

DOWLING PETROLEUM 1A STATE
NW NW 34-10S-23W YUMA CO.

840

Handwritten scribbles and markings, possibly including the number 840.

PERMIT 840

APPLICATION TO PLUG AND ABANDON

FIELD Wildcat

OPERATOR Dowling Petroleum ADDRESS P. O. Box 3446, Midland, TX 79702
 Federal, State or Indian Lease Number or Lessor's Name if Fee Lease State 13-79451 WELL NO. 1-34

LOCATION 990' FNL & 330' FWL Section 34 T10S R23W GSR

TYPE OF WELL Dry hole (Oil, Gas or Dry Hole) 4 TOTAL DEPTH 5001'

ALLOWABLE (If Assigned) _____

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

PRODUCING HORIZON _____ PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD.

933' of 8 5/8"
 5001' of 4 1/4"

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

Set plug of neat cement from 2300' to 2200'
 and from 50' to surface.

DATE COMMENCING OPERATIONS _____
 NAME OF PERSON DOING WORK Allied Energy Corp. ADDRESS 1107 Sunset Dr. Antioch, CA

Kenneth D. Holt
 Signature Kenneth Holt
Bankruptcy Trustee
 Title
P.O. Box 3446, Midland, TX 79702
 Address
June 6, 1985
 Date

Date Approved 6-14-85
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: [Signature]

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Application to Plug and Abandon
 File Two Copies
 Form No. 9

Permit No. 840

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Dowling Petroleum Inc.
 2. OIL WELL GAS WELL OTHER (Specify) Cased non-completed
 3. Well Name Dowling State 1-34
 Location 990' FNL & 330' FWI
 Sec. 34 Twp. 10S Rge. 23W County Yuma, Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease State 13-79451
 5. Field or Pool Name Wildcat

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

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

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

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

Move in rig (H&W Drilling; El Centro, Ca)
 Run tubing to 2400' and circulate out mud w/ fresh water
 Run Halliburton WSO perf gun & tester/packer
 Set packer @ 2200'
 Perforate 2 holes/ft 2240' to 2244'
 Open testor for fluid retrieval - swab if necessary
 If no hydrocarbons are retrieved proceed with abandonment

8. I hereby certify that the foregoing is true and correct.
 Signed Kenneth S. Holt Title Bankruptcy trustee Date June 6, 1985
 Kenneth Holt

Permit No. 840

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

DOWLING PETROLEUM 1A STATE
NW NW 34-10S-23W YUMA CO.

3-7-83
985 fnl, 355 fwl

840

Elevation 241'

Spud date

Proposed depth 5,000'

3/4/83 1st hole, stuck at 600', got down to 2925'. 500' surf. pipe

3/7/83 2nd hole spud at 10 AM 900' surface pipe

3/15/83 ϕ @ 3097' 3-28-83 ϕ @ 4530'

3/16/83 " " 3400' 3-29-83 ϕ @ 4640'

3/22/83 " " 3915 4-1-83 logging 5006'

3/23/83 " " 4020' 4-2-83 finished logging

3/25/83 " " 4180' Set 4 1/2 csg. @ 5002' (?)

API No. 02-027-20034

RECEIVED

APR 22 1983

O & G CONS. COMM.

*AKG
By*

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Dowling Petroleum, Inc.

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name State No. 1-A

Location 985' FNL, 355' FWL

Sec. 34 Twp. 10-S Rge. 23-W County Yuma, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease _____
State 79451 (Arizona)

5. Field or Pool Name Wildcat

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <u>Set 4 1/2" Casing</u>	ABANDONMENT <input type="checkbox"/>
(OTHER) _____			<input checked="" type="checkbox"/>

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

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

3-30-83 Drilling @ 4767'

3-31-83 Drilling @ 4880'

4-1-83 TD @ 5,000' - Logging.

4-2-83 Finished logging. Prep to run 4 1/2" casing.

4-3-83 Ran 124 joints 4 1/2" 10.5#, J-55, ST&C casing. Set @ 4977.55'. Cemented with 396 sacks Class "G" with 396 sacks Perlite plus 4% gel. Tail-in with 87 sacks Class "G". PD @ 2:00 A.M. 4-3-83. Floats held OK. ND BOP. Cut off casing. Weld on Bell Nipple. Install valve. Shut in well. Released rig @ 7:00 A.M. 4-3-83.

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

Signed *Atkinson* Title Agent Date 4-19-83

Permit No. 00857 840

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Sundry Notices and Reports On Wells
File One Copy
Form No. 75

RECEIVED

MAR 14 1983

O & G CONS. COMM.

AKG
24

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Dowling Petroleum, Inc.

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name State No. 1-A

Location 985' FNL, 355' FWL

Sec. 34 Twp. 10 South Rge. 23 West County Yuma, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease
State 79451 (Arizona)

5. Field or Pool Name Wildcat

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(OTHER)	_____		

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
		ABANDONMENT	<input type="checkbox"/>
(OTHER)	<u>Spud well & set 8 5/8" casing</u>		<input checked="" type="checkbox"/>

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

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

3-7-83 Skid rig to new location. RU Salazar Drilling Company rig. Spud new hole @ 9:00 A.M. 3-7-83.

3-8-83 Drilling @ 460'.

3-9-83 Drilling @ 940'. Set 932' of 8 5/8", 24#, J-55 casing. Cemented with 754 sacks Class "G"-Perlite 1:1 plus 4% gel. Circulated out 50 sack returns. PD @ 7:00 P.M. WOC 12 hours. NU BOP on 8 5/8" Casing.

3-10-83 Drilling out cement and plug.

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

Signed [Signature] Title Agent Date 3-10-83

915/684-7877

Permit No. 840
00837

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

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

PERMIT 840
837

REPORT ON PROPOSED OPERATIONS

DOWLING PETROLEUM, INC.
P.O. Box 3846
Midland, TX 79401

Phoenix, ARIZONA
February 11, 1983

Your proposal to drill well 1AState
A.P.I. No. 02-027-20037, Section 34, T. 10S, R. 23W, G.A.S.R. B. & M.
 field, area, pool.
Yuma County, dated 1-10-83, received 2-2-83 has been examined in conjunction with records
filed in this office.

THE PROPOSAL IS APPROVED PROVIDED:

1. Drilling mud consistent with sound drilling practices shall be used at all times.
2. The well is cased and cemented in such a manner as to protect all zones that contain oil, gas, or fresh water, so as to provide well control during drilling operations.
3. Blowout prevention equipment shall be installed, used, maintained, and tested in a manner necessary to assure well control throughout the drilling, completion or abandonment of the well.
4. The status of completed drilling operations (Form 25) shall be filed with the Commission on a timely basis.
5. Samples taken of this well shall be shipped or mailed, charges prepaid, to:
 - a. Oil & Gas Conservation Commission, Phoenix office.
 - b. Bureau of Geology & Mineral Technology, University of Arizona
845 N. Park, Tucson, AZ 85719
6. THIS COMMISSION SHALL BE NOTIFIED:
 - a. Immediately when drilling operations commence.
 - b. To witness the running and cementing of the surface casing.
 - c. To inspect the installed blowout prevention equipment prior to drilling below the shoe of the surface casing at 400 feet.

BOND SLR 7503876

A. K. BOSS, Executive Director

By R. G. Ybana
Enforcement Director

A copy of this report and the proposal must be posted at the well site prior to commencing operations.

Records for work done under this permit are due within 30 days after the work has been completed or the operations have been suspended.

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

DOWLING PETROLEUM, INC.

NAME OF COMPANY OR OPERATOR

P.O. BOX 3846

Midland,

TX 79702

Address

City

State

Joe I. Salazar Drilling, Inc.

Drilling Contractor

P.O. Box 916

Grants, NM 87020

(505) 287-2163

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor State 13-79451	Well number 1A	Elevation (ground) 241'
Nearest distance from proposed location to property or lease line: 355 FWL feet	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: None feet	
Number of acres in lease: 1,080	Number of wells on lease, including this well, completed in or drilling to this reservoir: None	
If lease, purchased with one or more wells drilled, from whom purchased: N/A	Name	Address
Well location (give footage from section lines) 985 FNL, 355 FWL	Section—township—range or block and survey 34-10S-23W	Dedication (Comply with Rule 105) W/2 NW/4
Field and reservoir (if wildcat, so state) Wildcat	County Yuma	
Distance in miles, and direction from nearest town or post office 10 mi. south of Yuma, AZ		
Proposed depth: 5,000'	Rotary or cable tools Rotary	Approx. date work will start 3-7-83
Bond Status on file Amount 5,000	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the AGENT of the DOWLING PETROLEUM 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

March 7, 1983

Date

Permit Number: 840
Approval Date: 3-7-83
Approved By: R. A. Yama

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

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

- Operator shall outline the dedicated acreage for *both* oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO .
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
- If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description
	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;">John J. Karabees</p> <p>Name Agent</p> <p>Position Dowling Petroleum, Inc.</p> <p>Company March 7, 1983</p> <p>Date</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed 1-21-83</p> <p>Registered Professional Engineer and/or Land Surveyor as per Dowling Pet., Inc. P/N 837</p> <p>Certificate No.</p>

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
9-5/8"	36#	K-55	0	750'	0-750'	500	Class H
5" liner	14#	K-55	750'	5000'	750-5000'	400	Class H



PERMIT TO DRILL

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

BOWLING PETROLEUM, INC.

To: _____
(OPERATOR)

to drill a well to be known as
1A STATE

(WELL NAME)

located 935' FROM NORTH LINE, 355' FROM WEST LINE

Section 34 Township 10 SOUTH Range 23 WEST, YUMA County, Arizona.

The W/2 NW/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 7th day of March, 19 83.

OIL AND GAS CONSERVATION COMMISSION

By _____
Enforcement EXECUTIVE DIRECTOR

PERMIT

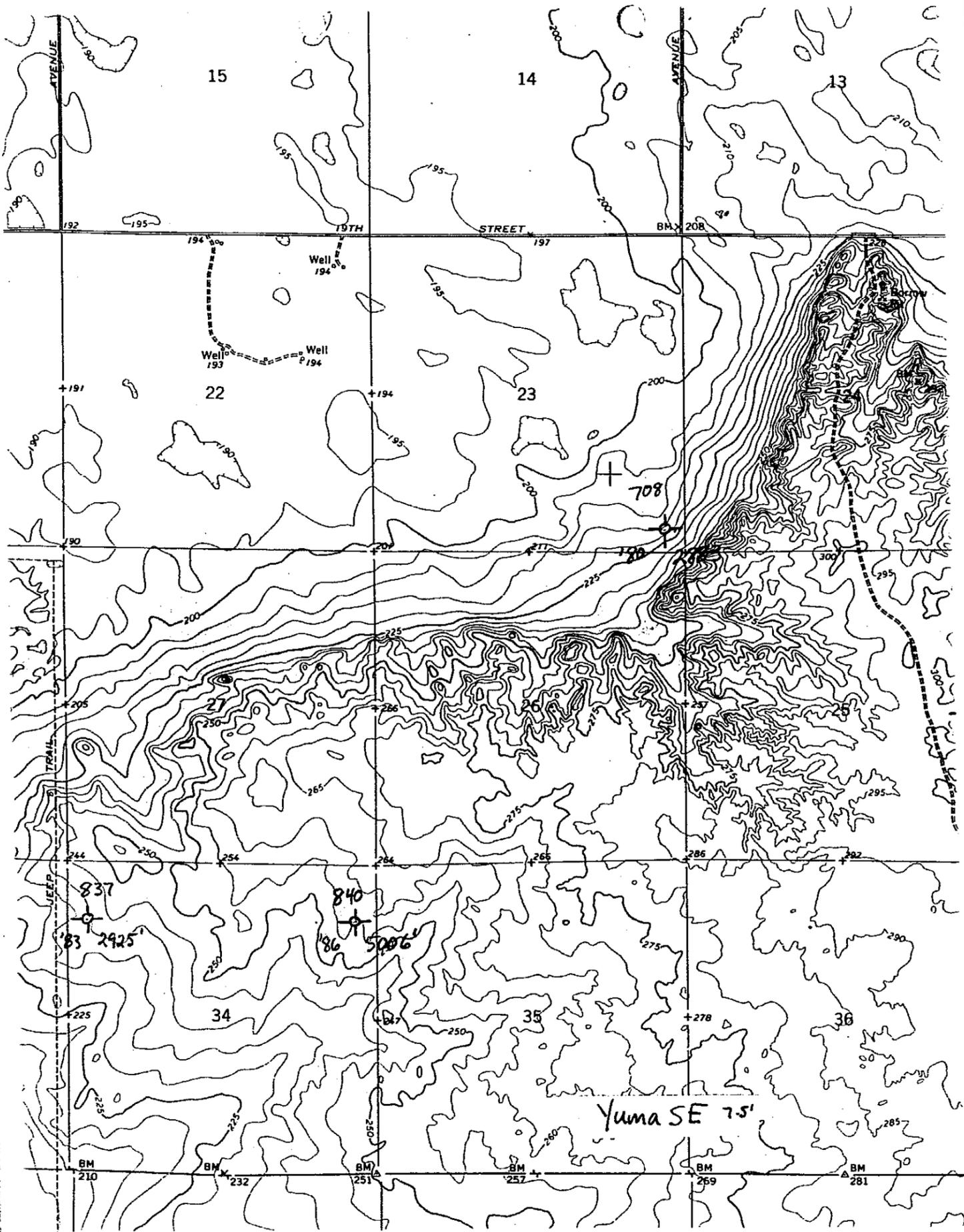
00860

RECEIPT NO. 2375

A.P.I. NO. 02-027-20034

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27





Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

February 7, 1995

Mr. Ed Candi
U.S. Bureau of Reclamation
P. O. Box D
Yuma, Arizona 85366

file 840

Dear Ed:

The information on the four wells we talked about this morning is enclosed. This includes applications for permit, completion reports, and plugging reports for the Exxon #1 Yuma-Federal, the Dowling #1A State, and the two Central Oil wells, the #1 Aman and the #1 MCP Blank. There isn't a completion report in the Dowling file.

Sincerely,

Steven L. Rauzi
Oil and Gas Program Administrator

Enclosures

840

Midland oilmen hit big in Arizona

BY LESLIE HAINES
Business-Energy Writer

A Midland oilman may have tapped into the biggest oil play in Arizona which is not on Indian land.

Initial findings from the Dowling Petroleum State Number 1-A, 10 miles south of Yuma, are causing excitement at Dowling Petroleum. President Paul Dowling said a first look at the 5,000-foot well indicates hydrocarbon shows in a 1,600 foot interval, from 25 different Miocene and Pliocene sands.

Wells in the Permian Basin area of West Texas often produce from deeper geologic zones and from shallower intervals of around 50 feet.

If the find is as prolific as Dowling believes it to be, it would be the first commercial well in Arizona outside the Navajo Indian Reservation in the northeastern part of the state, said A.K. Doss, executive director of Arizona's Oil and Gas Conservation Commission.

"There could be millions of barrels of oil and trillions of cubic feet of gas," depending on tests results, Dowling said. "That would be classified as a major find."

The company has set 4 1/2 inch production casing and is presently evaluating logs and preparing to do production tests in the near future. It should be about two weeks before Dowling knows for sure what he has.

The well is in the Altar Basin in southwestern Arizona. The basin, which straddles the U.S.-Mexican border, has been compared by Arizona geological experts to the Los Angeles Basin in age and type of deposits.

The first discovery proving the basin commercially viable was made in 1981 by Pemex, the Mexican national oil company. That well, about 10 miles south of the Dowling well, potentialized at 6.5 million cubic feet of gas and condensate.



Joseph Faulk, the consulting geologist in Arizona who worked for the Pemex, also did the geology work for Dowling.

Dowling's 5,000-foot wildcat well was spudded March 7. A first test well begun in February was abandoned March 7 when the drill collars and bit became stuck in the hole. The rig was skidded over and the new hole started that same day.

"Geologic literature has postulated that the Los Angeles Basin and the Altar Basin were once together, and that the San Andreas Fault separated them," said Dowling's geologist Don Corrick Monday.

"We think it (the test well) has tremendous potential. The Los Angeles Basin has been tremendous and that's why we're so excited."

The State No. 1-A is the company's only drilling venture in Arizona so far, but Dowling is working geology in other areas of the state, Corrick added.

The privately-held Midland has activity in Texas, New Mexico, and Kansas, and has worked plays in Florida and Michigan.

"We generally work large plays of the wildcat variety," Corrick said. "We have several frontier plays and some conventional, close-in ones."



OFFICE OF

Oil and Gas Conservation Commission
STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5181

March 4, 1986

Mr. Joseph P. Duffy
Senior Claims Representative
Fireman's Fund Insurance Company
P. O. Box 10641
Phoenix, AZ 85064

RE: Dowling Petroleum, Inc.
Well No. 1A State, Yuma County
B 180 S 741491-187

Dear Joe:

This letter is to inform you that the surface restoration work as recommended by the State Land Dept. in letter dated Feb. 13, 1986, was completed on February 24 and 25, 1986.

The work meets approval of the State Land Dept. and the Oil and Gas Conservation Commission.

Thank you for your cooperation and let's hope that we don't have to repeat this kind of action in the future.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

lr

cc: Sy Young
State Land Dept.

3/4/86

Called Maxwell's office to confirm Duffy's call that the work had been completed. Maxwell was not in but his office advised me that:
on Feb 24 + 25 the surf. esg was cut below grad level & the hardened con. was taken to dump - st lbs recommended this. w/give OK as soon as Maxwell calls

To _____

Date 2-5 Time 8546

WHILE YOU WERE OUT

M. JOHN MAXWELL

of yuma

Phone 344-2613

Area Code	Number	Extension

TELEPHONED	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	URGENT	<input type="checkbox"/>

RETURNED YOUR CALL

Message Has finished the Dowling clean-up + wants to know what to do next.

Operator Loce

AMPAD EFFICIENCY 23-000 50 SHT. PAD
 23-001 250 SHT. DISPENSER BOX
 Returned call - 2/5/ DBB - over

To _____
 Date 2-5 Time 8546

WHILE YOU WERE OUT

M. JOHN MAXWELL
 of yuma
 Phone 344-2613

Area Code	Number	Extension
TELEPHONED	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	URGENT	<input type="checkbox"/>

RETURNED YOUR CALL

Message Has finished the
Doubling clean-up
+ wants to know
what to do next.

 Operator Lou

AMPAD EFFICIENCY 23-000 50 SHT. PAD
 23-001 250 SHT. DISPENSER BOX
 Returned call - 2/5 DJB - over

told him I had been
in touch with hand Dept
They will send an inspector
if cleaning is O.K. we will
notify bonding company
that we are satisfied and it
is O.K. for them to pay
Maxwell's bill.

AJP



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

February 14, 1986

Mr. Joseph P. Duffy
Senior Claims Representative
Fireman's Fund Insurance Company
P. O. Box 10641
Phoenix, AZ 85064

Re: Dowling Petroleum, Inc.
Well No. 1A State
B 180 S 741491-187

Dear Joe:

As per our telephone conversation today, I am sending you a copy of the final inspection on subject well made by the State Land Department.

I concur with Mr. Young's recommendations and I trust you will see to it that the work as recommended is completed.

Thank you for your cooperation and if you have any questions on this matter, please let me know.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

lr
Encl.

3/3/86

Duffy / Ybarra

*Called to inform me that
Maxwell called to advise
that the work has been
completed (last week).
will need a final inspection,
us or St Lds*



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

RECEIVED

FEB 14 1986

O & G CONS. COMM.

February 13, 1986

Rudy Ybarra, Enforcement Director
Oil & Gas Conservation Commission
1645 West Jefferson, Suite 420
Phoenix, AZ 85007

Dear Rudy:

I have made an inspection trip to the Dowling wellsite in Yuma County, Section 34, T10S, R23W. This trip was to determine if reclamation of the site is in accordance with the requirements of the Oil and Gas Conservation Commission and the Arizona State Land Department.

The following has been documented by photographs taken on this trip, February 13, 1986.

1. The refuse has either been hauled away or buried.
2. The pits, pad and borrow area have been filled and contoured to the surrounding landscape.
3. The surface casing remains exposed 8 to 10 inches above the ground's surface.
4. In the area of the pits, hardened cement is exposed at the ground's surface.

Initially the area looks good but I would like to make the following recommendations prior to the bond being released.

1. In the pit area an additional 8 to 10 inches of surface material (sand and silt) should be placed over the hardened cement so cultivation can take place without damage to farm equipment. An alternative would be to excavate the hardened cement chunks and haul them away.

Page Two

2. The preferred abandonment procedures for the casing is to cut it off 18 inches below the surface and backfill the hole.

The alternative would be per the OGCC regs, which is a four foot pipe extending from the casing to mark the wellsite.

If you have any questions or comments, please let me know.

Sincerely,



Cyril Young, Geologist
Nonrenewable Resources
and Minerals
255-4628

CJY/plp



OFFICE OF

Oil and Gas Conservation Commission
STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5181

December 6, 1985

Mr. Joseph P. Duffy
Senior Claims Representative
Fireman's Fund Insurance Company
P. O. Box 10641
Phoenix, Arizona 85064

Re: SLR 7503838
B 180 S 741491-187
Dowling Petroleum, Inc.

Dear Mr. Duffy:

Enclosed please find a copy of the estimate prepared by the State Land Department on subject claim.

If you have any questions regarding the estimate, please call me or Mr. Young at 255-4628.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Acting Executive Director

/kb

Enclosure

2-11-86

Ybarra / S Young

S will be going out to well tomorrow (early AM) for surface inspection & will call me as soon as possible.

1-22-86

Duffy / Ybarra

Maxwell has decided to go ahead & have site cleaned up @ the amt given in the estimate.

A few days prior Maxwell was complaining that the bid was too low



BRUCE RABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007

RECEIVED

DEC 6 1985

O & G CONS. COMM.



OFFICE OF
STATE LAND COMMISSIONER

December 5, 1985

R.A. Ybarra, Enforcement Director
Oil & Gas Conservation Commission
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Dear Rudy:

The State Land Department's estimated reclamation cost for the Dowling wellsite, A.P.I. No. 03-027-20034, in Section 34, Township 10 South, Range 23 West is detailed below.

The estimated cost is \$4,590.00 as per the following site measurements and other specifics.

Drill site dimensions: 189 ft. by 231 ft. - 43,659 ft.²
Borrow pit dimensions: 205 ft. by 123 ft. - 25,215 ft.²
Borrow pit depth: Inclined from surface to depth of 9 ft. over length of 205 ft.
Total disturbed area: 68,874 ft.² - 1.60 acres
Amount of material removed from borrow pit - 4,200 yd.³
Rental rate of \$112.90/hr. for caterpillar D7G: May 1984 rate of \$107.50 plus 5%
Average operator rates: \$18.00/hr.
Transportation cost of \$145.00: \$58.00/hr. for 2.5 hrs; 40 miles round trip
Average fuel costs of \$8.00/hr.: 7-9 gallons/hr. at \$1.00/gallon

Based on an estimated 28 hours to move 4,200 yd.³ and also recontour, costs including equipment transportation amount to \$4,034.20. In addition I have included an extra 4 hrs. caterpillar time. The added cost of \$555.60 would be used for drainage contouring and soil replacement from adjacent non-disturbed areas.

These costs were detailed for me in a State Land Department memo dated December 3, 1985 from Mike Rice, the Nonrenewable Resources and Minerals Section Reclamation Specialist. Measurements were taken during our site investigation November 26, 1985.

Page Two

If you have any questions, please let me know.

Sincerely,

Cyril J. Young

Cyril J. Young, Geologist
Nonrenewable Resources
and Minerals
255-4628

CJY/plp

RECEIVED

NOV 12 1985

O & G CONSV. COMM.



FIREMAN'S FUND
INSURANCE COMPANIES

Phoenix Branch Office
2122 E. Highland Ave.
P.O. Box 10641
Phoenix, Arizona 85064
Telephone (602) 954-3800

Donald D. Doyle, Jr.
Resident Vice President

November 8, 1985

Mr. R. A. Ybarra
Acting Executive Director
The Oil and Gas Conservation Commission
State of Arizona
1645 West Jefferson, Ste 420
Phoenix, Arizona 85007

Re: Policy Number : SLR 7503838
Claim Number : B 180 S 741491-187
Principal : Dowling Petroleum, Inc.

Dear Mr. Ybarra:

This will acknowledge receipt of your correspondence of October 22, 1985. We appreciate your assistance.

In your correspondence, you indicated that you had been in contact with the Arizona Land Department Personnel. We would appreciate your providing us with the cost of the restoration project regarding well number 1A. We would appreciate this being itemized. We are corresponding with Mr. Ken Holt, trustee, United States Bankruptcy Court, Western District Taxes regarding this matter. We will be in contact with you within forty-five (45) days. If there should be any questions, please direct them to the undersigned.

For your records my phone number is 954-3843.

Yours very truly,

Joseph P. Duffy
Joseph P. Duffy
Senior Claims Representative

FIREMAN'S FUND INSURANCE COMPANY
B210/L04-6

*11/12/85 Called Sy Young
LD Dept Re: the request
made in this letter
Sy will be out through
Thurs. + he is to call
me then*

*11/12/85 Call Mr. Duffy Re: above
As soon I can get an est. (itemized)
to send it to him + he will go
to work on it immediately*



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5181

December 2, 1985

Mr. Joseph P. Duffy
Senior Claims Representative
Fireman's Fund Insurance Company
P. O. Box 10641
Phoenix, Arizona 85064

Re: SLR 7503838
B 180 S 741491-187
Dowling Petroleum, Inc.

Dear Mr. Duffy:

Enclosed please find a copy of the letter I received from the State Land Department pertaining to the subject claim.

Upon receipt of the estimate I will forward it to your office immediately.

If you have any further questions on this matter, please call.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Acting Executive Director

/kb

Enclosure



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

RECEIVED

NOV 29 1985

O & G CONS. COMM.

November 27, 1985

R.A. Ybarra, Enforcement Director
Oil & Gas Conservation Commission
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

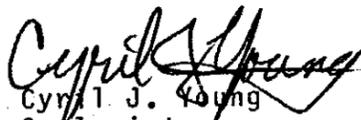
Dear Rudy:

I was in the Yuma area yesterday (11/26/85) to determine what requirements may be needed to reclaim the Dowelling wellsite on Section 34, T.10S., R.23W., and the Redbird site on Section 7, T.8S., R.22W. The details for the Dowelling site are still being worked out. We may need to get bids on its reclamation due to the extensive area disturbed.

The Redbird site has been reclaimed by the Ag. lessee. All the equipment has been removed and the field has recently been plowed. There is no observable evidence of drilling on that particular site.

I'll let you know what we come up with on the Dowelling site. If you have any questions, please call.

Sincerely,


Cyril J. Young
Geologist
Nonrenewable Resources
and Minerals
255-4628

CJY/plp

10-24-85

A. K. Doss phoned at 10:35 AM and reported this information:

Redbird Dowling Well South of Yuma.

They perforated the casing from 2242' - 2245'; had a slight blowout for 15 minutes and then it died. Then they tripped out the hole and recovered salt water.

On the plugging operation they set a plug from 2180 to 2280 with 13 sacks and then set a 50 foot plug in the top of the casing with 7 sacks

Plugging was done on June 18, 1985.

Nov. 6, 1985

Chas. Morris, Uekex

Re: intervals that look worth while testing, after reviewing the logs that I sent him:

2055' - 2058'

2064' - 2070'

2076' - 2103'

+ few stringers below that show some Res. (over)

10-24-85

A. K. Doss phoned at 10:35 AM and reported this information:

Redbird Dowling Well South of Yuma.

They perforated the casing from 2242' - 2245'; had a slight blowout for 15 minutes and then it died.
Then they tripped out the hole and recovered salt water.

On the plugging operation they set a plug from 2180 to 2280 with 13 sacks and then set a 50 foot plug in the top of the casing with 7 sacks

Plugging was done on June 18, 1985.

could be transitional from
2180' (tested by Redbird) to
2055' - brackish to fresh



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5181

October 22, 1985

*10/25/85 Letter returned and remailed to
P.O. Box 10641
Phoenix, Az 85064*

Mr. George Hoppensteadt
Fireman's Fund Insurance Company
P. O. Box 33009
Phoenix, AZ 85067

RE: Dowling Petroleum, Inc.
(Bankruptcy Estate of Dowling Petroleum, Inc.
No. 7-84-0160 2E-7)
Well No. 1A State, Sec. 34, 10S, 23E
Yuma County, AZ
Bond No. 7503838

Dear Mr. Hoppensteadt:

This letter follows our telephone conversation today pertaining to surface clean-up operations on subject well as required by R 12-7-127 A.8.

Abandonment requirements on oil and gas, helium, and geothermal wells, (development or exploratory) include two phases, down-hole plugging of the well and surface restoration of the drill site (well location). The first phase was completed June 18, 1985 as required.

As to the clean-up operations, we have made a diligent effort to get this work done through the trustee for the Bankruptcy Estate of Dowling Petroleum, Inc. See copy of enclosed letter to the trustee. The trustee reports that there are no funds available for this work and that the party that performed the plugging operations was to have also completed the surface work. This party is somewhere in California.

I have talked to the Arizona Land Department's people and they estimate the cost of the cleanup to be about \$5,000.00. We hope to refine this figure in the next few days.

If you have any questions on this matter please call.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Acting Executive Director

Enclosure

OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA
1645 W. JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007



Mr. George Hoppensteadt
Fireman's Fund Insurance Company
P. O. Box 33009 **10641**
Phoenix, AZ 85067-
85064

Rec'd 10/21/85

**Kenneth D. Holt, Trustee
United States Bankruptcy Court
Western District of Texas
P. O. BOX 3446
MIDLAND, TEXAS 79702**

240

October 21, 1985

Mr. R. A. Ybarra
Oil & Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

RE: Dowling Petroleum, Inc.
Well No. 1A State, Sec. 34, 10S, 23E
Yuma County, AZ

Dear Mr. Ybarra:

After receiving your telephone call this afternoon, I tried to call Mr. Faulk in Scottsdale. I was told by the lady that answered the phone that he was still with Redbird Oil Co., but that he was in California.

She gave me his number as (415) 757-2800. I have tried this number numerous times this afternoon, but have gotten a busy signal each time.

I will continue to try.

Sincerely,

Kenneth D. Holt

Kenneth D. Holt



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420

PHOENIX, ARIZONA 85007

PHONE: (602) 255-5161

August 21, 1985

Mr. Kenneth D. Holt, Trustee
United States Bankruptcy Court
Western District of Texas
P. O. Box 3446
Midland, TX 79702

RE: Dowling Petroleum, Inc.
Well No. 1A State, Sec. 34, 10S, 23E
Yuma County, AZ

Dear Mr. Holt:

This is to inform you, as trustee for the Bankruptcy Estate of Dowling Petroleum, Inc., No. 7-84-01602E-7, that the final reports (forms 10 & 4) on the plugging and abandonment of subject well are delinquent by more than two months.

Also, the Commission has been informed that the drill site has not been restored to its natural state; and that the junky appearance of the area has become an "attractive" place for dumping trash and junk. But the most important reason for restoration of the area is that the surface owners have been deprived of the use of their land for over two years. Surface clean-up is the responsibility of Dowling Petroleum.

The forms are due immediately and the clean-up work is to commence no later than 60 days from the date of this letter. If this work is not started by October 21, 1985, and completed to the satisfaction of the Commission and the State Land Department, the Commission will request surety, Fireman's Fund Insurance Company, to complete restoration of the drill site as required under Section R12-7-127 A. 8, which reads as follows:

"The drill site of an abandoned well (plugged) shall be restored as nearly as possible to its natural state, to the satisfaction of the Commission. All pits shall be filled and all equipment and debris shall be removed from the location."

If you have any questions on this matter, please call.

Sincerely,

R.A. Ybarra

R. A. Ybarra
Enforcement Director

cc: Sy Young
State Land Dept.

KENNETH D HOLT
PO BOX 3446
MIDLAND TX 79702 14AM

Western Union Mailgram



4-048308S165002 06/14/85 ICS IPMBNGZ CSP PHXB
2 9151325211 MGM TDBN MIDLAND TX 06-14 0445P CDT

RECEIVED

JUN 17 1985

O & G CONS. COMM.

MR A K DOSS, OIL AND GAS CONSERVATION
COMMISSION STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX AZ 85007

THIS IS A CONFIRMATION COPY OF A TELEGRAM ADDRESSED TO YOU:

WITH REFERENCE TO MY EARLIER TELEGRAM, TODAY IT IS MY DUTY AS TRUSTEE
TO PRESERVE THE ASSETS OF THE BANKRUPTCY TRUST, INCLUDING ARIZONA
LEASE NO. 1379451 THEREFORE I MUST PAY ANY ROYALTIES DUE TO THE STATE
BEFORE OTHER CREDITORS RECEIVE PAYMENT IN ORDER TO PRESERVE THE
LEASE.

KENNETH D. HOLT, TRUSTEE
U S BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
MIDLAND ODESSA DIVISION

IN THE EVENT OF ANY SERVICE INQUIRIES, PLEASE DIRECT CORRESPONDENCE TO:

NATIONAL CONSUMER SERVICE CENTER
C/O WESTERN UNION TELEGRAPH COMPANY
308 WEST ROUTE 38
MOORESTOWN, NJ 08057

17:13 EST

MGMCOMP

5241 (R 7/82)

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS



Telegram

PFA037(1642)(1-020918A165)PD 06/14/85 1640

Read over phone 6/14/85

ICS IPMTUD PTL

RECEIVED

05331 06-14 0221P PDT PTUC

JUN 14 1985

ICS IPMPF02

O & G CONS. COMM.

4-044367S165 06/14/85

ICS IPMBNGZ CSP

9151325211 TDBN MIDLAND TX 92 06-14 0234P CDI

PMS A K DOSS OIL AND GAS CONSERVATION COMMISSION STATE OF ARIZONA.

DLR

1645 W JEFFERSON STE 420

PHOENIX AZ

THE ASSETS AND POWERS OF DOWLING PETROLEUM, INC. INCLUDING DOWLING STATE 1-34, STATE LEASE NO. 13-79451 ARE PART OF THE ESTATE OF DOWLING PETROLEUM, INC. NOW HELD IN TRUST IN CHAPTER 7 BANKRUPTCY PROCEEDING CASE NUMBER 7-84-01602E. AND ARE UNDER MY MANAGEMENT AS TRUSTEE IN THAT PROCEEDING.


western union

Telegram

WANBISHI TEXAS CO, INC ELECTED NOT TO CONSENT TO FURTHER
PARTICIPATION IN THE DEVELOPMENT OF THAT LEASE. THEREFORE, ANY
ROYALTY DUE TO THE STATE OF ARIZONA FROM PRODUCTION FROM THAT LEASE
WOULD BE PAID BY MYSELF AS TRUSTEE OF THE ASSETS OF DOWLING
PETROLEUM, INC.

KENNETH D. HOLT
U. S. BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
MIDLAND-ODESSA DIVISION
1620 EST
NNNN

Kenneth D. Holt, Trustee
United States Bankruptcy Court
Western District of Texas
P. O. BOX 3448
MIDLAND, TEXAS 79702

Permits 849
RECEIVED

JUN 14 1985

O & G CONS. COMM.

June 11, 1985

Redbird Oil Co.
5731 East Edgemont
Scottsdale, Arizona 85257

Re: Dowling Petroleum, Inc.
Bankruptcy No. 7-84-01602

Gentlemen:

Please consider this letter as your authority to complete the Dowling State 1-34 well, located in Yuma County, Arizona, provided that the bankrupt estate of Dowling Petroleum, Inc. retains their interest.

Please call me at (915) 683-3730 if you have any questions.

Sincerely,

Kenneth D. Holt

Kenneth D. Holt

*Fill in
Dowling 1-A State*

Kenneth D. Holt, Trustee
United States Bankruptcy Court
Western District of Texas
P. O. BOX 3446
MIDLAND, TEXAS 79702

RECEIVED
JUN 10 1985
O & G CONS. COMM.

June 6, 1985

Certified Mail
Receipt No. P 335 325 751

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

Re: Dowling Petroleum, Inc.
Bankruptcy No. 7-84-01602E-7

Gentlemen:

I am enclosing an Application to Plug and Abandon along with a copy of Sundry Notices and Reports on Wells on the Dowling State 1-34 well, State Lease No. 13-79451 for your processing. The well is part of the estate of the above listed bankruptcy.

I am enclosing a copy of the Court Order showing that I have been appointed as Interim Trustee in this case.

You may call me at (915) 683-3730 if you have any questions.

Yours very truly,

Kenneth D. Holt

Kenneth D. Holt
Trustee

Encl: 3

KENNETH D. HOLT, TRUSTEE
U. S. BANKRUPTCY COURT
P. O. BOX 3446
MIDLAND, TEXAS 79702

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

MIDLAND, TX 797
1 PM 1
6 JUN
1985

MIDLAND
JUN - 6 1985

187

RETURN RECEIPT
REQUESTED

CERTIFIED
MAIL
P 335 325 751

FILED
JAN 16 1985
CHARLES W. VAGNER, Clerk
By *LB* Deputy

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND-ODESSA DIVISION

IN RE:)
DOWLING PETROLEUM, INC.,) BANKRUPTCY NO. 7-84-01602E-7
Debtor)

ORDER APPOINTING INTERIM TRUSTEE

BE IT REMEMBERED that on the date shown below came on to be heard the First Amended Motion for Appointment of Interim Trustee filed by petitioning creditors herein. The Court, having considered said Motion and the grounds stated therefore is of the opinion that same is well taken and should be in all things granted and sustained. Accordingly,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Kenneth D. Holt, Midland, Texas, be and he is hereby appointed interim trustee of the Bankruptcy Estate.

Signed this *16* day of *Jan* 1985

[Signature]
Judge Presiding

Joseph C. Elliott

March 8, 1984

Fireman's Fund Insurance Companies
2122 East Highland Avenue
P. O. Box 10641
Phoenix, Arizona 85064

Re: Blanket Bond No. SLR 7503838

Gentlemen:

This is in response to your Notice of Cancellation or Termination letter on subject bond.

Please be informed that this Commission cannot authorize release of this bond until the Dowling Petroleum, Inc., Well No. 1A State, in Yuma County, has been plugged and abandoned in accordance with statutes and rules and regulations of the State, or until a replacement bond, individual or blanket, has been filed with this office.

If you have any questions on this matter, please call.

Sincerely,

R. A. Ybarra
Enforcement Director

/sjb



RECEIVED

MAR 5 1984

NOTICE OF CANCELLATION & G. CONS. COMM. OR TERMINATION

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
1645 W. JEFFERSON, SUITE 420
PHOENIX, AZ. 85007

DATE: MARCH 01, 1984

CERTIFIED MAIL

FIREMAN'S FUND INSURANCE COMPANY, Surety upon a certain PERFORMANCE BOND FOR OIL OR GAS
Bond No. SLR 7503838, dated on or about MAY 05, 1983
in your favor, in the amount of TWENTY-FIVE THOUSAND AND NO/100----- Dollars (\$25,000.-----),
covering DOWLING PETROLEUM, INC.
hereby notifies you that it has elected to cancel ~~the~~ said bond IN ITS ENTIRETY

cancellation/~~termination~~ to become effective THIRTY DAYS AFTER RECEIPT OF NOTICE.

This notice is given to you in accordance with the cancellation/termination provision in said bond contained.

CC: OLLIVER INS., SERVICES, PHOENIX, AZ.

FIREMAN'S FUND INSURANCE COMPANY
SURETY

BY Mary A. Sordia
MARY A. SORDIA, ATTORNEY IN FACT

REPLY TO: FIREMAN'S FUND INSURANCE COMPANIES

PO BOX 10641
ADDRESS
PHOENIX, ARIZONA 85064
CITY STATE ZIP



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

February 27, 1984

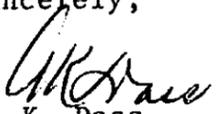
Mr. Paul Dowling
Dowling Petroleum
17 Saddle Club Drive
Midland, Texas 79705

Dear Mr. Dowling:

In reply to your telegram to Mr. Ralph W. Bilby, Chairman, of the Oil and Gas Conservation Commission dated February 23, 1984 requesting temporary abandonment for the Dowling State #1-A well, the Commission voted to honor your request for a six months' period beginning this date.

Please keep the Commission informed of any changes in this status.

Sincerely,


A. K. Doss
Executive Director

/kb

PAUL DOWLING
17 SADDLE CLUB DR
MIDLAND TX 79705 23AM

Western
Union Mailgram



4-0200968054003 02/23/84 ICS IPMBNGZ CSP PHXB
2 9156838574 MGM TDBN MIDLAND TX 02-23 1238P EST

RECEIVED

FEB 27 1984

O & G CONS. COMM.

RALPH W. BILBY, CHAIRMAN
ARIZONA OIL & GAS CONSERVATION COMMISSION
1645 W JEFFERSON
PHOENIX AZ 85007

THIS IS A CONFIRMATION COPY OF A TELEGRAM ADDRESSED TO YOU:

WE FORMALLY REQUEST THAT THE DOWLING STATE #1-A WELL BE PLACED ON
TEMPORARILY ABANDONED STATUS FOR A 6 MONTH PERIOD.

PAUL DOWLING
17 SADDLE CLUB DR
MIDLAND TX 79705

12137 EST

MGMCOMP

February 3, 1984

Mr. Paul Dowling
Dowling Petroleum, Inc.
Three Petroleum Center
P. O. Box 3846
Midland, TX 79702

Re: Dowling Petroleum, Inc.
1 A State
NW NW 34-10S-23W
Yuma County, Arizona

Dear Mr. Dowling:

Inasmuch as this Commission has received criticism for allowing the unusually long period of inactivity of the above-referenced well, this is to advise you that the Commission at its next regularly scheduled meeting to be held at the Commission's offices at 10:00 A.M., February 24, 1984 will consider whether the above-mentioned well should be plugged and abandoned in accordance with the provisions of Rule 12-7-127.

You and any of your staff are invited to be present at the meeting.

Sincerely,

A. K. Doss
Executive Director

/kb

RECEIVED
DEC 16 1983
D & G CONS. COMM.

AKT
KARABEES AGENCIES

5513 NORTH 79TH PLACE
SCOTTSDALE, ARIZONA 85253
(602) 941-8763

December 16, 1983

Mr. A. K. Doss
Executive Director
Oil & Gas Commission
State of Arizona
1645 W. Jefferson
Suite 420
Phoenix, Arizona 85007

Subject: Drill Site Area for Dowling State 1A Well, Yuma County, Arizona
Permit 00840

Dear Mr. Doss:

Enclosed for your review and file is a set of photographs of the area around the subject well before clean-up on December 13, 1983 and after the clean-up operation.

As shown in the pictures, other than in the trash pit, there is no debris whatsoever in the area.

Should there be any questions regarding the area, please do not hesitate to contact the undersigned at 941-8763.

Very truly yours,


John J. Karabees
Agent for Dowling Petroleum, Inc.

cc: Mr. Hall Susie, State Land Department w/o encl.
Mr. Sam E. Bakke, Dowling Petroleum, Inc. w/o encl.

RECEIVED

OCT 18 1983

O & G CONS. COMM.

REALITY IN MIRAGE COUNTRY

For the first time, operators have struck pay in Arizona off the Indian reservation. Are these finds mere oases, or the beginnings of widespread production?

Loyd (840)
Smith
Rudely
White

ARTICLE BY
BEN DAVISS

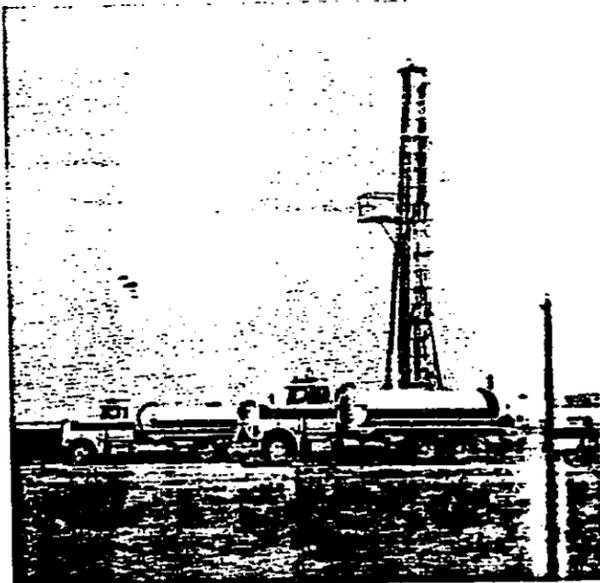
For the past decade, Arizona has been a land of plenty—plenty of leasing, plenty of promoting, and a fair amount of drilling. The only things there haven't been plenty of are oil and gas. A few tests have served up a whiff or a splash, but all the state's production—406,000 barrels of oil and 214 million cubic feet of gas a year from 32 wells, as of 1980—has come from the Navajo Indian reservation in the state's northeastern corner.

That's about to change. Last spring, three small independents tapped commercial gas reservoirs well away from Indian lands. The news has riveted operators' interest; since May, the number of landmen working the state has tripled. Now that off-reservation production has proved possible, Arizona seems like the perfect frontier.

There are still dozens of large, untested structures in the state. Drilling targets are usually shallow, ranging from 400 to 5,000 feet, so drilling costs are comparatively low. Unlike recent years, there are a lot of leases to go around. Hard times in the oilpatch have forced Anschutz Corp., Petro-Lewis Corp. and other major tenants to collectively drop more than five million Arizona acres from their lease rosters. In fact, there is so much land available that, although lease filings are up dramatically, prices in many areas haven't yet risen into double digits. "And you can work here all year without ever being up to your fanny in snow," says a newcomer from the North.

As a result, Arizona soon may bloom with investment opportunities. But like other desert flora they're likely to be scarce. Some, though small, will require a lot of financial nurture. Anyone grub-staking an operator here would be wise to remember the desert traveler's rule of thumb: The bigger and better something seems, the more likely it is to be a mirage.

Dowling Petroleum Co.'s #1-A State well, 10 miles south of Yuma in Arizona's extreme southwestern corner, is definitely not a mirage. The 5,006-foot wildcat revealed 2,000 feet of potential gas and condensate pay—and there's plenty more where that came from, insists Paul Dowling, president of the small Midland-based firm. "We feel very positive there are more structures out there on our acreage and that we'll be developing several fields."



After news of the Dowling find leaked in March, speculators settled on the area like buzzards on fresh meat. Scrapping for a bite of the find, Houston operator Murphy Baxter leased land nearby for \$150 an acre and a royalty of 20%. Such excess is rare, though; most land available near the play still brings \$5 to \$10 an acre and one-eighth royalty. Dowling knows why.

"We hold about 50,000 acres in the area and, by our interpretation, that's well over 80% of all the meaningful acreage in the play. There's still some available. It just depends on how good you like it to be."

The discovery seems to have opened the northern rim of the Altar Basin, a sedimentary bowl that has yielded some prodigious gas wells across the border in Mexico. In early August, though, Dowling still had "absolutely no idea" of his well's potential reserves or expected production rate. Exotic minerals downhole required a custom completion program that was still being formulated. Pemex, the Mexican national oil company, might have been able to help but it's not talking. "Anyone who's worked the borderlands will tell you your chances of getting any information about anything out of Pemex are somewhere between

slim and none," Dowling says glumly.

As a result, completion costs for #1-A State will run to about \$125,000. Drilling cost was only \$200,000. "But that involves all the testing, developing the completion fluid, and so on. In addition, we had very high move-in, move-out costs for the rig, because the location is so remote." He says the cost of a multiwell drilling program on the Yuma leases, once completion problems are solved, should be about \$250,000 per completed well.

Even before production rates could be estimated, gas buyers were queuing up. "There's a very strong market for the gas just because it's so close to Southern California. We've been

contacted by several oil companies and public utilities. One said if there was enough gas here it would build a 150-mile pipeline to carry it from Yuma to San Diego." Eager to please, Dowling has scheduled offsets and staked another wildcat, about 12 miles north of the #1-A State, to be drilled before the year is out.

For investors who are ready to queue up, Dowling has a word of warning. "We have a lot more exploration to do, so we'll be looking for investors to participate in future drilling. But it depends entirely on the individuals. Frankly, I much prefer to work with someone in the oil business. We've done business before with technically unsophisticated investors, and we find we spend too much time answering questions instead of doing our work." He adds that all investments would be "strictly on a working-interest basis" and "for things on our leases that we haven't started yet. We're six to twelve months away from going out and trying to do it again. We have our hands full now with the wells we've already planned."

Intrigued investors shouldn't lose interest, though, Dowling won't. "You only get one of these in a lifetime," he says.

There are a few more entries into the Arizona play taking shape in the eastcentral area, although there's somewhat less certainty about what's been found there. Denver-based Sumatra Energy Co. Inc. has slammed the lid on its #1-17 Santa Fe well near Concho, in Apache County along the southern edge of the Holbrook Basin. Sumatra isn't as lucky as Dowling; so far, no one wants to buy its gas. However, the well is definitely a commercial discovery, according to John Somers, president of High Plains Petroleum Corp. in Boulder, Colo., and a partner in the well. Somers says the well logged 18 feet of oil pay between 2,300 and 2,344 feet and showed gas "from 3,300 feet all the way to the bottom of the hole" at 3,547 feet. "One Pennsylvanian zone at 3,450 showed 24 feet of gas pay," he adds.

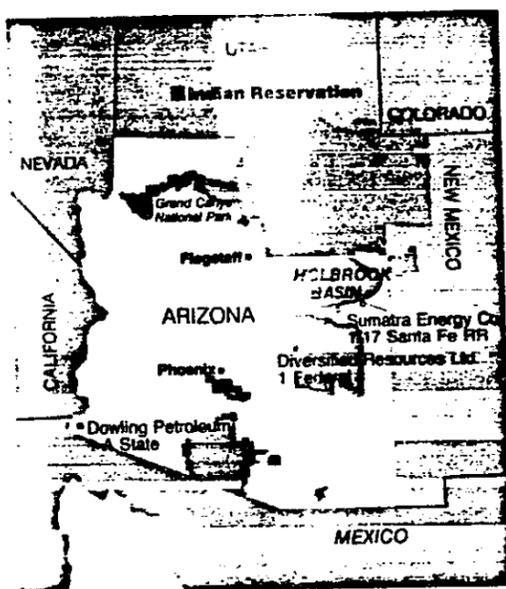
The plugging of the Concho well disappoints Somers, but it doesn't daunt him. To Somers, the well proves eastcentral Arizona's potential.

"The Holbrook Basin is shallow—it averages maybe 3,800 feet deep—so drilling costs are pretty low. But the basin has the same objectives as the Paradox Basin in the Four Corners area [a noted gas-producing region] and the Permian Basin in West Texas and southeastern New Mexico. There's multipay potential here."

Somers' enthusiasm has been catching. High Plains and its investors are in the prospect-packaging business and developed Sumatra's Concho site. Since 1978, the High Plains investment group has sold 16 Arizona prospects in the Holbrook area. In the venture, recently completed, investors put up \$110,000 (in \$10,000 minimums) to buy leases for High Plains to turn into prospects and resell. Lease costs averaged about \$2 an acre. By the time



DOWLING PETROLEUM CO.



Dowling Petroleum's #1-A State may have opened the northern rim of the Altar Basin, the very productive Mexican play. Prospects for marketing the gas look bright, and Dowling plans several more wells by year-end.

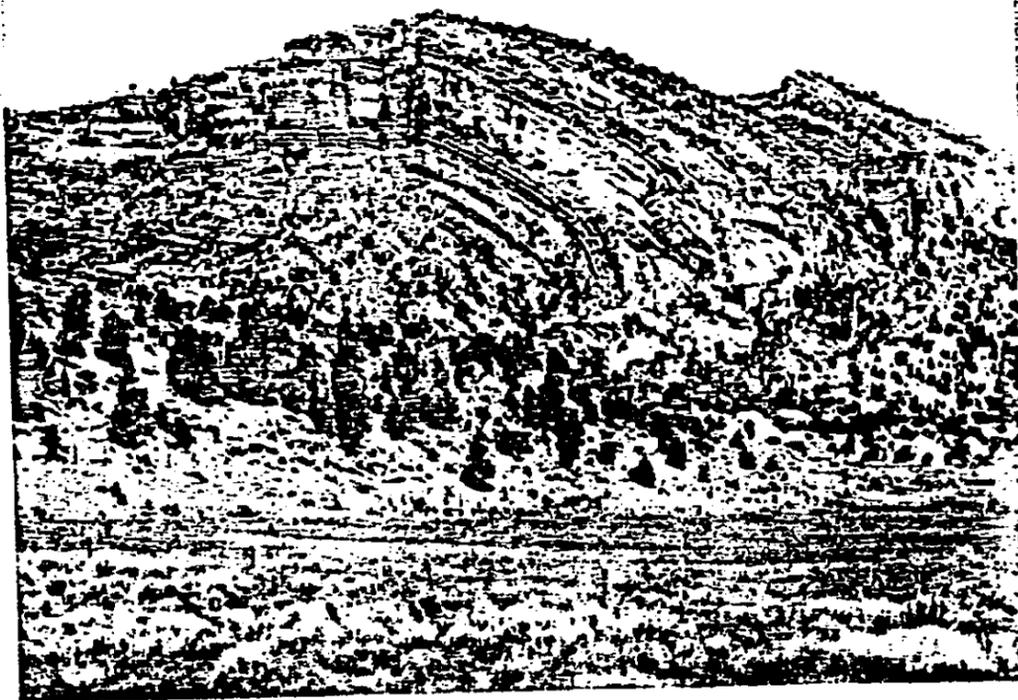
the firm's geologist and geophysicists had picked and probed the land, the venture had invested an average of \$2.78 an acre. The tab included the cost of everything from developing prospects to assembling a sales presentation. "The Holbrook Basin venture brought in about \$240,000 in roughly twelve months. The company retains a flat fee, not a percentage, for developing prospects. In this case, it was \$5,000. So the investors virtually doubled their money in a year," Somers says. The group also kept 5% overriding royalty on the prospects. High Plains keeps 1% and splits the rest proportionately among the investors.

At this point, the cash is worth more than the

volcanic material. It's very slow drilling and it's cavernous, so you have lost-circulation problems. [Where drilling mud does not recirculate to the surface but disappears into a porous formation, leaving the well vulnerable to high-pressure surges.] You have to drill a little, set cement, wait for the cement to dry, drill a little more. We hit malapai two feet down." The rig spent nine days, about a third of the well's total drilling time, clearing a hole through 131 feet of the stuff.

Far from discouraged, Diversified intends to drill at least five more wells in the Holbrook over the next 18 months—"even more if we had the money," Curtiss-Lusher adds.

John Somers of High Plains Petroleum calls this surface structure typical of the large, untested targets in the northern reaches of the Holbrook Basin.



HIGH PLAINS PETROLEUM CORP.

cut. Diversified Resources Ltd. also plugged its basin well, the #1 Federal. "We felt we had a very significant gas well, but we're 25 miles from El Paso Natural Gas transmission line," laments Jeff Yarus, a principal in the Denver-based firm and the holder of a geology doctorate. "However, we intend to re-evaluate the well when the gas market improves. We had oil shows at 1,600 feet and gas shows at 4,100 feet, but we need to do a lot more drilling before we know what's really there." The firm has room. The #1 Federal was drilled on a 22,000-acre surface structure.

Yarus and Barry Curtiss-Lusher, his partner, qualify Somers' view of the Holbrook Basin. "It's a difficult area to drill," Curtiss-Lusher says. "The drilling cost of a well there will be \$200,000 to \$250,000 if you're lucky. The #1 Federal was close to \$400,000 and some have hit \$500,000. The main problem in the basin's southeastern corner is malapai—

"We think this area is the next Denver-Julesburg Basin," says Yarus, who actively works the D-J. "It's going to take a while to develop it, but we think it has that kind of potential."

The company welcomes joint venturers who want to gamble on that potential. "If anyone wants to go wildcatting with us down there, they're welcome to come along," Curtiss-Lusher says, "but it's not for the faint of heart."

Now that both tests in the southern part of the basin have produced unmarketable gas, High Plains is looking to the Holbrook's northern reaches. "In September 1982, there was a well drilled near Chambers," Somers notes. "It flowed oil and gas from the Abo at about 1,350 feet. We plan to drill a well to confirm it. We'll be concentrating more on oil prospects now."

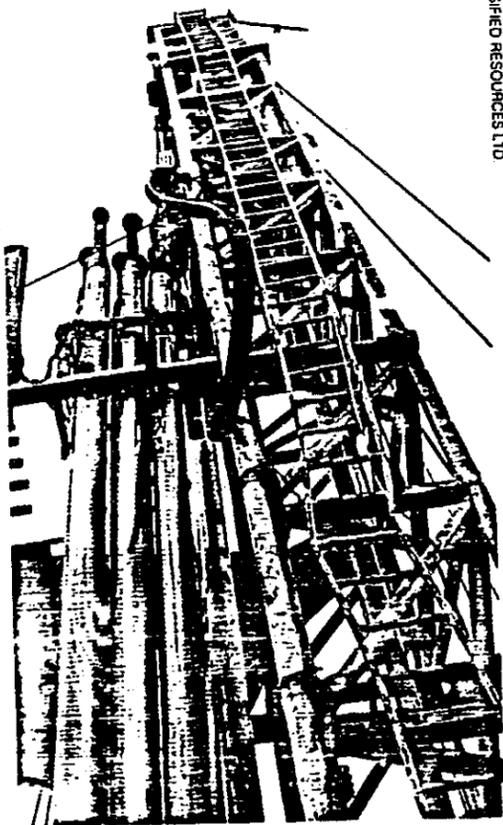
Somers hopes the Concho and Federal tests will lure wildcaters back to the area. Because

the Holbrook is a frontier play and times are tight: the company has had a hard time of late selling its deals either to investors or to operators. Normally, High Plains would be in for 20%-25% of the package; lately, it's taken 50% or more.

Andover International Inc., a four-year-old, Denver-based natural resources firm, is encouraged enough to move into Arizona in a big way. Says president Glenn Anderson: "We've recently formed a business combination with Sunland Oil Corp., the oldest Arizona-based oil and gas company." The deal includes 15 on-structure prospects in the state. Although drilling plans aren't specific yet, Andover ex-

come. Since the oil and gas investment market is still weak, we're trying to put together a package that will be attractive." According to Anderson, the development drilling will be "shallow, bread-and-butter stuff—2,000-foot Oklahoma and New Mexico wells, mainly oil, with multiple pay zones." Locations of the program's Arizona wildcats haven't been settled upon yet, but will be in the eastcentral area. To those who like to help drive the bus instead of just ride in it, Anderson says he is "absolutely open" to discussions with potential joint venturers in the Grand Canyon State.

Arizona holds many more promises than it's kept so far. In "Strip Country," the northwest-



pects to drill or participate in six to eight Arizona tests during the next twelve months.

One or two will be part of an arrangement Andover is developing. "We're formulating a program that would include development drilling, one or two Arizona wildcats, and income real estate," explains Anderson. "The total package for the first deal will be \$8-\$10 million, weighted roughly 60% in real estate and 40% in oil and gas.

"We're not talking duplexes here," he notes. "We're talking 100-unit apartment buildings, regional shopping centers. On the real estate side, investors would get an income stream, depreciation, and some investment tax credits. On the oil and gas side, they'll have the benefits of deductions from intangible drilling costs and the prospect of good long-term in-

DIVERSIFIED RESOURCES LTD



The #1 Federal, drilled on a 22,000-acre surface structure, was plugged because of the slow gas market, but the company intends to go right on drilling.

ern region between the Grand Canyon and the Utah border, the lure of shallow oil has kept operators busy for years. Shields Exploration Inc. of Pacific Palisades, Calif., has drilled several holes between 400 and 900 feet in the strip since 1979. The company still holds about 10,000 acres and is currently "evaluating geology," reports president Jay Shields. Denver-based Brooks Exploration Inc. reportedly holds more than 100,000 acres in the area, but seems to be militantly not talking about it.

The strip is getting crowded. Wide-ranging Sanchez-O'Brien Oil & Gas Corp., headquartered in Laredo, Texas, has staked a claim on 250,000 acres to test the Hingeline, a geological dropoff in northwestern Arizona that seems prospective. Nearby, May Petroleum Inc. of Dallas is "actively seeking" farmout partners for 150,000 acres of virgin ground.

At this point, Arizona seems to have more possible drilling targets than operators have dollars to drill them. Two years ago, Phillips Petroleum punched a series of holes along the state's presumed share of the Overthrust Belt, running from the Nevada border in the northwest through Phoenix to Tucson in the southeast. After a campaign of stratigraphic tests and a dry hole that cost \$9 million, Phillips went away. "But who knows? When times get better, they might come back," says a veteran Arizona-watcher. "A few dry holes don't mean there's nothing there."

That's the spirit Arizona wildcatters like. "In the past, there's been a lot of brokerage here just for the sake of brokerage," says Dowling. "Now that there's production here, oil people aren't going to turn up their noses any more when you talk about Arizona." □

RECEIVED

JUN 23 1983

AKU
RAY
File

STUBBEMAN, MCRAE, SEALY, LAUGHLIN & BROWDER, INC.
ATTORNEYS AT LAW

MIDLAND, TEXAS
TWO FIRST CITY CENTER-ZIP CODE 79701
550 WEST TEXAS AVENUE
P. O. BOX 1540-ZIP CODE 79702
A. C. 915 682-1616
TELECOPIER (915) 682-4884

AUSTIN, TEXAS
1800 AMERICAN BANK TOWER, ZIP CODE 78701
221 WEST 6TH STREET
P. O. BOX 2286-ZIP CODE 78768
A. C. 512 476-3502

O & G CONS. COMM.

WALTER C. BEARDSLEY
JAMES G. NOLAND
MILTON L. BANKSTON
T. B. WRIGHT
JOE R. GREENHILL, JR.
JAMES V. HAMMETT, JR.
JOSEPH V. CRAWFORD
PATRICIA A. ENGLISH
ROBERT A. MACINNES
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GALT GRAYDON
JAMES CHRISMAN PHILLIPS
KAREN PARKER
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J. STOCKTON WILLIAMS, JR.
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BRAD CUMMINS
THOMAS J. MITCHELL III
STEVANN C. SIMPSON
DAVID E. CHAMBERLAIN
C. DANIEL ROBERTS
MARK T. MITCHELL

FRANK STUBBEMAN (1906-1978)
HAMILTON E. MCRAE
TOM SEALY
BOYO LAUGHLIN (1912-1981)
FRED M. CASSIDY
WM B. BROWDER, JR.
W. F. PENNEBAKER
DURWARD M. GOOLSBY
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THOS L. LOWRY
MARK K. LEAVERTON
MICHAEL B. MCKINNEY
AL W. SCHORRE, JR.
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JACK D. LADD
MICHAEL R. STOLTZ
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J. RANDY TURNER
RHONDA J. SELVY
JAMES E. HAAS
DAVID W. COPELAND
JAD DAVIS
BARBARA A. GOOLSBY
TERRY L. GRANTHAM
SCOTT D. HARVEL**

ADDRESS REPLY TO:

Midland, TX

June 20, 1983

Filed
per Rudy
6-29-83

*ALSO MEMBER NEW MEXICO BAR
**MEMBER NEW MEXICO BAR ONLY

Mr. A. K. Doss
1645 W. Jefferson
Suite 420
Phoenix, AZ 85007

Dear Sir:

Dowling Petroleum, Inc. has furnished us with a copy of a press release issued by Alan Einersen & Associates on behalf of Bannak, Inc., received June 3, 1983, containing inaccurate information in connection with the Dowling Petroleum, Inc. potential discovery well in the Altar Basin in the State of Arizona. On behalf of Dowling, we seek to prevent any further dissemination of false or misleading information regarding the ownership of or involvement with this well.

Very truly yours,

Nicholas Taylor
Nicholas C. Taylor

NCT:ccm
cc: Mr. Paul Dowling
320

Alan Einersen & Associates
Public Relations

878 East 900 South, Salt Lake City, Utah 84105
Telephone (801) 363-9280

RECEIVED

JUN 3 1983

O & G CONS. COMM.

Dowling -
915-686-0301
Midland
Alan Einersen
President

*Attached
by Dase*

For: Bannak, Inc., Salt Lake City, Yuma

Contact: Don Glenn
(602) 726-7865
Alan Einersen
(801) 363-9280

EDITOR'S TIP SHEET

What: Dedication of first completion well, Altar Basin
Field, Yuma, Arizona.

When: Wednesday, June 8, 1983, (note date change)
10:00 a.m.

Where: Stardust Hotel, Yuma, Arizona.

Who: The Honorable Bruce Babbitt, Governor, State of
Arizona.
Don Glenn, President, Bannak, Inc. *Local Yuma
Controversy*
Joseph Faull, geologist.
Plus representatives of Dowling Petroleum and
other participating companies in the Altar Basin
Field. State officials.

Note: This is the first major oil and gas discovery in
Arizona not on Indian land.

Transportation: Provided to the well site.

R.S.V.P. Regrets.

Alan Einersen & Associates
Public Relations

878 East 900 South, Salt Lake City, Utah 84105
Telephone (801) 363-9280

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JUN 3 1983

O & G CONS. COMM.

Dowling -
915-686-0301
Midland
Alan Einersen
President
840

For: Bannak, Inc., Salt Lake City, Yuma

Contact: Don Glenn
(602) 726-7865
Alan Einersen
(801) 363-9280

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Transportation: Provided to the well site.

R.S.V.P. Regrets.

Local Yuma
Entrepreneur



The Phoenix Gazette

MEMORANDUM

RECEIVED

JUN 3 1983

D & G CONS. COMM.

6-2-83

AK -

Here's the story (p. F-2) &
the release I got.

Keep me posted.

Mark

271-8624



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

June 2, 1983

Fireman's Fund Insurance Company
P. O. Box 33009
Phoenix, Arizona 85067

Re: Blanket Bond No. SLR 7503838

Gentlemen:

Subject bond has been approved by this Commission for state-wide drilling of oil and gas wells by Dowling Petroleum, Inc.

This bond will now cover Well No. 1 State, drilled in Section 34-T10S-R23W under Bond No. SLR 7503876.

If you have any questions on this matter, please call.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

/kb

cc: Dowling Petroleum, Inc.



OFFICE OF
Oil and Gas Conservation Commission

STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 271-5161

April 15, 1983

Mr. Sam E. Bakke, Vice-President
Dowling Petroleum, Inc.
Three Petroleum Center
P. O. Box 3846
Midland, Texas 79702

Subject: Dowling Petroleum, Inc.
Well Numbers: State Well #1 and
State Well #1 A
Sections 34-10S-23W

Gentlemen:

This will acknowledge receipt of your samples from surface to 2900 feet and 2900 feet to 5000 feet from subject wells, respectively. Thank you for your promptness.

I am sure it is an oversight, but please let me remind you that samples, surface to 2900 feet, from your second hole were not received. If the geology between the two holes was more nearly correlative the composite samples as filed would satisfy our requirements. However, I understand from A. K. Doss, of this office, that the geology between the two holes is drastically different. This being the case, please file samples of second hole (Well #1 A) at your earliest convenience.

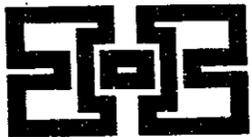
If you have any questions on this matter, please call me.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

RAY:bg

F.I.E: #E40, #E37



BRIEN H. BUTLER INSURANCE AGENCY LTD.

P.O. BOX 15653 • PHOENIX, ARIZONA 85060 • 602/959-5200

RECEIVED *AKS*

MAR 9 1983

O & G CONS. COMM.

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

Date: 3/8/83

Re: Dowling Petroleum, Inc.
Bond #SLR 7503876

The enclosed time saver is sent to you as a means of increasing the efficiency and expediency of our service for the benefit of our policy holders.

ONLY THE LINES CHECKED APPLY:

- _____ Please attach to policy
- Invoice for _____ Anniversary Premium due _____
- Loss Draft in the amount of _____
- Please return _____ policy no. _____ for cancellation
- Insurance policy for deposit in your files _____
- Per your request, enclosed please find the original increase rider on the captioned bond. If you have any questions, please do not hesitate to call.

Thank you

BRIEN H. BUTLER INSURANCE AGENCY LTD.

cc: Cindy Thompson
Dowling Petroleum, Inc.

Emily A. Cruz/for Brien H. Butler



RECEIVED

MAR 9 1983

O & G CONS. COMM.

SURETY BOND

Add'l Premium \$ 85.00

INCREASE OR DECREASE PENALTY RIDER

Description of Bond Performance Bond for Gas or Oil Bond No. SLR 7503876

Know all men by these present that we, DOWLING PETROLEUM, INC., Principal,
and FIREMAN'S FUND INSURANCE COMPANY, Surety,
in favor of THE STATE OF ARIZONA, Oblige,
do hereby, jointly and severally, change the penal amount of this bond from Five Thousand and no/100-----
----- dollars (\$ 5,000.00----) to
Ten Thousand and no/100-----
----- dollars (\$ 10,000.00----),
effective from the 7th day of March, 19 83.

The continuity of coverage under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the said Principal and Surety shall not exceed the amount of liability assumed at the time the act and/or acts of default were committed and in no event shall such liability exceed the larger of the above mentioned sums.

Signed and sealed this 7th day of March, 19 83.

ACCEPTED:

The above is hereby agreed to and accepted:

DOWLING PETROLEUM, INC.
PRINCIPAL

NOT REQUIRED

OBLIGEE

By: _____ TITLE

By: _____ TITLE

FIREMAN'S FUND INSURANCE COMPANY
SURETY

Attest: _____ TITLE

By: Pat G. Russon
Pat G. Russon, ATTORNEY IN FACT



FIREMAN'S FUND INSURANCE COMPANY
 THE AMERICAN INSURANCE COMPANY
 NATIONAL SURETY CORPORATION
 ASSOCIATED INDEMNITY CORPORATION
 AMERICAN AUTOMOBILE INSURANCE COMPANY
 HOME OFFICE: SAN FRANCISCO, CALIFORNIA

RECEIVED BOND NO. SLR 7503876

MAR 9 1983

O & G CONS. COMM.

RIDER

In consideration of the premium charged, it is understood and agreed that:

Effective from the 7th day of March, 1983 the described land situated

within the State of Arizona is amended to read as follows:

.355 feet from the West Line, 985 feet from the North Line, Section 35,
 Township 10 South, Range 23 West, Yuma County, Arizona

Provided, however, that the liability of the Fireman's Fund Insurance Company
 under the attached bond and under the attached bond as changed by this rider shall not be cumulative.

Nothing herein contained shall be held to vary, waive, alter or extend any of the terms, conditions, agreements or warranties of the
 undermentioned bond, other than as stated above.

Attached to and forming a part of Bond No. SLR 7503876 issued by the Fireman's Fund Insurance Company

dated the 10th day of January, 1983

on behalf of Dowling Petroleum, Inc.

and in favor of The State of Arizona

Signed this 7th day of March, 1983

FIREMAN'S FUND INSURANCE COMPANY
 Surety

By Pat G. Russon
 Pat G. Russon, Attorney-in-Fact

PERFORMANCE BOND
KNOW ALL MEN BY THESE PRESENTS

RECEIVED

FEB 2 1983

O & G CONS. COMM.

Bond Serial No. SLR 7503876

That we: Dowling Petroleum, Inc.
of the County of Midland in the State of Texas
as principal, and Fireman's Fund Insurance Company
of P. O. Box 33009, Phoenix, Arizona 85067

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 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:

^{34 SEB}
W/2 NW/4, Section 24, Township 10 South, Range 23 West

(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 10th day of January, 19 83.

Camille
Paul S. Daulton, Jr.
President/Dowling Petroleum, Inc.
Principal

WITNESS our hands and seals, this 10th day of January, 19 83.

DATE 5/5/83
FIREMAN'S FUND INSURANCE COMPANY
By: Pat G. Russon
Pat G. Russon, Surety 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 2-2-83
Date
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: R. G. Yana

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

Permit No. 837
840

GENERAL
POWER OF
ATTORNEY

FIREMAN'S FUND INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That FIREMAN'S FUND INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of California, and having its principal office in the City and County of San Francisco, in said State, has made, constituted and appointed, and does by these presents make, constitute and appoint

-----PAT G. RUSSON-----

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VIII, Section 30 and 31 of By-laws of FIREMAN'S FUND INSURANCE COMPANY now in full force and effect.

"Article VIII, Appointment and Authority Assistant secretaries, and Attorney-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 30, Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President, may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

Section 31, Authority. The Authority of such Resident Assistant Secretaries, Attorneys-in-Fact, and Agents shall be as prescribed in the instrument evidencing their appointment, and any such appointment and all authority granted thereby may be revoked at any time by the Board of Directors or by any person empowered to make such appointment."

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of FIREMAN'S FUND INSURANCE COMPANY at a meeting duly called and held on the 15th day of July, 1966, and said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused these presents to be signed by its Vice-President,

and its corporate seal to be hereunto affixed this 5th day of October, 19 81.



FIREMAN'S FUND INSURANCE COMPANY
By Richard Williams
Vice-President

STATE OF CALIFORNIA, } ss.

CITY AND COUNTY OF SAN FRANCISCO

On this 5th day of October, 19 81, before me personally came Richard Williams, to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of FIREMAN'S FUND INSURANCE COMPANY, the Corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



CERTIFICATE

Susie K. Gilbert
Notary Public

STATE OF CALIFORNIA, } ss.

CITY AND COUNTY OF SAN FRANCISCO

I, the undersigned, Resident Assistant Secretary of FIREMAN'S FUND INSURANCE COMPANY, a CALIFORNIA Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VIII, Sections 30 and 31 of the By-laws of the Corporation, and the Resolution of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City and County of San Francisco, Dated the 10th day of January, 19 83.



Leatha E. Anstey
Resident Assistant Secretary

ORGANIZATION REPORT

RECEIVED

FEB 2 1983

Full Name of the Company, Organization, or Individual

DOWLING PETROLEUM, INC.

O & G CONS. COMM.

Post Office Address (Box or Street Address)

P. O. Box 3846 Midland, Texas 79702

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

Corporation

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

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
Texas	Jerry L. Haggard 2600 North Central Avenue Phoenix, Arizona 85004	January 21, 1983
Principal Officers or Partners (if partnership) NAME	TITLE	POST OFFICE ADDRESS
Paul L. Dowling, Jr.	President and Director	P. O. Box 3846 Midland, Texas 79702
Joe C. Richardson, Jr.	Chairman of the Board, Treasurer and Director	P. O. Box 8246 Amarillo, Texas 79109
Joe C. Richardson, III	Director	P. O. Box 8246 Amarillo, Texas 79109
Susan Boyd	Secretary	P. O. Box 8246 Amarillo, Texas 79109
Cindy Thompson	Assistant Secretary	P. O. Box 3846 Midland, Texas 79702
Sam E. Bakke	Vice President	P. O. Box 3846 Midland, Texas 79702

DIRECTORS NAME	POST OFFICE ADDRESS
Paul L. Dowling, Jr.	P. O. Box 3846 Midland, Texas 79702
Joe C. Richardson, Jr.	P. O. Box 8246 Amarillo, Texas 79109
Joe C. Richardson, III	P. O. Box 8246 Amarillo, Texas 79109

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

Dowling Petroleum, 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

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

Form No. 1