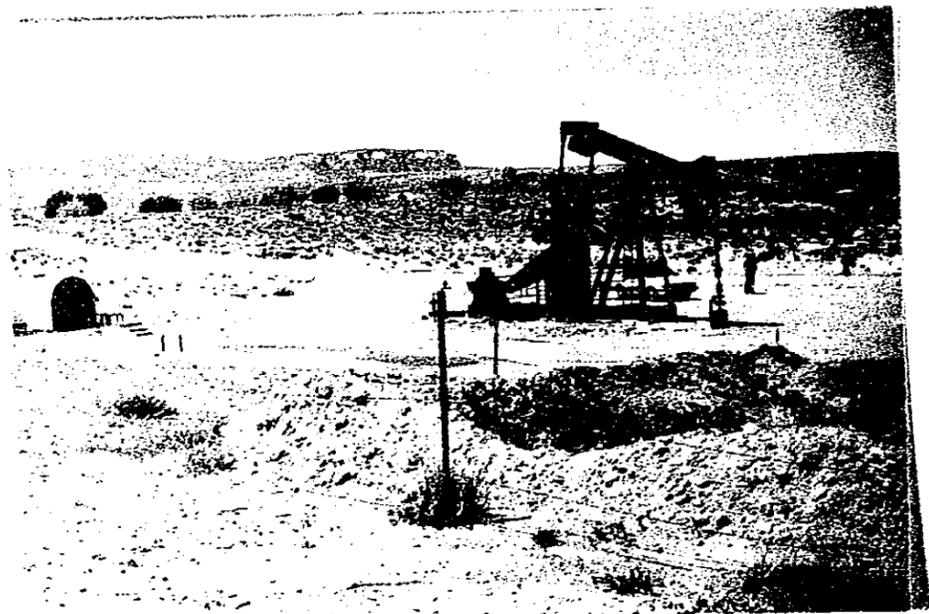


801



Mountain States Navajo '0" #12
P/N 801

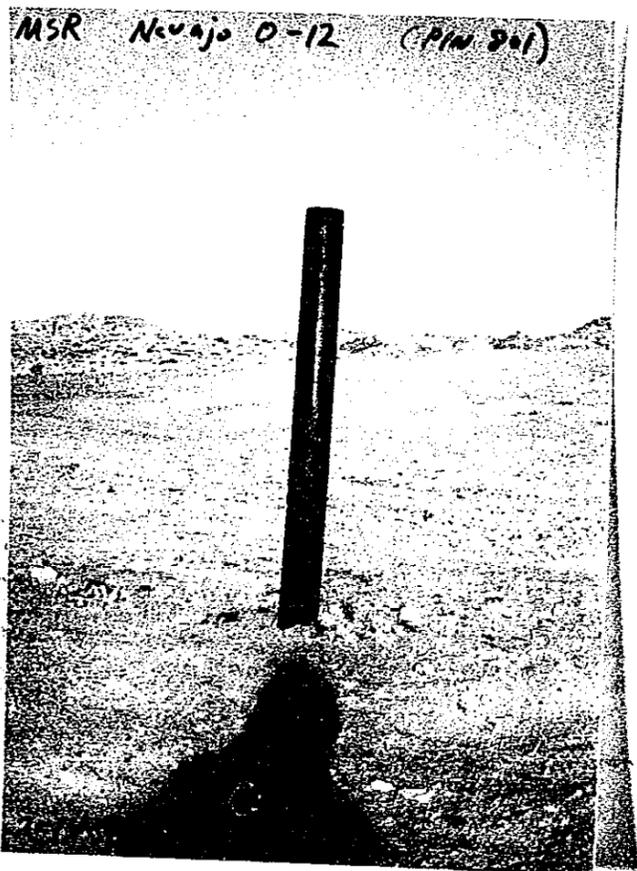
10/89

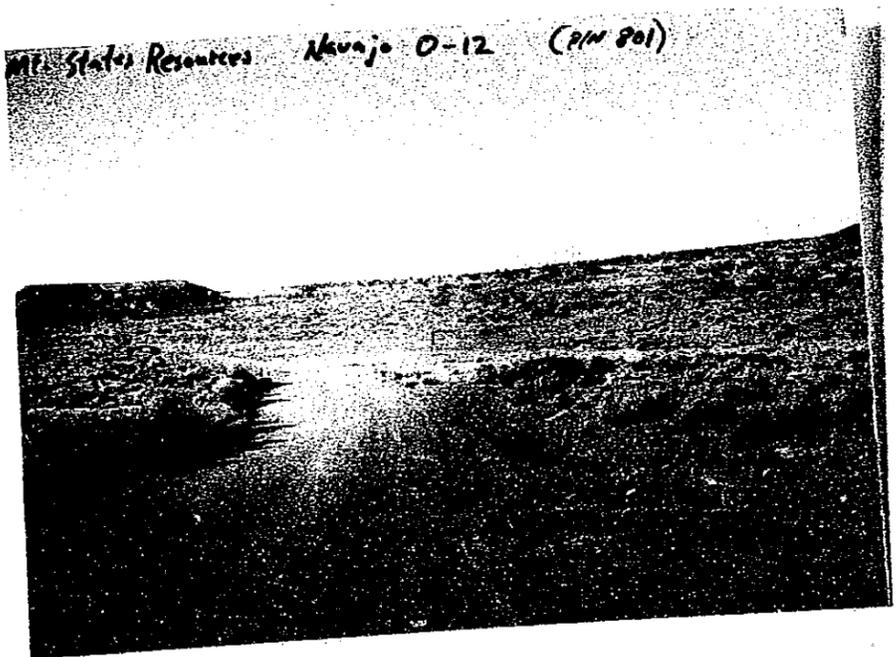


Mountain States Navajo "O" #12

P/N 801

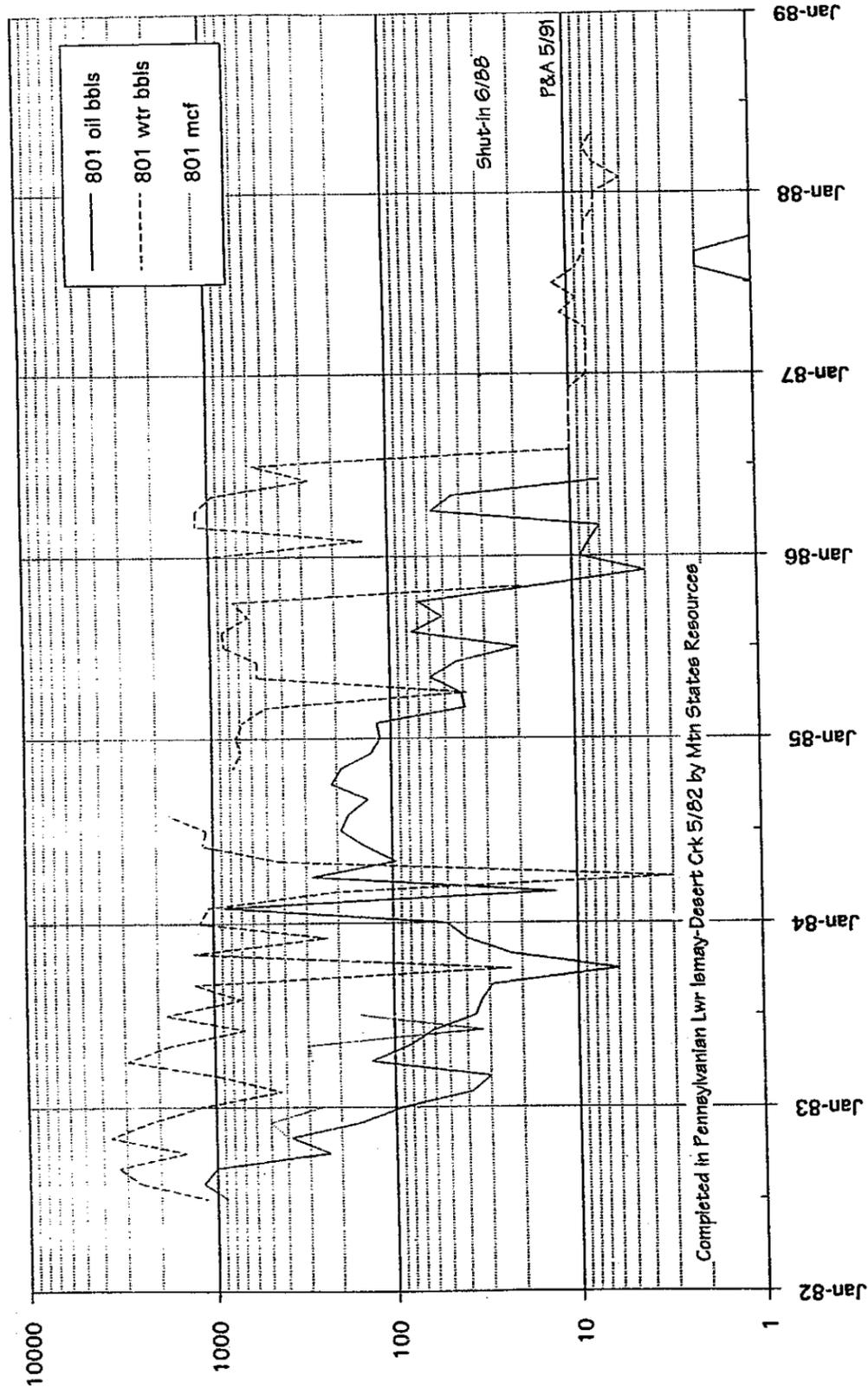
10/89





MONTHLY PRODUCTION AT 12 NAVAJO-O (801), ARIZONA: MAY 1982 - MAY 1988

se ne 22-41n-30e, Teec Nos Pos Field, Apache County



MONTHLY PRODUCTION AT 12 NAVAJO-O (801), TEEC NOS POS FIELD, ARIZONA
 (Per SLR audit of monthly producer's reports 5/82 - 5/88)

DATE	801 oil bbl	801 wtr bb	801 mcf	801 ytd oil	801 ytd wr	801 ytd m	801 cum oi	801 cum	801 cum	DATE
Jan-82										Jan-82
Feb-82										Feb-82
Mar-82										Mar-82
Apr-82										Apr-82
May-82	248	800		248	800	0	248	800	0	May-82
Jun-82				248	800	0	248	800	0	Jun-82
Jul-82	883	1124		1131	1924	0	1131	1924	0	Jul-82
Aug-82	1175	2529		2306	4453	0	2306	4453	0	Aug-82
Sep-82	1001	3316		3307	7769	0	3307	7769	0	Sep-82
Oct-82	232	1457		3539	9226	0	3539	9226	0	Oct-82
Nov-82	377	3655	397	3916	12881	397	3916	12881	397	Nov-82
Dec-82	157	2270	499	4073	15151	896	4073	15151	896	Dec-82
Jan-83	91	1209	252	91	1209	252	4164	16360	1148	Jan-83
Feb-83	38	429		129	1638	252	4202	16789	1148	Feb-83
Mar-83	30	969		159	2607	252	4232	17758	1148	Mar-83
Apr-83	134	2918	286	293	5525	538	4366	20676	1434	Apr-83
May-83	83	1744	297	376	7269	835	4449	22420	1731	May-83
Jun-83	61	677	33	437	7946	868	4510	23097	1764	Jun-83
Jul-83	36	1789	154	473	9735	1022	4546	24886	1918	Jul-83
Aug-83	33	712		506	10447	1022	4579	25598	1918	Aug-83
Sep-83	29	1264		535	11711	1022	4608	26862	1918	Sep-83
Oct-83	6	23		541	11734	1022	4614	26885	1918	Oct-83
Nov-83	23	1282		564	13016	1022	4637	28167	1918	Nov-83
Dec-83	40	232		604	13248	1022	4677	28399	1918	Dec-83
Jan-84	51	1185		51	1185	0	4728	29584	1918	Jan-84
Feb-84	869	1059		920	2244		5597	30643	1918	Feb-84
Mar-84	13	205		933	2449		5610	30848	1918	Mar-84
Apr-84	276	3		1209	2452		5886	30851	1918	Apr-84
May-84	95	423		1304	2875		5981	31274	1918	May-84
Jun-84	143	1136		1447	4011		6124	32410	1918	Jun-84
Jul-84	192	1088		1639	5099		6316	33498	1918	Jul-84
Aug-84	174	1713		1813	6812		6490	35211	1918	Aug-84
Sep-84	136			1949	6812		6626	35211	1918	Sep-84
Oct-84	214			2163	6812		6840	35211	1918	Oct-84
Nov-84	190	769		2353	7581		7030	35980	1918	Nov-84
Dec-84	129	695		2482	8276		7159	36675	1918	Dec-84
Jan-85	115	736		115	736		7274	37411	1918	Jan-85
Feb-85	119	677		234	1413		7393	38088	1918	Feb-85
Mar-85	39	502		273	1915		7432	38590	1918	Mar-85
Apr-85	41	38		314	1953		7473	38628	1918	Apr-85
May-85	60	555		374	2508		7533	39183	1918	May-85
Jun-85	43	555		417	3063		7576	39738	1918	Jun-85
Jul-85	20	846		437	3909		7596	40584	1918	Jul-85
Aug-85	76	860		513	4769		7672	41444	1918	Aug-85
Sep-85	51	618		564	5387		7723	42062	1918	Sep-85
Oct-85	69	743		633	6130		7792	42805	1918	Oct-85
Nov-85	16	19		649	6149		7808	42824	1918	Nov-85
Dec-85	4			653	6149		7812	42824	1918	Dec-85
Jan-86	9	1022		9	1022		7821	43846	1918	Jan-86
Feb-86	8	137		17	1159		7829	43983	1918	Feb-86
Mar-86	7	1165		24	2324		7836	45148	1918	Mar-86
Apr-86	57	1165		81	3489		7893	46313	1918	Apr-86
May-86	44	950		125	4439		7937	47263	1918	May-86
Jun-86	7	270		132	4709		7944	47533	1918	Jun-86
Jul-86		562		132	5271		7944	48095	1918	Jul-86
Aug-86	1	10		133	5281		7945	48105	1918	Aug-86
Sep-86		10		133	5291		7945	48115	1918	Sep-86
Oct-86	1	10		134	5301		7946	48125	1918	Oct-86
Nov-86		10		134	5311		7946	48135	1918	Nov-86
Dec-86	1	10		135	5321		7947	48145	1918	Dec-86

MONTHLY PRODUCTION AT 12 NAVAJO-O (801), TEEC NOS POS FIELD, ARIZONA
 (Per SLR audit of monthly producer's reports 5/82 - 5/88)

DATE	801 oil bbl	801 wtr bb	801 mcf	801 ytd oil	801 ytd wt	801 ytd m	801 cum oil	801 cum	801 cum	DATE
Jan-87		8		0	8		7947	48153	1918	Jan-87
Feb-87	1	8		1	16		7948	48161	1918	Feb-87
Mar-87		8		1	24		7948	48169	1918	Mar-87
Apr-87	1	8		2	32		7949	48177	1918	Apr-87
May-87	1	11		3	43		7950	48188	1918	May-87
Jun-87	1	9		4	52		7951	48197	1918	Jun-87
Jul-87	1	12		5	64		7952	48209	1918	Jul-87
Aug-87	2	9		7	73		7954	48218	1918	Aug-87
Sep-87	2	8	2	9	81	2	7956	48226	1920	Sep-87
Oct-87	1	8		10	89	2	7957	48234	1920	Oct-87
Nov-87	1	8		11	97	2	7958	48242	1920	Nov-87
Dec-87	1	7		12	104	2	7959	48249	1920	Dec-87
Jan-88	1	7		1	7		7960	48256	1920	Jan-88
Feb-88	1	5		2	12		7961	48261	1920	Feb-88
Mar-88	1	7		3	19		7962	48268	1920	Mar-88
Apr-88	1	8		4	27		7963	48276	1920	Apr-88
May-88	1	7		5	34		7964	48283	1920	May-88
Jun-88										Jun-88
Jul-88										Jul-88
Aug-88										Aug-88
Sep-88										Sep-88
Oct-88										Oct-88
Nov-88										Nov-88
Dec-88										Dec-88



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

October 2, 1997

Patrick M. Montalban
Mountain States Resources, Inc.
P.O. Box 250
Cut Bank, MT 59427-0250

801

Re: Mountain States Resources, Inc.
\$25,000 Oil Drilling Blanket Bond #438-5444
SAFECO Insurance Company of America

Dear Mr. Montalban:

Records of the Oil and Gas Conservation Commission of the State of Arizona show that Mountain States Resources, Inc. has no outstanding drilling or plugging obligations in Arizona.

As a result, this letter constitutes written permission by the Oil and Gas Conservation Commission to terminate liability under the bond.

Please advise if we may be of further service.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM BUILDING - BOX 250 - CUT BANK, MONTANA 59427-0250
TELEPHONE (406) 873-2235 FAX 406-873-4731

September 25, 1997

Steven L. Rauzi
Oil & Gas Program Administrator
STATE OF ARIZONA
Geological Survey
416 West Congress, Suite 100
Tucson, Arizona 85701

801

RE: Mountain States Resources, Inc
\$25,000 Oil Drilling Blanket Bond #438-5444
Safeco Insurance Company of America

Dear Mr. Rauzi:

Further to your letter received in our office concerning the above captioned, please be advised that we are writing to request that MSR be released from liability under our \$25,000 Drilling Blanket Bond (#438-5444).

According to your letter, we have no outstanding drilling or plugging obligations in the State of Arizona.

We trust that all is in order to release this bond and if you should require anything further, please contact our Cut Bank office.

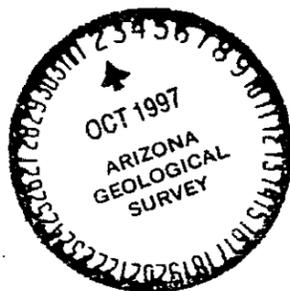
Thank you for your cooperation in this matter.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC


Patrick M. Montalban
President

PMM/cb



(This Week, continued from Page 3)

approximately 15 miles long and four miles wide. These expendable wells have production tested and logged numerous oil and gas sands, Benton said, but the field has never been commercially produced.

The 1992 development program, which has commenced with the initial drilling of six wells, is the first phase of the development of North Gubkinskoye field. Phase one will also include the installation of production facilities and the construction of a 25-30 mile pipeline later this year.

Benton will contribute approximately \$7.5 million for these operations and anticipates initial production will commence in late 1992. Phase one's primary objective is to achieve a daily production level of 10,000 bbls. As additional phases are performed over the next five years, the daily production objective is 60,000 bbls or more.

North Gubkinskoye field is estimated to contain ultimate recoverable reserves of approximately 300 million bbls of oil, 40 million bbls of condensate, and two trillion cu ft of gas.

Oxnard, California-based Benton is an independent oil and gas exploration and production company with domestic operations in Louisiana, California, Oklahoma, Texas and Mississippi, and international operations in West Siberia.

Edisto Resources Corp's board of directors approved a restructuring of the Dallas-based company.

The restructuring is comprised of the following components: Edisto's offer to exchange 318 shares of its common stock for each \$1,000 principal amount of the currently outstanding \$102.6 million 13-7/8 percent senior notes due 1999 of its wholly owned subsidiary, NRM Energy Co; the amendment of the indenture governing the notes to delete certain restrictive covenants; the consolidation of Edisto's oil and gas exploration and production subsidiaries, including NRM Energy and Edisto Exploration & Production Co, into a newly formed wholly owned subsidiary; the amendment of the bank credit agreements of Edisto and Edisto Exploration & Production; and the amendment of Edisto's Certificate of Incorporation to increase its authorized common stock from 50 million to 75 million shares.

Maynard Oil Co's board of directors authorized the company to repurchase up to 560,000 shares of its common stock in the open market or through privately negotiated transactions during the next 12 months.

This represents an increase from the 400,000 shares authorized for repurchase announced in August 1991. As of February 10, 1992, the company had repurchased 262,026 shares of the 560,000 authorized for repurchase and has

5,109,234 shares outstanding.

Dallas-based Maynard is engaged in the exploration, development and production of oil and natural gas in the U.S. In addition, its wholly-owned subsidiary, BDK Drilling Co, provides contract drilling services in South Texas.

MSR Exploration Ltd and its five subsidiary corporations filed petitions for Chapter 11 reorganization.

Cut Bank, Montana-based MSR is an independent oil and gas exploration and production company operating in Western Canada and through its subsidiaries in the northern Rockies and Texas. The Chapter 11 petitions were filed in the U.S. Bankruptcy Court for the District of Montana, Great Falls Division.

MSR cited a number of factors in its decision to file for bankruptcy protection, including various litigation proceedings instituted against the companies related to actions of individuals who were in control of the companies in late 1990 and in 1991; substantial legal fees that the companies are incurring in defending this litigation; the inability of the companies to reach a satisfactory arrangement with their principal secured creditor; and the recent downward fluctuations in world oil prices.

Nahama & Weagant Energy Co and partners completed the previously announced acquisition of Arco Oil & Gas Co's interest in Mist gas field in northwestern Oregon near Portland. Bakersfield-based Nahama & Weagant's partners are Oregon Natural Gas Development and a partnership between the company and John Hancock Mutual Life Insurance Co

The company (both directly and through its interest in the partnership) paid approximately \$1,105,000 for its share of the purchased interest, representing approximately 3.0 billion cu ft of proved developed gas reserves, with potential for additional development and exploration. Under the terms of the acquisition, the company also received approximately \$300,000 relating to the operations of the acquired properties for the period of August 1, 1991, through December 31, 1991.

Sun Co Inc announced a second "significant" oil discovery in the Espinal Block in Colombia's Upper Magdalena Basin.

Sun is a one-third partner in the block through its subsidiary, Sun Colombia Oil Co. LASMO Oil (Colombia) Limited is the operator with a two-thirds interest.

(Please see This Week, Page 10)

P# 801



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

June 17, 1991

AZ OIL & GAS
CONSERVATION COMMISSION

JUN 20 1991

Mr. Daniel J. Brennan
Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Navajo Tribal "0" 12, Navajo Tribal "0" 16, Navajo Tribal "0" 18
Lease No. N00-C-14-20-4433
Teec Nos Pos Field
Apache County, Arizona

Dear Mr. Brennan:

Please find enclosed a Plugging Record (Form No. 10) for each of the above captioned wells, in triplicate. A regulation marker has been erected at each well and all pits filled in. Surface rehabilitation will be commenced and completed during the time period between July 1 and September 15. We will advise when the well location is ready for final inspection.

If additional information is required, please advise.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

Reno N. Roncco

Reno N. Roncco
Petroleum Engineer
Vice President

RNR/s

Enclosures



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

March 29, 1991

**AZ OIL & GAS
CONSERVATION COMMISSION**

APR 1 1991

Mr. Daniel J. Brennan
Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: No. 12 Navajo Tribal "O", SE/4 NE/4
No. 16 Navajo Tribal "O", SE/4 SE/4
No. 18 Navajo Tribal "O", NE/4 SW/4
Section 22, T41N, R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

Dear Mr. Brennan:

Please find enclosed Forms 9 describing the proposed procedure for re-entering and re-plugging the No. 16 and No. 18 wells captioned above. No proposal is submitted for the No. 12 well because a determination to re-enter this well will not be made until field operations commence.

Also enclosed is Form No. 1, Organization Report for Mountain States Resources, Inc., reflecting the changes within our organization.

If additional information is required, please advise.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

Reno N. Roncco

Reno N. Roncco
Vice President
Petroleum Engineer

RNR/s

Enclosures

801,834,843

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

Mountain States Resources, Inc.

Post Office Address (Box or Street Address)

P.O. Box 250 - Cut Bank, Montana 59427

AZ OIL & GAS

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

CONSERVATION COMMISSION

Corporation

Purpose of Organization (State type of business in which engaged)

APR 1 1991

Oil and gas exploration and production

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

If a foreign corporation, give (1) State where incorporated	(2) Name and post office address of state agent	(3) Date of permit to do business in state
Colorado	S. L. Pederson Rider Wouls Bldg., Ste. 44 11246 E. Mississippi Ave.	1982
Principal Officers or Partners (if partnership) NAME	Aurora, CO TITLE 80012	POST OFFICE ADDRESS
Patrick M. Montalban	President	P.O. Box 250 - Cut Bank, MT 59427
Reno N. Roncco	Vice President	P.O. Box 250 - Cut Bank, MT 59427
Selden S. Frisbee	Secretary	P.O. Box 547 - Cut Bank, MT 59427
Stephen H. Palmbush	Treasurer	P.O. Box 250 - Cut Bank, MT 59427
Pamela Halvorson	Asst. Secretary	P.O. Box 250 - Cut Bank, MT 59427

DIRECTORS NAME

POST OFFICE ADDRESS

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

Date

March 29, 1991

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Organization Report
File One Copy

Form No. 1

801



MSR EXPLORATION LTD.

(INCORPORATED UNDER THE LAWS OF ALBERTA)

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM BUILDING - BOX 250 - CUT BANK, MONTANA 59427-0250
TELEPHONE (406) 873-2235
CUT BANK FAX 1-406-873-4731 BILLINGS FAX 1-406-259-1151

March 25, 1991

Mr. Ron Fellows, Area Manager
U. S. DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

FAXED TO: (505) 327-2922
HARD COPY MAILED FEDERAL EXPRESS
#7237057203

RE: No. 12 Navajo Tribal O, SE/4NE/4
No. 16 Navajo Tribal O, SE/4SE/4
No. 18 Navajo Tribal O, NE/4SW/4
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

Dear Mr. Fellows:

This will acknowledge receipt of your two letters dated February 27 and February 28, 1991, and received in our office on March 1 and March 4, 1991, respectively.

We are also in receipt of letters from the Oil and Gas Conservation Commission of the State of Arizona, in which they are making certain demands that differ from the programs which you have outlined for us to follow.

Again, we reiterate that it will be impossible to establish a firm plan of operations until we uncover and open up and re-enter the wells. When this is done, we will be working with your Bureau of Land Management Engineer who will follow, by personal attendance on the location, what is being done each day. I foresee our program changing almost on a daily basis, as these types of re-entry are very ticklish, dangerous and, above all, expensive!

Like you - we do not totally agree, or accept, the steps that you have outlined in your letters of February 27 and 28. For example - we feel that if a cement bond log is run, and establishes cement behind the 8 5/8" surface casing, it is then a total waste of money to perforate and squeeze the 4 1/2" production string, if it is left in the hole!

If you really want to stop and think about it - I believe that you will agree! After all, I am sure it is not the intention of the Bureau of Land Management to have us waste corporate funds!

In closing, I would like to reiterate one more situation that was thoroughly discussed with you and your staff, at our meeting in your office on February 6, 1991. I specifically stated that we are a small Independent Company - and that we do not have the luxury

.....2



MSR EXPLORATION LTD.

(INCORPORATED UNDER THE LAWS OF ALBERTA)

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM BUILDING - BOX 250 - CUT BANK, MONTANA 59427-0250
TELEPHONE (406) 873-2235
CUT BANK FAX 1-406-873-4731 BILLINGS FAX 1-406-259-1151

Mr. Ron Fellows, Area Manager
U. S. DEPARTMENT OF THE INTERIOR
March 25, 1991
Page Two.....

Re: Lease NOO-C-14-20-4433

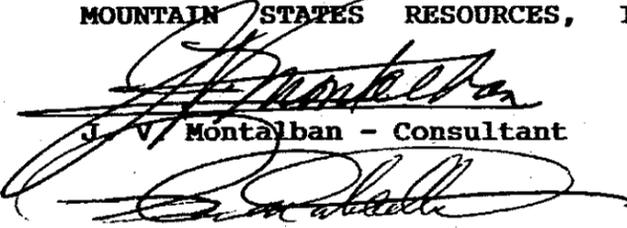
of a large engineering staff and, unlike large organizations, we are operating totally understaffed. I further explained that the Company operates on a strict quarterly budget, especially now that oil has again dropped below \$18.00 a barrel, and we cannot order out service companies before the money has been appropriated. I explained that our budget for the second quarter of this year would become available after our submittal has been made at the end of the first quarter.

Accordingly, it will be impossible to start this program before April 15. As this was discussed - and as no objections were voiced by your group - to myself or our counsel, Mr. John P. Moore, - we did not believe there was a problem. Therefore, we are respectfully requesting that you allow us until the end of April to complete the abandonment program.

Thanking you for your courtesies, we remain

Respectfully yours,

MOUNTAIN STATES RESOURCES, INC.


J. V. Montalban - Consultant

Patrick M. Montalban - President

JVM/PMM/cbm

cc: John P. Moore, Attorney at Law
Cut Bank, Montana

cc: Daniel J. Brennan, Executive Director
Arizona Oil & Gas Conservation Commission

cc: BIA, Navajo Area Office, Att: James Miles - Window Rock, AZ
86515

cc: Navajo Nation, Minerals Dept. - Window Rock, AZ 86515

cc: Gilbert Lockwood - Deputy State Director - BLM - Santa Fe, NM
87504



Oil and Gas Conservation Commission

STATE OF ARIZONA

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

March 20, 1991

Mr. John P. Moore
Frisbee, Moore, Stufft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

Dear Mr. Moore:

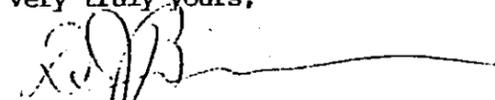
Referring to your letter of February 20, 1991 for your client, Mountain States Resources, we take note that you state that Mr. J. V. Montalban retired as of December 31, 1990.

Under Rule 12-7-194, Organization Reports, operators are required to file a supplementary report "Immediately" after such an event. To date, we have not received the report.

Enclosed are copies of Form 1, Organization Report, which you or your client must complete, and return immediately in order to come into compliance with these rules.

I have today received a copy of your letter of March 18, 1991 to Gilbert O. Lockwood of the BLM in which you state that you "are in the process of completing a satisfactory arrangement" in which you will do required remedial work "subject to direction of the BLM and the State of Arizona." This is to remind you that you must submit Form 9, Application to Plug and Abandon and have it approved prior to doing any such work. To date we have not received your plans for plugging the wells in question.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures



Oil and Gas Conservation Commission

STATE OF ARIZONA

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

March 4, 1991

Mr. John P. Moore
Frisbee, Moore, Stafft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

RE: Permit 801 12 Navajo "O" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "O" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "O" NESE Sec 22, T41N-R30E

Dear Mr. Moore:

We have received your letter concerning your talks with BLM. We are looking forward to receiving your proposal for correcting the plugging procedures on the three subject wells.

Our minimum requirements and comments for the wells are as follows.

#12 Pull the 4-1/2" casing from this well, recovering as much as possible. Tag the plug reported to have its top at 3937. Place 50' of cement on pipe stub if stub is at 3937, and otherwise 50' above and below stub of 4-1/2", cement must be placed using tubing or drill pipe. Wait on cement and tag plug with tubing or DP. Fill up hole from 1550 to surface with cement.

#16 Pull 4-1/2" casing. Tag top of plug reported at 3937. Place 50' of cement on top of plug if casing stub is at 3937, otherwise 50' of cement above and below casing stub. Wait on cement, tag plug with tubing or drill pipe. Set plug 50' in and out of surface casing at 1515. Set surface plug.

#18 Pull 4-1/2" casing. Tag top of plug reported to be at 3937, place 50' of cement on top of plug if casing stub is at 3937. If casing stub is not at 3937, place cement 50' above and below casing stub. Wait on cement, tag top of plug with tubing or drill pipe. Set plug 50' in and out of surface casing at 1507.

In the above procedures, if the casing stub and top cement are below 3937, drill out whatever is encountered and set cement plug just above producing zone.

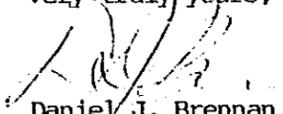
If casing cannot be pulled from any of these wells, drill out surface plug. In 4-1/2" casing, tag plug reported at 3937. If not as reported, drill out whatever is encountered and set a 50-foot plug just above the producing zone. Finish at surface as described above.

Mr. John P. Moore

March 4, 1991
Page - 2 -

In all cases, we must approve your plan prior to any activity in any well. We must be notified at least 24 hours before the beginning of any activity in a well. The approved plan will have telephone numbers to call. We are looking forward to hearing from you.

Very truly yours,


Daniel J. Brennan
Executive Director

EXPRESS MAIL **1** **POST OFFICE TO ADDRESSEE** **B** 74918580
NEXT DAY SERVICE

Post Office ZIP Code	Date In	Postage \$	9.95
Initials of Receiving Clerk	From the P.M.	Return Receipt Fee \$	
Weight	1 lb		
ACCEPTANCE		Total Postage & Fees \$	9.95
<input type="checkbox"/> Accepted for next day delivery. <input checked="" type="checkbox"/> Accepted for this destination after deposit deadline for next day delivery; therefore, for delivery by second day. <small>(Consult your local Express Mail Next Day Service directory for deposit deadlines for different destinations)</small>			

Service Guarantee: This service made at designated USPS facilities on or before a specified deposit time will be accepted for express shipment to a designated USPS delivery area having Express Mail service for next day delivery to an addressee or recipient or before the time specified by the application to originating office. Postage for any mailing accepted under this service and not meeting the service standard except for those delayed by strike or work stoppage. See chapter 2 of the Domestic Mail Manual for details.

Insurance Coverage:
 See section 284 of the Domestic Mail Manual for exclusions of coverage.

(1) **Merchandise Insurance:** Merchandise is insured against loss, damage or rifling up to a maximum of \$500. Indemnity will not be paid for spoilage of perishable merchandise.
 (2) **Document Insurance:** Documents insured against loss, damage or rifling up to \$50,000 per piece subject to a limit of \$500,000 per occurrence.

• Signature is required upon delivery.
 • Claims for delay, loss, damage or rifling must be made within 90 days. Claim forms may be obtained at the post office of mailing.
 • The Customer Receipt must be presented when a claim is filed.

CUSTOMER RECEIPT

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FROM: _____

Express Mail Corporate Account No.: _____

Federal Agency Code: _____

Account Number (if any) _____



Label 74918580



United States Department of the Interior

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



IN REPLY REFER TO:

NOO-C-14-20-4433 (WC)
- AZ OIL & GAS 019
CONSERVATION COMMISSION

MAR 18 1991

FEB. 28 1991

801
834
843

CERTIFIED - RETURN RECEIPT REQUESTED
P 565 384 368

Mountain States Resources, Inc.
P. O. Box 250
Cutbank, MT 59427

Gentlemen:

This letter replaces our letter dated February 27, 1991.

Reference is made to the following wells located in section 22, T. 41 N., R. 30 E., Apache County, Arizona, terminated lease NOO-C-14-20-4433:

1. No. 12 Navajo Tribal "O", SE/4NE/4
2. No. 16 Navajo Tribal "O", SE/4SE/4
3. No. 18 Navajo Tribal "O", NE/4SW/4

Also referenced is the fax copy of your letter dated February 25, 1991, which described your plans to reenter and replug the above mentioned wells. After review your proposal, we have concluded that the plans were not entirely acceptable. For clarification we have modified our reentry program by incorporating a portion of your program as follows:

1. Weld 8 5/8" collar on surface casing and nipple up BOP.
2. Drill out surface plug.
3. Run in hole with tubing and tag producing horizon (bottom) plug and note location.
4. Bring cement from top of plug to extend 50' above Hermosa top (if needed).
5. Test mud, if inadequate bring up to PLM standards (see general requirements attached to your intent to abandon and copy enclosed).
6. If pipe is not pulled, go to step seven (7). If pipe is pulled a 100' plug is to be placed across the casing stub, 50' below to 50' above the stub. Then place a cement plug from 50' below surface casing shoe to surface.

Note: Free point must be below shoe.

7. If pipe is not pulled, must set a plug from 50' below surface casing shoe (No. 16-1570'; No. 18 - 1560') to surface inside and outside 4 1/2" production casing. A braden head block squeeze is unacceptable due to the fact the cement has no place to go inside the 4 1/2" casing. To place this plug you can run tubing to the desired depth and spot plug to surface, then perform a squeeze down the 8 5/8" - 4 1/2" annulus. Or perforate at the desired depth and circulate around and bring cement to surface inside and out.

A determination will be rendered to replug well No. 12 after the above two wells have been reentered. If the plugs are encountered in the wrong location, the cement has not hardened properly or the plugs are not the reported length, then this well (No. 12) will have to be reentered and plugged as described for wells No. 16 and 18.

You are also required to notify this office at least 24 hours prior to reentering these wells at (505) 326-6201 (24 hours a day). A Bureau of Land Management representative is to be present during the entire reentry and plugging operation. (Office hours are 7:45 a.m. to 4:30 p.m., Monday through Friday, phone (505) 327-5344.)

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

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.400 et. seq.

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

Sincerely,

/s/ Ron Fellows

Ron Fellows
Area Manager

1 Enclosure

cc:
Arizona Oil & Gas Conservation Commission, 5150 N. 16th St., Suite B-141,
Phoenix, AZ 85016
BIA, Navajo Area Office, Attn: James Miles, P. O. Box "M",
Window Rock, AZ 86515-0714
Navajo Nation, Minerals Dept., P. O. Box 146, Window Rock, AZ 86515
Field Solicitor (Margaret Miller)

IN REPLY REFER TO
(019)

UNITED STATES DEPARTMENT OF THE INTERIOR

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

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Wells: #12, 16, 18 Navajo Tribal "O"

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):

See attached letter.

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.
2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.
3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.
4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when $CaCl_2$ is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).
5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.
 - 5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.
6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.
7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

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



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 250 - Cut Bank, Montana 59427-0250

AZ OIL & GAS
CONSERVATION COMMISSION

February 25, 1991

FEB 26 1991

Mr. Ron Fellows
Area Manager
United States Dept. of the Interior
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

FAXED TO: (505) 327-2922
HARD COPY MAILED VIA EXPRESS MAIL

#801
RE: No. 12 Navajo Tribal O, SE/4NE/4
No. 16 Navajo Tribal O, SE/4SE/4
No. 18 Navajo Tribal O, NE/4SW/4
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

Dear Mr. Fellows:

First of all, I want to thank you and your staff for the courtesies extended to us on February 6, 1991, when we journeyed to Farmington to meet in your office and discuss the problems pertaining to the above captioned wells.

We are going through a difficult time attempting to come up with a concrete proposal inasmuch as there are certain variables that are unknown at this time and until we "open up the wells" we will not have the answers.

As you know, when we plugged and abandoned these wells we pumped cement down the 4½" and 8-5/8" strings doing what is commonly known as a Braiden Head block squeeze. The next day after the cement had a chance to set up we removed the wellheads and cut the 8-5/8" and 4½" strings off some three feet below the ground as instructed. We then welded a plate over the top of the pipe and placed the necessary dry hole marker. Thereafter, the holes around the wellheads were backfilled and the ground was levelled and restored to its previous condition.

We would like to submit at this time the two alternatives for re-entering these wells:

- 1) If upon re-entry we find that the 4½" is cemented inside of the 8-5/8" it will be impossible to pull the production pipe. Therefore, if cement is in place between the 8-5/8" and 4½" we would request permission to replace a collar on top of the 8-5/8" surface pipe and do a squeeze job (maximum 1000# pressure) filling any void space that may remain in the 4½" casing and the 8-5/8". We would continue squeezing until we reach maximum pressure and use whatever amount of cement is needed to do this job regardless if it takes 10, 25, 50 or 100 sacks. This would then completely cement solidly the two strings of pipe left in the ground.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

Mr. Ron Fellows
United States Dept. of the Interior
Page 2.....

- 2) Alternative #2, which we would prefer to do, is to pull the 4½" casing out of the hole if, of course, it is free and indeed can be pulled to at least the bottom of the surface pipe. At that stage of the game, we would shoot off the 4½", salvage some 2000' of pipe, or whatever comes free. Thereafter, we would fill the hole again by squeezing cement (up to 1000# pressure) down the 8-5/8" and again filling the hole solidly with concrete using whatever quantity is needed.

Thereafter, of course, steel plates will then once again be welded on the top of the 8-5/8" three feet below the surface and again installing the dry hole markers.

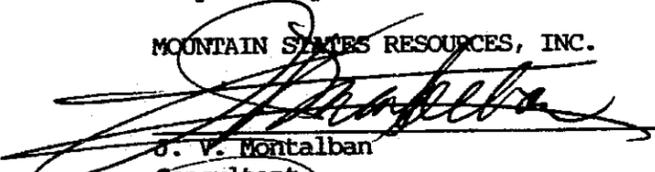
As you can now appreciate, it would be impossible to know which way we can proceed until we re-enter the perspective wells. This would of course be done under the full supervision and approval of your engineer on location along with the engineer representing the State of Arizona Oil & Gas Commission.

With your permission we are now faxing this letter to you and we would like to have your permission for a telephone conference later on this afternoon between 1600 hours (4:00 p.m. MST) and 1700 hours (5:00 p.m. MST).

Thanking you for your courtesies, we remain

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.


J. V. Montalban
Consultant


Patrick M. Montalban
President

JVM/PMM:ph

cc Mr. Daniel J. Brennan, Executive Director ✓
Oil & Gas Conservation Commission - State of Arizona



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

Mr. Ron Fellows
United States Dept. of the Interior
Page 2.....

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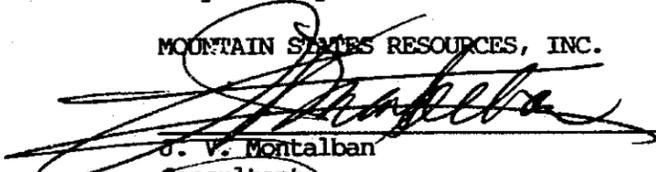
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With your permission we are now faxing this letter to you and we would like to have your permission for a telephone conference later on this afternoon between 1600 hours (4:00 p.m. MST) and 1700 hours (5:00 p.m. MST).

Thanking you for your courtesies, we remain

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.


J. V. Montalban
Consultant


Patrick M. Montalban
President

JVM/PMM;ph

cc Mr. Daniel J. Brennan, Executive Director ✓
Oil & Gas Conservation Commission - State of Arizona

FRISBEE, MOORE, STUFFT & OLSON

ATTORNEYS AT LAW
13 EAST MAIN - WILKINS BLDG.
POST OFFICE BOX 547
CUT BANK, MONTANA 59427-0547
(406)873-2263
Telecopier (FAX) (406)873-4342

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

SILDEN S. FRISBEE
JOHN P. MOORE
DAVID F. STUFFT
ROBERT G. OLSON

PLEASE REPLY TO CUT BANK OFFICE

Browning Office
Blackfoot Nat'l Bank Bldg.
Browning, Montana 59417
(406)338-2777
(Tues. & Thurs. 1:30 - 5:00)

February 20, 1991

Daniel J. Brennan, Executive Director
Oil and Gas Conservation Commission
State of Arizona
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Permit 801 12 Navajo "O" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "O" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "O" NESE Sec 22, T41N-R30E

Dear Mr. Brennan:

I acknowledge with thanks your letter of February 13, 1991.

Transmitted herewith is a copy of the Mountain States Resources correspondence to the Bureau of Land Management which contains the reports on the plugging which you have requested. It is most unfortunate that through an oversight these matters were not sent to you as well.

At the present time Mountain States Resources is devising a plan to submit to the BLM for approval, as well as yourself, so that they can attempt to satisfy your requirements and changes which have been directed.

Kindly be advised that Mr. J.V. Montalban, as CEO of Mountain States Resources, retired as of December 31, 1990, and in the rush of all of the matters which transpired preceding his retirement and since that time, this matter in connection with the Arizona requirements was painfully overlooked.

Please feel free to check with Mr. Ron Fellows at the BLM office at Farmington, New Mexico, on all these matters, as we would like to try to coordinate what is going on here between both the State and the Federal office here in order to harmonize the resolution of these problems.

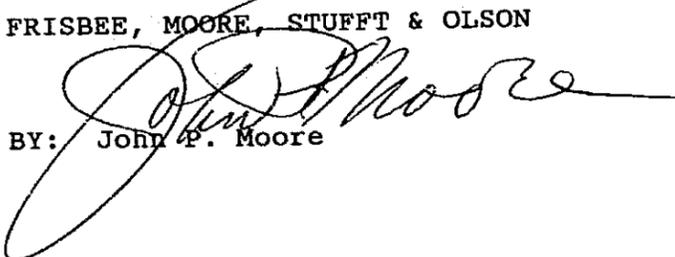
Daniel J. Brennan, Executive Director
February 20, 1991
Page Two

At the present time we are groping for an answer as to whether or not the casing should be pulled on these wells. I enclose a copy of the memo from our engineer, Mr. R.N. Ronco concerning the welding procedure which was followed when the plugging was done. As stated above, these matters are now being worked out and we will have a proposal to submit on February 25, 1991 as previously arranged with the BLM.

Thanking you for your cooperation, we are

Respectfully yours,

FRISBEE, MOORE, STUFFT & OLSON

BY:  John P. Moore

JPM:dda
CERTIFIED/RETURN RECEIPT
Enclosures

cc Mountain States Resources, Inc



Oil and Gas Conservation Commission
STATE OF ARIZONA

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

February 13, 1991

Mr. John P. Moore
Frisbee, Moore, Stufft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

RE: Permit 801 12 Navajo "0" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "0" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "0" NESE Sec 22, T41N-R30E

Dear Mr. Moore:

We have received your letter concerning subject wells. It was interesting to read of your conference with BLM in Farmington. However, that conference does nothing to comply with Arizona Statutes and Rules.

Copies of BLM correspondence are of interest, but do not rectify your client's failure to file and receive approval of State Form 9, Application to Plug and Abandon or State Form 10, Plugging Record. It is now over three weeks since your client received our letter and the forms still have not been filed.

Your statement that your client was "not aware of the requirements" is not acceptable. Every operator has the duty and responsibility to make himself aware of the laws and rules of the jurisdiction in which he operates. According to our records, your client requested and was sent a copy of our rules in 1982. I am enclosing a copy of my letter to your client, of August 16, 1990, reiterating the necessity for these reports.

In addition, our rules require written notice of intention to plug so that we may witness the plugging. Failure to reach us on a Saturday morning, as your client failed to reach BLM on a Saturday morning, is not an acceptable excuse. It seems obvious that the operator must have known of the plans to plug the wells on Friday, and could have called then.

I have twice provided your client with the appropriate forms (in August 1990 and again in January 1991). These forms must be submitted. Form 9, Application to Plug and Abandon must be approved by us before any action is taken. Form 10 is to be filed within 30 days after the plugging is accomplished.

Mr. John P. Moore

February 13, 1991
Page 2

I refer you to our letter of January 14, which set out what your client must do to satisfy our requirements. Once he sends us his record of what was done in the wells, we will evaluate the record for compliance with our requirements. Complete documentation to verify the report should be included.

If the work done does not meet our requirements, then the wells will have to be opened and plugged in such a manner as to meet our requirements.

We will be pleased to coordinate our efforts with those of BLM. However, for us to be able to cooperate with BLM, we must be able to demonstrate compliance with the duties mandated by Arizona laws and rules. If we do not receive the proper paper work and adequate notification, expressions of good will are valueless.

We are looking forward to the resolution of this problem.

Very truly yours,



Daniel J. Brennan
Executive Director

Enclosure



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16TH STREET, SUITE D 141
PHOENIX, ARIZONA 85016
PHONE: (602) 255 5161

August 16, 1990

Mr. J. V. Montalban, President
Mountain States Resources, Inc.
P. O. Box 250
Cut Bank, Montana 59427

Dear Mr. Montalban:

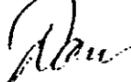
Enclosed are Arizona Oil & Gas Conservation Commission Forms 9 and 10, Application to Plug and Abandon and Plugging Record. If you do have to plug out your wells at Teec Nos Pos, we need to have these forms. File Form 9 before you plug the wells and Form 10 afterwards.

We also have to be called 24 hours before you do the jobs, so we can be there. We have to have this paperwork before we can release your bonds on the wells.

I hope you can get a continuance from the Navajo Tribe, and not have to plug the wells right away. I am working on the area right now, as I told you yesterday. So far your No. 18 Navajo "O" well is the only one I don't seem to have good information about. I am looking forward to receiving it from you so I can finish the job soon.

Thanks for your cooperation.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures

*Thank you for sending the representative re. No. 18 well
so quickly. It came this afternoon if you would like your
logs returned, please let me know. Thanks a lot*

[Handwritten initials]

FRISBEE, MOORE, STUFFT & OLSON

ATTORNEYS AT LAW

13 EAST MAIN - WILKINS BLDG.

POST OFFICE BOX 547

CUT BANK, MONTANA 59427-0547

(406)873-2263

Telecopier (FAX) (406)873-4342

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 12 1991

SILDEEN S. FRISBEE
JOHN P. MOORE
DAVID F. STUFFT
ROBERT G. OLSON

PLEASE REPLY TO CUT BANK OFFICE

Browning Office
Blackfoot Nat'l Bank Bldg.
Browning, Montana 59417
(406)338-2777
(Tues. & Thurs. 1:30 - 5:00)

February 8, 1991

Daniel J. Brennan, Executive Director
Oil & Gas Conservation Commission
State of Arizona
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Lease N00-C014-20-44333

Township 41 North, Range 30 East
Section 22: Apache County, Arizona

No. 12 Navajo Tribal "O", SE $\frac{1}{4}$ NE $\frac{1}{4}$
No. 16 Navajo Tribal "O", SE $\frac{1}{4}$ SE $\frac{1}{4}$
No. 18 Navajo Tribal "O", NE $\frac{1}{4}$ SW $\frac{1}{4}$

Gentlemen:

This will acknowledge your letter dated January 14, 1991 addressed to J.V. Montalban, President of Mountain States Resources. Mr. Montalban has been out of town and your letter was delayed in reaching me for appropriate reply.

Kindly be advised that an informal conference was held with Mr. Ron Fellows, Area Manager for the Farmington Resource Area, Bureau of Land Management, at Farmington, New Mexico, Wednesday afternoon, in which he and various members of his staff participated. The entire problem and misunderstanding concerning the plugging of the three wells above captioned was fully discussed and the thinking of both sides was completely laid out for all to understand and it would appear that we have reached a harmonious commodation.

For your information, we enclose a copy of the Request for Administrative Review which has been heretofore filed and is now pending.

801

Daniel J. Brennan, Executive Director
February 8, 1991
Page Two

We expect that from our informal conference Wednesday, we will be able to work out the problems we have here so that we will not need to pursue the requested Administrative Review; however, the right to pursue this has been perfected in the usual manner.

At this point we will see that copies of all correspondence on this matter with the BLM are referred to your office so that you are abreast and up to date with what we are doing on this Federal Lease on the Navajo Indian Reservation.

Mountain States Resources was not aware of the requirements for furnishing plugging reports, etc. with your office.

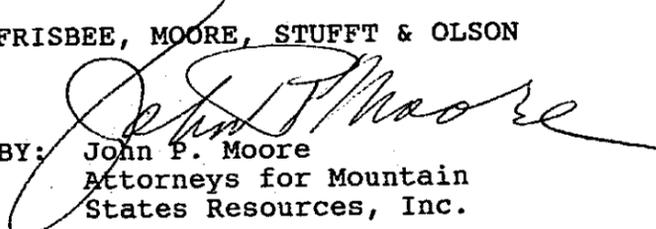
Every effort up to this point has been made to attempt to keep these wells available for further production and for this reason the complete long string of casing was left in place and not removed.

We would like to attempt to coordinate our efforts with the BLM with your office in order to have no further misunderstandings in this matter.

After you have considered the foregoing, please advise as to your further wishes and we will make every effort to cooperate therein.

Respectfully yours,

FRISBEE, MOORE, STUFFT & OLSON


BY: John P. Moore
Attorneys for Mountain
States Resources, Inc.

JPM:dda
Enclosure

cc Mountain States Resources, Inc.
Ron Fellows, Area Manager,
Farmington, New Mexico - BLM

FRISBEE, MOORE, STUFFT & OLSON

ATTORNEYS AT LAW
13 EAST MAIN - WILKINS BLDG.
POST OFFICE BOX 547
CUT BANK, MONTANA 59427-0547
(406)873-2263
Telecopier (FAX) (406)873-4342

SILDEN S. FRISBEE
JOHN P. MOORE
DAVID E. STUFFT
ROBERT G. OLSON

PLEASE REPLY TO CUT BANK OFFICE

Browning Office
Blackfoot Nat'l Bank Bldg.
Browning, Montana 59417
(406)338-2777
(Tues. & Thurs. 1:30-5:00)

February 1, 1991

Mr. Larry L. Woodard
New Mexico State Director
United States Department of the Interior
Bureau of Land Management
P.O. Box 1449
Santa Fe, NM 87504

RE: Lease N00-C014-20-44333

Township 41 North, Range 30 East
Section 22: Apache County, Arizona

No. 12 Navajo Tribal "O", SE $\frac{1}{4}$ NE $\frac{1}{4}$
No. 16 Navajo Tribal "O", SE $\frac{1}{4}$ SE $\frac{1}{4}$
No. 18 Navajo Tribal "O", NE $\frac{1}{4}$ SW $\frac{1}{4}$

REQUEST FOR ADMINISTRATIVE REVIEW
BEFORE STATE DIRECTOR WITH ORAL PRESENTATION

Gentlemen:

Pursuant to 43 CFR Section 3165.3(b) Mountain States Resources, Inc., P.O. Box 250, Cut Bank, Montana 59427, as an adversely affected party for the purpose of contesting the Order contained in the Bureau of Land Management (BLM) letter dated January 10, 1991, a copy of which is attached hereto as Exhibit 1, REQUESTS ADMINISTRATIVE REVIEW BEFORE THE STATE DIRECTOR WITH ORAL PRESENTATION.

This REQUEST is made and based upon all of the papers, files, documents, reports and all portions of the record in

Mr. Larry Woodard
February 1, 1991
Page Two

this matter herein, together with the supporting documentation filed herewith marked Exhibits 2 through 10 consecutively, and the testimony to be provided at Oral Presentation.

The aforesaid Order set forth in the BLM letter of January 10, 1991, was received by the undersigned Mountain States Resources, Inc. on January 14, 1991. Therein it is stated that there is allowed thirty (30) days to comply with this Order. By our filing this REQUEST at this time within the time which is allowed for compliance with this Order, we respectfully request that you suspend the effective date of this Order temporarily while this contest proceeds to a conclusion.

Similarly, pursuant to 43 CFR 3165.3, this REQUEST is filed within twenty (20) business days from the date of such notice, as specified therein.

Please note that it is shown by Exhibit 2, the Affidavit of J.V. Montalban as the then President and C.E.O. of Mountain States Resources, Inc., that the plugging of the three (3) wells herein now in question was prudently conducted in accordance with the established written plugging procedure of the BLM and fully approved by the BLM on August 14, 1990, as shown by Exhibit 4.

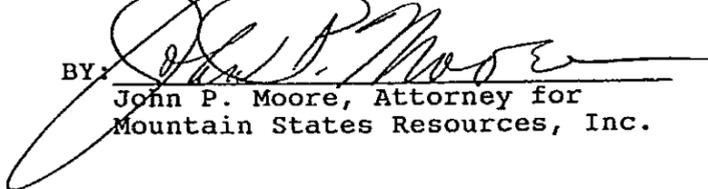
The Affidavit of J.V. Montalban further shows that he communicated with the BLM office at Farmington, New Mexico more than twenty-four (24) hours before plugging to give the notice of the time for plugging, but he was unable to reach Mr. Steve Mason or any other employee of the BLM at the hour of 9:00 o'clock a.m. on October 13, 1990, when said call was made on phone number (505)327-5344, all in accordance with the directions of the BLM.

We trust that at an ORAL PRESENTATION, these matters can be fully demonstrated.

Mr. Larry L. Woodard
February 1, 1991
Page Three

At present, we have arranged an early meeting with Mr. Ron Fellows, Area Manager of the Farmington Resource Area Office to review these matters and seek to reach an appropriate accommodation which may resolve this contest before ORAL PRESENTATION, DETERMINATION and DECISION is made by the State Director pursuant to 43 CFR Section 3165.3(b) and (d). Every effort will be made to conclude this matter at such meeting with Mr. Ron Fellows scheduled for February 6, 1991 at 2:00 o'clock P.M. at his office. All rights to a speedy hearing action as provided in (d) above are waived.

Respectfully yours,
MOUNTAIN STATES RESOURCES, INC.

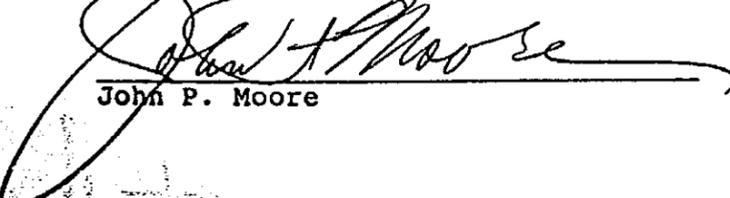
BY: 
John P. Moore, Attorney for
Mountain States Resources, Inc.

JPM:dda
Enclosures
FAXED WITHOUT EXHIBITS 2/1/91 _____ P.M. MST (505)988-65430
HARD COPY MAILED 2/1/91 WITH EXHIBITS

CERTIFICATE OF MAILING

I, John P. Moore, do hereby certify that I mailed a true and correct copy of the within and foregoing document, by depositing the same in the United States Post Office at Cut Bank, Montana, postage prepaid, this 1st day of February, 1991, addressed to the following:

Copy to: Mr. Ron Fellows, Area Manager
United States Department of the Interior
Bureau of Land Management
Farmington Resource Area
1235 Laplata Highway
Farmington, NM 87401
(ALSO FAXED _____ P.M.
FAX NO. (505) 327-2922)


John P. Moore

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS MAIL FEE, AND CHARGES FOR ANY SELECTED OPT. MAIL SERVICE. If you are using a post office service which requires a postage stamp, attach it to the article and present the article at a post office service window. If you are using a post office service which requires a postage stamp, attach it to the article and present the article at a post office service window. If you are using a post office service which requires a postage stamp, attach it to the article and present the article at a post office service window.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

December 5, 1990

Mr. John Keller
REgional Engineer
Area Branch Chief
U. S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Faxed To: (505) 327-2922
Hard Copy Mailed:

Re: No. 12 Navajo Tribal O,SE/4NE/4
Re: No. 16 Navajo Tribal O,SE/4SE/4
Re: No. 18 Navajo Tribal O,NE/4SW/4
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

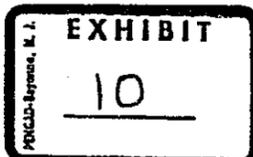
Dear Mr. Keller:

Further to our fax of yesterday afternoon, December 4, 1990, I am now answering, in detail, the letter dated November 2, 1990, under name of Mr. Ron Fellows, Area Manager, but actually signed by a John "Philb", for Mr. Fellows. So it is, therefore, difficult, from a point of law, who actually composed the letter and who issued the instructions!

At any rate, as mentioned in yesterdays fax, we are a small Company and we do not have the luxury of having three people to do one job. Therefore, we cannot jump to a new tune, at the wave of a baton, as we operate with a very stringent budget, which is calculated on a quarter to quarter basis. In other words, new activities and/or expenses created in the fourth quarter, can only become budgeted in the following quarter. We do not spend money that we do not have - or that has not been appropriated.

When we started the plugging program, during the middle of October, it was supervised by our Petroleum Engineer, who had driven over 2,500 miles from Northern Alberta to New Mexico. We were "under the gun" to get the wells plugged by Monday, October 15th. As you well know, we had been attempting to negotiate a new production-operating deal with the BIA, covering these wells; but, because the Director of Minerals, for the BIA, had been away on a lengthy vacation, we were unable to consummate a new deal prior to the plugging date. Therefore, we did our level best to plug the wells in a proper oil field manner, which has been followed for the past fifty years!

We had originally planned to shoot off the casing, pull the pipe and fill the hole with concrete. This was not done, because we left the casing in the wells in case the time should come when





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OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

Mr. John Keller
U. S. DEPARTMENT OF INTERIOR
December 5, 1990
Page Two.....

a feasible recompletion could be negotiated. You are correct in stating the the original approved plugging plan called for plugs across the DeChelly and Chinle; but, after we left the casing in the well, there was no reason for plugs or squeezing of these two zones.

We have talked to several operators in the Four Corners area, including majors such as Texaco and El Paso, along with several independents, and nobody indicates squeezing formations is called for - when leaving the production casing in the hole.

You further state an unfounded concern that our wells produced H_2S in the past and, based on this hearsay, you are demanding that we recenter the subject wells! This is an incorrect statement and we can document, by an actual monitoring test, that H_2S is not present and, therefore, no problem!

Accordingly, Mr. Keller, I would now like to outline our points, pertaining to each well, of why we feel that the plugging program that we completed was actually MORE than ample - and we used more cement and mud in the plugging of these wells - than your own program actually called for, as follows:

Navajo Tribal "O" 12:

- 1) Shut-in pressure was only 60 psi after 4 years of shut-in.
- 2) When drilling with water in May, 1982, the DeChelly did not flow water.
- 3) When drilling and running logs, the hole was bridging at 1940'. It would not be feasible to circulate a cement plug across the DeChelly if the hole is bridged around the 4 1/2" casing.
- 4) In addition, when the well was worked over, in 1986, stretch data obtained indicated that the casing was stuck at approx. 1,940', and that casing could only be pulled and recovered from approx. 1,800'.
- 5) The Chinle was cemented in April 1983, as per Sundry Notice and CBL log previously supplied.



MOUNTAIN STATES RESOURCES, INC.

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OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

Mr. John Keller
U. S. DEPARTMENT OF INTERIOR
December 5, 1990.....
Page Three.....

Navajo Tribal "O" 16:

- 1) Shut-in pressure was only 5 psi after four years of shut-in.
- 2) When drilling with water in January, 1983, the DeChelly did not flow water.
- 3) When attempting to run a DST on 1-08-83, the hole was bridged from 2,200' to 2,500'. ON 1-10-83, bridges were encountered from 2,330' to 2,430' when trying to run logs the first time. When trying to run logs the second time, on the same date, the hole was bridged at 1,948'. Finally, after three attempts to log the hole, we ran pipe and cased hole logs.
- 4) It would not be feasible to circulate a cement plug across the DeChelly and Chinle as the hole is bridged around the 4 1/2" casing.
- 5) Again, stretch data obtained during a service job in 1986 showed the casing to be stuck at approx. 1,900'.

6) Surface casing (8 5/8") is set at 1,515' and cemented to surface. Therefore, the plug specified should not be necessary and is not as specified in the approved Sundry Notice (11-30-88). The plug specified is excessive and not as specified in the approved Sundry Notice (11-03-88).

Navajo Tribal "O" 18:

- 1) Shut-in pressure was only 10 psi after 6 years of shut-in.
- 2) When drilling with water in August, 1983, the DeChally did not flow water.
- 3) When tripping on 8-18-83, the hole was bridged at 2,010' and 2,068' to 2,353'. When tripping on 8-22-83, the hole was bridged at 2,100'. When tripping on 8-23-83, the hole was bridged at 2,118'. When tripping on 8-24-83, the hole was bridged from 2,150' to 2,200'. It would not be feasible to circulate a cement plug across the DeChelly if the hole is bridged around the 4 1/2" casing. Again, stretch data calculations shows the casing to be stuck at approx. 1,800'.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

Mr. John Keller
U. S. DEPARTMENT OF INTERIOR
December 5, 1990
Page Four.....

We plugged each of the wells with a minimum of 80 sax and a maximum of 100 sax of 50:50 Pozmix cement by placing a 40 sax plug at 4500' (top at 3937') and a 40 sax plug from surface to 563'. Drilling mud was trucked in and used between plugs. The wells were shut-in and the casings cut off, a 1/4' thick steel plate welded over, and a dry hole marker erected. Cement (50 sx) was also pumped down the 8 5/8"-4 1/2" annulus in the Navajo Tribal "O" 12.

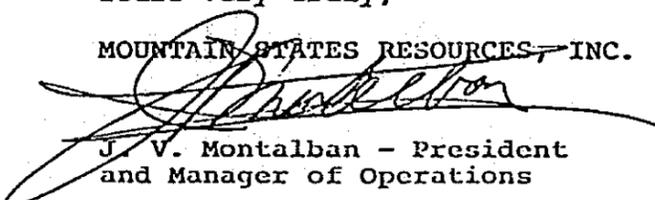
Although we did deviate, *by leaving production casing in the hole,* from the approved intentions to abandon, the BLM has also now deviated from them in their letter of November 2, 1990, by specifying longer plugs than were originally approved.

We spent many thousands of dollars expediting this plugging program, which was, in our opinion, a truly catastrophic shame! To plug wells that are still capable of stripper production and economically feasible to produce, now that oil is back to \$30.00, is almost an unforgivable crime! Unfortunately, we were unable to resolve this situation in the short time provided - so, we decided to leave the casing in the wells in case a new agreement can be negotiated with the BIA, by ourselves, or other interested parties.

Please digest the contents of my letter - and I will call you Friday morning - for further discussion.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.


J. V. Montalban - President
and Manager of Operations

JVM/cbm
Enclosed find Standby U.S. Equipment
Company letter of 7-23-82.



MOUNTAIN STATES SOURCES, INC.
MSR EXPLORATION, LTD.

(INCORPORATED UNDER THE LAWS OF ALBERTA)

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM BUILDING - BOX 250 - CUT BANK, MONTANA 59427-0250
TELEPHONE (406) 873-2235
CUT BANK FAX 1-406-873-4731 BILLINGS FAX 1-406-259-1151

October 16, 1990

Mr. John Keller
Regional Engineer
Area Branch Chief
U. S. DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Faxed To: (505) 327-2922
Hard Copy mailed!

Faxed To: (602) 871-5704
Navajo Minerals Dept.
Hard Copy mailed!

Dear Mr. Keller:

RE: No. 12 Navajo Tribal O, SE/4NE/4
No. 16 Navajo Tribal O, SE/4SE/4
No. 18 Navajo Tribal O, NE/4SW/4
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

Further to our correspondence and long distance telephone calls, of the last two weeks, pertaining to the above captioned, we regret to advise that we were unable to negotiate a new operating lease with the Navajo Nation.

We worked diligently all of last week with Messrs. Zaman and Hansen, at the Minerals Department and, although they were both sympathetic and did not want to see us plug the captioned wells now that oil has reached \$35.00 a barrel - time ran out last Friday, the 12th.

Accordingly, after Mr. Reno Roncco, our Petroleum Engineer, drove all the way from northern Alberta, to Teec Nos Pos, we commenced plugging the above wells this past weekend, so as to meet the deadline of October 15, 1990, as outlined in Mr. Ron Fellows letter of September 28, 1990.

We followed the plugging program, as submitted and approved, using 105 sax of cement in each well. We decided to leave the production casing in the well so that the wells may be reentered and salvaged in the near future - particularly if oil remains above \$30.00 a barrel. The formal plugging reports will be forthcoming when Mr. Roncco gets back from Arizona, which will be in the next few days.

We deeply regret that we were unable to save the wells in question, especially now that the price of oil makes stripper wells, once again, economical to operate.

Yours very truly,

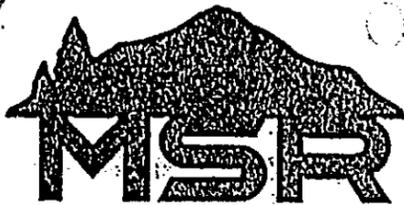
J. P. Alban

J. P. Alban - President

cc: Navajo Nation
Minerals Dept.
Akhtar Zaman, Director
Adrian Hansen, Pet. Eng.

EXHIBIT

9



FILE COPY
MOUNTAIN STATES RESOURCES, INC.

A subsidiary of M&J Exploration Ltd.
OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CHM Building, Box 250, Cut Bank, Montana 59127 (406) 873-2235

October 5, 1990

THE NAVAJO NATION MINERALS DEPARTMENT
P. O. Box 146
Window Rock, AZ 86515

FAXED TO: (602) 871-5704
Hard Copy Mailed

Attn: Adrian Hansen, Petroleum Engineer

RE: NO. 12 NAVAJO TRIBAL O, SE/4NE/4
NO. 16 NAVAJO TRIBAL O, SE/4SE/4
NO. 18 NAVAJO TRIBAL O, NE/4SW/4
SEC. 22 - T41N - R30E
APACHE COUNTY, ARIZONA
TERMINATED LEASE NOO-C-14-20-4433

Gentlemen:

Further to our letter dated September 26, 1990, addressed to the U.S. Department of the Interior, and, further to my telephone conversation with Mr. Adrian Hansen yesterday, October 4th, we once again reiterate our feelings regarding the plugging of the above captioned wells. We have explained our position to the BLM and they explain that their "hands are tied" and that the wells must be plugged as the lease has been terminated.

Accordingly, we are now pleading with the Navajo Nation to allow us to rework and place these wells back on production now that oil has reached \$35.00 a barrel (+ or -).

At this price we can rework the #12 and the #16 and place them back on production. The Navajo #18 will be plugged as it produces only water.

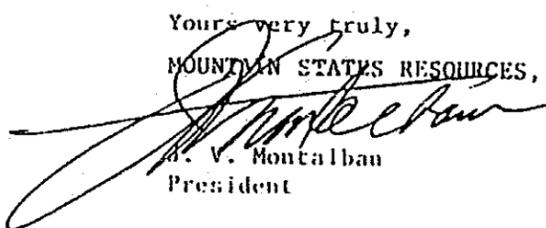
We feel that it would be sacrilegious and a crime to plug these wells after spending in excess of \$1,000,000 to drill and complete, especially now, when 40 gravity oil is bringing \$37.00 a barrel. These stripper wells were not commercial at \$15.00 a barrel but they certainly are at these present prices.

If plugging these wells can be saved we will come to Window Rock next week and sit down and negotiate some type of an operating agreement covering this recompletion work and placing the wells back on production.

Please give this your immediate attention as we are under a stringent plugging program from the BLM which has to be in progress by October 15th.

Thanking you for your kind consideration in this matter, I remain

Yours very truly,
MOUNTAIN STATES RESOURCES, INC.


A. V. Montalban
President

JVM:ph

cc Mr. John Keller, U.S. DEPT. OF INTERIOR, BLM, Farmington, NM





United States Department of the Interior

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



IN REPLY REFER TO:

NOO-C-14-20-4433 (WC)
3162.3-4 (019)

SEP. 28 1990

CERTIFIED - RETURN RECEIPT REQUESTED
P 337 993 228

Mountain States Resources Inc.
CBM Building
P. O. Box 250
Cut Bank, MT 59427-0250

Gentlemen:

Reference is made to the following Navajo Tribal O wells located in Apache County, Arizona on terminated Navajo Tribal lease NOO-C-14-20-4433:

1. No. 12, SE/4NE/4 sec. 22, T. 41 N., R. 30 E.;
2. No. 16, SE/4SE/4 sec. 22, T. 41 N., R. 30 E.;
3. No. 18, NE/4SW/4 sec. 22, T. 41 N., R. 30 E..

Also referenced is your letter dated September 26, 1990, which requested an extension of 15 days to plug the above mentioned wells. The extension is hereby granted until October 15, 1990. Your request to rework and place the wells back on production is denied, due to the fact the lease has been terminated by the Bureau of Indian Affairs and the Navajo Tribe. Therefore, your only option is to plug these wells. Failure to comply within the time prescribed will result in strict enforcement of 43 CFR 3163.1.

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

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

Sincerely,

Ron Fellows
Area Manager

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



Cell

Regional 616:

FAX
(505) 327
7922



Standby H₂S Equipment Co.

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P.O. BOX 1407 • CORTIZ, COLO. 81321 • PHONE 303/565-6391

July 23, 1982

Mountain States Resources
916 Main St., #22
Cortez, CO 81321

Gentlemen:

This letter is information resulting from some testing regarding the tank battery Navajo Tribal 0-12 lease at Teec Nos Pos, AZ.

On Friday, July 23, 1982, a monitor, sensor-head with recording tape was set downwind between the pit and 2 Navajo homes, on separate occasions.

On both occasions, the test was run for 30 minutes, and the tape showed no indication of H₂S upon completion of the test.

My opinion is that there exists no danger for human and/or animal life, or sickness from gas in this location, at this present time.

Sincerely,


Clinton Dean

CD/ja



Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0133
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

3. Lease Designation and Serial No.

NOO-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit of CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

860' FSL & 400' FEL, Section 22, T41N, R30E

8. Well Name and No.

Navajo Tribal "O" 16

9. API Well No.

02-001-20279

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache Co., Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "O" 16 on October 14, 1990 as shown below:

- 1) Pressure tested lines.
- 2) Pumped 40 sx 50:50 Pozmix cement.
- 3) Displaced bottom plug with 53 bbl.
- 4) Pumped 40 sx 50:50 Pozmix cement, cement top at surface.
- 5) Shut-in well. WOC.
- 6) Cut off and capped casings, welded on dry hole marker.

14. I hereby certify that the foregoing is a true and correct copy of the original.

[Signature]
The Operator (for Federal or State/line use)

Title President

Date October 24, 1990

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

EXHIBIT
5

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

of any agency of the United States any false, fictitious or fraudulent statements or representations.

Form 9-331
Dec. 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
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
P.O. Box 250 - Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: Sec. 22, 2310' FNL & 330' FEL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

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

REQUEST FOR APPROVAL TO:
TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
PULL OR ALTER CASING
MULTIPLE COMPLETE
CHANGE ZONES
ABANDON*
(other) Change of Plans

SUBSEQUENT REPORT OF:

5. LEASE	NOO-C-14-20-4433 /
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	Navajo
7. UNIT AGREEMENT NAME	
8. FARM OR LEASE NAME	Navajo Tribal "O"
9. WELL NO.	12
10. FIELD OR WILDCAT NAME	Teec Nos Pos
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	Sec. 22, T41N, R30E
12. COUNTY OR PARISH	13. STATE
Apache	Arizona
14. API NO.	02-001-20258
15. ELEVATIONS (SHOW DF, KDB, AND WD)	4940' GL

(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.)

MOUNTAIN STATES RESOURCES, INC. has decided not to pull the 4 1/2" production casing during plugging and abandonment of this well. The well will be plugged as approved on Form 9-331 dated October 3, 1988, with cement plugs placed inside and outside the production casing at the specified depths.

Due to other work commitments, MOUNTAIN STATES RESOURCES, INC. requests an extension until October 1, 1990 to complete this work.

Subsurface Safety Valve: Manu. and Type _____

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

SIGNATURE J. V. Montalban TITLE President DATE August 1, 1990

(This space for Federal or State office use)

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

BLM (4)

FARMINGTON COPY

EXHIBIT
4

Set @ APPROVED Ft.
AUG 1 1990
AREA MANAGER
FARMINGTON RESOURCE AREA

Dec. 1973

Form Approved.
Budget Bureau No. 42-R1424

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen a well. Use Form 9-331-C for such proposals.)

1. oil well gas well other FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
P.O. Box 250 - Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: Sec. 22, 2310' FNL & 330' FEL
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 checked="" type="checkbox"/>		<input type="checkbox"/>
(other)	<input type="checkbox"/>		<input type="checkbox"/>

5. LEASE
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo Tribal "O"

9. WELL NO.
12

10. FIELD OR WILDCAT NAME
Teec Nos Pos

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22, T41N, R30E

12. COUNTY OR PARISH | 13. STATE
Apache | Arizona

14. API NO.
02-001-20258

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4940' GL

(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.)
MOUNTAIN STATES RESOURCES, INC. proposes to plug and abandon this well because commercial production has not been attained and the lease has been cancelled. All work will be done in accordance to BLM and AOGCC regulations. The proposed procedure is as follows:

- MIRUSU.
- TOOH with rods, pump, tubing, and anchor-catcher. RIH with tubing to 5080 ft. Spot 20 sx of 50:50 Pozmix cement at 5000 ft. TOOH with tubing.
- Shoot off 4 1/2" casing at 4000 ft. and TOOH with casing. Fill the hole with 9.0 ppg fresh water gel mud. 45" plug across scub, 54" plug 2345-2245 and 1445-1345
- RIH with tubing to 570 ft. Spot 30 sx of 50:50 Pozmix cement at 570 ft. TOOH with tubing to 570 ft.
- Spot 15 sx of 50:50 Pozmix cement in 8 5/8" casing to surface. TOOH with tubing.
- RDMSU and reclaim location.

Subsurface Safety Valve: Manu. and Type _____ SEE ATTACHED FOR _____ Ft.

18. I hereby certify that the foregoing is true and correct _____ CONDITIONS OF APPROVAL

SIGNED _____ TITLE President DATE Oct 10 1988

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE NOV 20 1988

CONDITIONS OF APPROVAL IF ANY:
BLM(4), AOGCC(3)

FARMINGTON AREA MANAGER

EXHIBIT
3

AFFIDAVIT OF J.V. MONTALBAN

STATE OF MONTANA)
) ss.
County of Glacier)

J.V. Montalban, being first duly sworn upon his oath, deposes and says:

1. He is a graduate petroleum engineer and has been actively engaged in the management and operation of Mountain States Resources, Inc. since 1969. At all time herein mentioned he served as Chief Executive Officer (CEO) and President of Mountain States Resources, Inc. He retired from such position on December 31, 1990.

2. Commencing on October 13, 1990, he caused the following wells located in the Teec Nos Pos Field, Arizona, to be plugged:

NAVAJO Tribal "O" 12

NAVAJO Tribal "O" 16

NAVAJO Tribal "O" 18

The plugging plan and program was completed on October 14, 1990 and was done in accordance with the directions and approval of the Bureau of Land Management as shown by Exhibit 4 attached to the foregoing REQUEST FOR ADMINISTRATIVE REVIEW BEFORE STATE DIRECTOR AND ORAL PRESENTATION, and the other documentation herein.

3. The approved plugging plan and procedure with 6500 feet of 4½ inch new production casing from surface to bottom now remaining in each well provides good, adequate and sufficient physical, structural and mechanical integrity to eliminate any

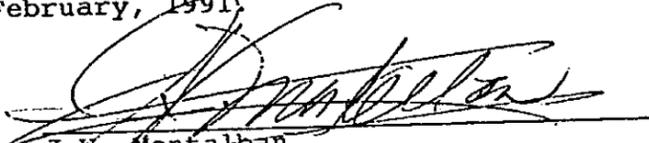


reasonable risk of water intrusion. As shown by Exhibit 6, these wells produced no H₂S.

4. He personally from his Mountain States Resources, Inc. office at Cut Bank, Montana, on October 13, 1990, at 9:00 o'clock a.m., communicated with the Bureau of Land Management Area Office at Farmington to advise of the plugging which was to commence on October 14, 1990, following the earlier moving in of a service rig and setting up for plugging. This call was made to phone number (505)327-5344 for one Steve Mason as directed, or to any other Bureau of Land Management (BLM) representative. The BLM did not answer the telephone ring and call as there was apparently no one at the BLM Area Office to answer the telephone. A monitor advised only of office hours. With the tools and rig moved in and standing on the location, the plugging necessarily commenced and was completed according to the Plan approved by the BLM as aforesaid. The deadline for plugging was set by the BLM and had to be met and completed by October 15, 1990, Exhibit 7.

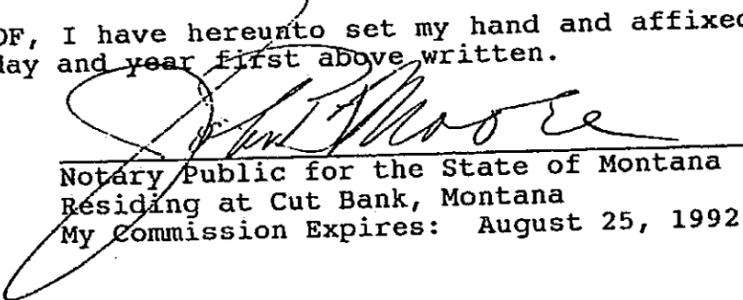
5. New production casing was prudently left in each well in order to permit later re-entry and re-working to avoid waste and to preserve and protect the opportunity to later restore production. Please refer to Exhibits 8, 9 and 10. This explains and justifies the leaving of production casing in place, although this is an insignificant variance from the original approval program in Exhibit 3. It is truly an improvement at substantial expense (loss) to Mountain States Resources, Inc.

DATED this 1st day of February, 1991


J.V. Montalban

Subscribed and sworn to before me this 1st day of February, 1991.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by Official Seal the day and year first above written.


Notary Public for the State of Montana
Residing at Cut Bank, Montana
My Commission Expires: August 25, 1992



United States Department of the Interior

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



IN REPLY REFER TO:

HOO-C-14-20-4453 (EC)
3162.3-4 (019)

JAN. 10 1991

CERTIFIED - RETURN RECEIPT REQUESTED
P 357 993 577

Mountain States Resources, Inc.
P. O. Box 250
Cutbank, MT 59427

Gentlemen:

Reference is made to the following wells located in section 22, T. 41 N.,
R. 30 E., Apache County, Arizona, terminated lease HOO-C-14-20-4453;

1. No. 12 Navajo Tribal "0", SE/4NE/4
2. No. 16 Navajo Tribal "0", SE/4SE/4
3. No. 18 Navajo Tribal "0", NE/4SW/4

We have received your Subsequent Report of Abandonment for the above wells dated December 21, 1990. As described in our November 2, 1990 letter, the subject plugging deviates from the original approved modified plugging plan. In addition, the State of Arizona also contacted your office and requested that the fresh water zones be covered by cement. This is to say a plug inside and outside the production casing is to be placed from 50' below the top of the chinle to the surface. *afterwards*

You are required to re-enter well No. 16 and No. 18 as follows:

- a. Drill out surface plug.
- b. Run in hole with tubing and tag producing horizon plug and note location.
- c. Bring cement from top of plug to extend 50' above Hermosa top (if needed).
- d. Test mud, if inadequate bring up to BLM standards (see general requirements attached to your intent to abandon).
- e. Set a plug from 50' below surface casing shoe (No. 16 - 1570;
No. 18 - 1560') to surface inside and outside 4 1/2" production casing.

A determination will be rendered to replug well No. 12 after the above two wells have been re-entered. If the plugs are encountered in the wrong location, the cement has not hardened properly or the plugs are not the reported length, then this well (No. 12) will have to be re-entered and plugged as described for wells No. 16 and 18.

RECEIVED

JAN 14 1991

MOUNTAIN STATES
RESOURCES, INC.



You are also required to notify this office at least 24 hours prior to re-entering these wells at (505) 326-6201. A Bureau of Land Management representative is to be present during the entire reentry and plugging operation.

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

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.400 et. seq.

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

Sincerely,



Ron Fellows
Area Manager

cc:
Arizona Oil & Gas Conservation Commission, 5150 N. 16th St., Suite B-141,
Phoenix, AZ 85016
BIA, Navajo Area Office, P. O. Box "M", Window Rock, AZ 86515-0714
Navajo Nation, Minerals Dept., P. O. Box 146, Window Rock, AZ 86515

RECEIVED

JAN 14 1991

RESOURCES

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



Oil and Gas Conservation Commission
STATE OF ARIZONA
5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

January 14, 1991

Mr. J. V. Montalban, President
Mountain States Resources
Box 250
Cut Bank, MT 59427

Dear Mr. Montalban:

We have received your monthly production reports for the Navajo "O" lease wells in Sec 22, T41N-R30E, Apache County, Arizona. On these reports you have entered "Plugged and Abandoned on August 14, 1990."

This is the first report we have had from you that the wells were plugged and abandoned. This is a violation of the laws of the State of Arizona and of the Rules of the Oil and Gas Conservation Commission.

Your proposals to plug and abandon the wells in 1988 included the sentence, "All work will be done in accordance to BLM and AOGCC regulation." Your plan was never approved by this office. You did not notify us at all, let alone in time to allow us to observe the procedures. These are violations of the rules and of the laws, ARS 27-527 provides penalties for such violations.

Information relating to your alleged plugging of these wells was received by the Bureau of Land Management.

This is requiring you to re-enter wells no. 16 and 18. A decision on No. 12 is contingent on the results of the re-entry.

P 330 877 702

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-565
PS Form 3800, June 1985

Sent to	J.V. MONTALBAN
Street and No.	
P.O., State and ZIP Code	59427 P.O. Box 250 CUT BANK, MT.
Postage	\$ 1.45
Certified Fee	85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	90
Return Receipt showing to whom, Date, and Address	
TOTAL Postage and Fees	\$ 3.20
Postmark	JAN 14 1991 NORTH EAST STA

PERMITS 801, 834, 843

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address.	2. <input type="checkbox"/> Restricted Delivery (Extra charge)
3. Article Addressed to: J.V. MONTALBAN MOUNTAIN STATES RESOURCES Box 250 CUT BANK, MT 59427	4. Article Number 330 877 702
5. Signature - Addressee X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X Marie Shamburg	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 1-17-91	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, April 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



Oil and Gas Conservation Commission

STATE OF ARIZONA

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

January 14, 1991

Mr. J. V. Montalban, President
Mountain States Resources
Box 250
Cut Bank, MT 59427

Dear Mr. Montalban:

We have received your monthly production reports for the Navajo "O" lease wells in Sec 22, T41N-R30E, Apache County, Arizona. On these reports you have entered "Plugged and Abandoned on August 14, 1990."

This is the first report we have had from you that the wells were plugged and abandoned. This is a violation of the laws of the State of Arizona and of the Rules of the Oil and Gas Conservation Commission.

Your proposals to plug and abandon the wells in 1988 included the sentence, "All work will be done in accordance to BLM and OGC regulation." Your plan was never approved by this office. You did not notify us at all, let alone in time to allow us to observe the procedures. These are violations of the rules and of the laws, ARS 27-527 provides penalties for such violations.

We have obtained information relating to your alleged plugging of these three wells from the Bureau of Land Management.

We understand that BLM is requiring you to re-enter wells no. 16 and 18 and to replug them. A decision on No. 12 is contingent on the results of the re-entry of the first two wells.

You are also required to file forthwith your reports on the plugging of all three wells and revised plans for the plugging of all three wells; the revised plans must be in compliance with laws and rules of Arizona.

You are required to have our approval before proceeding on the re-entry of any well. You are required to notify us at least 24 hours prior to any re-entry so that we may be present to observe the procedures.

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS
Print your name, address and ZIP Code in the space below.
Complete items 1, 2, 3, and 4 on the reverse.

1. Attach to front of article if space permits, otherwise affix to back of article.
2. Address article "Return Receipt Requested" adjacent to number.

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 22 1991

Print Sender's name, address, and ZIP Code in the space below.
OIL & GAS CONSERVATION COMMISSION
5150 N. 16th Street
Phoenix, Arizona 85016

1. If you want delivery restricted to the addressee, check the appropriate space on the front of this receipt.
2. If you want delivery restricted to the addressee, check the appropriate space on the front of this receipt.
3. U.S.G.P.O. 1989-234-565
4. If you want delivery restricted to the addressee, check the appropriate space on the front of this receipt.
5. Enter fees for the services requested in the appropriate blocks in item 1 of Form 3811.
6. Enter fees for the services requested in the appropriate blocks in item 1 of Form 3811.
7. Enter fees for the services requested in the appropriate blocks in item 1 of Form 3811.
8. Enter fees for the services requested in the appropriate blocks in item 1 of Form 3811.
9. Enter fees for the services requested in the appropriate blocks in item 1 of Form 3811.
10. Enter fees for the services requested in the appropriate blocks in item 1 of Form 3811.

Mr. J. V. Montalban

January 14, 1991
Page 2

Failure to comply will cause us to require us to demand that you re-enter and re-plug one more time, finally in compliance with Arizona laws and rules. Failure to comply will result in our turning this matter over to the Attorney General for prosecution.

Enclosed are forms for your use in reporting and proposing to plug and abandon.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures



United States Department of the Interior

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



AZ OIL & GAS
CONSERVATION COMMISSION

IN REPLY REFER TO:
N00-C-14-20-4433 (WC)
3162.3-4 (019)

JAN 1 1 1991

JAN 1 0 1991

CERTIFIED - RETURN RECEIPT REQUESTED
P 337 993 577

Mountain States Resources, Inc.
P. O. Box 250
Cutbank, MT 59427

Gentlemen:

Reference is made to the following wells located in section 22, T. 41 N., R. 30 E., Apache County, Arizona, terminated lease N00-C-14-20-4433;

1. No. 12 Navajo Tribal "0", SE/4NE/4 Permit # 801
2. No. 16 Navajo Tribal "0", SE/4SE/4 " 834
3. No. 18 Navajo Tribal "0", NE/4SW/4 Permit # 843

We have received your Subsequent Report of Abandonment for the above wells dated December 21, 1990. As described in our November 2, 1990 letter, the subject plugging deviates from the original approved modified plugging plan. In addition, the State of Arizona also contacted your office and requested that the fresh water zones be covered by cement. This is to say a plug inside and outside the production casing is to be placed from 50' below the top of the ohinle to the surface.

You are required to re-enter well No. 16 and No. 18 as follows:

- a. Drill out surface plug.
- b. Run in hole with tubing and tag producing horizon plug and note location.
- c. Bring cement from top of plug to extend 50' above Hermosa top (if needed).
- d. Test mud, if inadequate bring up to BLM standards (see general requirements attached to your intent to abandon).
- e. Set a plug from 50' below surface casing shoe (No. 16 - 1570; No. 18 - 1560') to surface inside and outside 4 1/2" production casing.

A determination will be rendered to replug well No. 12 after the above two wells have been re-entered. If the plugs are encountered in the wrong location, the cement has not hardened properly or the plugs are not the reported length, then this well (No. 12) well have to be re-entered and plugged as described for wells No. 16 and 18.

You are also required to notify this office at least 24 hours prior to re-entering these wells at (505) 326-6201. A Bureau of Land Management representative is to be present during the entire reentry and plugging operation.

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

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.400 et. seq.

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

Sincerely,

/s/ Ron Fellows

Ron Fellows
Area Manager

cc:
Arizona Oil & Gas Conservation Commission, 5150 N. 16th St., Suite B-141,
Phoenix, AZ 85016
BIA, Navajo Area Office, P. O. Box "H", Window Rock, AZ 86515-0714
Navajo Nation, Minerals Dept., P. O. Box 146, Window Rock, AZ 86515

FRISBEE, MOORE, STUFFT & OLSON

ATTORNEYS AT LAW
13 EAST MAIN - WILKINS BLDG.
POST OFFICE BOX 547
CUT BANK, MONTANA 59427-0547
(406)873-2263
Telecopier (FAX) (406)873-4342

SELDEN S. FRISBEE
JOHN P. MOORE
DAVID F. STUFFT
ROBERT G. OLSON

PLEASE REPLY TO CUT BANK OFFICE

Browning Office
Blackfoot Nat'l Bank Bldg.
Browning, Montana 59417
(406)338-2777
(Tues. & Thurs. 1:30-5:00)

February 8, 1991

Mr. Larry L. Woodard
New Mexico State Director
United States Department of the Interior
Bureau of Land Management
P.O. Box 1449
Santa Fe, NM 87504

RE: Lease N00-C014-20-44333

Township 41 North, Range 30 East
Section 22: Apache County, Arizona

No. 12 Navajo Tribal "O", SE $\frac{1}{4}$ NE $\frac{1}{4}$
No. 16 Navajo Tribal "O", SE $\frac{1}{4}$ SE $\frac{1}{4}$
No. 18 Navajo Tribal "O", NE $\frac{1}{4}$ SW $\frac{1}{4}$

Dear Mr. Woodard:

As we previously advised in our letter to you dated February 1, 1991, we have completed an informal conference with Mr. Ron Fellows, Area Manager for the Farmington Resource Area, Bureau of Land Management at Farmington, New Mexico, on Wednesday, February 6, 1991. The entire problem and misunderstanding concerning the plugging of the three wells above captioned was fully discussed and the thinking of both sides was completely laid out for all to understand and it would appear that we have reached a harmonious commodation.

We expect that from our informal conference Wednesday, we will be able to work out the problems we have here so that we will not need to pursue the requested Administrative Review and would ask your courtesy to defer any further action on this matter while we proceed to iron out these problems with the BLM.

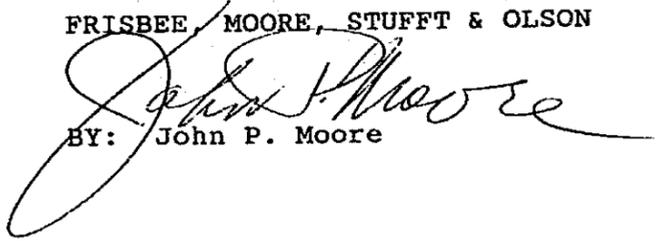
Enclosed is a copy of our letter to Mr. Daniel J. Brennan, Executive Director of the State of Arizona, Oil & Gas Conservation Commission, in furtherance hereof.

Mr. Larry L. Woodard
February 8, 1991
Page Two

We realize that our request for you to defer action on this might be considered placing you in an awkward posture; however, for the purpose of expediting a total and complete resolution of these matters without Administrative Review, with the hearing and oral testimony being necessitated at this time, we ask your indulgence.

Respectfully yours,

FRISBEE, MOORE, STUFFT & OLSON


BY: John P. Moore

JPM:dda
Enclosure

cc Mountain States Resources, Inc.
Daniel J. Brennan, Executive Director
Oil & Gas Conservation Commission
Ron Fellows, Area Manager,
Farmington, New Mexico - BLM



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

**OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS**

CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

December 21, 1990

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

Mr. John Keller
U. S. Department of the Interior
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

RE: Navajo Tribal "O" 12, 16, and 18
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

Dear Mr. Keller:

Please find enclosed Forms 3160-5, subsequent reports of the plugging and abandonment of the above captioned wells. Also enclosed are Cementing Service Reports from Dowell Schlumberger for each well.

If additional information is required, please advise.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

J. V. Montalban
President

JVM/

Enclosures

DATE: December 10, 1990

TO: Files

FROM: S. L. Rauzi

SUBJECT: Mountain States wells at the Teec Nos Pos Field

On 12/6/90 John Keller (BLM, 1235 La Plata Highway, Farmington, NM 87401, (505) 327-5344) called to report that Mountain States Resources had plugged and abandoned their three wells at the Teec Nos Pos Field. The sundry report filed by Mountain States indicated that the plugging and abandonment was not in accordance with the plugging plan submitted to the BLM. The BLM was considering action to require Mountain States to re-enter and plug the wells according to plan and have a representative witness the plugging operation.

Since these wells are apparently plugged and abandoned, the September monthly producers report will be the last report by this operator.

The wells include: 1) Navajo 12 (permit 801), 2) Navajo 16 (permit 834), and Navajo 18 (permit 843).



Oil and Gas Conservation Commission

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

August 16, 1990

Mr. J. V. Montalban, President
Mountain States Resources, Inc.
P. O. Box 250
Cut Bank, Montana 59427

Dear Mr. Montalban:

Enclosed are Arizona Oil & Gas Conservation Commission Forms 9 and 10, Application to Plug and Abandon and Plugging Record. If you do have to plug out your wells at Teec Nos Pos, we need to have these forms. File Form 9 before you plug the wells and Form 10 afterwards.

We also have to be called 24 hours before you do the jobs, so we can be there. We have to have this paperwork before we can release your bonds on the wells.

I hope you can get a continuance from the Navajo Tribe, and not have to plug the wells right away. I am working on the area right now, as I told you yesterday. So far your No. 18 Navajo "O" well is the only one I don't seem to have good information about. I am looking forward to receiving it from you so I can finish the job soon.

Thanks for your cooperation.

Very truly yours,

Daniel J. Brennan
Executive Director

Enclosures

Thank you for sending the information on the #18 well so quickly. It came this afternoon. If you would like your logs returned, please let me know. Thanks a lot!



Oil and Gas Conservation Commission
STATE OF ARIZONA

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

May 11, 1990

Mr. J. V. Montalban
Mountain States Resources
P. O. Box 250
Cut Bank, MT 59427

RE: Navajo O #12, State Permit #801

Dear Mr. Montalban:

I was at the Teec Nos Pos field on Wednesday, May 9, to inspect the roads prior to a mechanical integrity test on one of Dry Mesa's wells.

While at the field, I noticed that water was dripping from the wellhead on Navajo O #12. Please remedy this leak at your earliest convenience. You can report the work performed and the results of your work on the enclosed sundry report form. This form should be returned to this office no later than June 15, 1990.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Specialist

Enclosure



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.
OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

October 3, 1988

#P 881 046 092
CERTIFIED MAIL

Mr. Ron Fellows
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

RE: Plugging and Abandonment Plans For Navajo Tribal "O" 12, 16, and 18
Teec Nos Pos Field, Apache County, Arizona

Dear Mr. Fellows:

Reference your letters dated August 4 and 5, 1988 regarding the above captioned subject.

Enclosed are Plugging and Abandonment Plans (Form 9-331) for the three shut-in oil and gas wells in the Teec Nos Pos Field, operated by Mountain States Resources, Inc.

As you know, we have appealed cancellation of our Navajo Tribal "O" lease in our letter of August 25, 1988 to Mr. T. R. Tippeconnic of the Bureau of Indian Affairs in Window Rock, Arizona. Therefore, we do not intend to plug and abandon the three wells until our appeal has been considered.

If additional information or changes for the enclosed forms are required, please advise.

Yours very truly,

J. V. Montalban
President

JVM/rr

Enclosures

cc AOGCC, Phoenix, AZ

KENU
Copy

#801-
#834
NOV 23 1988
#843
O & G

March 23, 1984

Mrs. Cora Belle Montalban
Secretary
Mountain States Resources, Inc.
CBM Building
Box 1995
Cut Bank, Montana 59427-1995

Dear Cora Belle:

We are in receipt of your Monthly Producers Report on Well No. 12 for February and some confusion has arisen regarding the copy of the Monthly Report of Operations to the USGS (Form 9-239). I refer in particular to the "Remarks" column, in which you state "**Placed Navajo #16 and #18 on production during January 1984."

Upon checking the January production figures, I find no production recorded for these two wells, nor do I find any sundry reports on them.

Enclosed you will find several "Sundry Notices and Reports on Wells" (Form 25). Would you or Joe please complete one for each well (No. 16 and No. 18) and return them to us so we can be aware of the operations of these wells.

Thank you for your cooperation.

Sincerely,

Sheila Burgan
Secretary
Enforcement Section

Enclosures

CC: A. K. Doss



MOUNTAIN STATES RESOURCES, INC.

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OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

RECEIVED

MAR 22 1984

O & G CONS. COMM.

March 9, 1984

Mr. R. A. (Rudy) Ybarra
Director of Enforcement
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

Dear Mr. Ybarra:

RE: Lease #NOO-C-14 20-4433
Navajo "O" Tribal Lease
Teec Nos Pos Field
Apache County, Arizona

Enclosed herewith please find our Monthly Production Report (Form 16), a copy of the Monthly Report of Operations to the USGS (Form 9-329, and a copy of the Run Statement from Giant Industries, Inc., pertaining to production from the above captioned well for the month of February 1984.

With kind regards, we remain

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

Cora Belle Montalban

Cora Belle Montalban - Secretary

CBM/me
Encs:

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY O & G CONS. COMM
(FORM 9-329)
(2/76)
OMB 42-RO 356

MAR 22 1984

Lease No. NOO-C 4-20-4433
Communitization Agreement No. NONE
Field Name TEEC NOS POS
Unit Name NAVAJO 'O' TRIBAL LEASE
Participating Area NONE
County APACHE State ARIZONA
Operator MOUNTAIN STATES RESOURCES, INC.
 Amended Report

MONTHLY REPORT
OF
OPERATIONS

The following is a correct report of operations and production (including status of all unplugged wells) for the month of February 1984

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
Navajo "O" #12 #16 #18	SESE SEC. 22	T41N	R30W	POW	29	869.19	None	1059	** Placed Navajo #1 and #18 on production during January 1984.

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	384.92	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	869.19	0	1059
*Sold	961.39	0	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	0	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXX	0	XXXXXXXXXXXXXXXXXX
*Used on Lease	0	0	XXXXXXXXXXXXXXXXXX
*Injected into Navajo #2	0	0	1059
*Surface Pits	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	0
*Other (Identify)	0	0	0
*On hand, End of Month	292.72	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	40	0	XXXXXXXXXXXXXXXXXX

Authorized Signature: J. V. MENTALBAN
Title: MGR. OF OPERATIONS

Address: Box 1995 - Cut Bank, Mt. 59427-1995
Page 1 of 1

GIANT
REFINING COMPANY

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MAR 22 1984

O & G CONS. COMM.

P.O. BOX 9156 • PHOENIX, ARIZONA 85068
7227 NORTH 16TH STREET
(602) 274-3584 • TWX 910-951-4231

14-MAR-84

LEASE NAME: NAVAJO D #12
FIELD: ISMAY
COUNTY/STATE: APACHE/AZ
LEASE NUMBER: 00027-09200

OPERATOR: MOUNTAIN STATES RESOURCE
P O BOX 176
CUT BANK, MT 59427

RUN STATEMENT FOR FEB 1984

TICKET DATE	TICKET NUMBER	TANK NUMBER	TRUE GRAVITY	NET BARRELS	PRICE	EXTENDED PRICE
06-FEB-84	11 92400	G1560	41.80	207.45	29.60	6,140.52
19-FEB-84	03 10200	G1560	40.70	183.71	29.60	5,437.82
29-FEB-84	01 12500	G1560	40.30	202.45	29.60	5,992.52
09-FEB-84	10 64400	G1561	41.90	185.99	29.60	5,505.30
21-FEB-84	03 10230	G1561	42.30	181.79	29.60	5,380.98
			<i>avg 41.4</i>	961.39		28,457.14

RECEIVED

MAR 17 1984

MOUNTAIN STATES RESOURCES, INC.

GIANT
REFINING COMPANY

P.O. BOX 9156 • PHOENIX, ARIZONA 85068
7227 NORTH 16TH STREET
(602) 274-3584 • TWX 910-951-4231

AKR

15-AUG-83

701

LEASE NAME: NAVAJO O #12
FIELD: ISMAY
COUNTY/STATE: APACHE/AZ
LEASE NUMBER: 00027-09200

OPERATOR: MOUNTAIN STATES RESOURCE
P O BOX 176
CUT BANK, MT 59427

RECEIVED

AUG 29 1983

O & G CONS. COMM.

RUN STATEMENT FOR JUL 1983

TICKET DATE	TICKET NUMBER	TANK NUMBER	TRUE GRAVITY	NET BARRELS	PRICE	EXTENDED PRICE
04-JUL-83	13 58000	G1560	38.10	186.07	29.60	5,507.67
				186.07		5,507.67

RECEIVED

AUG 29 1983

MOUNTAIN STATES RESOURCE, INC.

November 3, 1982

Mr. C. B. Montalban
Mountain States Resources, Inc.
P.O. Box 176
Cut Bank, Montana 59427

Dear Mr. Montalban:

This letter will confirm our telephone conversation of November 2 regarding the well spacing problem in the Teec Nos Pos Field.

As agreed upon, you are to file for a hearing before the Commission for 40-acre spacing in this field. Please file this application by December 2, 1982.

Rule 105D spells out the data required as part of the application. In addition to this data, please be prepared to submit a map on the same scale showing the geologic structure of the field as presently known.

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

Sincerely,

R. A. Ybarra
Enforcement Director

RAY:os



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
DISTRICT OIL AND GAS OFFICE
POST OFFICE DRAWER 600
FARMINGTON, NEW MEXICO 87401

RECEIVED *AKK*

SEP 17 1982

O & G CONS. COMM.

September 15, 1982

Oil and Gas Conservation Commission
State of Arizona
1645 W. Jefferson, Suite 420
Phoenix, Arizona 85007

Gentlemen:

Enclosed please find a copy of Designation of Operator from Energy Reserves Group, Inc., to Mountain States Resources, Inc., as requested by Mr. Rudy Ybarra on September 14, 1982, covering lease No. NOO-C-14-20-4433, Apache County, Arizona.

Sincerely yours,

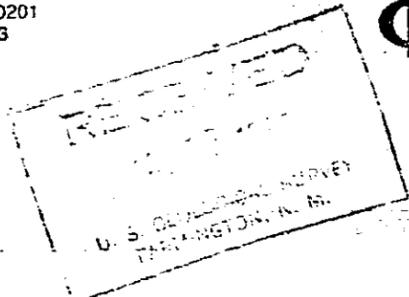
James F. Sims
for James F. Sims
District Oil and Gas Supervisor

Enclosure

Energy Reserves Group, Inc.
Trinity Place, Suite 500
1801 Broadway
P.O. Box 1407
Denver, Colorado 80201
Phone 303 572 3323

 Energy Reserves Group

13 May 1982



Minerals Management Service
Drawer 600
Farmington, New Mexico 87401

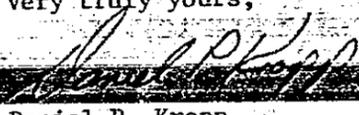
Attn: Mr. Ken Townsend

Re: Designation of Operator
Serial No. N00-C-14-20-4433
Apache County, Arizona

Gentlemen:

Please be advised of the change in operator of the captioned lease as evidenced by the enclosed Designation of Operator form. Please handle accordingly.

Very truly yours,


Daniel P. Kropp
Landman

DPK:kkd
Enclosure (original + 2 copies)

 5/18/82

**GIANT
INDUSTRIES, INC.**

P.O. BOX 9156 • PHOENIX, ARIZONA 85068
7227 NORTH 16TH STREET
(602) 274-3584 • TWX 910-951-4231

September 15, 1982

LEASE NAME: Navajo 0-12
FIELD: Ismay
COUNTY/STATE: Apache County/Arizona
LEASE NO: 27-9200

OPERATOR: MOUNTAIN STATES
BOX 176
CUT BANK, MONTANA 59427

RUN STATEMENT August 1982

<u>DATE</u>	<u>TICKET #</u>	<u>GRAVITY</u>	<u>VOLUME</u>	<u>PRICE</u>	<u>TOTAL</u>
08-08-82	8-544	39.50	192.40	\$32.00	\$ 6,156.80
08-18-82	14-305	39.30	175.33	32.00	5,610.56
08-24-82	10-319	40.00	180.44	32.00	5,774.08
08-25-82	1-676	39.10	199.57	32.00	6,386.24
08-26-82	1-678	40.50	198.26	32.00	6,344.32
08-31-82	2-641	40.70	188.21	32.00	6,022.72
			<u>1,134.21</u>		<u>36,294.72</u>

RECEIVED

SEP 15 1982

MOUNTAIN STATES RESOURCES, INC.

"Moving forward with the Southwest"

801



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

August 30, 1982

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

RECEIVED
SEP 2 1982
O & G CONS. COMM.

Dear Mr. Ybarra:

RE: MONTHLY PRODUCERS REPORT

This will acknowledge receipt of your letter dated August 27, 1982 and the Form #16.

We enclose production reports for May, June and July on your State of Arizona Form #16.

Please send us an ample supply of same and thanking you in advance for your help and courtesies.

Sincerely,

Mountain States Resources, Inc.

Evelyn Anderson

Evelyn Anderson - Production Administrator



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

AKJ
RAY
OS

RECEIVED

AUG 30 1982

O & G CONS. COMM.

Mr. A.K. Doss, Director
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

Dear Mr. Doss:

RE: FORM #6 Production Reports

Please mail to us an ample supply of your State of
Arizona, Form #6 Report of Production, or equivalent to this.

Enclosed find sample of State of Montana Form #6,
which we use in our office.

Also, please mail us a copy of State of Arizona
rules and regulations manual.

Thank you,

Yours very truly,

Mountain States Resources, Inc.

Evelyn Anderson
Evelyn Anderson, Production Administrator

EA/me

August 27, 1982

Mr. J. V. Montalban
Mountain States Resources, Inc.
P.O. Box 176
Cut Bank, MT 59427

Re: July 1982 Production Report
Well No. 12 Navajo
Teec Mos Pos Field

Dear Mr. Montalban:

This will acknowledge receipt of a copy of subject report (USGS Form 9-329).

Please be advised that all oil and gas production in Arizona must be filed with the Oil and Gas Conservation Commission on Form 16 on or before the 25th day of the next succeeding month. Please refile the July report on this form. Copies of Form-16 are enclosed.

I note that this well is still listed under Energy Reserves Group, Inc. and technically they should be filing these reports. I suggest you look into this matter and get the well officially transferred under your company's name.

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

Sincerely,

R. A. Ybarra
Enforcement Director

RAY:os
Enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-RO 356

MONTHLY REPORT
OF
OPERATIONS

Lease No. NOO-C-14-20-4433
 Communitization Agreement No. NONE
 Field Name TEEC NOS POS FIELD
 Unit Name NAVAJO "O" TRIBAL LEASE
 Participating Area NONE
 County Apache County State Arizona
 Operator MOUNTAIN STATES RESOURCES, INC.
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of July, 19 82

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
NAVAJO "O" No. 12	SENE Sec. 22	T41N	R30W	POW	29	883.47	-0-	1124.18	

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	-0-	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	883.47	-0-	1124.18
*Sold	761.31	-0-	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	-0-	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXX	-0-	XXXXXXXXXXXXXXXXXX
*Used on Lease	-0-	-0-	XXXXXXXXXXXXXXXXXX
*Injected	-0-	-0-	-0-
*Surface Pits	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	Pits
*Other (Identify)			Disposed
*On hand, End of Month	122.16	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	40	-0-	XXXXXXXXXXXXXXXXXX

Authorized Signature: J. V. Montalban
 Title: J. V. Montalban - mgr. operations

Address: P. O. Box 176, Cut Bank, MT. 59427

6-29-82

Fight / Ybarra

Re: Energy Res Group
well 12 - Navajo - a

The assignment documents
have been filed w/ the
Navajo Tribe in Window
Rt for approval - once
this approval has been
made, he will officially
transfer well to Mtn
Res. Inc -

Re: Navajo II well -
w/ be cancelled; letter
forthcoming

February 26, 1982

Mr. William J. Fiant
Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602

Re: Energy Reserves 11 Navajo-0, Permit 800
Energy Reserves 12 Navajo-0, Permit 801 ✓

Dear Mr. Fiant:

Enclosed are approved application for permit to drill, permit to drill, and receipt for each of the above referenced wells.

We note that the latest organization report we have is dated October 10, 1977. If there have been changes, please submit a new report. Enclosed is organization report form.

If we can be of further service, please advise.

Sincerely,

R. A. Ybarra
Enforcement Director

/os
Enc.

Rec'd 3-24-82+ filed in P/N 687