

GAIL W. SPONSELLER 1 SPONSELLER 802  
SE NE 35-9N-22E NAVAJO CO.



## 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 <b>SPONSELLER</b>		Address <b>P O Box 488, Corona, CA 91720</b>		
Federal, State or Indian Lease Number or name of lessor if free lease <b>Private Land</b>		Well Number <b>1</b>	Field & Reservoir <b>-0-</b>	
Location <b>Lakeside, Arizona</b>		County <b>Navajo</b>		
Sec. TWP-Range or Block & Survey <b>Sec 35 - T9N - R22E (SE NE) 8</b>				
Date spudded <b>July 15, 1982</b>	Date total depth reached <b>August 27, 1982</b>	Date completed, ready to produce <b>-0-</b>	Elevation (DF, RKB, RT or Gr.) feet	Elevation of casing hd. flange feet
Total depth <b>2,132</b>	P.B.T.D.	Single, dual or triple completion?		If this is a dual or triple completion, furnish separate report for each completion.
Producing interval (s) for this completion <b>-0-</b>		Rotary tools used (interval)		Cable tools used (interval) <b>-0-</b>
Was this well directionally drilled? <b>-0-</b>	Was directional survey made? <b>-0-</b>	Was copy of directional survey filed? <b>-0-</b>	Date filed <b>-0-</b>	
Type of electrical or other logs run (check logs filed with the commission) <b>On file with State Oil &amp; Gas Commission</b>				Date filed <b>appx. 8-29-82</b>

### 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
<b>Oil</b>		<b>7"</b>		<b>330'</b>	<b>? 83</b>	<b>?</b>

### TUBING RECORD

### LINER RECORD

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

### PERFORATION RECORD

### ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

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

### INITIAL PRODUCTION

Date of first production <b>-0-</b>		Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:) <b>-0-</b>				
Date of test <b>-0-</b>	Hrs. tested <b>-0-</b>	Choke size <b>-0-</b>	Oil prod. during test <b>-0-</b> bbls.	Gas prod. during test <b>-0-</b> MCF	Water prod. during test <b>-0-</b> bbls.	Oil gravity <b>-0-</b> *API (Corr)
Tubing pressure <b>-0-</b>	Casing pressure <b>-0-</b>	Cal'ed rate of Production per 24 hrs. <b>-0-</b>	Oil <b>-0-</b> bbls.	Gas <b>-0-</b> MCF	Water <b>-0-</b> bbls.	Gas-oil ratio <b>-0-</b>
Disposition of gas (state whether vented, used for fuel or sold): <b>-0-</b>						

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the individual of the individual (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.

Feb. 8, 1983  
Date

*Rail Sponseller*  
Signature

Permit No. **802**

**STATE OF ARIZONA**  
**OIL & GAS CONSERVATION COMMISSION**  
Well Completion or Recompletion Report and Well Log  
Form No. 4 File One Copy

APPLICATION TO PLUG AND ABANDON

RECEIVED  
OCT 4 1982  
O & G CONS. COMM.

*AKS*

FIELD Sponseller #1

OPERATOR Sponseller ADDRESS P O Box 488, Corona, CA 91720

Federal, State or Indian Lease Number or Lessor's Name if Fee Lease Private Land WELL NO. 1

LOCATION Sec. 35-T9N-R22E (SE NE)

Navajo County, Lakeside, Arizona

TYPE OF WELL Wildcat (oil & Gas) TOTAL DEPTH 2,132'  
(Oil, Gas or Dry Hole)

ALLOWABLE (If Assigned) 2,000±

LAST PRODUCTION TEST OIL -0- (Bbls.) WATER -0- (Bbls.)  
GAS -0- (MCF) DATE OF TEST 8-27-82

PRODUCING HORIZON -0- PRODUCING FROM -0- TO -0-

1. COMPLETE CASING RECORD.

7" casing, surface to 330'

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

Cement entire hole to bottom of casing and cement top 30' of casing w/ I.D. plaque on top.

DATE COMMENCING OPERATIONS July 15, 1982

NAME OF PERSON DOING WORK Estle Bailey ADDRESS 3453 F3/4 Rd. Clifton, Colo 81520

*Estle Bailey*  
Signature

INDIVIDUAL  
Title

P O Box 488, Corona, CA 91720  
Address

10-1-82  
Date

Date Approved \_\_\_\_\_

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

By: \_\_\_\_\_

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Application to Plug and Abandon  
File Two Copies

Form No. 9

Permit No. 802

9-5-82 At  $\pm$  10:00 am I got Marsh to run into the hole & tag the top of the cement — found it at 250' (100' into the 7" CSG). Jim Sponseller had left for Cal. & left notice that he would be back Tues to finish surf. work, plug & monument. went back to motel & checked out after 11:00 am —

Depart for Cecil Gustin's well @ 11:10 am. + Arrived @ loc at about 2:30 pm. Observed operations & talked to Cecil re: his supposed disc. Observed much gas in the pit & little streaks of oil.

Departed Log @ 3:20 pm

Arrived in Phx @ 9:30 pm

9-7-82 Left for Lakeside @ 4:00 am & arrived @ 9:00 am

I heard thru Mr. Marsh that the Sponsellers were due in Lakeside @ noon

Called A.K.  $\pm$  10:00 am & he called the Sponsellers to find out for sure their schedule. "Would not be in until the night of the 8<sup>th</sup>"

802 Went back to loc. & went over surf. plug requirement w/ Andy  
Left  $\pm$  12:30 pm & arrived in Phx @ 5:05 pm  
mileage: 1000 mi

9-8-82

Sponseller Well, Lakeside

9-4-82 Departed Phx @ 3:30 am

Arrived @ well site @ 8:15 am

Howard Marsh, Driller, was present & he reported:

1. T. Bailey was in process of moving, that he had been evicted & did not know when he would be back,
2. Needed water for cem. operations - had been ordered but did not know when it would arrive.
3. Little, if any mud had been used in the hole while drilling; this is prob. why they stuck tool in hole

The Radiology Reg. Agency had not arrived; Sponseller (Jim) had arrived about same time I did.

Dick Blanton w/ Radiology arrived  $\pm$  10:30 a.m. and he & I went over the abandonment program. The cementing to be done in 5 stages, first of which would contain the required dye. All together the cementing would start @ 2100 (at top of tool) & theoretically fill to 280' (70' inside 7" ass). The non-drillable tool ( $\frac{1}{4}$ " bit) would be dropped in hole on top of cem.

Actual cementing got start @  $\pm$  12:45 pm & was completed about 4:30 pm. The 5 stages used 370 Sk of cem. Left location for the Apache Pines Hotel @ 5:00 pm (over)

802

There was no further need for the cem. truck so they were released (+ paid)

Told crew to circulate real well so that no cement might set up - this was done + we called it a day - left well site @ 6:00 pm, for motel, Apache Pines Motel in Show Low

8-3 went back to well site @ 8:00 am + met w/ Jim - we called his father in Calif. + apprised him of the situation. Topper showed up @ the mobile house + he also talked Gole. Topper + discussed the problems + what needed to be done - he left to get class C cement + CaCl<sub>2</sub> + they would mix their own + pump it

Cem. arrived @ 3:00 pm (55 bbl "C" cem + 75 bbl of Lime type S) - circulated hole, mixed our slurry in mud pit, + pumped it away w/ ~~no~~ substantial returns; then displaced cem. in passing. A real 'poor boy' operation was finally completed. Left rig @ 6:00 pm

stopped for a bite in Show Low + departed for Phx @ 6:35 pm

Arrived @ 10:15 pm (479 miles)

8-1-82 Jim called me @ home @ 9:00 pm & related that the well would be cemented Monday, one way or another - that the <sup>new well</sup> road would be started @ 10:00am

8-2-82 Jim called early & said cem would start @ noon - departed office @ 8:30 am & arrived at rig @ 12:30 noon

Were in process of trying to gravitate the cem. mix dn the annulus (8 3/4" x 7") & it wasn't going down - there was cem all over the place. They worked the CSG up & dn but to no avail - they had been trying this since 12:00 Noon

I was there only briefly when they decided to try to displace the cem. thru the inside of the CSG. - this surprised me as this method was what Topper avoided at the very beginning - broke circulation OK (after much priming effort) & cleaned hole good (reasonably) - attempted to displace cem but to no avail - found out they cem mix had too much sand & there was no way this cem mix could be displaced - during this time Topper was @ the Sprussler mobile home on an emergency call from his dad (nature of call?)

Mike told me that some cem. was gravitating dn hole when they first started cementing around annulus & asked if they could give that method another shot - I told to circ. & clean hole good & then to try it - circ. was established. the second attempt also failed over

Counselor No. 1

8-4-82

(802)

7-30-82 Departed office @ 8:30 am

Arrived on site @ 3:00 pm - watched them run 3 joints of 7" suct. csg. - operation very slow so I decided to go get something to eat - I advised Jim Sponseller to call me at the Point Bony motel when they started cementing - left rig @ 4:20 pm + it was starting to rain lightly.

Jim called @ 6:30 pm + stated that the rain was coming down very hard + that the cem. truck driver was afraid to get <sup>STUCK</sup> stuck (as had other trucks earlier bringing in rsg + other equipment) - told they would try to cem. in the morning. It rained hard from ± 6:00 to 10:00 pm

7-31-82 Departed for rig @ 6:30 am. It was a muddy mess + I was lucky not to get stuck - Mike said they would try @ 12:00 pm if the weather permitted well history @ this point: 7", 3 #, was landed @ 320 feet, T.D. 350'. Went back to motel

Jim called @ 2:00 pm. + related: Andy had told him the ~~the~~ cem. people had been to the well to check the conditions + had decided it was too risky to drive in to loc. - cem. people do not work on Sundays so it would be Monday before they would come out - also, Jim decided to have a road built directly from Woodland Rd to rig (this should have been from beginning), using large cinder. Lucky to check out of motel this late w/o charge + departed @ 2:30 pm

Arrived in Phx @ 7:00 pm

409 miles

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

RECEIVED

MAR 29 1982

O & G CONS. COMM.

NAME OF COMPANY OR OPERATOR GAIL W. SPONSELLER		
Address City State P.O. BOX 488 CORONA CALIFORNIA 91720		
Drilling Contractor Southwest Drilling and Exploration Inc. Address 1199 W. 980 North St. George, Utah 84770 (801) 673-3526		
DESCRIPTION OF WELL AND LEASE		
Federal, State or Indian Lease Number, or if fee lease, name of lessor Private land (fee ownership)	Well number 1	Elevation (ground) 6,500' a.s.l.
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: none feet	
Number of acres in lease: 40 acres (applicant owns ground)	Number of wells on lease, including this well, completed in or drilling to this reservoir: 1	
If lease, purchased with one or more wells drilled, from whom purchased: Name Address none		
Well location (give footage from section lines) 330' from east line 3070' ENL	Section—township—range or block and survey 35 T9N R22E (see ne)	Dedication (Comply with Rule 105) complies with rule 105
Field and reservoir (if wildcat, so state) wildcat	County Navajo	
Distance in miles, and direction from nearest town or post office one mile north		
Proposed depth: 2,000 ft	Rotary or cable tools rotary	Approx. date work will start as soon as possible 4/15/82
Bond Status enclosed Amount 5,000.00	Organization Report On file Or attached X	Filing Fee of \$25.00 Attached X
Remarks:		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the individual of the individual (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 Gail W. Sponseller		
Date March 29th, 1982		
Permit Number: 802 Approval Date: 3-29-82 Approved By: R. A. Yana	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 Gail W. Sponseller	Land Description SE 1/4 NE 1/4 SEC. 35, T9N R22E G 1/2 B 8 M LAKESIDE, NAUASO COUNTY, ARIZ
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	<b>CERTIFICATION</b>
	I hereby certify that the information above is true and complete to the best of my knowledge and belief.
	Name <i>Gail W. Sponseller</i>
	Position Owner
	Company individual owner
Date March 29, 1982	
	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 3/28/82	
Registered Professional Engineer and/or Land Surveyor <i>George Walker</i>	
Certificate No. 5047	

**PROPOSED CASING PROGRAM**

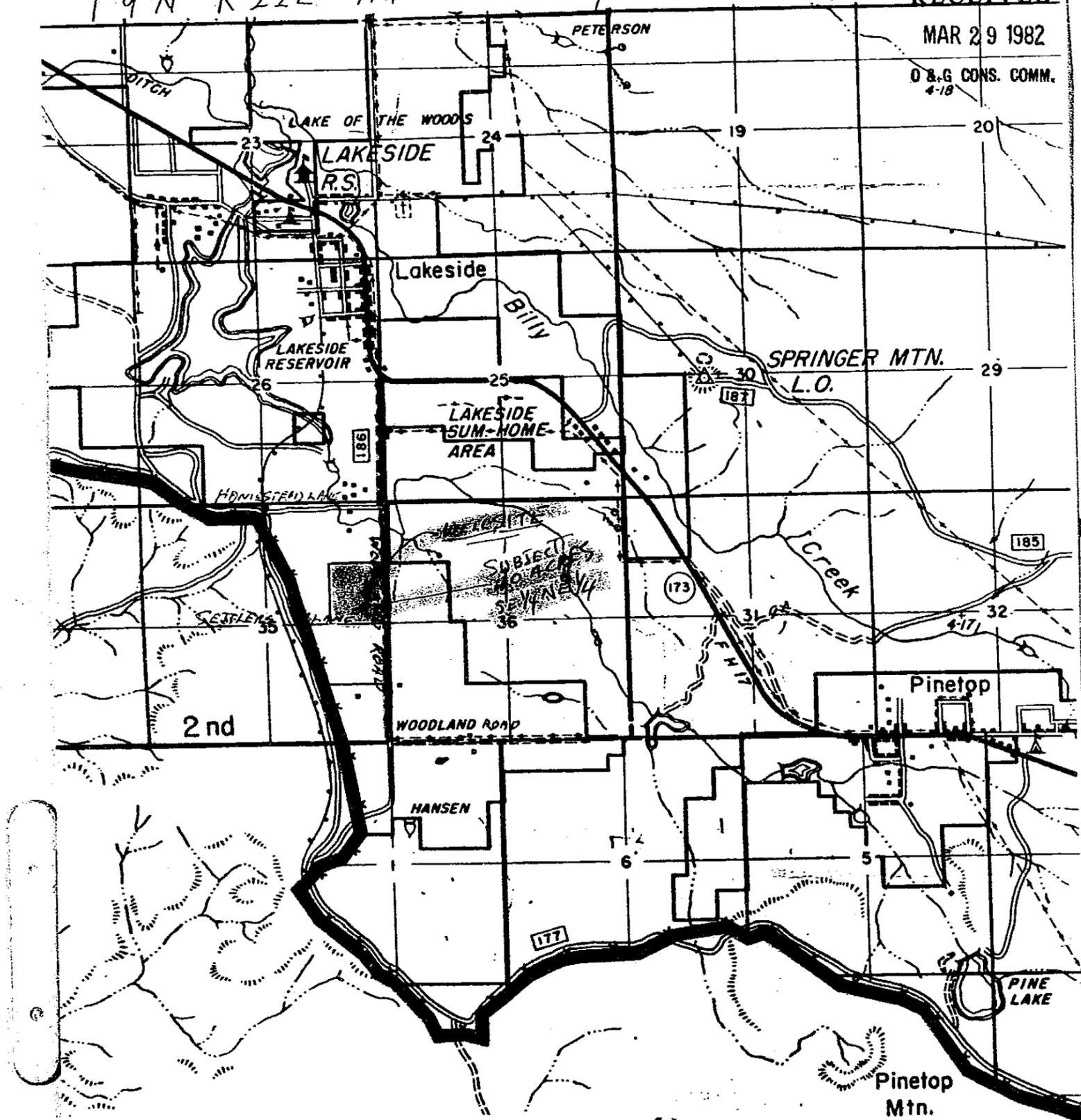
Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
7"	29#	3/8 wall 8 round	grnd Level	200'	200'	65 sacks	Portland CEMENT

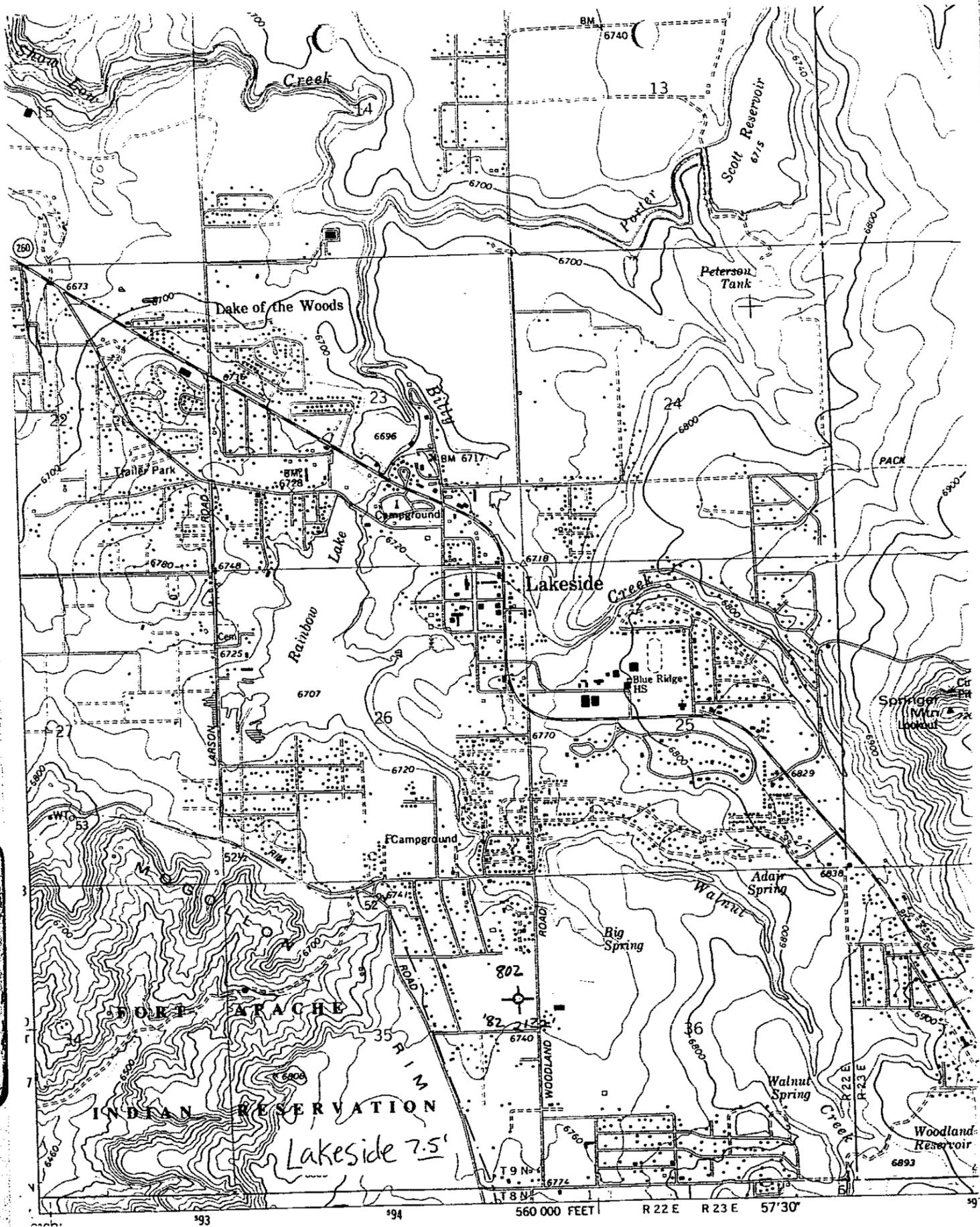
T9N R22E NAVASO COUNTY ARIZONA STATE

RECEIVED

MAR 29 1982

O & G CONS. COMM.  
4-18





**FORT APACHE**  
**INDIAN RESERVATION**

Lakeside 7.5'

560 000 FEET | R 22 E R 23 E 57'30"



# PERMIT TO DRILL

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

To: GAIL W. SPONSELLER  
(OPERATOR)

to drill a well to be known as

1 SPONSELLER  
(WELL NAME)

located 2070' FROM NORTH LINE, 330' FROM EAST LINE (SE NE)

Section 35 Township 9 NORTH Range 22 EAST, NAVAJO County, Arizona.

The N/A 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 30th day of March, 19 82.

OIL AND GAS CONSERVATION COMMISSION

By R. G. Yanna  
EXECUTIVE SECRETARY

PERMIT No 802

RECEIPT NO. 2238  
API NO. 02-017-20019

State of Arizona  
Oil & Gas Conservation Commission  
Permit to Drill

FORM NO. 27

March 16, 1984

Mr. Jeff Obermiller  
Statistical Analyst  
American Petroleum Institute  
1220 L Street, Northwest  
Washington, D.C. 20005

Dear Mr. Obermiller:

Thank you for your letter of March 13, 1984, regarding drilling costs and activity in Arizona.

I have checked our files on the list of operators you sent and find that all holes have been plugged and abandoned. However, I am enclosing the last known addresses of the operators in the hope that they might be of some use to you.

If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

Sheila Burgan  
Secretary  
Enforcement Section

Enclosure

ENCLOSURE

Bedrock Oil Company 1 State  
2705 Swiss Avenue  
Dallas, Texas 75204  
Harold L. Witcher, Vice President

P & A 11/09/82

Sumatra Energy Company 1-17 Santa Fe  
999 - 18th Street  
One Denver Place, Suite 1400  
Denver, Colorado 80202  
W. A. Proudfoot, Operations Manager

P & A 03/24/83\*

\*Converted to water well

Gail W. Sponseller 1 Sponseller  
P. O. Box 488  
Corona, California 91720  
Gail W. Sponseller, Individual

P & A 09/07/82

SURETY INSURANCE COMPANY OF CALIFORNIA  
P.O. BOX 2430  
LA HABRA, CALIFORNIA 90631-1630

RECEIVED

MAR 21 1983

O & G CONS. COMM.

REQUEST FOR FOND STATUS

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMM.  
1645 WEST JEFFERSON, STE 420  
PHOENIX, AZ 85007

MARCH 18, 1983  
ACCT NO. 4-10-59512  
BOND NO. 530202  
TERM 3/18/82- 3/18/83

RE CONTRACT NO. OR DESCRIPTION Drill a well or wells for oil, gas or stratigraphic

purposes: T9N R22E, Navajo County, State of Arizona, SE $\frac{1}{4}$  NE $\frac{1}{4}$  40 Acres, Section 35

CONTRACT PRICE \$5,000.00

CONTRACTOR SPONSELLER, GAIL W.

THIS COMPANY IS SURETY ON THE BOND COVERING THE ABOVE CONTRACT. WE WILL APPRECIATE YOUR PROVIDING US WITH THE INFORMATION REQUESTED BELOW WITHIN TEN DAYS, RETURNING IT TO US IN THE ENCLOSED SELF-ADDRESSED ENVELOPE.

IF WORK IS COMPLETED

DATE OF ACCEPTANCE \_\_\_\_\_ DATE OF COMPLETION 8-27-82

FINAL CONTRACT PRICE \_\_\_\_\_ AMOUNT PAID CONTRACTOR \_\_\_\_\_

HAS CONTRACTOR PAID HIS LABOR AND MATERIAL BILLS \_\_\_\_\_

IF WORK IS NOT COMPLETED

PERCENTAGE OF WORK COMPLETED \_\_\_\_\_ ESTIMATED COMPLETION DATE \_\_\_\_\_

AMOUNT PAID TO CONTRACTOR \_\_\_\_\_ AMOUNT DUE CONTRACTOR \_\_\_\_\_

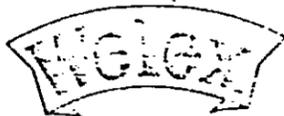
IS WORK SATISFACTORY \_\_\_\_\_ IS WORK PROGRESSING ON SCHEDULE \_\_\_\_\_

ARE LABOR AND MATERIAL BILLS BEING PAID ON TIME \_\_\_\_\_

REMARKS Plugged & abandoned in compliance with Ariz.  
Oil & Gas Cons. Commission Rules & Regulations

AUTHORIZED REPRESENTATIVE OF OBLIGEE

R. G. Ytana  
SIGNATURE  
Enforcement Director  
TITLE



A Halliburton Company

Post Office Box 170

AC-505135-2544

Farmington, New Mexico 87401

Farmington District Office

November 2, 1982

Mr. Gail Sponseller  
Natural Resources Int.  
P.O. Box 488  
Corona, California 91720

Dear Mr. Sponseller:

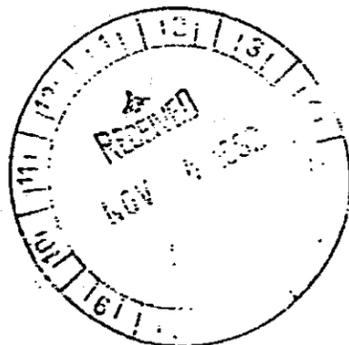
Under separate cover you will be receiving a plaque in reference to the lost sources and the Gail Sponseller #1 well.

The plaque is provided by the Radiation Safety Dept. and required by federal regulation to be placed on the wellhead.

Yours Truly

Terry R. Boyc  
District Manager  
Farmington District

TRB:ga  
CC/ Richard Blanton, Arizona Radiation Safety Officer  
R. C. Leverett, Asst. Division Mgr., WELDX





A Halliburton Company

Post Office Box 42800 ■ AC-713/496-8100 ■ Houston, Texas 77042

Houston General Office

September 20, 1982

Mr. D. Blanton, Director  
Arizona Radiation Agency  
925 S. 52nd Street, Suite 2  
Tempe, Arizona 85281

Re: Abandonment of Sealed Sources in  
Well Drilled by Natural Resources  
International

Dear Mr. Blanton:

This letter is to confirm our phone conversations regarding the events  
associated with logging the following described well:

Operator - Natural Resources International  
P. O. Box 488  
Corona, CA 91720  
Represented by Mr. Gail Sponseller  
Phone: ~~(213) 964-9543~~  
(714) 737-5610

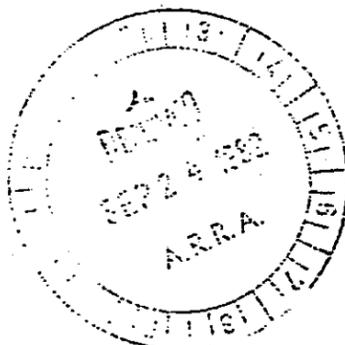
Drilling Contractor - Bailey Drilling Co.  
Vernal, UT

Well Name - Gail Sponseller #1

Field - Wildcat

County - Navajo

State - Arizona



Mr. D. Blanton  
September 20, 1982  
Page 2

Location - Southeast quarter of the Northeast quarter of Section 35,  
Township 9 North Range 22 East.

Our Welex office at Farmington, New Mexico was called to do the logging of this well. Mr. Terry Boyd, Welex District Manager, called Arizona Radiation Agency at Tempe, Arizona to obtain approval to enter the state with radioactive materials under reciprocity agreement. After obtaining this approval on August 26, 1982 we went to the well site to begin our logging operation.

The logging tool used is capable of neutron measurements, density measurements and natural gamma measurements. The neutron section contained a sealed source, special form, Am-241/Be, 5 curie, serial number T-621. The density section contained a sealed source, special form, Cs-137, 1/2 curie, serial number D.C.S.-145. The gamma section does not require a sealed source. It measures the earth's natural gamma emission.

In an effort to log the well we found the hole in bad condition, and the logging tool became stuck at 2,130'. The Arizona Radiation Agency was notified of the situation at 10:00 a.m. on August 27, 1982 by Welex Radiation Safety Officer.

After several days of problems at the well site it was decided to plug and abandon the hole, logging tool and radioactive sealed sources. There was no dispersal of radioactive material.

The hole was filled with 345 sacks of cement with 18 sacks marked with red dye in the cement.

Welex is having a permanent plaque engraved with the necessary information to be mounted on the well head.

If additional information is needed, please let me know.

Sincerely,

*J. W. Pickering*  
J. W. Pickering  
Radiation Safety Officer

JWP/jas

cc: Mr. W. B. Lewis  
Mr. J. R. Evans  
Mr. B. J. Wright  
Mr. R. C. Leverett  
Mr. T. R. Boyd



925 South 52nd Street, Suite #2

Tempe, Arizona 85281

(602) 255-4845

Bruce Babbitt  
Governor  
Charles F. Tedford  
Director



September 3, 1982

Mr. G. W. Sponseller  
P. O. Box 488  
Corona, CA 91720

Re: Mr. J. Sponseller's Telephone Conversation with Mr. J. Lutton  
on September 1, 1982

Dear Mr. Sponseller:

The purpose of this letter is to inform you of the requirements to be met in the abandonment of a well containing a sealed radioactive source. There are three (3) general requirements and they are as follows:

1. Immobilization and sealing in place of the radioactive source (tool) with a cement plug.
2. The setting of a whipstock or other deflection device.
3. The mounting of a permanent identification plaque at the well's surface.

Specifically, the State of Arizona will require the following procedures:

1. Immobilize the tool with concrete and plug at least 70 feet above the top of the tool.
2. Drop a drill collar downhole and cement in place. As an alternative, well may be plugged with concrete at least 100 feet above the tool and a whipstock or inverted drill bit cemented in place immediately on top of the plug. All concrete used must contain a red dye.
3. Backfill the well with gravel/dirt to 100 feet below ground level.
4. Cap with concrete and mount a permanent plaque.

The plaque must be constructed of a long-lasting material such as stainless steel and must contain the following information engraved on its face.

1. The word "CAUTION".
2. The radiation symbol without conventional coding.
3. Date of abandonment.

Mr. G.W. Sponsell  
September 3, 1982  
Page 2

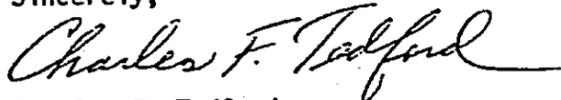
4. Name of the well operator.
5. Well name and identification number or other designation.
6. The sealed source(s) by radionuclide and quantity (activity).
7. Source depth and depth to the top of the plug.
8. An appropriate warning - (see attachment).

An example of a plaque is attached for your information.

In addition to these requirements, this Agency requires a notification of the schedule of the abandonment activities before actually beginning the work, in order that an Agency representative may be present to observe the placing of concrete and the deflector. Telephone notification will suffice - (602/255-4845).

Your cooperation in this effort is greatly appreciated. Should you have any questions, please do not hesitate to contact either Messrs John Lutton or Richard Blanton.

Sincerely,



Charles F. Tedford  
Director

JL:CFT:fc

Attachment

cc: John Lutton  
Richard Blanton

Example of Plaque For Identifying Wells Containing Sealed Sources  
Containing Radioactive Material Abandoned Downhole

[COMPANY NAME]  
[WELL IDENTIFICATION]

 **CAUTION** 

ONE 2 CURIE CS-137 RADIOACTIVE SOURCE ABANDONED  
3-3-75 AT 8400 FT. PLUG BACK DEPTH 8200 FT.  
DO NOT RE-ENTER THIS WELL BEFORE CONTACTING  
[RADIATION CONTROL AGENCY]

The size of the plaque should be convenient for use on active or inactive wells, e.g., a 7-inch square. Letter size of the word "CAUTION" should be approximately twice the letter size of the rest of the information, e.g., 1/2-inch and 1/4-inch letter size, respectively.

RECEIVED

FEB 15 1983

O & G CONS. COMM.

*CRK*  
*24*

February 9, 1983

Oil & Gas Conservation Commission  
1645 W. Jefferson, Suite 420  
Phoenix, AZ 85007

Attn: R. A. Ybarra  
Enforcement Director

Dear Mr. Ybarra,

It was good talking to you on the phone. I am enclosing a Completion Report Form #4 and a copy of the logs that I spoke to you about. This is the only thing we have at this time as I explained to you.

We can not locate our well driller and are still getting Liens and lawsuits filed on this project. It is now getting to be a sickening item.

Should you need any further questions on this final report please let me know.

Sincerely,

*Gail W. Sponseller*

Gail W. Sponseller  
P O Box 488  
Corona, CA 91720

encl.

*802*

State of Arizona  
**DEPARTMENT OF WATER RESOURCES**  
99 E. Virginia Avenue, Phoenix, Arizona 85004

February 8, 1983

Mr. A. K. Doss  
Executive Director  
Oil and Gas Conservation Commission  
1645 West Jefferson  
Phoenix, Arizona 85007

Dear Mr. Doss:

This letter is to request well log data, casing and construction information for the following wells:

Permit # 802, Gail W. Sponseller  
T9N, R22E, Section 35, SE $\frac{1}{4}$ , NE $\frac{1}{4}$

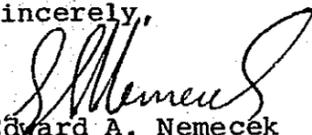
Permit # 836, Sumatra Energy Company  
T12N, R26E, Section 17, W $\frac{1}{2}$ , NW $\frac{1}{4}$

Permit # 835, Resource Operating Inc.  
T11N, R22E, Section 29, W $\frac{1}{2}$ , SW $\frac{1}{4}$

If you are unable to send us copies of the information, we will be glad to make arrangements for inspection at your offices. Your cooperation in this matter is appreciated.

If you have any questions, please feel free to call.

Sincerely,

  
Edward A. Nemecek  
Chief Hydrologist

nh



AKS  
RAY  
contact Ed  
to come here to  
look at files.  
BRUCE BABBITT, Governor  
WESLEY E. STEINER, Director

RECEIVED  
9:30 AM  
FRI, 18<sup>th</sup>  
RY

FEB 9 1983

O & G CONS. COMM.

**Think Conservation!**

Office of Director 255-1554

Administration 255-1550, Water Resources and Flood Control Planning 255-1566, Dam Safety 255-1541,  
Flood Warning Office 255-1548, Water Rights Administration 255-1581, Hydrology 255-1586.

January 27, 1983

Mr. Gail W. Sponseller  
P.O. Box 488  
Corona, CA 91720

Dear Mr. Sponseller:

This letter is to inform you that your permit to drill Lakeside 1 Federal has expired and is no longer valid. If you plan to drill the well sometime in the future you will have to refile for a permit.

*P/N 802* Also I wish to remind you that we have not heard from you regarding our letter of October 5. A copy of this letter is enclosed.

Please give this matter on delinquent records your serious attention or I may be forced to turn this matter over to the Attorney General's office.

If you have any question on these records, please call.

Sincerely,

R. A. Ybarra  
Enforcement Director

RAY:os  
Enc.

State of Arizona

DEPARTMENT OF WATER RESOURCES

99 E. Virginia Avenue, Phoenix, Arizona 85004



BRUCE BABBITT, Governor  
WESLEY E. STEINER, Director

RECEIVED

DEC 1 1982

O & G CONS. COMM.

November 29, 1982

Mr. A. K. Doss  
Executive Director  
Oil and Gas Conservation Commission  
Suite 420  
1645 West Jefferson  
Phoenix, Arizona 85007

Dear A. K.:

As we haven't had a response, this is a follow up to our letter of July 7, 1982 concerning the Sponseller well near Pinetop. I have been informed that the well has been abandoned. Are you now able to release information about plugging and abandonment procedures employed on that specific well? I would very much appreciate it if you could let me know in what manner the abandonment was finally performed.

Have you given any more thought to the subject of a Department of Water Resources case by case hydrologic review of permit applications in regard to the presence and extent of aquifers that may be penetrated? Although we have received copies of several permit applications and lists of permits issued, there have been no requests for hydrologic information or review. Would you prefer that we conduct an informal review of the applications we receive, and contact you only if we have specific concerns? I believe review prior to issuance would be preferable since the operator and drilling contractor would be made aware of potential problems and be better prepared before commencement of drilling to efficiently seal water-bearing strata.

Please let me know your thoughts on this as I feel we can make a case by case review work expediently, and will ultimately benefit all involved.

If you have any questions, please feel free to call.

Sincerely,

A handwritten signature in dark ink, appearing to be "E. Nemecek".

Edward A. Nemecek  
Chief Hydrologist

Think Conservation!

Office of Director 255-1554

Administration 255-1550, Water Resources and Flood Control Planning 255-1566, Dam Safety 255-1541,  
Flood Warning Office 255-1548, Water Rights Administration 255-1581, Hydrology 255-1586.

October 5, 1982

Mr. Gail W. Sponseller  
P.O. Box 488  
Corona, CA 91720

Re: Sponseller No. 1  
Sec. 35-9N-22E Navajo County

Dear Mr. Sponseller:

This letter will acknowledge receipt of Form 9, application to plug and abandon subject well. This application is normally filed prior to commencement of plugging operations.

We now need a completion report (Form 4, enclosed), a copy of the log(s), and the sample cuttings of the well.

I will conduct a final surface inspection of the well site; and, if in compliance, we will release your bond.

Sincerely,

R. A. Ybarra  
Enforcement Director

RAY:os  
Encl.

RECEIVED

OCT 4 1982

O & G CONS. COMM.

*AKO*

*dy*

October 1, 1982

State of Arizona  
Oil & Gas Conservation Commission  
1645 W. Jefferson  
Suite 420  
Phoenix, AZ 85007

Attn: Mr. R. A. Ybarra

Mr. Ybarra:

After your telephone conversation the other day, I looked through Jims files and found an application to plug and abandon.

I have filled out this application with all the information that I think you need and am sending the executed original plus one copy to you.

Should you have any other questions, please call.

Sincerely,



Gail W. Sponsler  
P O Box 488  
Corona, CA 91720

State of Arizona  
**DEPARTMENT OF WATER RESOURCES**  
99 E. Virginia Avenue, Phoenix, Arizona 85004



BRUCE BABBITT, Governor  
WESLEY E. STEINER, Director

July 7, 1982

RECEIVED

JUL 7 1982

O & G CONS. COMM.

Mr. A. K. Doss  
Executive Director  
Oil and Gas Conservation Commission  
Suite 420  
1645 West Jefferson  
Phoenix, AZ. 85007

Re: Sponseller 1 Sponseller  
SE NE 35-9N-22E  
Navajo County  
State Permit No. 802

Sponseller Lakeside  
A-1 Federal  
NE SE 36-9N-22E  
State Permit No. 804

Dear Mr. Doss: *A.K.*

We are in receipt of your letter of May 18, 1982, regarding casing requirements on the above-referenced well.

The information you passed on to Mr. Sponseller about having to cement 1,500 to 1,600 feet of casing should be sufficient to protect the groundwater supply.

We are in agreement that there should be some kind of information exchange in dealing with oil well drilling and the penetration of fresh water aquifers. However, in light of tight budgets and the anticipated work load, our feeling is there may not be enough activity to warrant the establishment of such an inter-agency committee as you propose. Perhaps, depending on the number of wells drilled each year, a case by case review of permit applications would be more efficient. Hopefully this would not cause any delay in permit issuance. My staff could evaluate the situation in less than one working day for most cases.

I look forward to receiving your ideas on the proposal. I'm sure that co-operation of this nature could benefit both our agencies.

If you have any questions, please do not hesitate to call.

Sincerely,

*EAN*  
Edward A. Nemecek  
Chief Hydrologist

EAN:jw

**Think Conservation!**

Office of Director 255-1554

Administration 255-1550, Water Resources and Flood Control Planning 255-1566, Dam Safety 255-1541,  
Flood Warning Office 255-1548, Water Rights Administration 255-1581, Hydrology 255-1586.

June 25, 1982

Gail W. Sponseller  
Sponseller Construction Co.  
310 N. Cota, Ste. N  
Corona, Calif. 91720

Re: Permit 802 - Sponseller 1 Sponseller ✓  
Permit 804 - Sponseller Lakeside Al Federal

Dear Mr. Sponseller:

This is to advise you that we have extended the two above permits  
for 90 days from the date of this letter.

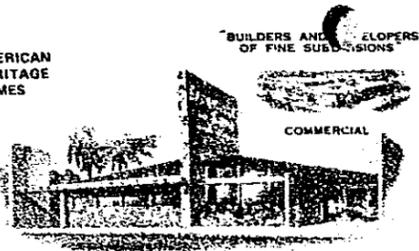
If we can be of further service, please advise.

Sincerely,

R. A. Ybarra  
Enforcement Director

/os

AMERICAN  
HERITAGE  
HOMES



RECEIVED

JUN 23 1982

D & G CONS. COMM.

Since 1895

**S** PONSSELLER CONSTRUCTION CO.

*General Contractors* "builders and improvers of the *FINEST* western CONSTRUCTION"

BRANCH OFFICES  
PHOENIX  
3520 NORTH SIXTEENTH ST  
AMHURST 4-9321  
OKLAHOMA CITY  
1411 NORTH PORTLAND ST.  
WINDSOR 4-1455

GENERAL OFFICES: 310 N. Cota, Suite "N" - Corona, California 91720  
(714) 735-6748

June 21, 1982

Oil and Gas Conservation Commission  
State of Arizona  
1645 W. Jefferson, Suite 420  
Phoenix, Arizona 85007

Attention: Mr. Ybarra

Mr. Ybarra

Due to the change of drillers that we discussed by phone, we need to extend our permit to July 30th. We have been assured that our driller, which is new, is GRIMSHAW DRILLING CO. 529 East Churchfield Land, Cedar City, Utah 84720, will be on site by July 10th, I will notify you before that date to confirm this.

Sincerely Yours,

Gail W. Sponseller

norm -  
Approve extension from date of our letter to Gail.

Thanks  
RB:1.

X  
Water Res  
X  
# 804

May 18, 1982

Mr. Edward A. Nemecek  
Chief Hydrologist  
Department of Water Resources  
99 E. Virginia Avenue  
Phoenix, Arizona 85004

Re: Sponseller 1 Sponseller  
SE NE 35-9N-22E  
Navajo County  
State Permit No. ~~802~~

Sponseller Lakeside  
A-1 Federal  
NE SE 36-9N-22E  
Navajo County  
State Permit No. 804

Dear Mr. Nemecek:

This is to acknowledge receipt of your letter of May 11, 1982 pertaining to surface pipe requirements on the proposed Sponseller hole in the Lakeside area.

On receipt of Mr. Sponseller's application, I contacted E. L. "Doc" Gillespie of Holbrook, a hydrologist who handles the majority of the water well drilling construction in the Show Low-Lakeside-Pinetop area. Mr. Gillespie informed me that fresh water could extend to a depth of 1500-to 1600', which would include the top member of the Supai formation.

I immediately reached Mr. Sponseller by phone and informed him of this potential and told him that there was a strong possibility that he would have to cement 1500-to 1600' of pipe back to the surface. He was unhappy with this information, but he did say he would do whatever was necessary.

We intend to require Mr. Sponseller to drill with a mud program adequate to contain all formation fluids to their own formation and, should he be fortunate enough to find oil or gas production in the 2000' of hole he plans to drill, it would be just as cheap for him to cement his long string all the way back to the surface. If production isn't found, he will then be required to set cement plugs across the top of each water zone. I haven't heard from Mr. Sponseller since our telephone conversation.

Mr. Edward A. Nemecek  
May 18, 1982  
Page 2

Incidentally, on Mr. Sponseller's second location (which is nearby on federal forest lands) we haven't heard from either the U.S.G.S. or the Forest Service on their approval of this application.

The Commission is also willing to cooperate on exchange of information pertaining to tops and bottoms of fresh water aquifers. Perhaps we could set up a meeting with the State Land Department, Bureau of Geology and Mineral Technology, and the U.S.G.S. in a cooperative effort to produce state-wide maps with this type of information.

Sincerely,

A. K. Doss  
Executive Director

AKD/vb

State of Arizona  
**DEPARTMENT OF WATER RESOURCES**  
99 E. Virginia Avenue, Phoenix, Arizona 85004

BRUCE BABBITT, Governor  
WESLEY E. STEINER, Director

May 11, 1982

RECEIVED

MAY 13 1982

O & G CONS. COMM.

Mr. A. K. Doss  
Oil and Gas Conservation Commission  
1645 West Jefferson  
Phoenix, Arizona 85007

Dear Mr. Doss:

We recently received a copy of an application for permit number 804 to drill an oil well filed by Gail Sponseller. The proposed casing program calls for seven (7) inch casing to a depth of 200 feet, cemented for its entire length. A review of the available hydrologic data indicates that this casing and cementing schedule is not enough to seal off all fresh water aquifers as is required by the Oil and Gas Conservation Commission regulations rule 107A, Sealing Off Strata.

In the area of the proposed drilling, there exists three separate aquifers. The first is comprised of volcanic rocks and recent alluvium. This is approximately 100 feet thick and the depth to water is about 40 feet below the land surface. This aquifer is known to be severely polluted by septic tank discharge.

The second aquifer system is within sedimentary rocks of Cretaceous age. The portion of the aquifer above 200 feet appears to be in hydraulic connection with the volcanic aquifer as water levels are approximately the same. Below 200 feet, however, water levels are generally lower, indicating a separate water table condition which would not be sealed off by the proposed casing program.

The Coconino sandstone comprises one of the main aquifers for north-eastern Arizona. Water in this aquifer is under artesian conditions in many places, often with pressure heads of hundreds of feet. At this location, the Coconino will probably be encountered at a depth of about 600 feet. Casing should be installed and cemented to at least this depth, not only to seal off the upper two aquifers, but to maintain the integrity of the Coconino aquifer.

Drilling to a depth of 2000 feet may encounter yet another system (the Supai) about which little is known except that often it contains water of extremely poor quality. This groundwater should definitely be

Think Conservation!

Office of Director 255-1554

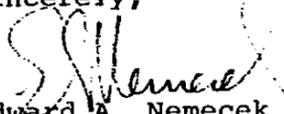
Administration 255-1550, Water Resources and Flood Control Planning 255-1566, Dam Safety 255-1541,  
Flood Warning Office 255-1548, Water Rights Administration 255-1581, Hydrology 255-1586.

*E. L. "Doc" Gillespie  
Holbrook*

Mr. A. K. Doss  
May 11, 1982  
Page Two

sealed off from the groundwater contained within the Coconino aquifer. The source of this data is Arizona Water Commission Bulletin Number 10 published in May, 1976.

We are, of course, willing to cooperate with you and give you the benefit of what hydrologic information we may have on an area. If you wish to set up some procedure whereby we may assist you, please let me know.

Sincerely,  
  
Edward A. Nemecek  
Chief Hydrologist

nh

*We have not heard from Mr. Spenceller since our telephone conversation. Incidentally, on the second location heard from either the USGS or the Forest Service on approval of the lease application.*

*We are also willing to coop on type and bottom of fresh water aquifers. Perhaps we could set up a meeting with SID, BOGAT and USGS in a coop. effort to produce statistical info.*

March 30, 1982

Mr. Cail W. Sponseller  
P.O. Box 488  
Corona, Calif. 91720

Re: Sponseller 1 Sponseller  
SE NE 35-9N-22E Navajo County  
P/N 802

Dear Mr. Sponseller:

Enclosed are the following for the reference well:

Approved Performance Bond  
Approved Application for Permit to Drill  
Permit No. 802  
Receipt for \$25.00

If we can be of further service, please advise.

Sincerely,

R. A. Ybarra  
Enforcement Director

jos  
Encl.

April 12, 1982

Mr. James D. Sponseller  
Sponseller Construction Co.  
310 N. Cota, Ste. "N"  
Corona, CA 91720

Re: Lakeside 1A State  
Permit No. 804

Dear Mr. Sponseller:

Enclosed are approved application for permit, permit,  
approved performance bond, and receipt for the referenced  
well.

Also enclosed are instructions for weekly progress reports  
and instructions for handling well samples.

Incidentally, ten foot samples are required from surface  
for the Sponseller 1 Sponseller well, permit 802.

If we can be of further service, please advise.

Sincerely,

R. A. Ybarra  
Enforcement Director

/os  
Encl.

March 30, 1982

Memo: File 802

From: A. K. Doss, Executive Director *AKD*

Talked to Gail Sponseller in Conona, CA and told him that he may have to set 1500' - 1600' surface pipe and cement back to surface. He said he would do whatever is necessary.

He didn't like it!

THIS DOCUMENT EXECUTED  
in 7 Originals  
This is 1 of 2

RECEIVED

MAR 29 1982

O & G CONS. COMM.

PERFORMANCE BOND  
KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 530202

That we: GAIL W. SPONSELLER  
of the County of RIVERSIDE in the State of CALIFORNIA  
as principal, and SURETY INSURANCE COMPANY OF CALIFORNIA  
of CALIFORNIA

AUTHORIZED TO DO BUSINESS WITHIN THE STATE OF ARIZONA.  
as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100-----Dollars (\$5,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

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

T9N R22E, NAVAJO COUNTY, STATE OF ARIZONA, SE 1/4 NE 1/4 40 ACRES, SECTION 35.  
(May be used as blanket bond or for single well)

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

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

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

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

STATE OF CALIFORNIA )  
COUNTY OF ORANGE )

On this 19th day of MARCH, 19 82, before me personally came NANCY FLORES

to be known, who being by me duly sworn, did depose and say: that he is Attorney-in-Fact of Surety Insurance Company of California, the Corporation described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him in accordance with the By-Laws of the said Corporation, and that he signed his name thereto by like authority.

*Kerry O. Serber*  
(Notary Public)

THIS DOCUMENT EXECUTED  
In 7 Originals  
This is 1 Of 7

RECEIVED

MAR 29 1982

O & G CONS. COMM.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 530202

That we: GAIL W. SPONSELLER

of the County of RIVERSIDE in the State of CALIFORNIA

as principal, and SURETY INSURANCE COMPANY OF CALIFORNIA

of CALIFORNIA

AUTHORIZED TO DO BUSINESS WITHIN THE STATE OF ARIZONA.  
as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100 Dollars (\$5,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

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

T9N R22E, NAVAJO COUNTY, STATE OF ARIZONA, SE 1/4 NE 1/4 40 ACRES. SECTION 35.

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

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

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

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

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

WITNESS our hands and seals, this 19th day of MARCH, 19 82.

GAIL W. SPONSELLER

*Gail W. Sponseller*  
Principal

WITNESS our hands and seals, this 19th day of MARCH, 19 82.

SURETY INSURANCE COMPANY OF CALIFORNIA

*Nancy Flores*  
Nancy Flores, Attorney-in-Fact  
(Surety, Resident Arizona Agent  
If issued in a state other than Arizona)

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

Approved 3-29-82  
Date \_\_\_\_\_  
STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
By: R. G. Ybana

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

Permit No. 802



**Surety Insurance Company of California**

"The Dollars and Sense Surety"

HOME OFFICE IN LA HABRA, CALIFORNIA

Box 2430  
La Habra, California 90631

RECEIVED  
MAR 29 1982

O & G CONS. COMM.

**CERTIFIED COPY OF POWER OF ATTORNEY**

No. 2602

*Know all men by these presents:* That Surety Insurance Company of California, a California Corporation, having its principal Office in the City of La Habra, County of Orange, State of California, pursuant to the following By-Laws which were adopted by the Directors of the said Company on the 9th day of April, 1969 and are now in effect, to-wit:

"Article IV, Section 7(b). The President shall have power and authority to appoint Attorneys-In-Fact, and authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity, and other writings obligatory in the nature thereof, and he may at any time in his judgment remove any such appointees and revoke the authority given to them."

Has made, constituted and appointed and by these presents does make, constitute and appoint

Nancy Flores of La Habra, California

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed, all of the following classes of documents, to wit:

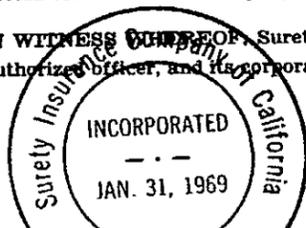
Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, surety and fidelity bonds.

THE AUTHORITY OF THIS POWER OF ATTORNEY IS LIMITED TO  
One Hundred Twenty-Five Thousand Dollars (\$125,000.00)  
FOR ANY SINGLE BOND.

THIS POWER OF ATTORNEY IS VALID ONLY FOR A BOND OR UNDERTAKING EXECUTED PRIOR TO December 31, 1982

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in La Habra, California in their own proper persons.

IN WITNESS WHEREOF, Surety Insurance Company of California has caused these presents to be signed by its duly authorized officer, and its corporate seal to be hereunto affixed this 6th day of November, 1981



SURETY INSURANCE COMPANY OF CALIFORNIA

By John F. Merrill  
John F. Merrill  
President

STATE OF CALIFORNIA  
COUNTY OF ORANGE

SS:

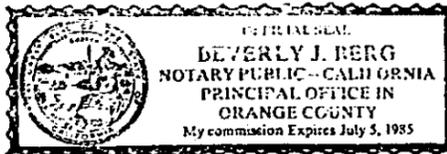
On this 6th day of November A.D. 1981, before the subscriber, a Notary Public of the State of California, in and for the County of Orange, duly commissioned and qualified, came John F. Merrill, President of SURETY INSURANCE COMPANY OF CALIFORNIA, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation, and that Article IV, Section 7(b) of the By-Laws of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the City of La Habra, the day and year first above written.

Beverly J. Berg  
Beverly J. Berg

Notary Public

CERTIFICATION



I, the undersigned, certify that I am the Secretary of SURETY INSURANCE COMPANY OF CALIFORNIA and that the Power of Attorney remains in full force and effect, and has not been revoked; and furthermore that Article IV, Section 7(b) By-Laws of said company as set forth in said Power of Attorney, are now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company

this 19th day of MARCH, 1982

(SEAL)

Phillip R. Gilbert  
Secretary, Phillip R. Gilbert

ORGANIZATION REPORT

RECEIVED

MAR 29 1982

O & G CONS. COMM.

Full Name of the Company, Organization, or Individual

Gail W. Sponseller

Post Office Address (Box or Street Address)

P.O. B x 488 CORONA, CALIF. 91720 (714) 735+6748

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

Individual

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

wildcat oil drilling

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

none

If a foreign corporation, give (1) State where incorporated

none

(2) Name and post office address of state agent

(3) Date of permit to do business in state

Principal Officers or Partners (if partnership) NAME

TITLE

POST OFFICE ADDRESS

Gail W. Sponseller

Individual

DIRECTORS NAME

POST OFFICE ADDRESS

Individual

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Individual of the individual (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

March 29, 1982

Date

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Organization Report

File One Copy

Form No. 1

GAIL W. SPONSELLER  
P. O. Box 488  
Corona, CA 91720  
(714) 735-6748

RECEIVED  
MAR 15 1982  
O & G CONS. COMM.

March 10, 1982

State of Arizona  
Oil and Gas Commission  
1645 W. Jefferson  
Suite 420  
Phoenix, AZ 85007

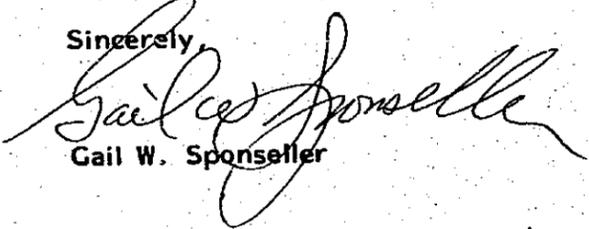
Attn: A. K. Doss, Executive Director

Gentlemen:

We would like an exemption on the state wide rule of an 80 acre requirement per oil well and request permission to drill a 2,000± foot well on 40 acres. We are enclosing a map and legal description of the property which I own by deed.

As soon as we receive approval of this request we will immediately file an application and bond for a permit to drill an oil well.

Sincerely,

  
Gail W. Sponseller

GWS:la  
cc: File

enclosure

T9N R22E NAVAJO COUNTY ARIZONA STATE

