

~~CONFIDENTIAL~~
~~Release Date~~

SIELDS EXPLORATION CO. (COCONINO) 853
SW NW 19-T41N-R1E 2-19 Federal

APPLICATION TO PLUG AND ABANDON

FIELD WILDCAT - WHITE SAGE PROSPECT
OPERATOR SHIELDS EXPLORATION COMPANY ADDRESS 320 BELLINO DRIVE, PAC, PAL, CA90272
Federal, State or Indian Lease Number or Lessor's Name if Fee Lease A-10457 WELL NO. SF 2-19
LOCATION NWSWNW Sec19, T41N-R1E

TYPE OF WELL DRY HOLE TOTAL DEPTH 3756' PBT D3030'
(Oil, Gas or Dry Hole)
ALLOWABLE (If Assigned) N/A
LAST PRODUCTION TEST OIL n/a (Bbls.) WATER n/a (Bbls.)
GAS _____ (MCF) DATE OF TEST _____
PRODUCING HORIZON NONE PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD.

7" casing cemented at 432' to surface.
4 1/2" casing cemented at 3197' with cmt plug 3197-3152 PBT D 3152'
BRIDGING PLUGS (WELEX) at 3095' and 3030'

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

ABANDONMENT in accord with the Regulations of the USDI-BLM and the State of ARIZONA OIL AND GAS CONSERVATION COMMISSION.
WORK PLAN: 1/ Use DOWELL CEMENTERS. Pump 75 sx cement down to top Bridge Plug at 3030'. Squeeze Perforations at 2988-2996. Estimate top cmt in casing at 2600'. DOWELL will also place surface plug at 50 feet using tool, using 5 sx cement. Will cut 7" and 4 1/2" casings to ground level and cement annuluses 2/ Will weld Steel Plate (1/2" thick) to surface casings.
PLATE TO READ: SHIELDS FED 2-19 NWSWN S19 41N 1E AZ 853.

DATE COMMENCING OPERATIONS FEBRUARY 5, 1990 -- WILL CONFIRM BY PHONE
NAME OF PERSON DOING WORK DOWELL CEMENTERS ADDRESS Cortez, New Mexico

Signature Jay M Shields
Title PRESIDENT, SHIELDS EXPLORATION COMPANY
Address 320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272
Date JANUARY 29, 1990.

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. 853

Form 3160-5
November 1983
Formerly 9-331

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL GAS WELL OTHER COMPLETION

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC I

4. LOCATION OF WELL. Report location clearly and
See also space 17 below.
At surface
450' FWL & 3580' FSL, Sec 19

14. PERMITS NO. AZ-853
A.P.I. 02-005-20029

15. ELEVAT
5025

18. Check Appropriate B
NOTICE OF INTENTION TO:
TEST WATER SHUT-OFF PULL OR ALTER
FRACTURE TREAT MULTIPLE COMP
SHOOT OR ACIDIZE ABANDON
REPAIR WELL CHANGE PLANE
(Other)

19. Report, or Other Data
SUBSEQUENT REPORT OF:
OFF REPAIRING WELL
TREATMENT ALTERING CASING
ACIDIZING ABANDONMENT*
Completion. (see below)
Report results of multiple completion on Well
or Recompletion Report and Log form.)

5. LEASE DESIGNATION AND SERIAL NO.
A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD AND POOL, OR WILDCAT
White Sage Prospect

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA
Sec 19, T41N-R1E, G&SRBM

12. COUNTY OR PARISH
Coconino

13. STATE
Arizona

1986

*Rudy 3/18/86
Plan to
drill offset to
the 2-19 well
to test the
Shields dome
zone 3000'-3100'
Jay*

LAST REPORT: 2/23/86. Waiting on Rig to swab. Shut In.

2/24: Shut In.

2/25: To Lease from LA. SOS Workover Rig from NM at Well
3:30 PM. Pulled rods. Removed downhole pump assembly.
Swabbed twice. WL @ 1650'. Could not bail down.
No shows. Water fresh with br-blk residue. SION.

2/26: To Lease at daylight. Pulled three swabs. Water Level
same at 1650'. Could not bail down. Water fresh with
blk to dk br residue. No shows. Ran rods back in hole
to approx 3000'. Sealed. Closed valves (annulus and
tubing). Left flow line assembly. Plan periodic checks.

REQUEST SHUT IN STATUS PENDING FURTHER DECISIONS.

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

SIGNED

Jay M. Shields

TITLE

President

DATE

MARCH 12, 1986

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Form 3160-5
November 1983
Formerly 0-331

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL GAS WELL OTHER COMPLETION

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272

4. LOCATION OF WELL. Report location clearly and in accordance with any State requirements.
See also space 17 below.
At surface
450' FWL & 3580' FSL, Sec 19, T41N-R1E
MAR 26 1986

14. PERMIT NO. AZ 853
A.P.I. 02-095-20029

15. ELEVATIONS (Show whether LV, RT, OR SURF.)
5025 GRD

5. LEASE DESIGNATION AND SERIAL NO.
A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD AND POOL, OR WILDCAT
White Sage Prospect

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec 19, T41N-R1E, G&SRBM

12. COUNTY OR PARISH
Coconino

13. STATE
Arizona

16. 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"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) Completion <input checked="" type="checkbox"/> | (see below) <input type="checkbox"/> |

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

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

LAST REPORT: 2/23/86. Waiting on Rig to swab. Shut In.

2/24: Shut In.

2/25: To Lease from LA. SOS Workover Rig from NM at Well 3:30 PM. Pulled rods. Removed downhole pump assembly. Swabbed twice. WL @ 1650'. Could not bail down. No shows. Water fresh with br-blk residue. SION.

2/26: To Lease at daylight. Pulled three swabs. Water Level same at 1650'. Could not bail down. Water fresh with blk to dk br residue. No shows. Ran rods back in hole to approx 3000'. Sealed. Closed valves (annulus and tubing). Left flow line assembly. Plan periodic checks.

REQUEST SHUT IN STATUS PENDING FURTHER DECISIONS.

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

SIGNED Ray M. Shields TITLE President DATE MARCH 12, 1986

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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

Form 3160-5
November 1983
Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on
reverse side)

Form approved
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

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

| | |
|---|--|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER COMPLETION - OIL <input checked="" type="checkbox"/> | 5. LEASE DESIGNATION AND SERIAL NO. A-10457 |
| 2. NAME OF OPERATOR SHIELDS EXPLORATION COMPANY | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME ----- |
| 3. ADDRESS OF OPERATOR 320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272 | 7. UNIT AGREEMENT NAME ----- |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 450' FWL & 3580' FSL, Sec 19, T41N-R1E | 8. FARM OR LEASE NAME SHIELDS FEDERAL |
| 14. PERMIT NO. AZ 853 A.P.I. 02-005-20029 | 9. WELL NO. #2-19 |
| 15. ELEVATIONS (Show whether OF, RT, GR, etc.) 5025 GRD | 10. FIELD AND POOL, OR WILDCAT White Sage Prospect |
| | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 19, T41N-R1E, G&SRBM |
| | 12. COUNTY OR PARISH Coconino |
| | 13. STATE Arizona |

16. 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"/> | FULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) Completion-on pump (see below) <input checked="" type="checkbox"/> | |

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

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

LAST REPORT: 1/ 3/86. Pumping water with gas kicks.

1/ 4/86- 1/23: Pumping fresh water with associated gas. Kicks. Pump rate 2 1/2 GPM.
1/24 - 1/27: Stronger gas blow with water. Odor very strong. Shut down pump 2 days. No blow.
1/28 - 2/ 1: Normal water with associated gas. Shields at Well 2/29. Water clear, fresh, with metallic taste. Iron staining. Bucket filled with tiny gas bubbles. No oil.
2/ 2 - 2/ 3: Loaded out rocker arm and motor. Could not pull rods with lite rig.
2/3 - 2/23: Well shut in waiting on rig to pull rods. Plan to pull rods and SWAB Well on 2/25 and 2/26. Any results will be communicated to BLM & AZ O/G Comm Sec.

18. I hereby certify that the foregoing is true and correct
SIGNED [Signature] TITLE President DATE 2/23/86
(This space for Federal or State office use)

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

*See Instructions on Reverse Side

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

Form 3160-5
(November 1983)
Formerly 9-331)

853
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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

1. OIL WELL GAS WELL OTHER **Completion - Oil**

2. NAME OF OPERATOR **SHIELDS EXPLORATION COMPANY**

3. ADDRESS OF OPERATOR **320 Bellino Dr., Pacific Palisades, 90272**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
450' fWL & 3580' fSL, Sec 19, T41N-R1E

14. PERMIT NO. **AZ 853**
A.P.I. 02-005-20029

15. ELEVATIONS (Show whether DP, ST, GR, etc.)
5025 GRD

3. LEASE DESIGNATION AND SERIAL NO.
A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD AND POOL, OR WILDCAT
WHITE SAGE PROSPECT

11. SEC., T., R., M., OR BLK. AND SURVEY OR ASS.
Sec 19, T41N-R1E, G&SRBM

12. COUNTY OR PARISH
COCONINO

13. STATE
ARIZONA

16. 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"/> | WATER SHUT-OFF | <input type="checkbox"/> |
| FRACURE TREAT | <input type="checkbox"/> | FRACURE TREATMENT | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | SHOOTING OR ACIDIZING | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | (Other) Completion-on pump | <input type="checkbox"/> |
| (Other) | <input type="checkbox"/> | | |
| FULL OR ALTER CASING | <input type="checkbox"/> | REPAIRING WELL | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | ALTERING CASING | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | ABANDONMENT* | <input type="checkbox"/> |
| CHANGE PLANE | <input type="checkbox"/> | | |

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

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

LAST REPORT 11/29/85 Extreme weather conditions. Pump shut down on 11/26/85.

11/29-12/9 : Shut down. Access road mud and water.
 12/10 : Repaired motor. Started pump. Fresh water.
 12/11-12/12 : Pumping water. Gas show reported flammable.
 12/13-12/18 : Pumping water. No oil or gas shows. Slight refinery odor. Fresh water.
 12/19 : Pumping water approx. 3 gal/min. Crude smell at flowline. No oil shows.
 12/20-12/31 : Pumping water. Gas kicks intermittent. Strong gas odor. No oil shows.

1/1/86-1/3 : Pumping water. Gas kicks more regular. No oil shows.

-- TOTAL DAYS PUMPING 36 --

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

SIGNED *James Shields* TITLE President DATE January 6, 1986

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other Instructions
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Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL GAS WELL OTHER Completion - Oil

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 Bellino Dr., Pacific Palisades, 90272

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
450' fWL & 3580' fSL, Sec 19, T41N-R1E

5. LEASE DESIGNATION AND SERIAL NO.
A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD AND POOL, OR WILDCAT
WHITE SAGE PROSPECT

11. SEC., T., R., M., OR BLK. AND
SUBSECT. OR AREA
Sec 19, T41N-R1E, G&SRBM

12. COUNTY OR PARISH
COCONINO

13. STATE
ARIZONA

14. PERMIT NO. AZ 853
A.P.I. 02-005-20029

15. ELEVATIONS (Show whether OF, BT, GR, ETC.)
5025 GRD

16. 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"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANE <input type="checkbox"/> | (Other) <u>Completion-on pump</u> <input checked="" type="checkbox"/> | |
| (Other) <input type="checkbox"/> | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

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

Last Report: 11/14/85 Well on Pump, 11/11/85

11/15: Rec. fluid samples. Some paraffine shows.

11/16-17: Considerable paraffine in samples. Water has oily-gassy odor. Shields left Kanab. Communicate with LA Office.

11/18: Blizzard Conditions. Problem with motor. Samples as above.

11/19: Change in fluid color. Small globs of waxey material. BLM personnel checked well. Their instructions being followed.

11/20-24: No change in fluids.

11/25: Could not reach well.

11/26: Motor problems. Well shut in. No samples.

11/27-29: Welder unable to reach well for repairs. No samples.

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

SIGNED Jay M. Shields TITLE President DATE Nov. 29, 1985

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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November 1983
Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved. P53
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

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| | | | |
|---|--|---|--|
| 1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER COMPLETION - OIL | | 5. LEASE DESIGNATION AND SERIAL NO. A-10457 | |
| 2. NAME OF OPERATOR SHIELDS EXPLORATION COMPANY | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME ----- | |
| 3. ADDRESS OF OPERATOR 320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272 | | 7. UNIT AGREEMENT NAME ----- | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 450' FWL & 3580' fSL, Sec 19, T41N-R1E | | 8. FARM OR LEASE NAME SHIELDS FEDERAL | |
| 14. PERMIT NO. AZ-853 A.P.I. 02-005-20029 | | 9. WELL NO. #2-19 | |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5025 GRD | | 10. FIELD AND POOL, OR WILDCAT White Sage Prospect | |
| | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 19, T41N-R1E, G&SRBM | |
| | | 12. COUNTY OR PARISH Coconino 13. STATE Arizona | |

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|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
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| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) Completion-on pump (see below) <input checked="" type="checkbox"/> | |

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

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

Last Report: 10/21/85 Prep to work over.
 Work Over Operations:
 10/31 : Move in (Action Well Service). Halliburton arrived for cementing.
 11/1-11/3 : Cemented thru perforations @ 2988'-96'. Squeezed 4 times. Put away total of 180 sx cmt. SION. Tested to 600 Psi. OK. Cleaned out 4 1/2" csg to 3030' (Top BP). Set plug with 2 3/8" tubing @ 2950/. Swabbed. SION.
 11/4 : Swabbed down. Pulled pkr. Drilled out DBP @ 3030'. Cleaned out to 3075" below perfs @ 3038'-3064'. Set pkr on tubing @ 3029'. Swabbed. Fluid level 2000'.
 11/5 : Swabbed. Spent acid, other injected fluid, slight shows oil. FL 2000'. SION.
 11/6 : Swabbed as above, some paraffine. SION.
 11/7,8: As above. SION.
 11/9 : Swabbed 1/2 day. Called BLM, sent fluid sample (water). Prep. to set pumping unit.
 11/10: Working on pump site. Pumping equipment on site. Delayed 1/2 day.
 11/11: Ran rods. Bottom 11' pump @2997'. Polish rod & liner 18'. Commenced pumping (water) at approx. 1:00 P.M. Released Rig 1:30 P.M. Major snowstorm in P.M.
 11/12 and 11/13: Heavy snow on ground. Unable to reach rig.
 11/14: To Well @ 8:00 A.M. Pumping OK. Fluid clear. Very slight oily-spent acid odor. Rec fluid samples. Pumping rate approx 12 strokes/min. Flow rate estimated @ 3 gpm. Well will be checked each day. Any change in output will be communicated by telephone to BLM and Secretary, Arizona Oil & Gas Commission.

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

SIGNED Jay M. Shields TITLE President DATE Nov. 14, 1985

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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STATE OF ARIZONA
OIL AND GAS CONSERVATION COMMISSION

PERMIT 853

REPORT ON PROPOSED OPERATIONS

Shields Exploration Company
320 Bellino Drive
Pacific Palisades, CA 90272

Phoenix, ARIZONA
10/24/85

Your re-cement well 2-19 Federal,
A.P.I. No. 02-005-20029, Section 19, T. 11N, R. 1E, G&SR B. & M.
field, East Fredonia area, pool,
Coconino County, dated 10/21/85, received 10/23/85 has been examined in conjunction with records
filed in this office.

PRESENT CONDITION OF WELL: 7" Cem. 395'; 4½" Cem. 3196',
Perfs: 2988' - 2990', 2992' - 2996'; 3038' - 3066' & 3114' - 3142'
T.D. 3756'

THE PROPOSAL IS APPROVED PROVIDED:

1. Adequate blowout prevention shall be installed, tested, and maintained in working condition throughout the rework operations.
2. THIS COMMISSION SHALL BE NOTIFIED:
 - a. Immediately when re-entry operations commence.
 - b. To inspect the installed blowout prevention equipment.
 - c. To witness the re-cementing operations.

BOND KO 01 75 67 5 BLANKET

A. K. DOSS, 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.

Form 3160-5
November 1983
Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL GAS WELL OTHER Completion - Oil

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 Bellino Dr., Pacific Palisades, CA 90272

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
450' fWL & 3580' fSL, Sec 19, T41N-R1E

14. PERMIT NO. AZ 853
A.P.I. 02-005-20029

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
5025 GRD

5. LEASE DESIGNATION AND SERIAL NO.
A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD AND POOL, OR WILDCAT
White Sage Prospect

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E, G&SREM

12. COUNTY OR PARISH
Coconino

13. STATE
Arizona

16. 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"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) <input type="checkbox"/> | |
| (Other) Complete | | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

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

Last Report 5/5/85. Well Shut In.

Proposed Operations:

Move in Rig. Release Production Packer set @ 2900'. CK bridging plug @ 3030'. Test perfs @ 2700'. Squeeze (HALLIBURTON) perfs @ 2700' if needed, and squeeze perfs @ 2988-2996 using sufficient cement to do job. Test and re-squeeze if necessary. Clean out cmt & drill out Welex BP @ 3030'. Swab & Test. Install Tanks & pumping unit as required.

Estimated date of Commencing Operations around November 1, 1985.

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

SIGNED [Signature] TITLE President DATE October 21, 1985

(This space for Federal or State office use)

APPROVED BY R. A. Ytana TITLE Acting Executive Director DATE 10/24/85

CONDITIONS OF APPROVAL, IF ANY: See attached Report on Proposed Operations

*See Instructions on Reverse Side

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

Form 9-331
Dec. 1973

RECEIVED

UNITED STATES MAY 9 1985
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY & CONS. COMM.

Form Approved
Budget Bureau No. 42-R1424

PIN 853

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' fNL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

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

| | |
|---|--------------------------|
| REQUEST FOR APPROVAL TO: | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* <input type="checkbox"/> | <input type="checkbox"/> |
| (other) Update <input type="checkbox"/> | |

5. LEASE A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD OR WILDCAT NAME
WHITE SAGE PROSPECT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E G&SRBM

12. COUNTY OR PARISH COCONINO 13. STATE ARIZONA

14. API NO.
02-005-20029

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

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

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

- 4/25-4/28: Shut down. Planning with Halliburton Services.
- 4/29-4/30: Halliburton & Pool Completion crew on site. Prep to squeeze 2988'-96'. Ordered RBP (Halliburton).
- 5/1: Set RBP @ 2940'. Protected w/sand. Perf'd 4 shots @ 2700'. Ran in w/pkf & tubing. Set @ 2350'. Squeezed 25 sx cmt. WOC.
- 5/2: Ck'd cmt. Put away 22 sx cmt in A.M. and additional 20 sx cmt in P.M. Pressure to 900 psi. Left approx 5 sx in tubing. Held. WOC.
- 5/3: Pulled tubing & pkr. Top cmt in 4 1/2" csg below 2600'. Drld out to 2700'. Then recovered RBP @ 2940'.
- 5/4: Drld out to 2980'. Lost circ. Went back in w/tubing & pkr set @ 2960'. Swabbing. 1800' FL. Water plus show oil.
- 5/5: Swabbed 5 runs. Released rig. Shut in pending review of results.

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

SIGNED [Signature] TITLE President DATE May 6, 1985

(This space for Federal or State office use)

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

Form 9-331
Dec. 1973

RECEIVED

Form Approved
Budget Bureau No. 42-R1424

UNITED STATES APR 30 1985
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY O & G CONS. COMM.

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' fWL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

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

5. LEASE A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD OR WILDCAT NAME
WHITE SAGE PROSPECT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E G&SRBM

12. COUNTY OR PARISH COCONINO 13. STATE ARIZONA

14. API NO.
02-005-20029

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

| | |
|---|--------------------------|
| REQUEST FOR APPROVAL TO: | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* <input type="checkbox"/> | <input type="checkbox"/> |
| (other) UPDATE <input type="checkbox"/> | |

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

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*
- 4/16 - Heavy gel mud to orig TD 3756'. PBTD 3155'. Cut shoe @ 3195'. Pool Completion Rig, anchors, BOP set up. CBL run by WELEX. Cmt appeared OK.
 - 4/17 - Pressure tested BOP, 4 1/2" csq. WELEX perf'd 3114-3142. Set packer 3100'. Acidized (Halliburton). Swabbed.
 - 4/18 - Top fluid 1400' - wet. BP @ 3102'. Perf'd 3038-3066'. Set Pkr @ 3020'. Swabbed.
 - 4/19 - Test BP & Pkr. BP faulty. Set BP #2 @ 3095'. Acidized (Halliburton). Swabbed. F.L. 1700'.
 - 4/20 - Swabbed. F.L. 1800'. Set BP #3 @ 3030'. Perf'd 2988'-90' & 2992-96'. Set Pkr. Swabbed. Acidized (Halliburton). Swabbed.
 - 4/21 - 4/25 Swabbed.
Prep to squeeze.

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

SIGNED [Signature] TITLE President DATE 4/27/85
(This space for Federal or State office use)

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

*See Instructions on Reverse Side

PN 853

Form 9-331
Dec. 1973
RECEIVED
APR 17 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form Approved
Budget Bureau No. 42-R1424

O & G CONS. COMM.
SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' FWL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

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

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

SUBSEQUENT REPORT OF:

5. LEASE NO. A-10457
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME SHIELDS FEDERAL
9. WELL NO. #2-19
10. FIELD OR WILDCAT NAME WHITE SAGE PROSPECT
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 19, T41N-R1E G&SRBM
12. COUNTY OR PARISH COCONINO 13. STATE ARIZONA
14. API NO. 02-005-20029
15. ELEVATIONS (SHOW DF, KDB, AND WD) 5025'

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

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

Re-entered the SF #2-19 on Friday, April 12, 1985. Prep to run and cement csg.

Saturday, April 13, 1985, ran and cemented 4 1/2" J55 10.5# csg to 3196' using 120 sax cement, 2% gel and additives (Halliburton), to fill to 1600'.

WOC 56 Hrs. Prep to test.

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

SIGNED *Boyd Shields* TITLE President DATE April 15, 1985

(This space for Federal or State office use)
APPROVED BY *M. Brown* TITLE Exec. Director DATE 4-17-85
CONDITIONS OF APPROVAL, IF ANY:

STATE OF ARIZONA
OIL AND GAS CONSERVATION COMMISSION

PERMIT 853

REPORT ON PROPOSED OPERATIONS

Shields Exploration Company
320 Bellino Drive
Pacific Palisades, CA 90272

Phoenix, ARIZONA
4/2/85

Your proposal to re-enter and complete well 2-19 Federal,
A.P.I. No. 02-005-20029, Section 19, T. 41N, R. 1E, G&SR B. & M.,
field, east Fredonia area, - pool,
Coconino County, dated 3/12/85, received 3/18/85 has been examined in conjunction with records
filed in this office.

PRESENT CONDITION OF WELL: T.D. 3756', 7" Cem. 395'

THE PROPOSAL IS APPROVED PROVIDED:

1. The 4-1/2" casing is cemented with sufficient cement to protect all water, oil or gas zones behind the casing.
2. Blowout prevention equipment shall be installed, tested, and maintained in working condition throughout the perforating operations.
3. THIS COMMISSION SHALL BE NOTIFIED:
 - a. Immediately when re-entry operations commence.
 - b. To witness the cementing of the 4-1/2" casing.
 - c. To inspect the installed blowout prevention equipment prior to perforating.

BOND KO 01 75 67 5 BLANKET

A. K. DOSS, Executive Director

By R. A. 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

5. LE A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____

7. UNIT AGREEMENT NAME _____

BASE NAME
DS FEDERAL

LDCAT NAME
E SAGE PROSPECT

M., OR BLK. AND SURVEY OR
41N-R1E G&SRBM

PARISH | 13. STATE
ARIZONA

14. API NO.
02-005-20029

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COM

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACI

4. LOCATION OF WELL (REPORT LOC below.)
AT SURFACE: 450' FWL & 3580
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

Handwritten notes:
Rudy - 3/15/85
as per instructions.
call me
and give you
exact dates
later - JWS

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

| | |
|--|--------------------------|
| REQUEST FOR APPROVAL TO: | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* <input type="checkbox"/> | <input type="checkbox"/> |
| (other) <u>Run casing</u> | |

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

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

Drld to T.D., 3756' on 12/7/84. Filled hole with DRLG mud - permitted to temporarily abandon. Plan to re-enter hole for completion about 4/1/85, weather permitting, as follows:

- 1) Clean out to bottom (K. P. DRLG. CO.)
- 2) Run 4 1/2" csg to approx 3700' (T & M csg crew)
- 3) Cmt csg / 150 sax cmt using special procedures (Halliburton), shut in 36 hrs.
- 4) Run CBL-gamma log (WELEX)
- 5) Perforate hole at selected intervals (WELEX)
- 6) Acidize using tubing & packer (Halliburton)
- 7) Swab thru tubing where indicated
- 8) Plan to frac where necessary (Halliburton)

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

SIGNED [Signature] TITLE President DATE March 12, 1985

(This space for Federal or State office use)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' FWL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

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

5. LEASE NO. A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD OR WILDCAT NAME
WHITE SAGE PROSPECT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E G&SRBM

12. COUNTY OR PARISH
COCONINO

13. STATE
ARIZONA

14. API NO.
02-005-20029

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

| | | |
|--------------------------|-------------------------------------|--------------------------|
| REQUEST FOR APPROVAL TO: | | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF | <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING | <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES | <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | <input type="checkbox"/> |
| (other) Run casing | <input type="checkbox"/> | <input type="checkbox"/> |

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

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

Drl'd to T.D., 3756' on 12/7/84. Filled hole with DRLG mud - permitted to temporarily abandon. Plan to re-enter hole for completion about 4/1/85, weather permitting, as follows:

- 1) Clean out to bottom (K. P. DRLG. CO.)
- 2) Run 4 1/2" csg to approx 3700' (T & M csg crew)
- 3) Cmt csg / 150 sax cmt using special procedures (Halliburton), shut in 36 hrs.
- 4) Run CBL-gamma log (WELEX)
- 5) Perforate hole at selected intervals (WELEX)
- 6) Acidize using tubing & packer (Halliburton)
- 7) Swab thru tubing where indicated
- 8) Plan to frac where necessary (Halliburton)

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

SIGNED [Signature] TITLE President DATE March 12, 1985

(This space for Federal or State office use)

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

Form 9-331
Dec. 1973

Form Approved.
Budget Bureau No. 42-R1424

P/N 853

UNITED STATES RECEIVED
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
DEC 18 1984
O & G CONS. COMM.

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' FWL & 3580' FSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

5. LEASE A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD OR WILDCAT NAME
WHITE SAGE PROSPECT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E G&SRBM

12. COUNTY OR PARISH COCONINO 13. STATE ARIZONA

14. API NO.
02-005-20029

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

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

| | | |
|-------------------------------|--------------------------|--------------------------|
| REQUEST FOR APPROVAL TO: | | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF | <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING | <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES | <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | <input type="checkbox"/> |
| (other) Temporary Abandonment | <input type="checkbox"/> | <input type="checkbox"/> |

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

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

REQUEST FOR TEMPORARY ABANDONMENT:

Reference the subject Well which was completed on December 6, 1984 @ a TD of 3756 feet, it is requested that the Well be placed in your Temporary Abandonment Category and, in accord with Regulations, we further request that the Well be granted a six-month period in this Category.

You will be advised in advance of any plans to re-enter or re-work this Well and a schedule will be submitted for your approval.

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

SIGNED Jayne Shields TITLE President DATE Dec. 13, 1984

(This space for Federal or State office use)

APPROVED BY RAY TITLE _____ DATE 12/19/84

CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
O & G CONS. COMM.

RECEIVED

DEC 11 1984

SUNDRY NOTICES AND REPORTS ON WELLS

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

- 1. oil well gas well other
- 2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY
- 3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272
- 4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' fWL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:
- 16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

- 5. LEASE
A-10457
- 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

- 7. UNIT AGREEMENT NAME

- 8. FARM OR LEASE NAME
SHIELDS FEDERAL
- 9. WELL NO.
#2-19
- 10. FIELD OR WILDCAT NAME
WHITE SAGE PROSPECT
- 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E G&SRBM
- 12. COUNTY OR PARISH | 13. STATE
COCONINO | ARIZONA
- 14. API NO.
02-005-20029
- 15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

- | | |
|---|--------------------------|
| REQUEST FOR APPROVAL TO: | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* <input type="checkbox"/> | <input type="checkbox"/> |
| (other) WELL COMPLETION <input checked="" type="checkbox"/> | |

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

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

→ the SF #2-19 was completed on Dec. 6, 1984 at a depth of 3756 feet in the Cambrian Muscovite limestone. Well ran a Compensated density - dual spaced neutron and Gamma log to 3755 feet. Well is now shut in pending analysis of all data. K P Drilling Co. of Casper, Wyoming is moving their rig from the well site. TIGHT HOLE REQUESTED.

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

SIGNED Ray H. Shields TITLE President DATE Dec. 8, 1984

APPROVED BY R. Ybarra TITLE _____ DATE 12/12/84
CONDITIONS OF APPROVAL, IF ANY:

Form 9-331
Dec. 1973

RECEIVED

UNITED STATES DEC 3 1984
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form Approved
Budget Bureau No. 42-R1424

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 450' FWL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

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

| | | | |
|--------------------------|--------------------------|-----------------------|--------------------------|
| REQUEST FOR APPROVAL TO: | | SUBSEQUENT REPORT OF: | |
| TEST WATER SHUT-OFF | <input type="checkbox"/> | | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | | <input type="checkbox"/> |
| PULL OR ALTER CASING | <input type="checkbox"/> | | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | | <input type="checkbox"/> |
| CHANGE ZONES | <input type="checkbox"/> | | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | | <input type="checkbox"/> |
| (other) <u>REPORT #2</u> | | | |

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

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

DRILL DEPTH 2080'. MISTING.
DRILLING AREA D

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

SIGNED [Signature] TITLE President DATE 12/1/84

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

P/14 853

Form 9-331
Dec. 1973

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Form Approved
Budget Bureau No. 42-R1424

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY O & G CONS. COMM.

NOV 5 1984

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
320 BELLINO DRIVE, PACIFIC PALISADES, CA90272

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 430' f WL & 3580' fSL, Sec 19
AT TOP PROD. INTERVAL: T41N-R1E
AT TOTAL DEPTH:

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

| | | |
|--|--------------------------|--------------------------|
| REQUEST FOR APPROVAL TO: | | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF | <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING | <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES | <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | <input type="checkbox"/> |
| (other) Initial Notice - Prep. to Spud | | |

5. LEASE
A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SHIELDS FEDERAL

9. WELL NO.
#2-19

10. FIELD OR WILDCAT NAME
White Sage Prospect

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 19, T41N-R1E G&SRBM

12. COUNTY OR PARISH
COCONINO

13. STATE
ARIZONA

14. API NO.
02-005-20029

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5025'

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

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

PROPOSED OPERATIONS:

Drill 8 5/8" hole to 500'+. Run and cement 7" - 20# surface casing. Drill out and drill ahead using 6 1/4" bit to 4000' or production at a shallower depth. Will run Gamma-Neutron Density log (WELEX) and plan to run and cement 4 1/2" casing if a completion is indicated. Please note a change of rig and change of drilling plans. A BOP will be installed when 7" casing is cemented in hole.

Plan to move in and spud well on or about Nov. 9, 1984. You will be advised in advance by telephone.

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

SIGNED Jay M. Shields TITLE President DATE November 3, 1984

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

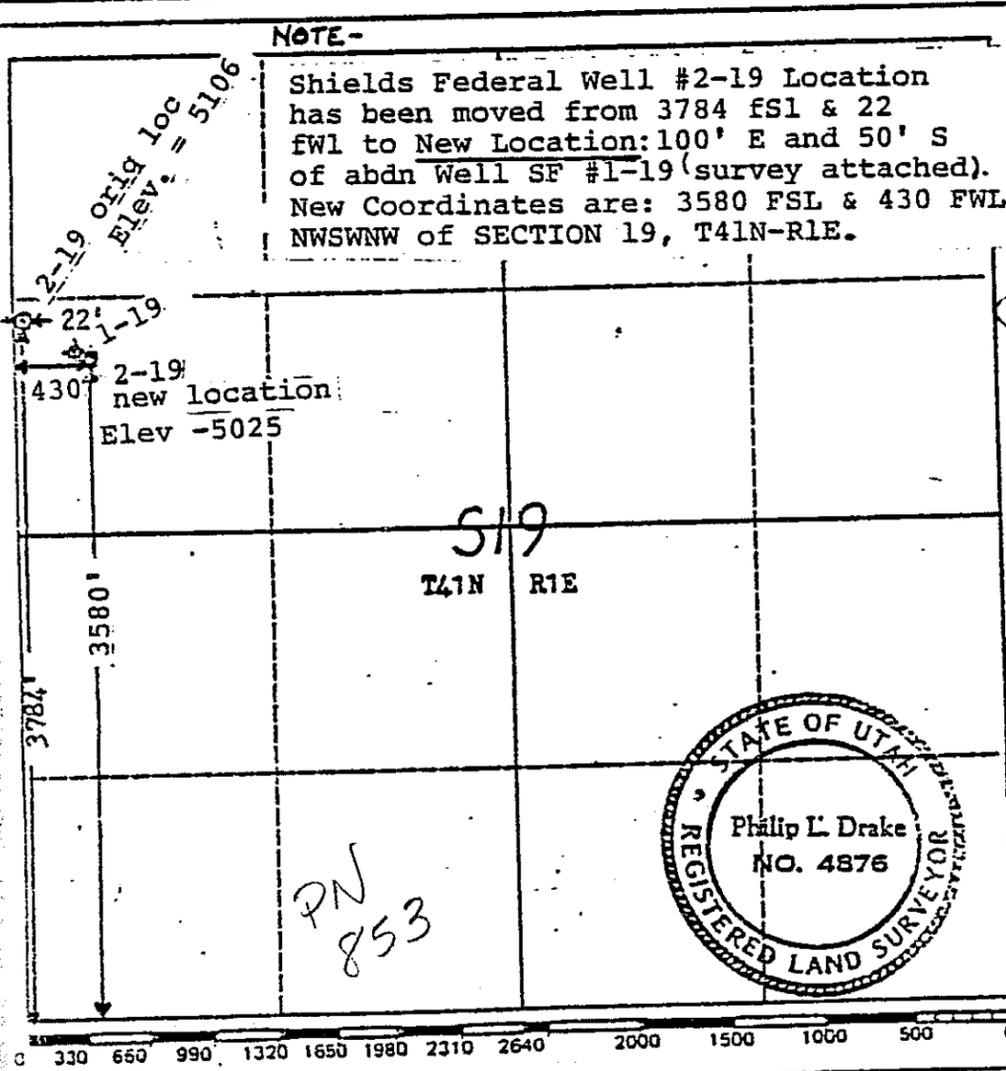
CONDITIONS OF APPROVAL, IF ANY:

Revised Copy

- 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 Board of Engineers and Surveyors 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 X
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES X NO _____. If answer is "yes," Type of Consolidation Limited Partnership
- If the answer to question four is "no," list all the owners and their respective interests below:

RECEIVED
NOV 5 1984
O & G CONS. COMM.

| | | | |
|-------|---|------------------|---|
| Owner | SHIELDS 1981 PROGRAM | Land Description | NW 1/4, SW 1/4, NW 1/4, Section 19, T41N, R1E, G&SR B&M |
| | SHIELDS EXPLORATION CO., GEN PARTNER & OPERATOR | | COCCHINO CO., AZ |



CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name John M. Shields
Position PRESIDENT
Company SHIELDS EXPLORATION CO.
Date October 11, 1984

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 (1-19 7/2/82)
(see attached)
11-11-83
Registered Professional Engineer and/or Land Surveyor
Philip L. Drake
Certificate No. L.S. 4876 UT.

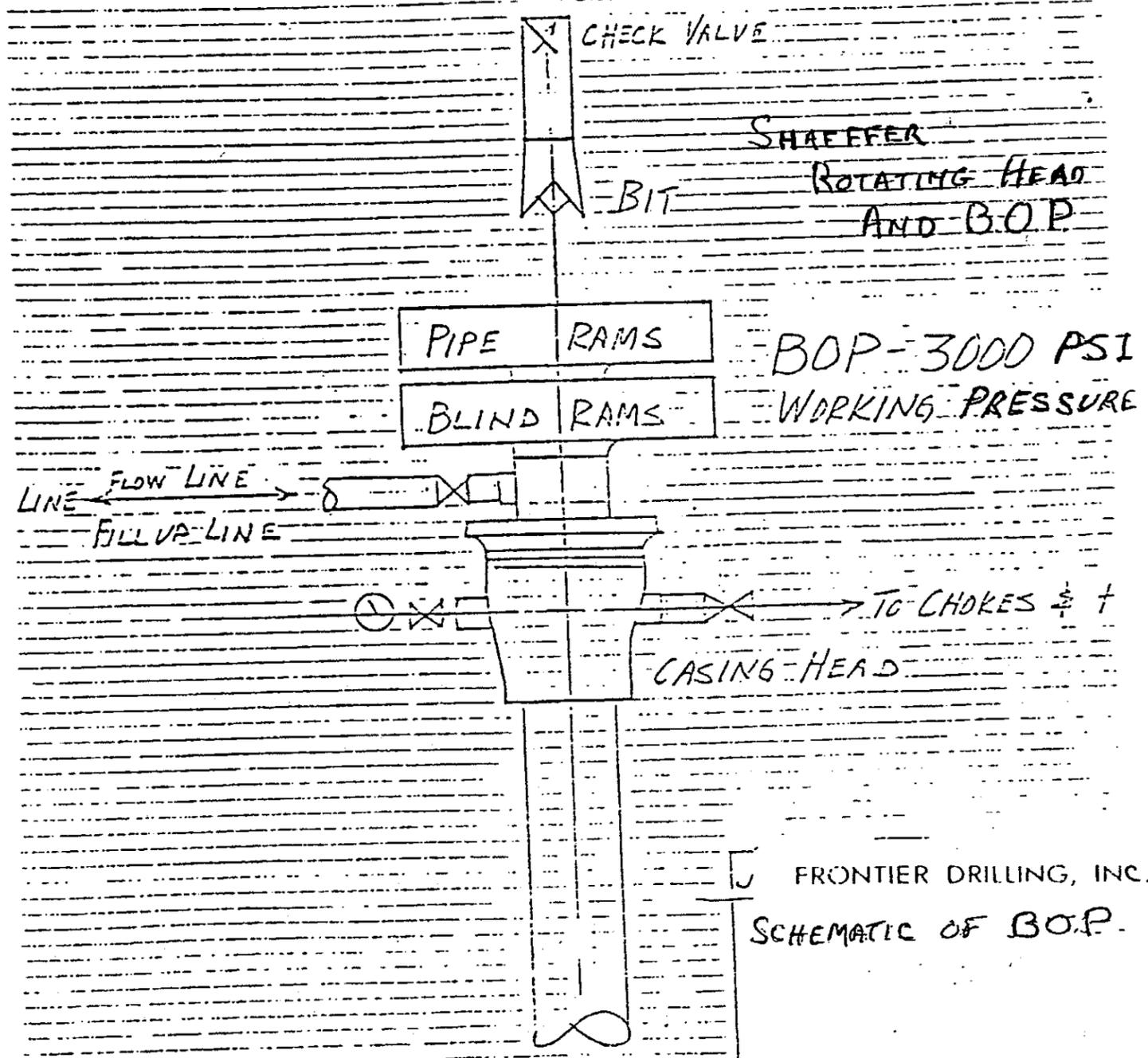
PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
|-----------------------------|-------------------------|--------------|-------|--------------|-------------------------|-------------------|---------|
| 9-5/8" 7" | 36.0 20.0 | J-55 | Surf. | Approx. 550' | Approx. 550' to Surface | 200 | Class A |
| 5-7/8" 4 1/2" | 15.5 20.0 | J-55 | Surf. | 4000' (Est.) | 4000 - 3500' (Est.) | 200 (Halliburton) | Class A |

6

SHIELDS EXPLORATION
RECEIVED
NOV 5 1984

O & G CONS. COMM.



SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

Blum - Copy #5
TO AZ O & G Comm

RECEIVED

OCT 9 1984

O & G CONS. COMM.

May 1, 1984

Mr. Cloyd Swapp
Bureau of Land Management
196 East Tabernacle
St. George, Utah 84770

Dear Mr. Swapp:

As previously discussed, we are now ready to apply for a Drilling Permit for the Shields Federal #2-19, a new location. Enclosed are the Application to Drill Form plus supporting documents in triplicate as required, covering the proposed Mississippian-Devonian wildcat test for oil, the Shields Federal #2-19, to be located in the NW/4 SW/4 NW/4 of Section 19, T41N-R1E, Coconino, Arizona.

In view of my previous operations (Travis #1-24 and eight Shields Federal Wells, it is my hope that Environmental and other stipulations will also apply to this well, and that the required permit will issue so that I might commence operations in early May.

On file in your office, in accordance with 43 CFR 3104, is bond number KO 01 74 70 5 in the sum of \$10,000, accepted by Mario Lopez, Phoenix.

I understand that the Application to Drill requirements are the same as previously administered by the USGS (MMS). Please let me know if there are any recent changes.

Your assistance will be greatly appreciated.

Sincerely,

Jay M. Shields
Jay M. Shields
JMS/mmr

Enclosures: 1) Form 9-331C; 2) Survey Plat; 3) Drilling Site Map; 4) Form 9-1123; 5) Geological and Drilling Operations statement (Supplemental to Form 9-331C; 6) Contour and Location Map; 7) USGS Area Map; and 8) NTL-6 Approval of Operations.

RECEIVED
(Other instructions on reverse side)
OCT 9 1984

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
O & G CONS. COMM.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 SHIELDS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR
 320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 3784' from S line & 22' from W line, Sec 19, T41N-R1E
 At proposed prod. zone: G&SRBM
 SAME

5. LEASE DESIGNATION AND SERIAL NO.
 A-10457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 SHIELDS FEDERAL

9. WELL NO.
 #2-19

10. FIELD AND POOL, OR WILDCAT
 WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 19, T41N-R1E G&SRBM

12. COUNTY OR PARISH
 COCONINO

13. STATE
 ARIZONA

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 12 MILES EAST OF FREDONIA, ARIZONA

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 5258'

16. NO. OF ACRES IN LEASE
 2588.12

17. NO. OF ACRES ASSIGNED TO THIS WELL
 80

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 330'

19. PROPOSED DEPTH
 4,000' (approx.)

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 GR 5016'

22. APPROX. DATE WORK WILL START*
 MAY 15, 1984

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|---------------------|
| 12 1/4 " | 9 5/8" | 36.0# | Approx. 550' | 200 sx (to Surface) |
| 7 7/8 " | 5 1/2" | 15.5# | Above 4000' | 200 sx (estimated) |

Drilling will be done with air to TD (if possible) with mud on site if required. After cementing the 9 5/8" casing, 7 7/8" hole will be drilled to TD @ approx 4000' or to production. Gamma and Density-Neutron logs (Welex) will be run. If logs and open hole testing so indicate, a 5 1/2" string of production casing will be run and cemented (Halliburton) through the oil zone and perforated (Welex). A blowout preventer will be installed when 9 5/8" casing is cemented in hole. Current plans will be to use a light portable rig to drill the 12 1/4" hole and then move in the larger (7000') rig to drill the 7 7/8" hole to TD.

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

24. SIGNED: By W. Shields TITLE: Pres. Shields Expl. Co. DATE: MAY 15, 1984
 OPERATOR

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

- 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 X
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES X NO _____. If answer is "yes," Type of Consolidation Limited Partnership
- If the answer to question four is "no," list all the owners and their respective interests below:

| | |
|---|--|
| Owner SHIELDS 1981 PROGRAM | Land Description NW $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$, Section 19, T41N, R1E, G&SR B&M |
| SHIELDS EXPLORATION CO., GEN PARTNER & OPERATOR | COCONINO CO., AZ |

| | |
|---|--|
| <p>Shields Fed. # 2-19</p> <p>Elevation = 5016'</p> <p>22'</p> <p>80-Acre Spacing</p> <p>S19</p> <p>T41N R1E</p>  | <p>CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> |
| | <p>Name</p> <p>Position PRESIDENT</p> <p>Company SHIELDS EXPLORATION CO.</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 11-11-83</p> <p>Registered Professional Engineer and/or Land Surveyor <i>Philip L. Drake</i></p> <p>Certificate No. L.S. 4876 UT.</p> |

PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
|----------------|--------|--------------|-------|--------------|-------------------------|-------------------|---------|
| 9 5/8" | 36.0 | J-55 | Surf. | Approx. 550' | Approx. 550' to Surface | 200 | Class A |
| 5 1/2" | 15.5 | J-55 | Surf. | 4000' (Est.) | 4000 - 3500' (Est.) | 200 (Halliburton) | Class A |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ARIZONA STATE OFFICE
2400 VALLEY BANK CENTER
PHOENIX, ARIZONA 85073
(602) 261-4774

IN REPLY REFER TO

A 10457 O&G
AZ (943) LJC

February 19, 1982

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Jay M. Shields
Assignor

Oil and Gas
Lease A 10457

Shields 1981 Program
Assignee/Principal

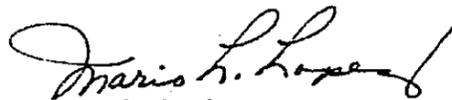
Insurance Company of North America
Surety

Rider to Lease Bond KO 01 75 70 5
Accepted
Record Title Assignment Approved

Effective March 1, 1978 oil and gas lease A 10457 issued to Jay M. Shields. In accordance with 43 CFR 3104, bond of oil and gas lessee number KO 01 75 70 5 in the sum of \$10,000 was accepted and made a part of lease A 10457 on October 17, 1980.

Request for approval of assignment of 100% record title on oil and gas lease A 10457 to Shields 1981 Program was filed November 20, 1981. However, a bond rider amending the name of the principal to read Shields 1981 Program was not filed until February 16, 1982. The bond rider is acceptable as filed and is hereby made a part of lease A 10457.

With this acceptance, the record title assignment to Shields 1981 Program is hereby approved, effective March 1, 1982.


Mario L. Lopez
Chief, Branch of Lands
and Minerals Operations

DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE:
SERIAL No.: A 10457 and A 13137

and hereby designates

NAME: SHIELDS EXPLORATION COMPANY
ADDRESS: 320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272

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

A 10457 T41N- R1W
Sec. 23, E $\frac{1}{2}$; Sec. 24, A11; Sec. 25, A11; Sec. 26, E $\frac{1}{2}$.
T41N - R1E
Sec. 19, Lots 1,2,3,4 and E $\frac{1}{2}$ W $\frac{1}{2}$; Sec. 30, Lots 1,2,3,4 and E $\frac{1}{2}$ W $\frac{1}{2}$;
Containing 2558.12 acres, Coconino County, Arizona

A13137 T41N - R1W
Sec. 26, NW $\frac{1}{4}$; Sec. 27, NE $\frac{1}{4}$; Sec. 22, E $\frac{1}{2}$
Containing 640 acres, Coconino County, Arizona

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

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

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

SHIELDS 1981 PROGRAM
by Shields Exploration Company,
General Partner

by Jay M. Shields, President
(Signature of lessee)

May 1, 1984
(Date)

320 Bellino Drive, Pacific Palisades, CA 90272
(Address)

SHIELDS EXPLORATION CO.
 320 BELLINO DRIVE
 PACIFIC PALISADES, CA 90272
 PHONE (213) 459-2490

DATA SUPPLEMENT
 TO FORM 9-331C

May 1, 1984

SHIELDS FEDERAL #2-19

1. The geologic name of the surface formation is the Triassic-Timpoweap limestone.

2.

| | |
|--|---------------|
| Timpoweap Limestone | 0' - 80' |
| Permian-Kaibab Formation, Alpha Member | 80' - 220' |
| Permian-Kaibab Formation, Beta Member | 220' - 400' |
| Permian-Kaibab Formation, Gamma Member | 400' - 490' |
| Permian White Rim Sandstone | 490' - 520' |
| Permian Toroweap Formation | 520' - 840' |
| Permian Coconino Formation | 840' - 870' |
| *Permian Hermit Shale Formation | 870' - 1480' |
| Permian Supai Formation | 1480' - 2180' |
| Pennsylvania Callville Limestone | 2180' - 2480' |
| Mississippian Redwall Formation | 2480' - 3180' |
| Devonian Martin Formation | 3180' - 3580' |
| Cambrian Muav Formation | 3580' - TD |

*Depth Tops below 870' are estimated

3. Oil is expected in various zones below 2100'. Very little water or gas is expected.

4. 9 5/8" 36# surface casing to 550'. Any production casing is planned to be 5 1/2" 15.5# API Grade and will be run and cemented at proper depth to produce oil.

5. As shallow wells in area including SF #1-19^A were drilled to depths below 500' and encountered no measurable pressure at all, pressure control equipment will be installed when 9 5/8" surface csg is cmtd.

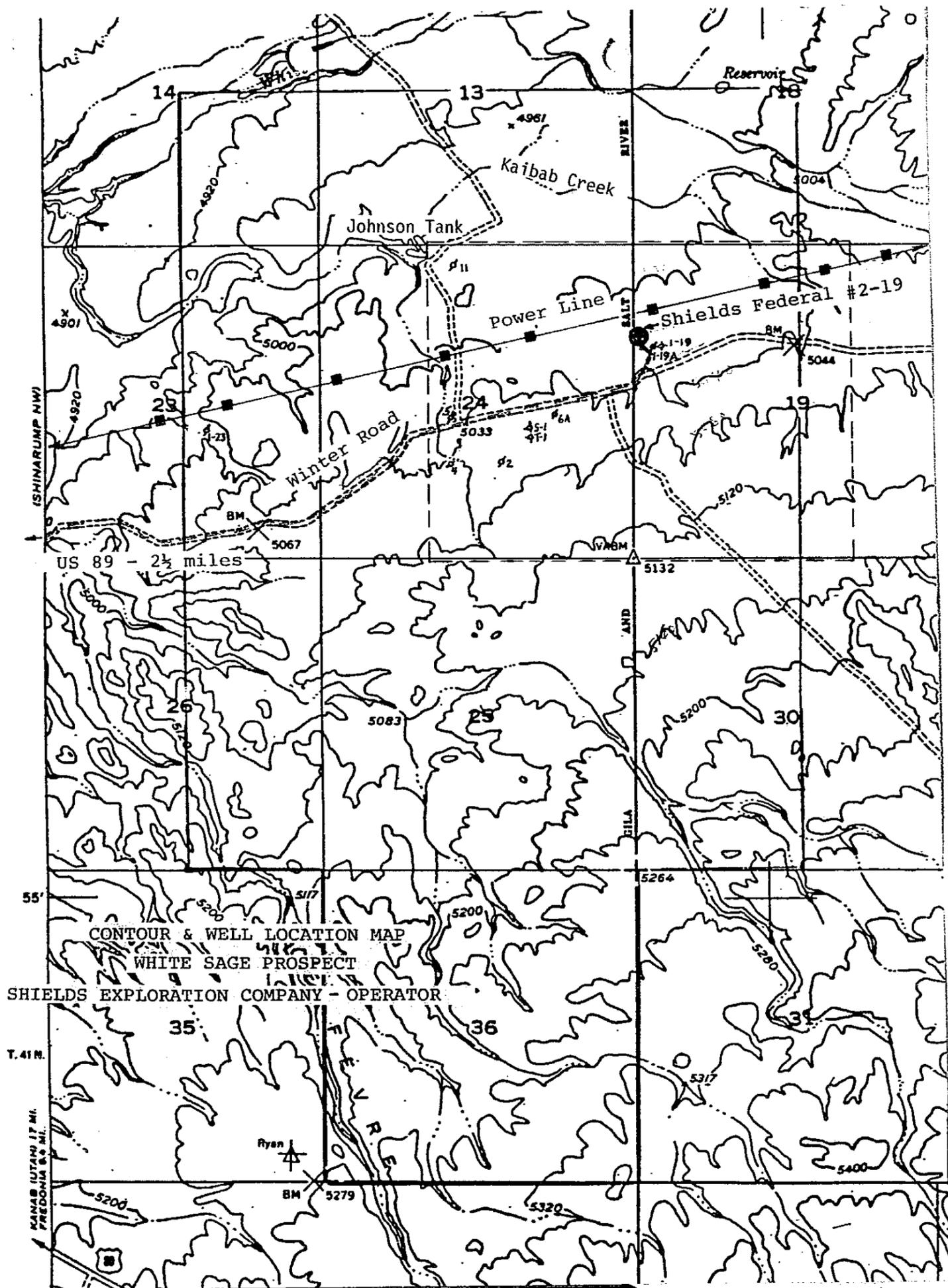
6. Air drilling will be used, if practical, to total depth.

7. Auxiliary equipment will be used if needed.

8. It is planned to drill into the Cambrian Muav Formation, expected below 3,600'. Cores will be taken if indicated. Samples every 10' will be obtained. Testing will be open hole. Gamma & Neutron-Density logs are planned.

9. No hazards are expected to 900' based on data obtained from the Travis Federal #1-24. Pressure may be expected below 900'.

10. Subject to receipt of State and Federal Permits, plans are to move in a drilling rig on or about May 15, 1984. Drilling time is expected to be approximately ten days.



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

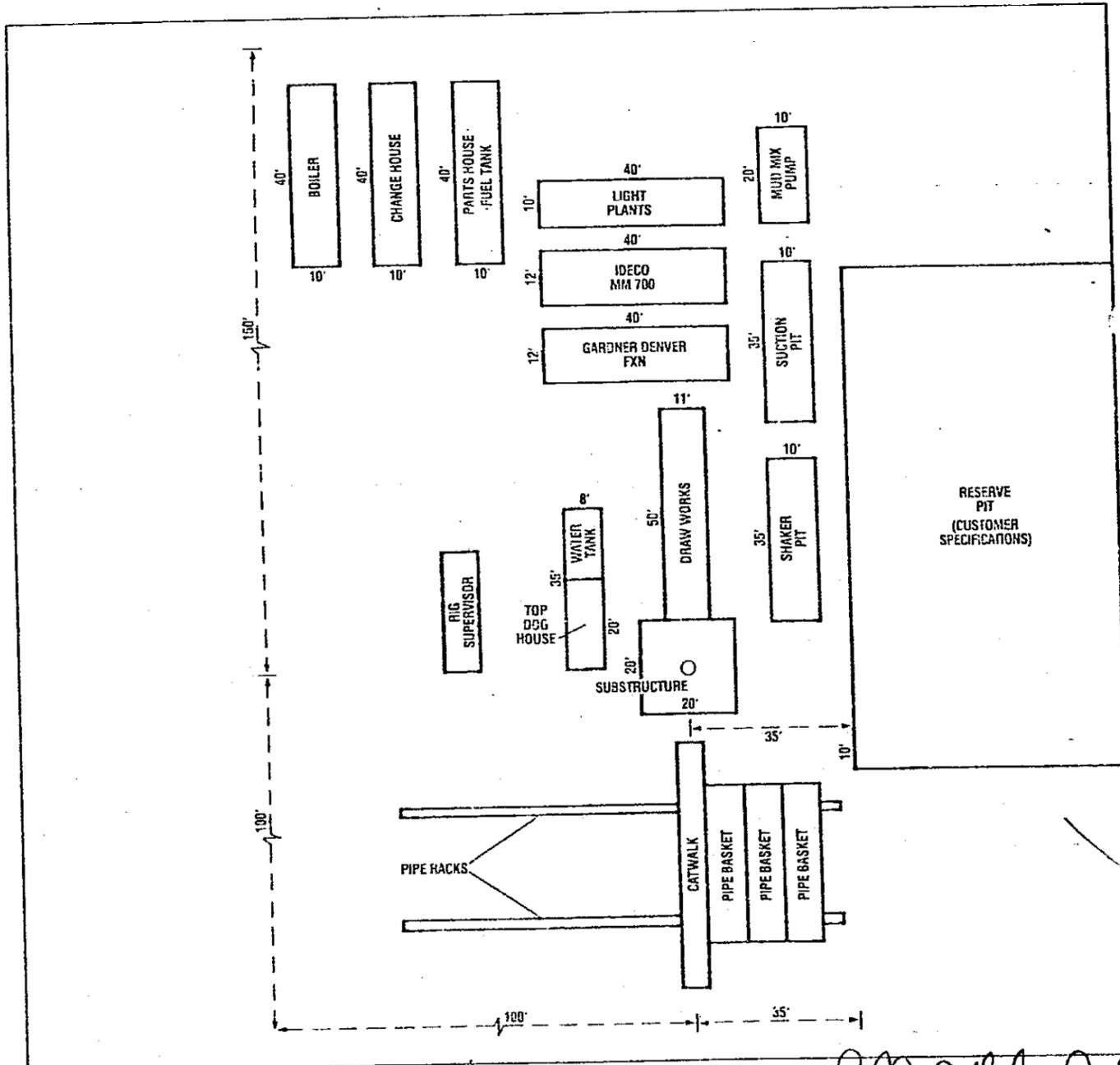
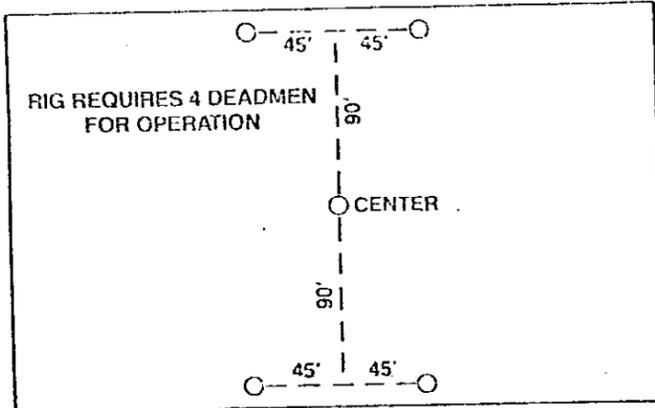
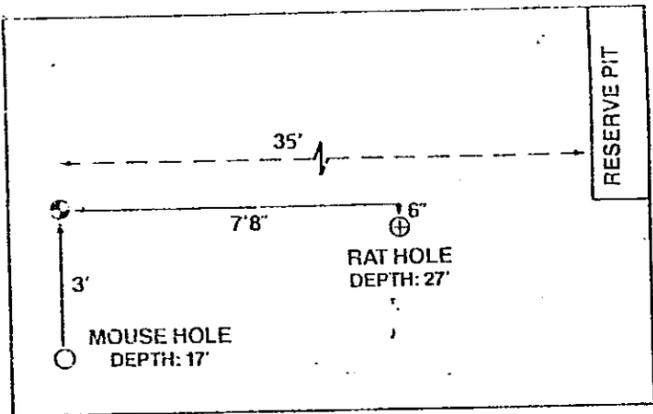
| | |
|--|--|
| Owner SHIELDS 1981 PROGRAM | Land Description NW¹, SW¹, NW¹, Section 19, T41N, R1E, G&SR B&M |
| SHIELDS EXPLORATION CO., GEN PARTNER & OPERATOR | COCONINO CO., AZ |

| | |
|--|--|
| | CERTIFICATION |
| | I hereby certify that the information above is true and complete to the best of my knowledge and belief. |
| | Name <i>[Signature]</i> |
| | Position PRESIDENT |
| | Company SHIELDS EXPLORATION CO. |
| | Date APRIL 10, 1984 |
| | 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 11-11-83 |
| | Registered Professional Engineer and/or Land Surveyor <i>[Signature]</i> |
| | Certificate No. L.S. 2876 UT. |

PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
|----------------|--------|--------------|-------|--------------|-------------------------|-------------------|---------|
| 9 5/8" | 36.0 | J-55 | Surf. | Approx. 550' | Approx. 550' to Surface | 200 | Class A |
| 5 1/2" | 15.5 | J-55 | Surf. | 4000' (Est.) | 4000 - 3500' (Est.) | 200 (Halliburton) | Class A |

RIG 60



SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

RECEIVED
OCT 1 1984
O & G CONS. COMM.

September 29, 1984

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

Re: SHIELDS FEDERAL #2-19, NW/4 SW/4 NW/4, T41N-R1E, COCONINO CO., AZ

Dear Mr. Doss:

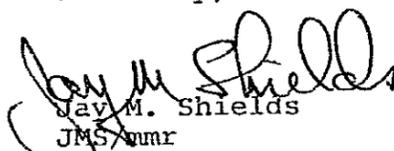
As previously discussed, we are now ready to apply for a Drilling Permit for the Shields Federal #2-19, a new Location. In accordance with the requirements of the Commission, I enclose the following forms and documents:

1. SHIELDS FEDERAL #2-19 (MISSISSIPPIAN-DEVONIAN TEST)
 - a) Application for Permit to Drill including Survey Plat of Location by Phil Drake, R.L.S., Utah. Please note that the location of Well #2-19 is not at a regular location because drilling at a regular location would be unduly burdensome due to topographic conditions. The 80-acre drill site will be the S/2 NW/4 of Section 19, T41N-R1E. See Plat.
 - b) Designation of Operator
 - c) Organization Report
 - d) Ck in the amount of \$25 for filing fee/SF #2-19

On file in your office is a Performance Bond for \$25,000.

Let us know if the paper work is OK and we will look forward to working with you people again.

Sincerely,


Jay M. Shields
JMS/umr

Enclosures: For SHIELDS FEDERAL #2-19
cc (2 each) Application for Permit to Drill &
Survey Plat
cc (2 each) Designation of Operator
cc Organization Report
CK for \$25.00, Filing Fee

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

RECEIVED

SHIELDS EXPLORATAION COMPANY

NAME OF COMPANY OR OPERATOR

320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272

OCT 1 1984

D & G CONS. COMM.

Address

City

State

CRC COLORADO WELL, INC.

Drilling Contractor

2603 EAST MAIN, RANGELY, COLORADO 81648

Address

DESCRIPTION OF WELL AND LEASE

| | | | |
|---|--|--|-----------------------------------|
| Federal, State or Indian Lease Number, or if fee lease, name of lessor FEDERAL #A 10457 | | Well number Shields Federal #2-19 | Elevation (ground) 5016 |
| Nearest distance from proposed location to property or lease line: 5285 feet | | Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: 300 feet | |
| Number of acres in lease: 2558 | | Number of wells on lease, including this well, completed in or drilling to this reservoir: ONE | |
| If lease, purchased with one or more wells drilled, from whom purchased: | | Name Address | |
| Well location (give footage from section lines) 3784' from S 1 & 22' from W line | Section—township—range or block and survey 19 T41N-R1E G&SRM | Dedication (Comply with Rule 105) 80 A | |
| Field and reservoir (if wildcat, so state) WILDCAT | County COCONINO | | |
| Distance in miles, and direction from nearest town or post office FREDONIA IS 12 MILES WEST | | | |
| Proposed depth: 4000' | Rotary or cable tools ROTARY | Approx. date work will start October 10, 1984 | |
| Bond Status Amount On file \$25,000 | Organization Report On file <input checked="" type="checkbox"/> Or attached <input checked="" type="checkbox"/> | Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/> | |
| Remarks: Plan to drill, coring if feasible, to approximately 4000' using air, then log (Welex) using Gamma & Density-Neutron. 9 5/8" surface csg. will be set and cemented to surface. | | | |

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the SHIELDS EXPLORATION COMPANY (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.

Jay M Shields
Signature

September 29, 1984
Date

Permit Number: 853
Approval Date: 10/16/84
Approved By: R. G. Ybana

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

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

Form No. 3

RECEIVED

OCT 1 1984

O & G CONS. COMM.

- 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 X
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES X NO _____. If answer is "yes," Type of Consolidation Limited Partnership
- If the answer to question four is "no," list all the owners and their respective interests below:

| | |
|---|--|
| Owner SHIELDS 1981 PROGRAM | Land Description NW1, SW1, NW1, Section 19, T41N, R1E, G&SR B&M |
| SHIELDS EXPLORATION CO., GEN PARTNER & OPERATOR | COCONINO CO., AZ |

| | | |
|---|--|--|
| <p>Shields Fed. # 2-19 Elevation = 5016'</p> <p>22'</p> <p>80-Acre Spacing</p> <p>S19 T41N R1E</p> <p>3784'</p> | | <p>CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Name <u>Ray M Shields</u></p> <p>Position <u>PRESIDENT</u></p> <p>Company <u>SHIELDS EXPLORATION CO.</u></p> <p>Date <u>September 29, 1984</u></p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed <u>11-11-83</u></p> <p>Registered Professional Engineer and/or Land Surveyor <u>Philip L. Drake</u></p> <p>Certificate No. <u>L.S. 4876 UT.</u></p> |
|---|--|--|

| PROPOSED CASING PROGRAM | | | | | | | |
|-------------------------|--------|--------------|-------|--------------|-------------------------|-------------------|---------|
| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
| 9 5/8" | 36.0 | J-55 | Surf. | Approx. 550' | Approx. 550' to Surface | 200 | Class A |
| 5 1/2" | 15.5 | J-55 | Surf. | 4000' (Est.) | 4000 - 3500' (Est.) | 200 (Halliburton) | Class A |



ORGANIZATION REPORT

RECEIVED

OCT 1 1984

Full Name of the Company, Organization, or Individual

SHIELDS EXPLORATION COMPANY

Post Office Address (Box or Street Address)

320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272

O & G CONS. COMM.

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 & GAS EXPLORATION

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 |
|---|---|--|
| Principal Officers or Partners (if partnership) NAME | TITLE | POST OFFICE ADDRESS |
| JAY M. SHIELDS | PRESIDENT | ABOVE |
| MARGARET M. SHIELDS | SECRETARY-TREASURER | " |
| THOMAS L. MACLEOD | VICE-PRESIDENT | 301 Bellino Drive Pacific Palisades, CA 90272 |
| | | |
| | | |
| | | |
| | | |

| DIRECTORS NAME | POST OFFICE ADDRESS |
|-----------------------|--|
| JAY M. SHIELDS | AS ABOVE |
| MARGARET M. SHIELDS | " |
| JAY MICHAEL SHIELDS | " |
| NANCY ROBERTS deFARIA | 1515 Lindacrest Dr., Beverly Hills, CA 90210 |
| THOMAS L. MACLEOD | 301 Bellino Dr., Pacific Palisades, CA 90272 |

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the PRESIDENT of the SHIELDS EXPLORATION COMPANY (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: Jay M. Shields
Date: September 29, 1984

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

Exhibit "B"

INA

INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PA. 19101

RECEIVED
OCT 15 1984
O & G CONS. COMM.

Rider to be attached to and form a part of Bond Number **KO 01 75 675**
on behalf of JAY M. SHIELDS
(Name) _____ (Principal),
_____ (Address)
and in favor of State of Arizona (Obligee),
executed by the INSURANCE COMPANY OF NORTH AMERICA, as
Surety in the amount of TWENTY FIVE THOUSAND AND NO/100 (\$ _____)
Dollars, effective January 7, 1982 19 _____

The Principal and the Insurance Company of North America hereby consent to changing the said bond as follows:

Name of Principal amended to read:
SHIELDS 1981 PROGRAM

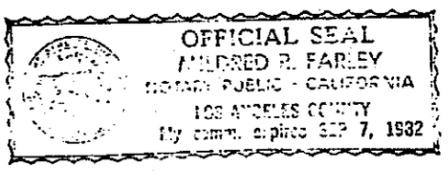
It is further understood and agreed that this bond covers all wells included in Lease #A 10457, all located in T 41 N-R I W, Coconino C ounty, Arizona.

Nothing herein contained shall vary, alter or extend any provision or condition of the bond other than as above stated.

Signed, Sealed and dated this 5th day of February, 19 82.
Jay M. Shields

INSURANCE COMPANY OF NORTH AMERICA
By Edward W. Hillman

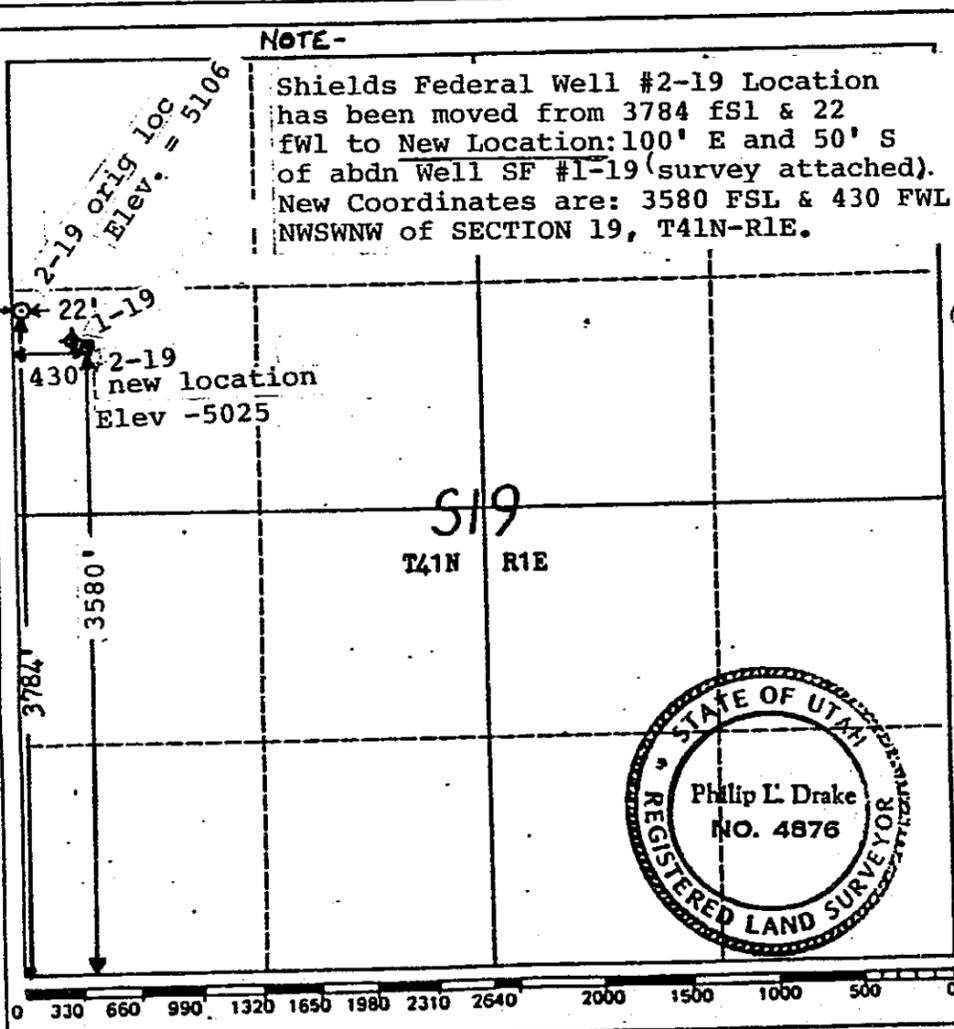
Subscribed and sworn to before me this
5th day of February, 1982
Harold R. Farley
NOTARY PUBLIC in and for the County
of Los Angeles, State of California
by Jay M. Shields.



RECEIVED
OCT 15 1984

- 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 X .
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES X NO _____. If answer is "yes," Type of Consolidation Limited Partnership
- If the answer to question four is "no," list all the owners and their respective interests below:

| | | | |
|-------|---|------------------|---|
| Owner | SHIELDS 1981 PROGRAM | Land Description | NW 1/4, SW 1/4, NW 1/4, Section 19, T41N, R1E, G&SR B&M |
| | SHIELDS EXPLORATION CO., GEN PARTNER & OPERATOR | | COCONINO CO., AZ |



CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: Ray W. Shields

Position: PRESIDENT

Company: SHIELDS EXPLORATION CO.

Date: October 11, 1984

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: 1-19 7/2/82 (see attached)
11-11-83

Registered Professional Engineer and/or Land Surveyor
Philip L. Drake

Certificate No. L.S. 4876 UT.

PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
|----------------|--------|--------------|-------|--------------|-------------------------|-------------------|---------|
| 9 5/8" | 36.0 | J-55 | Surf. | Approx. 550' | Approx. 550' to Surface | 200 | Class A |
| 5 1/2" | 15.5 | J-55 | Surf. | 4000' (Est.) | 4000 - 3500' (Est.) | 200 (Halliburton) | Class A |

- Operator shall outline the dedicated area for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided. RECEIVED
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION. OCT 15 1984
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES _____ NO O. & G. CONS. COMM.
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO _____. If answer is "yes," Type of Consolidation Limited Partnership
6. If the answer to question four is "no," list all the owners and their respective interests below:

| | | | |
|-------|--|------------------|---|
| Owner | SHIELDS 1981 PROGRAM (SHIELDS EXPLORATION CO.-OPERATOR) | Land Description | NW SW NW Section 19 T41N - R1E R1E Coconino County, Arizona |
|-------|--|------------------|---|

Shields Federal #1-19
Elevation 5025'

CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name Jay M. Shields
Position President
Company Shields Exploration Co.
Date Oct 11, 1984

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 7-2-82
Registered Professional Engineer and/or Land Surveyor
Philip L. Duck
Certificate No. 6-5-7876 UT

| PROPOSED CASING PROGRAM | | | | | | | Type |
|--|--------------|--------------|--------------|--------------|-------------------|--------------|------------------------|
| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depth | Sacks Cement | |
| 7" 4 1/2" (if required for production) | 15# 10.5# | K-55 K-55 | Surf Surf | 40' 450'± | 40' TD to Surf | 15 75 | Class A Halliburton |

Exhibit "B"



INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PA. 19101

RECEIVED
OCT 15 1984
O & G CONS. COMM.

Rider to be attached to and form a part of Bond Number **KO 01 75 675**

on behalf of JAY M. SHIELDS
(Name)

State of Arizona (Address) (Principal),
and in favor of State of Arizona (Obligee).

executed by the INSURANCE COMPANY OF NORTH AMERICA, as

Surety in the amount of TWENTY FIVE THOUSAND AND NO/100 (\$)

Dollars, effective January 7, 1982 19

The Principal and the Insurance Company of North America hereby consent to changing the said bond as follows:

Name of Principal amended to read:

SHIELDS 1981 PROGRAM

It is further understood and agreed that this bond covers all wells included in Lease #A 10457, all located in T 41 N-R I W, Coconino C ounty, Arizona.

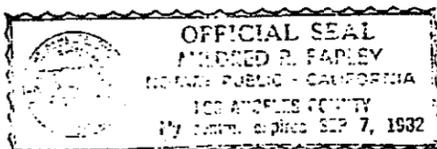
Nothing herein contained shall vary, alter or extend any provision or condition of the bond other than as above stated.

Signed, Sealed and dated this 5th day of February, 1982

Jay M. Shields
Jay M. Shields

INSURANCE COMPANY OF NORTH AMERICA
By Edward W. Williams

Subscribed and sworn to before me this
5th day of February, 1982
Richard A. Farley
NOTARY PUBLIC in and for the County
of Los Angeles, State of California
by Jay M. Shields.



ORGANIZATION REPORT

RECEIVED

OCT 1 1984

Full Name of the Company, Organization, or Individual
 SHIELDS EXPLORATION COMPANY

Post Office Address (Box or Street Address)
 320 BELLINO DRIVE, PACIFIC PALISADES, CA 90272

O & G CONS. COMM

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 & GAS EXPLORATION

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 |
|---|---|--|
| Principal Officers or Partners (if partnership) NAME | TITLE | POST OFFICE ADDRESS |
| JAY M. SHIELDS | PRESIDENT | ABOVE |
| MARGARET M. SHIELDS | SECRETARY-TREASURER | " |
| THOMAS L. MACLEOD | VICE-PRESIDENT | 301 Bellino Drive Pacific Palisades, CA 90272 |
| | | |
| | | |
| | | |
| | | |

| DIRECTORS NAME | POST OFFICE ADDRESS |
|-----------------------|--|
| JAY M. SHIELDS | AS ABOVE |
| MARGARET M. SHIELDS | " |
| JAY MICHAEL SHIELDS | " |
| NANCY ROBERTS deFARIA | 1515 Lindacrest Dr., Beverly Hills, CA 90210 |
| THOMAS L. MACLEOD | 301 Bellino Dr., Pacific Palisades, CA 90272 |

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the PRESIDENT of the SHIELDS EXPLORATION COMPANY (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.

Jay M. Shields
 Signature

September 29, 1984
 Date

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



PERMIT TO DRILL

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

To: SHIELDS EXPLORATION COMPANY
(OPERATOR)

to drill a well to be known as

2-19 FEDERAL
(WELL NAME)

located 430' FROM WEST LINE & 3580' FROM SOUTH LINE

Section 19 Township 41N Range 1E, COCONINO County, Arizona.

The S 1/2 OF NW 1/4 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 16th day of OCTOBER, 19 84.

OIL AND GAS CONSERVATION COMMISSION

By [Signature]
ENFORCEMENT EXECUTIVE DIRECTOR

PERMIT 00853

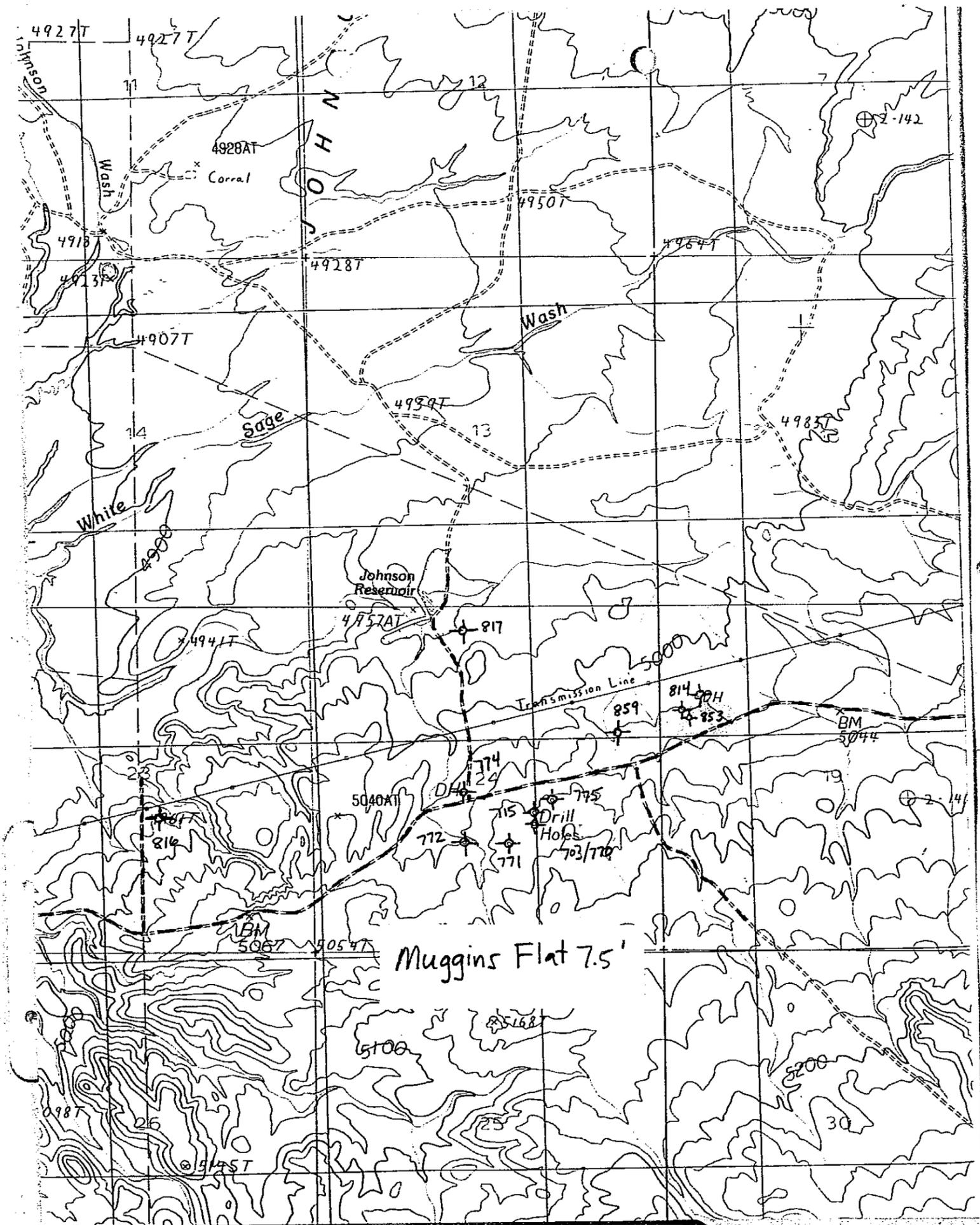
RECEIPT NO. 2551

A.P.I. NO. 02-005-20029

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

SEE ATTACHED REPORT ON PROPOSED OPERATIONS



SHIELDS FEDERAL #2-19

P/N 853

packer hung @ 2950'

3000.

2988

PERFS

2996

"A" zone

AZ OIL & GAS
CONSERVATION COMMISSION

MAR 8 1990

#3 BP @ 3030

3038

PERFS

"B" zone

MELEX drillable Bridging Plug

#2 BP @ 3095

3100.

#1 BP (ng) @ 3102

3114

'Coffee Member'

PERFS

3142

PBTD 3152

CMT Plug

4 3/4" 10.5, J-55 csg

Cmtd @ 3195 w/120 sx
(Halliburton)

3200.

Cmt shoe 3196.5

Heavy Mud To TD @ 3756

8 5/8" hole - 7" 20# csg
cmtd @ 393'. Drld 6 1/2"
hole w/air to 3756'.
Major water entry @ 1730'-1750'
(Fresh-2000ppm minerals)
Foamed to TD. Used 2-850#
Comp plus 600# Booster.



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

June 10, 1993

Ms. Nancy Humphries
Burnett Oil Company
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

853

Dear Ms. Humphries:

Enclosed is the information you requested, 15 sundry reports on the Shields 12-24 well from January 1987 to June 1988 and 12 sundry reports on the Shields 2-19 well from December 1984 to plug and abandon on February 6, 1990.

Let me know if I can be of further assistance.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

by Fed Express

SHIELDS EXPLORATION CO.

320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

File

March 12, 1990.

14

Ref: Logs of Wells abandoned
on February 5 & 6, 1990.
SF: 1-23, 11-24, 6A-24,
1-19A, 2-19 and T-1.
Cuttings 2-19.

*511 ✓
516 ✓
511 ✓
Log read by
Comm 1988*

Mr. Daniel Brennan
Arizona Oil and Gas Conservation Commission
5150 North 16th Street Suite B-141
Phoenix, Arizona 85026

Dear Mr. Brennan:

At our Meeting in your Offices on March 8, the subject logs were discussed and copies hand delivered to you of the Wells located on our White Sage Prospect, Township 41 North, Range 1E & 1W, Coconino County, Arizona, BLM Lease #A-10457.

Also delivered were cuttings recovered from every ten-foot interval from 0'-10' to 3756' TD in Well SF 2-19. #65

As we were able to bid in the BLM Lease #A-10457 at the BLM Auction of March 8, 1990, we have that Lease for another 5 year period. As you know, the SF 12-24 Well was not plugged pending the results of the bidding. We now request a Temporary Abandonment classification for this Well. It is our intention to re-enter the hole when financing is available and drill deeper to test the underlying formations for oil and gas. The Well is currently shut in with 7" casing at 2960', TD at 3183', a drillable Halliburton Packer at 3128 and rods and tubing above the packer. This test would be of great interest to the USGS and of great benefit to the State of Arizona. Your cooperation is appreciated. The BLM is granting us a Temporary Abandonment status for one year, renewable.

Reference the Rules & Regulations of the Arizona Oil and Gas Conservation Commission, I herewith request that the above-referenced Well Logs and the SF 2-19 Well samples be held in your file on a CONFIDENTIAL BASIS for six months from the date of Abandonment of said Wells.

Your assistance and that of the Oil and Gas Cons. Commission members in the work that we have been doing for a long period of time in searching for oil & gas in Arizona is appreciated. As you know we have every intention of continuing with our Project and in our efforts to find oil and gas particularly as conditions improve in the Oil Industry.

I'm sure that you will agree our efforts merit the support of the Commission and the State of Arizona in maintaining the confidentiality so important to those of us committing large sums of money to a difficult Project.

Sincerely, Jay M. Shields, President, Shields Expl. Co.

SHIELDS EXPLORATION CO.

320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

Re: Plugging Records
Wells SF 1-19A, 2-19,
6A-24, 11-24, & 1-23

p/n 853

Mr. Dan Brennan, Secretary
Arizona Oil and Gas Conservation Commission
5150 North 16th Street - Suite B-141
Phoenix, Arizona 85016

Dear Mr. Brennan:

Attached are the Records for the Wells which we have plugged
on February 5 & 6, 1990

Fortunately, there was a window in the weather during the
period from our arrival on Feb. 3rd to departure on the 8th.
Sorry that you or Mr. Rauzi were unable to be there for the
proceedings. Mr. Haas and Ms. Roberts of the BLM came up and
observed the procedures, Mr. Haas for the 3 days and Ms Roberts
during the plugging of the three open holes.

There were no problems. The cement transit trucks arrived on
schedule and the wet sand and gravel went downhole very nicely.
It's a good method especially in shallow and fractured rock.
The cement plugs worked fine, being handled by an expert water
well driller with a pick-up truck, hose and pump.

The cased holes, 2-19 & 6A-24, presented no problems especially
with Dowell-Schlumberger on hand. Expensive but got job done.
Used a gismo built by our welder to block the hole for surface
plug on 2-19. Plate attached to a heavy wire did the job.
On 6A, since Dowell had brought plenty of cement, I decided to
cement in the whole works so we gave the well 54 sax from TD at
491' to the surface.

Ms. Roberts from St. George examined all well sites and we have
that end of the job in hand. Will seed later in the spring.

Sincerely,

Ray M. Shields
SHIELDS EXPLORATION COMPANY

copies to well files 816, 817, 775, 853, 814, 859

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

Mr. Dan Brennan
Secretary, Arizona Oil and Gas Conservation Comm.
3110 North 19th Avenue Suite 190
Phoenix, Arizona 85015

Dear Mr. Brennan:

In reply to Rudy Ybarra's letter of July 22nd and with reference to recent telephone conversations with you and Mr. Ybarra concerning the abandonment of additional shallow Wells drilled by Shields Exploration Company on the White Sage Prospect, we have checked our records and enclose a Well Location Map showing the status of each Well. Listed below are the Wells and our plans for the shallow ones that have not yet been abandoned.

Our records indicate that the Travis Federal 1-24 and the Shields Federal #1-24, #2-24, #4-24, #5-24 and the #1-19 are P&A. The record does not confirm the status of the #1-23 and it will be checked on site.

The Shields Federal #11-24 and #6A-24 have been kept in the Temporary Abandonment category pending final analysis and decisions regarding the results of the deepening of the #1-19A Well (Feb 1988). We will now plan to abandon the #11-24 and the 6A-24 and, if not already officially abandoned, the #1-23 at such time as we next commence operations on the White Sage Lease.

It is most important to our present and future plans to maintain the Shields Federal #2-19 and #11-24 Deeper Tests in their current shut-in status.

I would like to take this opportunity to thank you, Mr. Ybarra and the Oil and Gas Commission for the help and cooperation provided down through the years. We look forward to a successful conclusion recognizing that the finding of commercial oil on the Frontier is important to us all.

Sincerely,

Jay M. Shields

Jay M. Shields

Enc: Well Location Map - White Sage Prospect

| Well # | Permit # | |
|--------------|----------|-------------|
| Shields 1-24 | 715 | 2-19 853 |
| Travis 1-24 | 703 | 12-24 - 859 |
| Shields 2-24 | 771 | |
| " 4-24 | 772 | |
| " 5-24 | 774 | |
| " 1-19 | 814 | |
| " 1-23 | 816 | |
| 11-24 | 817 | |
| 6A-24 | 775 | |

T 41 N

RTW RTE

K41B/B

JOHNSON
TANK
ROAD

3

-- ∅ 1-23 550

24

5-24 480

∅ 6A-24 490

∅ S-1 470

∅ T-1 900

∅ 4-24 750

∅ 2-24 500

12-24 3183

1-19A 650dd

∅ 2-19 3756

∅ 1-19 500

G&SRBM

WELL STATUS MAP

WHITE SAGE PROSPECT

COCONINO CO., ARIZONA

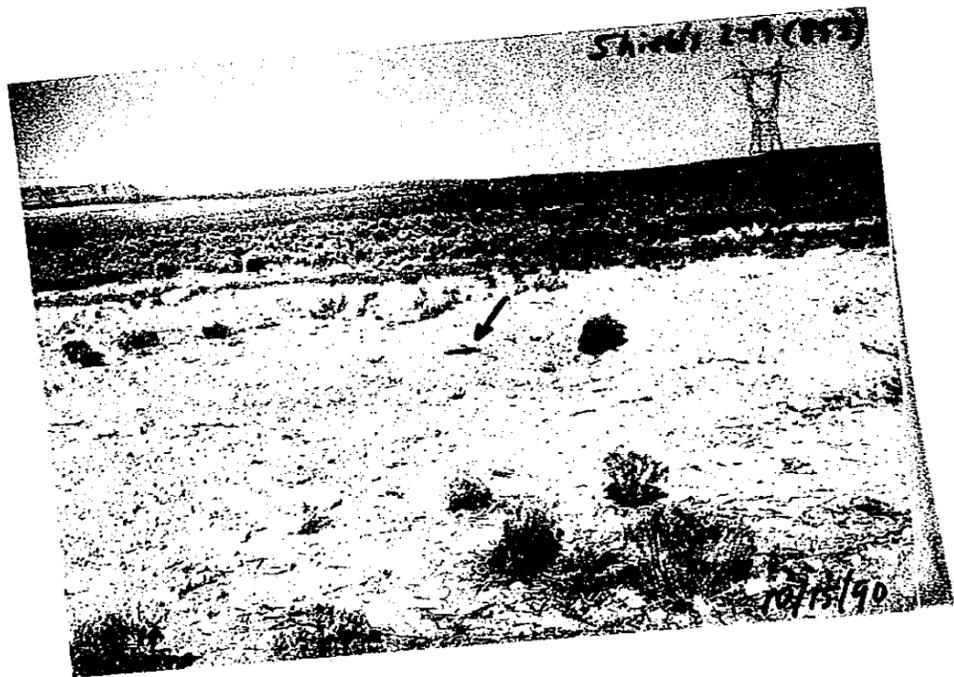
- ∅ To Be Abandoned
- ∅ Temporary Abandonment
- ∅ Abandoned

Shields Exploration Co. - 8/30/88

25

6

2-19
(853)





Vertical text or markings along the right edge of the photograph, possibly a date or reference number.





11-11-2016 Federal

12/5/86



Oil and Gas Conservation Commission
STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190
PHOENIX, ARIZONA 85015
PHONE: (602) 255-5161

July 22, 1988

Jay M. Shields
Shields Exploration Co.
320 Bellino Drive
Pacific Palisades, CA 90272

Re: White Sage Prospect Area, Coconino County

Dear Mr. Shields:

This letter follows our recent telephone conversation regarding certain shut-in wells in the above area.

Our main concern is that four of the wells have been in this status for one reason or another since 1982. We can understand why some of the wells need to be kept open but not some of the older shallower ones.

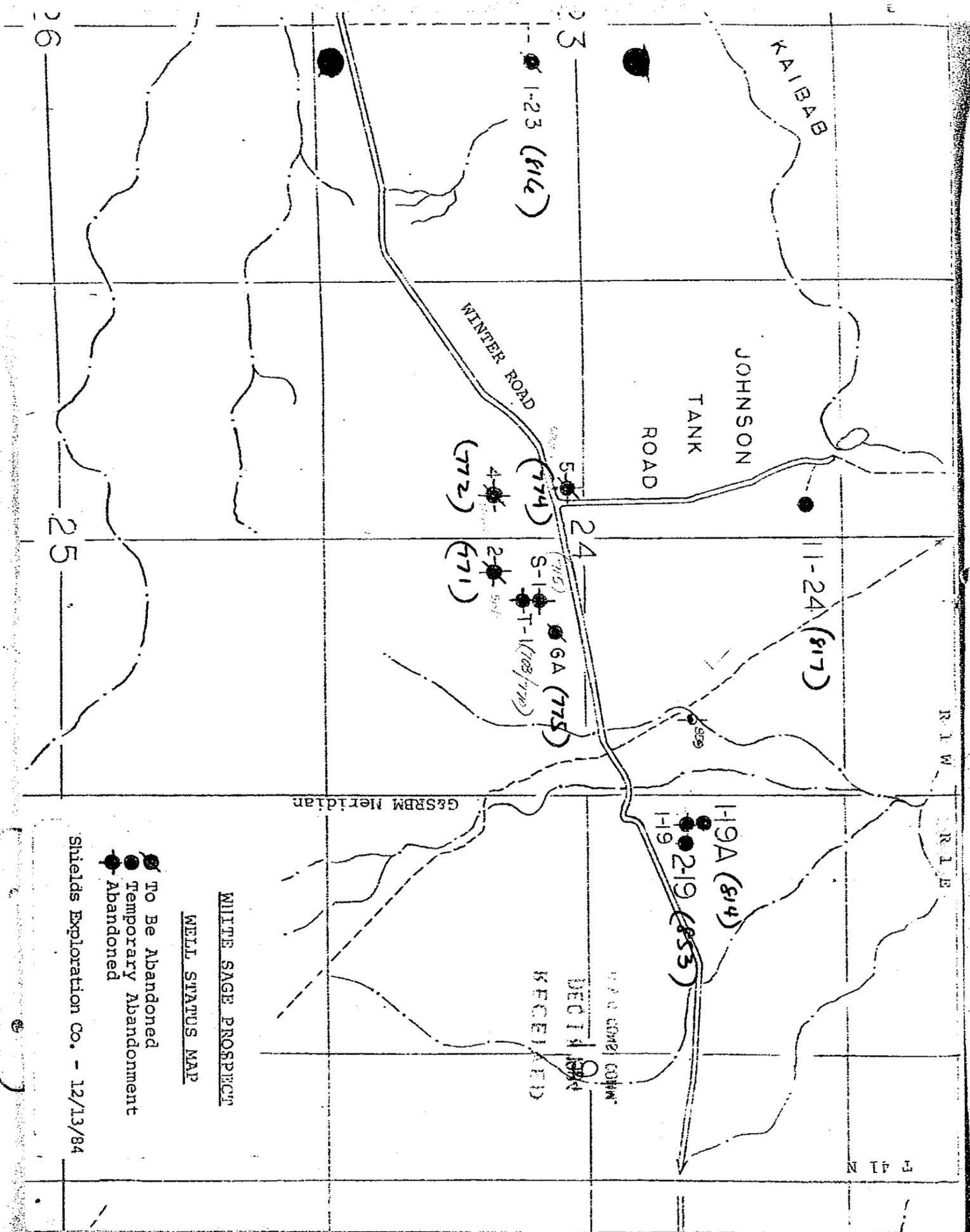
Please review all wells in your project and prepare a brief plan for the Commission listing the wells you will need to keep open and the wells no longer needed that should be plugged and abandoned. Please give an approximate time frame when this work can begin.

If you have any questions pertaining to this matter, please call me or Dan.

Sincerely,

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

RAY:lr



WITTE SAGE PROSPECT

WELL STATUS MAP

- To Be Abandoned
- Temporary Abandonment
- Abandoned

Shields Exploration Co. - 12/13/84

T 41 N

12/10/84 J. Shields called at home on 12/9/84 & reported:

• T.D. 3756'

• Bottomed in Cambrian (Muar ls.)

• Drilled entire hole with air — did not change over to mud as we had heard

• Logged on 12/7, by Welx

• Mixed 110 bbls of mud, filling all pertinent sections in the hole

• The hole will require at least one month of study (in Houston) so well is being TNA — will make official request on Monday — some of the carbonate sections look interesting but will require "expertise" to understand — especially $\pm 1000'$ of Supai

• Re: other shut-in wells: will keep wells # 814 & 817 & abandon 770, 771, 772, 774, & 775. Wants to deepen # 814. See attached map

• Cloyd Snapp, BLM, & I have discussed plugging these wells for sometime & it now looks like Japp will be doing some of this work

RECEIVED
DEC 12 1984
O & G CONS. COMM.

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

Kanab, Utah *AKK*
December 10, 1984.

Mr. A. K. Doss, Secretary
Oil Gas Cons. Comm
1645 W. Jefferson
Phoenix, AZ 85007

Ref. Shields Federal
#2-19, NW SW NW
Sec. 19, T41N-R1E
Coconino Co, AZ.

Dear Mr. Doss:

I have communicated
by telephone, giving him
information regarding the
have also sent out a Sund
pertinent details.

John Haas, BLM,
will inform us as soon
as Shields files sundry
requesting T/A. BLM
will give him 12 mos.
Apparently BLM has
not rec'd a copy of this
sundry

As discussed with Mr. Ybarra, I wish
to request that the SF 2-19 will be placed
on Temporary Abandonment Status pending
a review of Engineering and Geological
data, and for the period as prescribed in
the O & G Comm. Regulations -

All Good wishes to you and your
Department for the Holiday Season -
Jay M Shields

RECEIVED
DEC 12 1984
O & G CONS. COMM.

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

Kenab, Wash *AKA*
December 10, 1984.

Mr. A. K. Ross, Secretary
Oil & Gas Cons. Comm
1645 W. Jefferson
Phoenix, AZ 85007

Ref. Shields Federal
#2-19, NW SW NW
Sec. 19, T41N-R1E
Coconino Co, AZ.

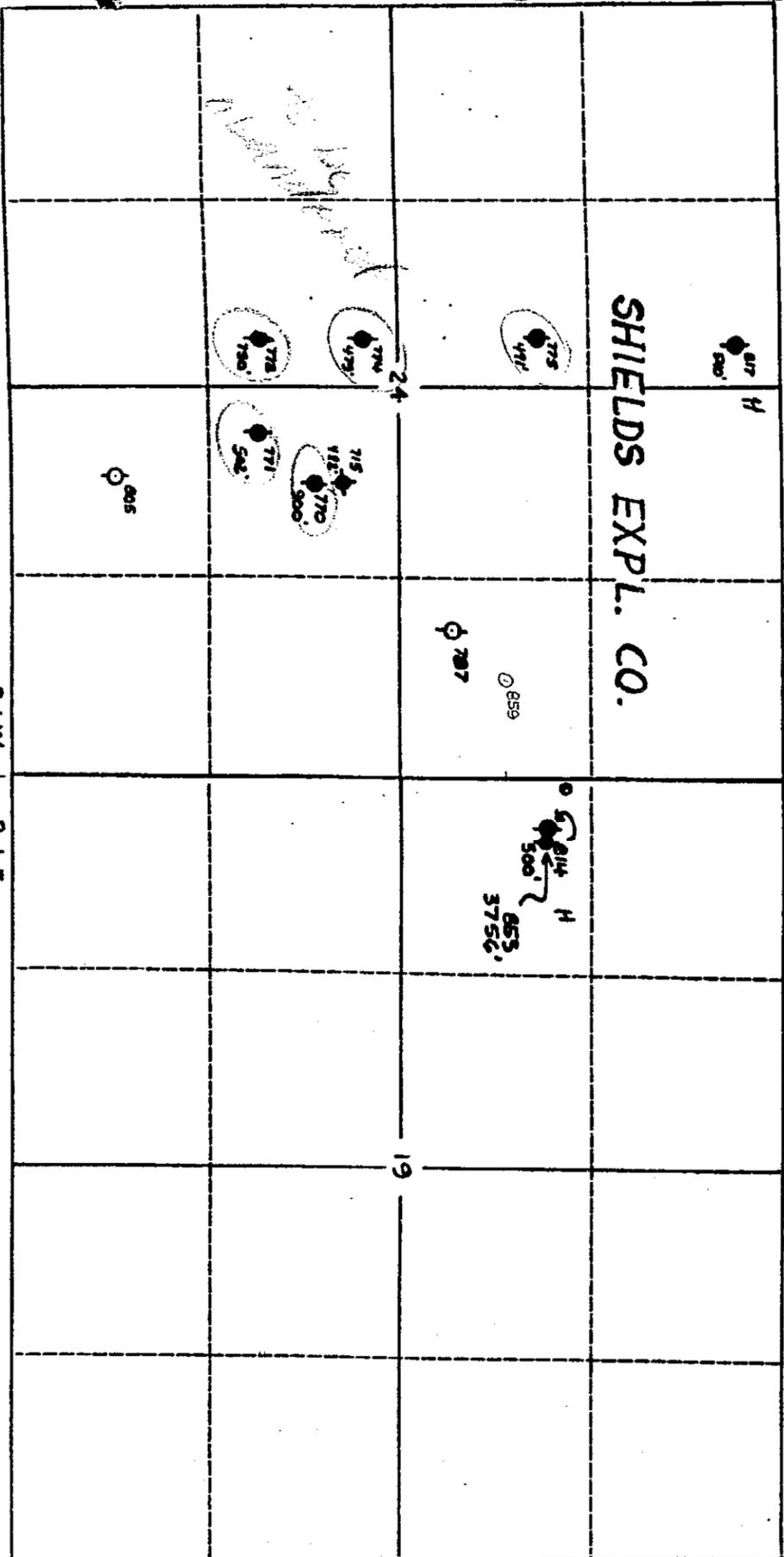
Dear Mr. Ross:

I have communicated with Mr. Ybarra by telephone, giving him the necessary information regarding the subject well. We have also sent out a Sundry Notice with pertinent details.

As discussed with Mr. Ybarra, I wish to request that the SF 2-19 well be placed on Temporary Abandonment Status pending a review of Engineering and Geological data, and for the period as prescribed in the O & G Comm. Regulations -

All Good wishes to you and your Department for the Holiday Season -
Jay M Shields

T 41 N



◆ Shut in
 ◆ Abandoned
 ○ Expired loc.

R 1 W | R 1 E

19

Nov 2, 1984

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

Shields Federal

#2-19

11/5/84

Arizona Oil & Gas Conservation ^{Comm.}
RECEIVED

NOV 5 1984

D & G CONS. COMM.

Mr. A. K. Doss -

Enclosed please find initial
Sundry Notice. Also a revised
copy of the location Plat
indicating the change in casing
plan and a revised plot of
the BOP to be used on the well

Sincerely,

Jaylen Shields

Description of new BOP Rig
will follow.

Encl. 1 Copy Each: Sundry Notice
Plat
BOP Plot

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



*AKK
copy to
each file*

BRUCE BABBITT, Governor
WESLEY E. STEINER, Director

October 16, 1984

O & G CONS. COM. 1

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

Re: Proposed Exploratory Wells Number 2-19 Federal
and Number 6 Navajo-138 - PERMIT 552

PERMIT 553

Dear Mr. Ybarra:

We are in receipt of your letters dated October 2, 1984 and October 5, 1984 requesting a review of the construction plans, as to the potential for groundwater contamination. In both cases the proposed plans should be adequate.

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

Sincerely,

A handwritten signature in cursive script that reads "Michael R. Long".

Michael R. Long
Chief Hydrologist

dg

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.



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

October 16, 1984

Jay M. Shields
Shields Exploration Company
320 Bellino Drive
Pacific Palisades, CA 90272

Dear Mr. Shields:

Enclosed please find Receipt No. 2551 covering the \$25 filing fee, a copy of your approved Application for Permit to Drill and Permit to Drill No. 853.

Also enclosed is Report on Proposed Operations concerning samples and other Commission requirements and forms.

Sincerely,

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

RAY/rga

Enclosures

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

RECEIVED
OCT 1 1984
D & G CONS. COMM.

September 29, 1984

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

Re: SHIELDS FEDERAL #2-19, NW/4 SW/4 NW/4, T41N-R1E, COCONINO CO., AZ

Dear Mr. Doss:

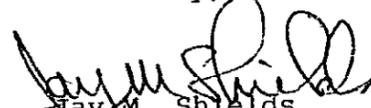
As previously discussed, we are now ready to apply for a Drilling Permit for the Shields Federal #2-19, a new Location. In accordance with the requirements of the Commission, I enclose the following forms and documents:

1. SHIELDS FEDERAL #2-19 (MISSISSIPPIAN-DEVONIAN TEST)
 - a) Application for Permit to Drill including Survey Plat of Location by Phil Drake, R.L.S., Utah. Please note that the location of Well #2-19 is not at a regular location because drilling at a regular location would be unduly burdensome due to topographic conditions. The 80-acre drill site will be the S/2 NW/4 of Section 19, T41N-R1E. See Plat.
 - b) Designation of Operator
 - c) Organization Report
 - d) CK in the amount of \$25 for filing fee/SF #2-19

On file in your office is a Performance Bond for \$25,000.

Let us know if the paper work is OK and we will look forward to working with you people again.

Sincerely,


Jay M. Shields
JMS/nmr

Enclosures: For SHIELDS FEDERAL #2-19
cc (2 each) Application for Permit to Drill &
Survey Plat
cc (2 each) Designation of Operator
cc Organization Report
CK for \$25.00, Filing Fee

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

RECEIVED
OCT 9 1984
D & G CONS. COMM.

October 6, 1984

Mr. A. K. Doss, Secretary
Oil & Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Dear Mr. Doss:

Reference the letter from Mr. Ybarra of October 2, 1984 and specifically the request for additional information on the topographic reasons for the subject #2-19 Well being sited on a non-regular location, specifically 22' from the West line of the SW/4 NW/4 of Section 19, T41N-R1E, Coconino County, and 176' from the North line of the said quarter-quarter section (See attached Map).

The topographic expression in the general area is a gentle, though irregular, northerly slope of about 150'/mile. This slope would not be a problem for rig siting if it were a normal erosional surface of sand and silt that could be bulldozed and levelled. However, the topographic slope is actually the dip slope of a hard, cherty, well-bedded limestone formation. This rock cannot be bulldozed or otherwise prepared as a drill site for our rig which is capable of drilling to 7500 feet and requires a space of almost an acre (see attached plat Map of Rig 60).

In addition to the unworkable surface, erosion of the limestone has created stream channels, some of which have steep rocky banks. The combination of hard rock and incised stream beds created rig location problems not encountered in our local shallow drilling where we used a small, easily set up rig. When the problem became apparent in the critical area selected for drilling, I asked the Driller (CRC-Colorado, Rangely) to come down and inspect the site area so that we could find a suitable location for his rig that would also be geologically and environmentally satisfactory as well as a proper (300') distance from the SCE Power Line (see Map). We walked over the area (SW/ NW/4 of Sec 19), carefully studying the topography. We could find only one site in the area which was reasonably level, safe for the rig and secure from flash flooding. Not only the driller, but also a representative of the BLM, was present and concurred in the site selection. Other sites in the area were eliminated only after careful examination of the topography.

If you will look at the enclosed Location Map, you will see that the Test Well can only be sited as a regular location within the area shaded in green, as the Well must be 330 feet from any boundary of the selected drilling unit of 80-acres, ie; the S/2 NW/4 of Sec 19. Within the green area, the south half is too steep and locally irregular, topographically, and is not acceptable geologically. The upper right quadrant is eliminated by the hill of red siltstones and claystones (Triassic). In the upper left quadrant (Well 1-19 location), the east side has stream beds, slopes and irregular topography without a suitable area of sufficient size for the rig. The west side (Well 1-19 corner), the south portion is too steep a slope of the hard limestone without reasonably level spots with sufficient useable area. While the limestone slope tends to level off, we again could not find a large enough rig area and also preferred to stay away from the immediate #1-19 Well site. Consideration was given to the ^{SW}NW/4 of Sec 19 but there wasn't enough useable area when the 330-foot rule was applied and the Power Line 300-foot safety zone considered. See Map. Further North and further West were not suitable geologically.

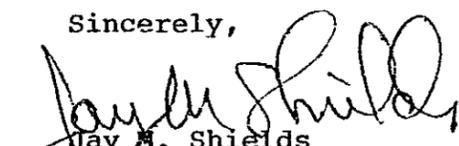
I recognized at the time that we did not have a regular location 330' from both the West line of Section 19 and the South line of the 80-acre spacing requirement. However, it was my belief that Rule 12-7-107 (Spacing of wells) and under Paragraph 4 applied, ie; "when topographic conditions are such as to make drilling at a regular location on the unit unduly burdensome, the Commission may grant administratively such exception...."

Accordingly, I now request such an exception and wish to emphasize my concern over the absolute need to have a topographically sound drilling site.

In view of impending weather problems and rig availability (Rig 60 is waiting now in Ely, Nevada and must be moved soon) your issuance of a Drilling Permit as soon as possible is essential to my operation.

Would you be good enough to communicate your decision by telephone, reversing the charges. I look forward to the continuing friendly cooperation and assistance of the Arizona Oil & Gas Conservation Commission and your office in the knowledge that, working together, oil can and will be found.

Sincerely,


Jay A. Shields
JMS/mmnr

Enclosures: Well Location Map
Well Survey Map
Rig 60 Plan Map

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

RECEIVED
OCT 9 1984
O & G CONS. COMM.

October 2, 1984

Mr. Rudy Ybarra
Oil and Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Dear Mr. Ybarra:

As discussed, enclosed is a copy of
tion with details on Blowout Preven

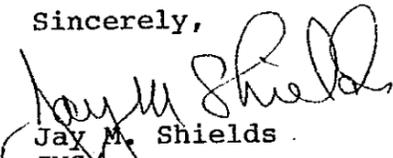
Also enclosed is the Survey Plat sh
location of Power Line (SCE) ie: 30
from well site to nearest wire.

Reference the Shields Federal #2-1
necessary to locate near west line
topographical and geological reasc
the Power Line was involved.

Reference a water table. All sha
drilled with air to depths from 4
no significant surface water entr
drilling nearby wells, essentially no water
encountered in 11-24 and no appreciable water entry
was found in 1-19A or 6A-24. We plan to run surface
casing, 9 5/8", to a point below 500 feet and cement
to surface, thus shutting off any surface waters to
that depth.

We have a time problem with our Drilling Company and
would appreciate your cooperation in the issuance of
a Drilling Permit for the Shields Federal #2-19 Well
as soon as reasonably possible.

Sincerely,


Jay M. Shields
JMS/mm

Enclosures: cc BLM Application/Shields Federal #2-19
cc Survey Plat/ Shields Federal #2-19

*Rudy, see drill site
layout plat in back
of submitted - re:
surface slope - 120'
per mill -*

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

RECEIVED
OCT 9 1984
O & G CONS. COMM.

October 2, 1984

Mr. Rudy Ybarra
Oil and Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Dear Mr. Ybarra:

As discussed, enclosed is a copy of our BLM Application with details on Blowout Preventer.

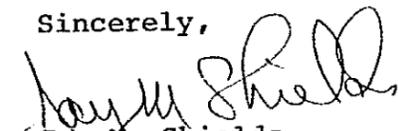
Also enclosed is the Survey Plat showing approximate location of Power Line (SCE) ie: 300' surveyed distance from well site to nearest wire.

Reference the Shields Federal #2-19 location. It was necessary to locate near west line of Section 19 for topographical and geological reasons. In addition, the Power Line was involved.

Reference a water table. All shallow test wells were drilled with air to depths from 480' to 750' and had no significant surface water entry. While air drilling nearby wells, essentially no water was encountered in 11-24 and no appreciable water entry was found in 1-19A or 6A-24. We plan to run surface casing, 9 5/8", to a point below 500 feet and cement to surface, thus shutting off any surface waters to that depth.

We have a time problem with our Drilling Company and would appreciate your cooperation in the issuance of a Drilling Permit for the Shields Federal #2-19 Well as soon as reasonably possible.

Sincerely,


Jay M. Shields
JMS/tmr

Enclosures: cc BLM Application/Shields Federal #2-19
cc Survey Plat/ Shields Federal #2-19

RECEIVED

OCT 9 1984

BLM CONDITIONS OF APPROVAL

O & G CONS. COMM.

9. If cultural resources are encountered during lease operations, any work that could disturb the cultural resource shall cease and the BLM must be notified, these operations shall not be resumed without BLM approval.

10. This well shall not be abandoned without prior approval of the BLM before approval can be granted the BLM must have sufficient time to examine logs and other data. A BLM representative will witness the abandonment.

11. Drilling equipment shall not be removed from any suspended drilling well without first securing the prior approval of the BLM.

12. Drilling wells shall be marked in a conspicuous place with the name of the operator, the lease serial and the number and location of the well. This marker is to be maintained at all times.

13. Inclination surveys shall be obtained on all wells not exceeding 3° inclination at intervals not exceeding 500 feet.

Directional surveys (inclination and azimuth) shall be run on any well where the inclination exceeds 3°. These must be run at least every 500' or at intervals as needed for locating the hole in case of a blowout.

14. To comply with the Linowes Commission Recommendation No. 1, this office must be notified should the well be successfully completed for production. "Such notification will be by telegram or other written communication and must be received in this office by not later than the first business day next following the date on which the well is placed on production." As a minimum it must provide the following information:

- a. Operator's name, address & telephone number.
- b. Well name & number.
- c. Well location (1/4, 1/4 section, Twp., Rge, B&M.),
- d. Date well placed in a producing status.
- e. The nature of the well's production i.e. crude oil, natural gas et al.
- f. The Federal or Indian lease prefix and number.
- g. The Unit or Communitization name (as appropriate).

Handwritten notes:
Panda - may have been left out of BLM Permit sent to you 8/1/84
JWS

Signature: William Lamb
District Manager

Company Shields Exploration Co.
Well Shields Prod. #2-19
Sec. 19 T. 41N. R. 1E G+SR B&M
Lease No. A-10457
Field Wildcat
County Cochise State Ariz.

BLM CONDITIONS OF APPROVAL

Your proposed work is approved subject to the following requirements:

1. Copies of the approved Application to Drill Form 9-331C, this set of conditions, and minimum BOPE requirements shall be posted at the well site prior to commencing operations.
2. The BLM must be notified of the commencement of drilling operations approximately one day before spudding.
3. Any change in the approved program must receive prior approval of the BLM.
4. Sufficient quantities of mud materials to insure well control shall be maintained readily accessible for use at all times while drilling operations are conducted.
5. Approved BOPE must be installed* and maintained in good working condition at all times. The BOPE must be pressure tested each time it is installed. BOPE must be functionally operated each trip, and all BOPE must be pressure tested monthly. The BLM District Engineer must be given sufficient notice so that all BOPE Pressure tests can be witnessed by a BLM representative. Blowout prevention drills shall be held at least every week and the drills must be posted in the log book.
6. All oil, gas or fresh water sands behind the surface pipe and other casing shall be protected by either lifting cement or multiple-stage cementing.
7. All information obtained from this well shall be submitted in duplicate to the BLM within 15 days of completion of this well. Field prints of logs shall be submitted to the BLM within 72 hours. Mud log data shall be submitted weekly. The BLM shall be notified in sufficient time so that their representative may witness all formation and water shut-off tests.
8. The operator shall provide the BLM with analyses of any formation water recovered in drilling or testing. These analyses must be identified by lease number, well number, section, township, and range, depth of sample and method of obtaining sample. As a minimum these analyses must include total dissolved solids, chloride, sulfate, boron, pH and also the electrical conductivity.

*For development (field) wells this equipment may be modified/waived with approval of the BLM.

SHIELDS EXPLORATION CO.
320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

OCT 15 1984

O & G CONS. COMM.

WCH
October 12, 1984.

Mr. Rudy Ybarra
Oil + Gas Cons. Comm.
1645 West Jefferson
Phoenix, AZ 85007

Re: Prop. Loc.
Shields Federal 2-19

Dear Mr. Ybarra:

Reference our telephone discussion this morning, I am enclosing Survey charts of wells SF 1-19 and SF 2-19 to indicate the new location of SF 2-19 as 100' E and 50' S of the SF 1-19 well which was plugged and abandoned.

We will appreciate everything that might be done to process our drilling application so that operations can proceed quickly.

Sincerely, Jay M. Shields

Encl: Survey Plats # SF 1-19 and # SF 2-19
showing New Loc. of # SF 2-19.
Rider to Bond # KO 01 75675



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ARIZONA STRIP DISTRICT OFFICE
196 E. Tabernacle
P.O. Box 250
St. George, Utah

IN REPLY REFER TO:

A-10457

RECEIVED

OCT 1 1984

O & G CONS. COMM.

JUN 6 1984

Mr. Jay M. Shields
Shields Exploration Co.
320 Bellino Drive
Pacific Palisades, CA 90272

Dear Mr. Shields:

Enclosed is an approved copy of your application for permit to drill (APD) for well "Shields Federal #2-19, located on oil and gas lease A-10457 in Sec. 19, T.41N., R.1E., G&SRM., Coconino County, Arizona.

This approval is subject to the stipulation that the blowout preventer equipment (BOPE) to be used on this well shall meet or surpass the minimum requirements of the equipment listed and described on the attached "BLM BPOE Form".

This approval is also subject to our usual list of "Conditions of Approval" copy enclosed. A copy of the approved Application for Permit to Drill, BLM BOPE Form, and our "Conditions of Approval" shall be posted in a visible location at the subject well site.

In addition to the standard stipulations this approval is subject to the following special stipulations:

1. Vehicular traffic in the area will be limited to 600 feet of access road, work pad area and parking area only.
2. All topsoil removed for pit excavation, etc., will be stockpiled and spread over the surface upon termination and reclamation of the project.
3. All disturbed areas will be leveled and contoured to blend with natural surroundings upon termination of the project. The disturbed areas will then be seeded with a mixture of the following vegetation:

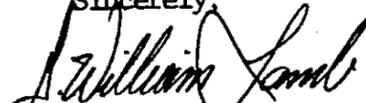
| | | |
|----------------------|---|------------------------|
| Indian Ricegrass | - | Oryzopsis hymenoides |
| Russian wildrye | - | Elymus junceus |
| Pubescent wheatgrass | - | Agropyrum trichophorum |
| Sand dropseed | - | Sporobolus cryptandrus |
| Fourwing saltbrush | - | Atriplex canescens |

Copy for your info - Jay

4. In the event that mud pits are used, the mud will be allowed to dry prior to covering of pits and reclamation of the site.
5. If soil conditions are excessively wet, as determined by BLM, delay of drilling may be required to protect roads and resources.
6. If undue damage is done to any of the existing access roads going to the well-site due to operations associated with well drilling activities, the applicant may be required to grade the damaged part of the road to either county or BLM specifications.
7. BLM will be notified by the operator of the date drilling will begin and of the date drilling and restoration are completed.

Please notify this office approximately one day before moving in to rig up and on the day the well first produces formation hydrocarbon. For advice on operations or change of plans, please contact Cloyd W. Swapp of this office (801) 673-3545 or Ferron Leavitt, Area Manager at (801) 628-1691.

Sincerely,


G. William Lamb
District Manager

Enclosures

Company Shields Exploration Co
Well Shields #2-19
Sec. 19 T. 41N. R. 1E G4SR B&M.
Lease No. A-10457
Field Wildcat
County Cochise State Ariz.

BLM CONDITIONS OF APPROVAL

Your proposed work is approved subject to the following requirements:

1. Copies of the approved Application to Drill Form 9-331C, this set of conditions, and minimum BOPE requirements shall be posted at the well site prior to commencing operations.
2. The BLM must be notified of the commencement of drilling operations approximately one day before spudding.
3. Any change in the approved program must receive prior approval of the BLM.
4. Sufficient quantities of mud materials to insure well control shall be maintained readily accessible for use at all times while drilling operations are conducted.
5. Approved BOPE must be installed* and maintained in good working condition at all times. The BOPE must be pressure tested each time it is installed. BOPE must be functionally operated each trip, and all BOPE must be pressure tested monthly. The BLM District Engineer must be given sufficient notice so that all BOPE Pressure tests can be witnessed by a BLM representative. Blowout prevention drills shall be held at least every week and the drills must be posted in the log book.
6. All oil, gas or fresh water sands behind the surface pipe and other casing shall be protected by either lifting cement or multiple-stage cementing.
7. All information obtained from this well shall be submitted in duplicate to the BLM within 15 days of completion of this well. Field prints of logs shall be submitted to the BLM within 72 hours. Mud log data shall be submitted weekly. The BLM shall be notified in sufficient time so that their representative may witness all formation and water shut-off tests.
8. The operator shall provide the BLM with analyses of any formation water recovered in drilling or testing. These analyses must be identified by lease number, well number, section, township, and range, depth of sample and method of obtaining sample. As a minimum these analyses must include total dissolved solids, chloride, sulfate, boron, pH and also the electrical conductivity.

*For development (field) wells this equipment may be modified/waived with approval of the BLM.

SHIELDS EXPLORATION CO.

320 BELLINO DRIVE
PACIFIC PALISADES, CA 90272
PHONE (213) 459-2490

NTL-6 APPROVAL OF OPERATIONS

SHIELDS FEDERAL #2-19

I. GENERAL

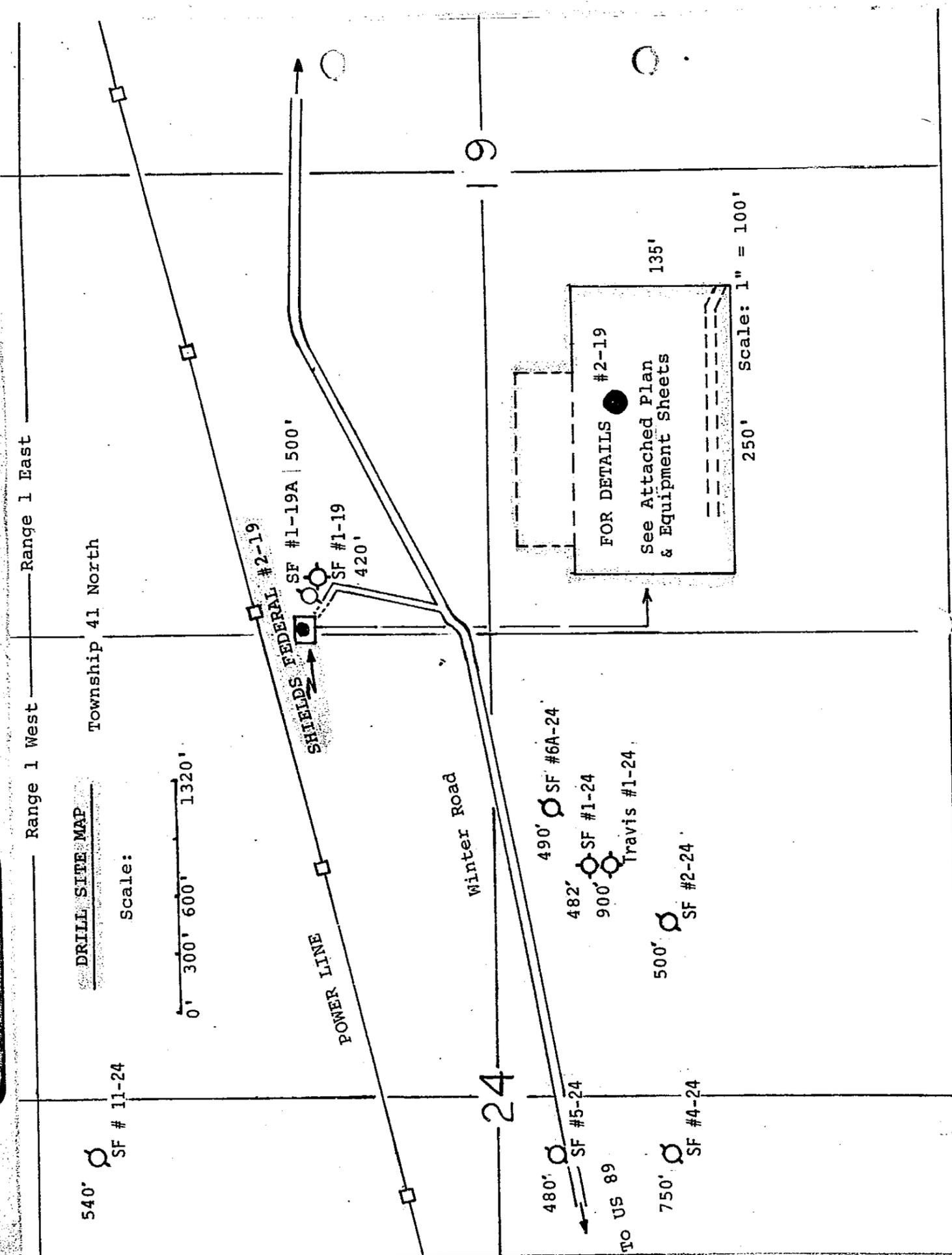
The proposed Well (Shields Federal #2-19) is located in the NW/4 SW/4 NW/4 of Section 19, T41N-R1E, G&SRBM, Coconino County, Arizona (see Survey Plat).

Attached documents (in Triplicate): 1) Form 9-331C, Application to Drill; 2) Survey Plat; 3) Drilling Site Map; 4) Form 9-1123, Designation of Operator; 5) Geological and Drilling Operations Statement (supplement to Form 9-331C); 6) Contour and Location Map; 7) USGS Area Map. Exploration operations will be conducted in accord with instructions 1 thru 5 in Paragraph 1, page 3 of NTL-6.

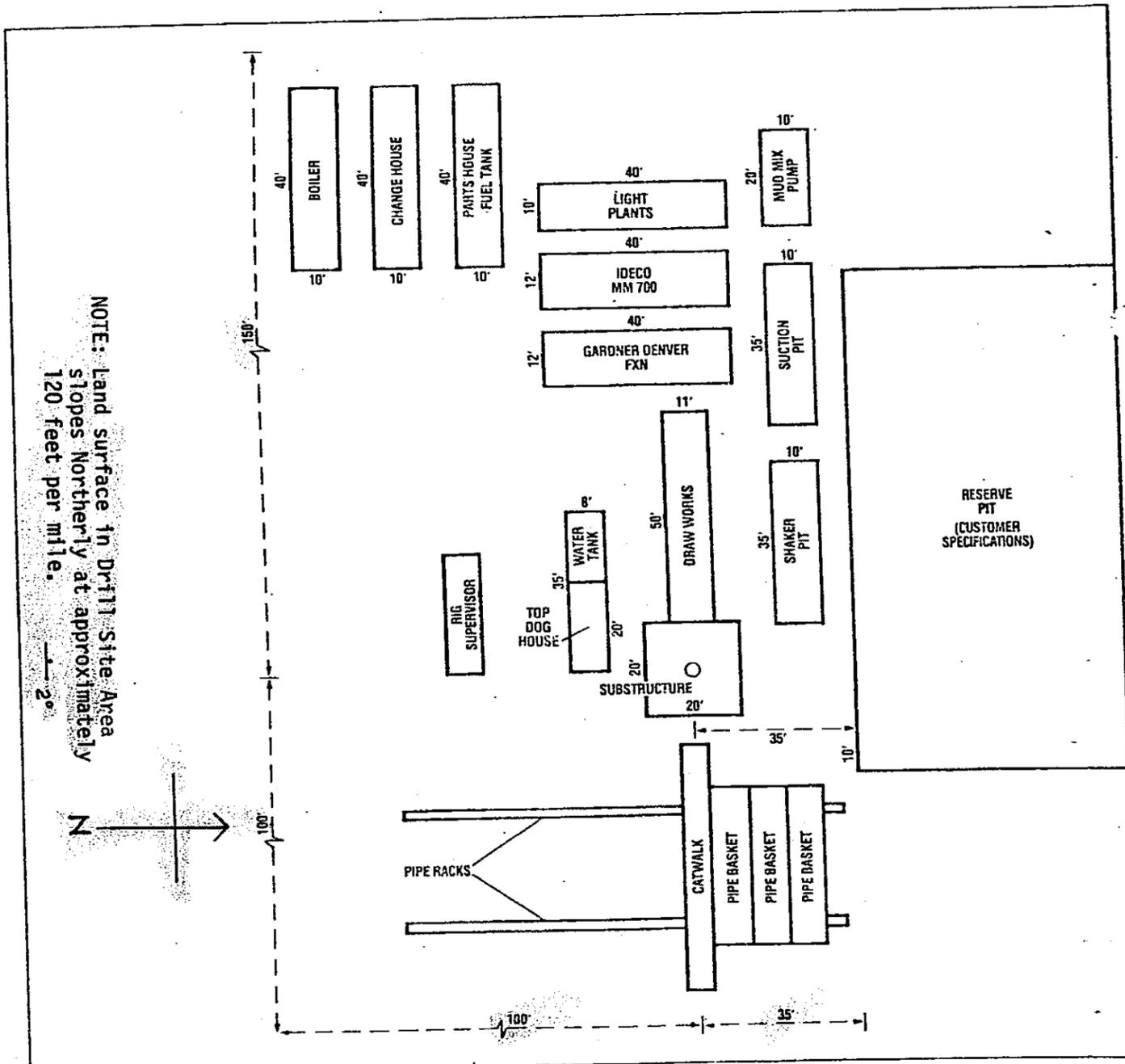
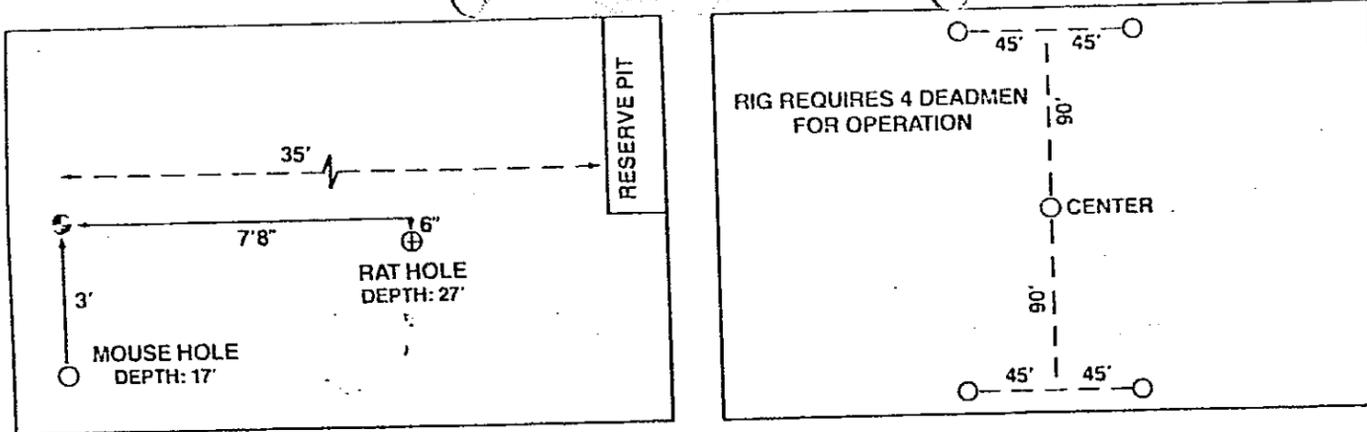
II. DRILLING OPERATIONS

Environmental reviews were made for the Travis Federal #1-24 Well (NW $\frac{1}{4}$ SE $\frac{1}{4}$) which was drilled and abandoned in June, 1980. The proposed Shields Federal #2-19 Well Location is 2770' NE of the Travis Well. The Location will use the existing SF #1-19 Well access road from Winter Road, a graded road connecting with US89.

1. Location of proposed Well: 22' from West line and 3784' from the South line of Section 19-41N-R1E as indicated on attached Survey Plat.
2. Elevation - 5016 GR, as indicated on Survey Plat.
3. Surface information: The proposed location will be in limestones of the Basal Triassic Moenkopi Formation.
4. For drilling surface hole to 550', a truck mounted rotary rig equipped for air drilling will be used. After 9 5/8" surface casing has been run and cemented, an Ingersoll-Rand 600 Series Rig rated to 7000' will be moved in. It is mounted on a self-propelled, six-axle carrier. Equipment will include a BOP, pumps, air compressors, water tanks and support equipment as indicated on the Rig 60 Plat Map.
5. The proposed drilling depth is approximately 4000 feet.
6. Tops of geological markers (projected): Timpoweap Member of the Moenkopi formation is at surface, Kaibab Formation at 70', White Rim ss at 500', Toroweap formation at 520', Coconino ss at 850', Hermit Shale at 870', Supai formation at 1480', Martin formation at 3180' and the Cambrian Muav formation at 3580'.



RIG 60



NOTE: Land surface in Drift Site Area slopes Northerly at approximately 120 feet per mile.

RIG 60

Ingersoll-Rand 600 Series, with a 112', 300,000-pound derrick. Powered by a 3412 Caterpillar diesel engine, 650 hp. Rated to 7,000' with a 4½" drill pipe. Double drum with removable sand drum. Mounted on a self-propelled, six-axle carrier.

Drawworks: Ingersoll-Rand 2042 with water-circulated brake flanges. Parkersburg Parmac 22" double hydromatic.

Substructure: Two-piece telescope. Height — 14', rotary clearance — 12'. 450,000-pound simultaneous capacity.

Rotary table: Brewster 17½" with torque tube drive.

Swivel: Brewster 6SX - 220 ton.

Kelly: 40' x 4¼" Square.
6¾" LH Box x 4½" FH Pin.

Kellycock and floor safety valve: TIW 3,000 pounds.

Pumps: No. 1 — Gardner-Denver FXN 7¼" x 14" with a Detroit Diesel 12V71T engine. 500 hp.
No. 2 — Ideco MM-700C 7¼" x 16" with a Detroit Diesel 16V71T engine. 700 hp.

Pump performance: No. 1. 5½" liner — 323 gallons per minute, 1398 psi maximum pressure.
No. 1. 6" liner — 388 gallons per minute, 1175 psi maximum pressure.
No. 2. 5½" liner — 346 gallons per minute, 2730 psi maximum pressure.
No. 2. 6" liner — 421 gallons per minute, 2246 psi maximum pressure.

Mud tank system: Two 300 barrel tanks with single shale shaker.

Mud mixing — low pressure system: One 6" x 8" Mission powered by a Detroit Diesel 6V71 engine.

Blocks: Ideco 160 ton, 4 sheave.

Generators: One 50 kilowatt light plant with a 471 GMC diesel engine.
One 50 kilowatt light plant with a 671 GMC diesel engine.

Water storage: 300 barrels.

Fuel storage: 4,000 gallons.

Tongs: BJ Type "C" with 3½" to 8¾" heads.

Drill pipe: 7,000' of 4½" FH, grade "E", 16.6 pound/foot.

Drill collars: 18 — 6½" OD x 2¼" ID x 31'.
4½" H-90 thread connection.

BOP: Shaffer 10" - 5,000-pound LWS double gate with 4½" pipe rams and CSO rams. *See Diagram*

Spherical: Shaffer 10" - 5,000-pound bladder type.

Choke manifold: Five valve, 2¼" x 5,000 pound, with positive and adjustable choke.

Closing unit: Valvcon 80 gallon, 3 station, 3,000 pounds.

Boiler: 100 hp propane-fired.

Allied equipment: Catwalk, pipe racks, dog house, change house, tool pusher trailer, wind breaks, recorder, seven-degree drift indicator, reel and measuring line, and handling tools for drill pipe and drill collars.

Compressors: 3 - 850 cfm. incl. mist pump, booster + bleed line

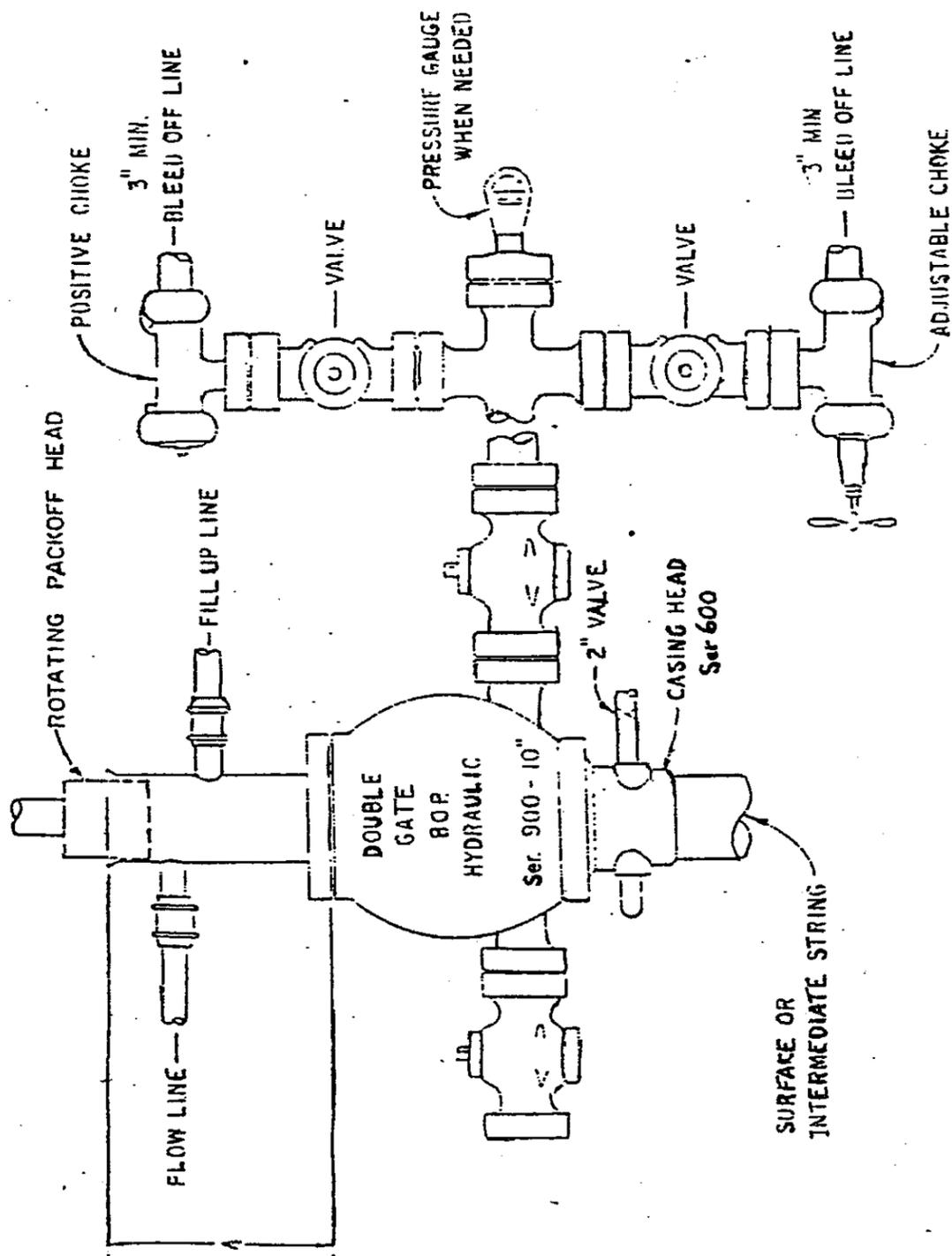


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM

NTL-6 APPROVAL OF OPERATIONS
SHIELDS FEDERAL #2-19 WELL
PAGE 2

7. Oil reservoirs are anticipated in any of the formations below 2100 feet.
8. Surface casing: 550' of 9 5/8", 36#, grade J55. Production string of casing, if required, will be up to 3800' of 5 1/2", 15.5# API grade.
9. Setting depth of casing will be approximately 550' and set with enough (200 sx) cement for returns to surface if possible. Depth of production string of 5 1/2" casing may vary from 2400' to 4000'. If production is found, casing will be cemented at proper zone using Portland Cement. Halliburton will cement 5 1/2" casing.
10. As no pressure was encountered to 500' in the nearby (300') SF #1-19 Well, pressure control equipment (BOP) will be installed when 9 5/8" surface casing has been run and cemented.
11. 7 7/8" hole will be drilled below surface casing. If producible free oil is found in any of the objectives, that formation will be protected and 5 1/2" casing will then be cemented and the Well will be completed.
12. Testing will be continuous when drilling with air or foam. Coring will be with a diamond core bit and it will be selective below 2200'.
13. Experience during drilling of Travis Well to 900' and the relatively shallow depth (4,000') precludes encountering abnormal pressures. Such pressures have not been reported in other deeper tests in the Arizona-Utah Border country.
14. Estimated Drilling Time: Ten days.
15. Proposed starting date: May 15, 1984.

Archaeological and environmental findings for the Shields Federal #1-19 Well Location should apply for the Shields Federal #2-19 Well Location as these sites are only 300' apart.

III. MULTI-POINT SURFACE USE AND OPERATIONS PLAN

1. Existing Roads: Existing roads are as indicated on the attached Location and Area Maps. From Highway 89, the all-weather "Winter Road" comes within 800' of the proposed location, which is approximately 12 miles east of Fredonia.

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SHIELDS FEDERAL #2-19 WELL
PAGE 3

2. Planned Access Road: Most of the access road is already available as it was used when drilling the SF #1-19. Surface is hard limestone between SF #1-19 and the proposed location @ SF #2-19. Very little grading is needed or possible and damage to the local environment should be minimal.
3. Location of Existing Wells: There are nine shallow wells (500' - 900') within a two-mile radius. All are southwest and westerly of the proposed Well as follows: Travis Federal #1-24, Shields Federal #1-24, #2-24, #4-24, #5-24, #6A-24, #11-24, #1-23 and #1-19A (a redrill).
4. Location Facilities: There are no existing facilities other than the Winter Road and drill site access roads. If the #2-19 Well is productive, plans for such facilities and rehabilitation will be submitted to the BLM.
5. Location of Water Supply: As the proposed well is scheduled to be air drilled, relatively little water may be required. However, a large water tank on site is planned and will be kept filled. The water source is at Fredonia and is available via tank truck. No measureable water is expected in the well to 900'.
6. Source of Construction Materials: None may be needed for drilling the Well. If they are, materials are available at Fredonia, AZ (12 miles) and Kanab, Utah (18 miles).
7. Method of Handling Waste Disposal: 40-gallon drums will be available for garbage and waste. Cuttings will remain alongside the well. Clean-up of well site area is to be in accord with requirements.
8. Ancillary Facilities: None are Planned.
9. Well Site Layout: As per attached sketch.
10. Plans for Restoration of Surface: Any disturbed surface at the location and the access road to location will be levelled, restored and reseeded after completion of operations as may be required by the USGS and BLM. Restoration should not require more than one day's time. Reseeding will then follow at the time suggested by the BLM.
11. The main topographic feature is a gentle 1⁰ to 2⁰ slope to the North and Northwest. There are a few mesas composed of lower Triassic red beds. Soil in the wellsite area is minimal. The surface consists largely of outcrops of the Triassic Timpoweap limestone and the Triassic Moenkopi Red Beds. The flora consists largely of sage brush with a few small cactus and flowering plants.

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SHIELDS FEDERAL #2-19
PAGE 4

The observed fauna consists of rabbits, rattlesnakes and coyotes and would be typical of the southern part of the Colorado Plateau. There are no surface use activities other than deer, horse and cattle grazing. There is a prominent tank to the WNW of the wellsite known as Johnson Reservoir. It was filled at last observation.

Surface ownership is entirely Federal in the wellsite and lease area. To the South, Section 36 is State and to the Northwest about 3 miles, there are approximately 240 acres of private land (Chatterly Ranch). Roads to wellsite from Highway 89 traverse Federal lands: Winter Road - gravel and access road - limestone rock.

Other than a few small mesas, there are no steep hillsides in the immediate wellsite area, no known water wells, lakes or year-around streams in the leased area, and no known dwellings or archaeological, historical or cultural sites. North of the wellsite, a major power line runs east-west across the lease. It is owned by SCE Power Company.

There may be some fills required on the location. There are no plans to upgrade Winter Road. Grading of access to location will be minimal.

12. Lessee and Operator Representative: During operations, Jay M. Shields, Parry Lodge, Kanab, Utah (801/644-2601); otherwise, Jay M. Shields, 320 Bellino Drive, Pacific Palisades, CA 90272 (213/459-2490 or 213/459-1298). Also in Kanab, Mr. Bob West may be contacted at 801/644-5744 for messages.
13. Certification: The following statement is to be incorporated in the plan and must be signed by the lessee's or operator's Field Representative who is identified in Item 12 of the plan:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route: that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by CRC COLORADO WELL CO. and their contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

May 1, 1984
Date

Name and Title

IV. ENVIRONMENTAL ANALYSIS REQUIREMENTS

It is proposed that the Travis Well analysis would apply to the Shields Federal #2-19. Shields will abide by all instructions and decisions.

V. APPROVAL OF SUBSEQUENT OPERATIONS

None will be undertaken without first securing USGS and BLM Approval.

VI. AGREEMENT for Rehabilitation of Privately Owned Surface does not apply.

VII. WELL ABANDONMENT

The Proposed Well, if not completed as a producing Well, will not be plugged and abandoned without first securing USGS approval.

VIII. WATER WELL CONVERSION

While no water is expected in the Proposed Well, if found, operator will conform to rules.