

~~CONFIDENTIAL~~  
Release Date ~~3-28-87~~

Medallion Oil Co. 1-21 Federal 856  
SE SE 21-40N-2E, Coconino County  
856

COUNTY COCONINO AREA WILDCAT LEASE NO. A-10449 Federal

WELL NAME 1-21 Federal - Medallion Oil Company

LOCATION SE SE SEC 21 TWP 40N RANGE 2E FOOTAGE 784 FEL 846 FSL  
 ELEV 7117 GR KB SPUD DATE 9-8-86 STATUS P & A TOTAL DEPTH 4016'  
 COMP. DATE 9/26/86

CONTRACTOR

CASING IZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY
10 3/4"	500'	320 Sp		Yes
				DRILLED BY CABLE TOOL -
				PRODUCTIVE RESERVOIR None
				INITIAL PRODUCTION -

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Kaibab	0'			
White Rim	230'			
Toroweap	342'			
Hermit	756'	Super 976'		} Heylman Picks
Queantoweap	1514'	Pakeen 2122'		
Callville	2090'	Pakeen-2122' Molas 2354'		
Horseshoe Mesa	2400' 2372'			
Temple Butte	3090'	Elbert 3598'		
Lynch	3258'	McCracken 3638'		
Mauv	3774'	G 3658'		

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
			Yes
			SAMPLE DESCRP.
			SAMPLE NO. <u>1860</u>
			CORE ANALYSIS <u>None</u>
			DSTs <u>None</u>

REMARKS \_\_\_\_\_ APP. TO PLUG Yes  
 PLUGGING REP. Yes  
 COMP. REPORT Yes

WATER WELL ACCEPTED BY N/A

BOND CO. Travelers Indemnity Co. BOND NO. 479G8000  
 BOND AMT. \$ 25,000 CANCELLED 3-25-98 DATE \_\_\_\_\_ ORGANIZATION REPORT X  
 FILING RECEIPT X LOC. PLAT X WELL BOOK X PLAT BOOK X  
 API NO. 02-005-20030 DATE ISSUED 5/15/86 DEDICATION SE 1/4 SE 1/4 Sec. 21

PERMIT NUMBER 856

**WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG OCT 23 1986**

DESIGNATE TYPE OF COMPLETION:

New Well  Work-Over  Deepen  Plug Back  Same Reservoir  Different Reservoir  Oil  Gas  Dry  U & G CONS. COMM

**DESCRIPTION OF WELL AND LEASE**

Operator Medallion Oil Company		Address P.O. Box 1101 Houston, Texas 77251	
Federal, State or Indian Lease Number or name of lessor if free lease A-10449 Federal		Well Number 1-21	Field & Reservoir Wildcat
Location 784' fr East line; 846' fr South line of Sec. 21		County Coconino	
Sec. TWP-Range or Block & Survey Section 21, T40N R2E			
Date spudded 9-9-86	Date total depth reached 9-22-86	Date completed, ready to produce 9-26-86	Elevation (DF, RKB, RT or Gr.) 7117' GL, feet
Elevation of casing hd. flange 21' feet			
Total depth 4016'	P.B.T.D. 0'	Single, dual or triple completion? Dry	If this is a dual or triple completion, furnish separate report for each completion.
Producing interval (s) for this completion N/A		Rotary tools used (Interval) 0' - 4016'	Cable tools used (Interval) N/A
Was this well directionally drilled? NO	Was directional survey made? NO	Was copy of directional survey filed?	Date filed
Type of electrical or other logs run (check logs filed with the commission) None			Date filed 10-15-86

**CASING RECORD**

Casing (report all strings set in well - conductor, surface, intermediate, producing, etc.)						
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	14 <sup>3</sup> / <sub>4</sub> "	10 <sup>3</sup> / <sub>4</sub> "	40.5	500'	320	0'
					+ 2 <sup>1</sup> / <sub>2</sub> yds. Redimix.	

**TUBING RECORD**

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

**PERFORATION RECORD**

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

**ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD**

**INITIAL PRODUCTION**

Date of first production N/A		Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:)				
Date of test	Hrs. tested	Choke size	Oil prod. during test bbls.	Gas prod. during test MCF	Water prod. during test bbls.	Oil gravity *API (Corr)
Tubing pressure	Casing pressure	Cal'ed rate of Production per 24 hrs.	Oil bbls.	Gas MCF	Water bbls.	Gas-oil ratio

Disposition of gas (state whether vented, used for fuel or sold):

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Vice President of the Medallion Oil 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.

Date 21 October, 1986 Signature [Signature]

DETAIL OF FORMATIONS PENETRATED

*Medallion*

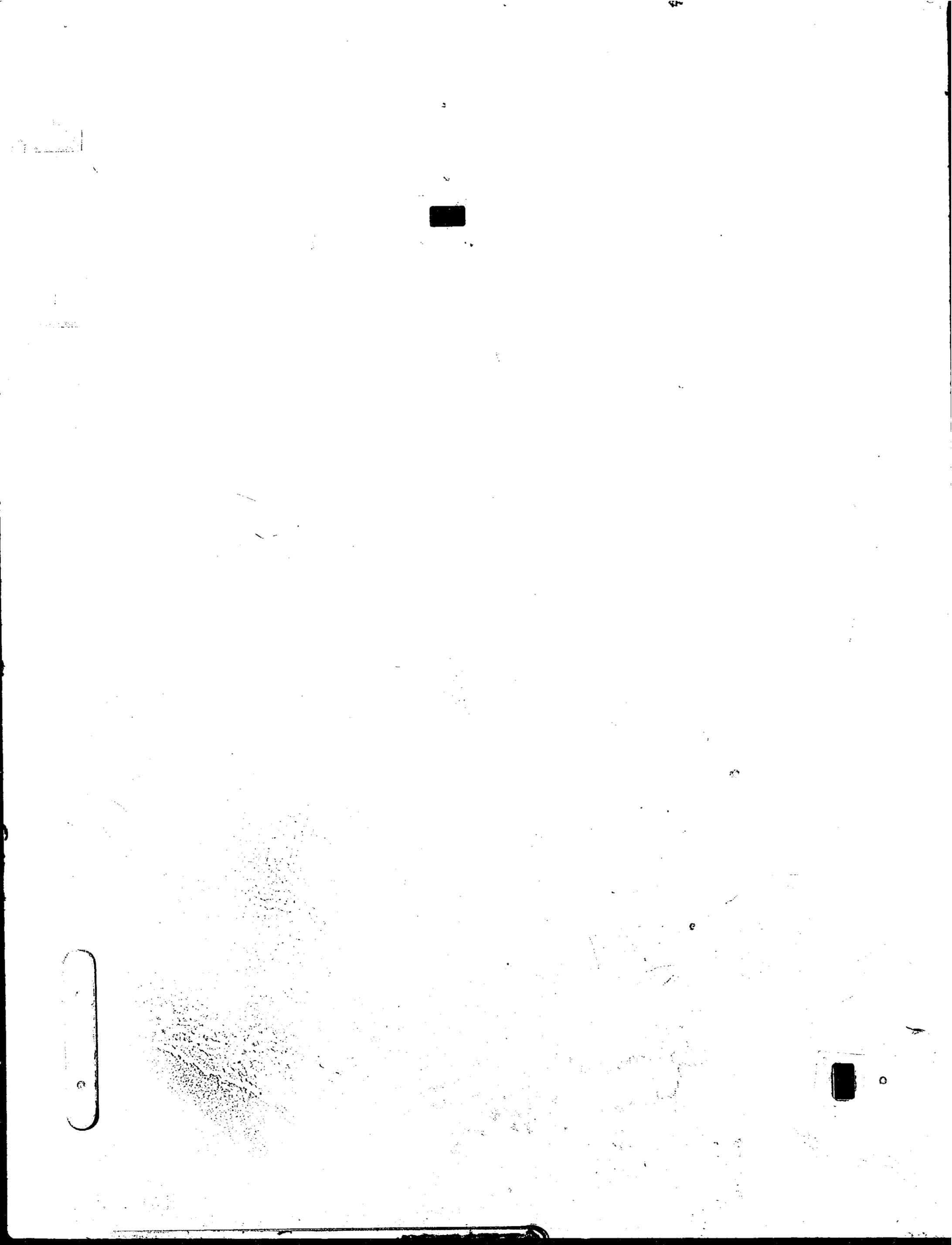
FORMATION	TOP	BOTTOM	DESCRIPTION*
Kaibab	0'	230'	
White Rim	230'	342'	
Toroweap	342'	756'	
Hermit	756'	1514'	
Queantoweap	1514'	2090'	
Callville	2090'	2400'	
Horseshoe Mesa	2400'	2820'	
Thundersprings	2820'	3090'	
Temple Butte	3090'	3258'	
Lynch	3258'	3774'	
Mauv	3774'		

\* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach drillers log or other acceptable log of well.

This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.



DETAIL OF FORMATIONS PEN <sup>RA</sup> <sup>TD</sup> *Medallion*

FORMATION	TOP	BOTTOM	DESCRIPTION*
Kaibab	0'	230'	
White Rim	230'	342'	
Toroweap	342'	756'	
Hermit	756'	1514'	
Queantoweap	1514'	2090'	
Callville	2090'	2400'	
Horseshoe Mesa	2400'	2820'	
Thundersprings	2820'	3090'	
Temple Butte	3090'	3258'	
Lynch	3258'	3774'	
Mauv	3774'		
<i>Ed Heylman picks:</i>			
<i>Supai</i>	<i>976'</i>		
<i>Pakoon</i>	<i>2122'</i>		
<i>Molas</i>	<i>2354'</i>		
<i>Horseshoe Mesa</i>	<i>2372</i>		
<i>Elbert</i>	<i>3598</i>		
<i>M<sup>c</sup>Cracken</i>	<i>3638'</i>		
<i>E<sup>c</sup>ambrian</i>	<i>3658'</i>		

\* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach driller's log or other acceptable log of well.

This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

QUALITY CONTROL AND REPORTING OF DEFECTS

NOV 10 1966  
U.S. AIR FORCE

1. The purpose of this report is to provide a summary of the results of the quality control and reporting of defects program for the period from 10/1/66 to 10/31/66. This report is intended for the use of the Quality Control and Reporting of Defects Committee and the Quality Control and Reporting of Defects Working Group. The report is divided into two parts: a summary of the program and a list of the defects reported during the period.

2. The Quality Control and Reporting of Defects program was established in 1964. The program is designed to identify and eliminate defects in the production of aircraft and aircraft components. The program is a continuous process and is an integral part of the production process.

DEFECT TYPE	NO. OF DEFECTS	PERCENTAGE OF DEFECTS	REMARKS
MISSING PARTS	12	10.0%	
EXCESSIVE TOLERANCES	8	6.7%	
DEFECTIVE MATERIAL	5	4.2%	
WORKMANSHIP DEFECTS	3	2.5%	
DESIGN DEFECTS	2	1.7%	
OTHER	1	0.8%	
TOTAL	121	100.0%	

3. The Quality Control and Reporting of Defects program has been successful in identifying and eliminating defects in the production of aircraft and aircraft components. The program has resulted in a significant reduction in the number of defects reported during the period.

4. The Quality Control and Reporting of Defects program is a continuous process and is an integral part of the production process. The program is designed to identify and eliminate defects in the production of aircraft and aircraft components. The program is a continuous process and is an integral part of the production process.

5. The Quality Control and Reporting of Defects program is a continuous process and is an integral part of the production process. The program is designed to identify and eliminate defects in the production of aircraft and aircraft components.

NOV 11 1966

U.S. AIR FORCE

QUALITY CONTROL AND REPORTING OF DEFECTS

FORM NO. 88

APPLICATION TO PLUG AND ABANDON

OCT 23 1986

O & G CONS. COMM.

FIELD Wildcat

OPERATOR Medallion Oil Company ADDRESS P.O. Box 1101 Houston, Texas 77251

Federal, State or Indian Lease Number or Lessor's Name if Fee Lease A-10449 Federal WELL NO. 1-21

LOCATION 784' fr. East line; 846' fr. South line of Section 21, T40N R2E; Coconino County

TYPE OF WELL Dry Hole (Oil, Gas or Dry Hole) TOTAL DEPTH 4016'

ALLOWABLE (If Assigned) N/A

LAST PRODUCTION TEST OIL N/A (Bbls.) WATER \_\_\_\_\_ (Bbls.)  
GAS N/A (MCF) DATE OF TEST \_\_\_\_\_

PRODUCING HORIZON N/A PRODUCING FROM \_\_\_\_\_ TO \_\_\_\_\_

1. COMPLETE CASING RECORD.

10<sup>3</sup>/<sub>4</sub>", 40.5 lb/ft surface casing at 500'.

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

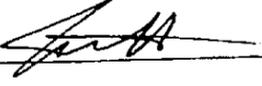
1. Pump 100 bbls of mud into open hole.
2. Set Halliburton EZ CIB plug @ 480' in 10<sup>3</sup>/<sub>4</sub>" surface casing.
3. Cement w/ 8<sup>1</sup>/<sub>2</sub> yds. peagravel redi-mix cement for 480' to 0'.
4. Cut off 10<sup>3</sup>/<sub>4</sub>" casing 2<sup>1</sup>/<sub>2</sub> feet below ground level.
5. Weld plate on top of 10<sup>3</sup>/<sub>4</sub>" casing.

Verbal approval obtained 9-25-86.

BLM personnel to witness plugging operations.

DATE COMMENCING OPERATIONS 9-26-86

NAME OF PERSON DOING WORK Don McLelland ADDRESS Medallion Oil Company

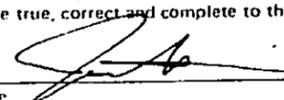
  
 Signature  
Vice President, Medallion Oil Company  
 Title  
P.O. Box 1101 Houston, Texas 77251  
 Address  
September 26, 1986  
 Date

Date Approved \_\_\_\_\_  
 STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 By: \_\_\_\_\_

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

Permit No. 00856

OCT 23 1986

PLUGGING RECORD					
Operator Medallion Oil Company			Address O & G CONS. COMM. P.O. Box 1101 Houston, Texas 77251		
Federal, State, or Indian Lease Number or lessor's name if fee lease A-10449 Federal		Well No 1-21	Field & Reservoir Wildcat		
Location of Well 784' fr East line; 846' fr South line of Section 21, T40N R2E				Sec. Twp-Rge or Block & Survey County Coconino	
Application to drill this well was filed in name of Medallion Oil Company		Has this well ever produced oil or gas No	Character of well at completion (initial production): Oil (bbls/day) Gas (MCF/day) Dry? - - Yes		
Date plugged: 9-26-86	Total depth 4016'	Amount well producing when plugged: Oil (bbls/day) Gas (MCF/day) Water (bbls/day) N/A			
Name of each formation containing oil or gas. Indicate which formation open to wellbore at time of plugging	Fluid content of each formation	Depth interval of each formation		Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement	
None					
CASING RECORD					
Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
10 3/4"	500'	0'	500'	N/A	N/A
Was well filled with heavy drilling mud, according to regulations? Yes				Indicate deepest formation containing fresh water. None	
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name		Address		Direction from this well:	
Bureau of Land Management		P.O. Box 16563, Phoenix, AZ 85011			
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
N/A					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Vice President</u> of the <u>Medallion Oil Company</u> (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.					
Date <u>21 October, 1986</u>			Signature 		
Permit No. 00856			STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy Form No. 10		

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator MEDALLION OIL COMPANY

2. OIL WELL  GAS WELL  OTHER  (Specify) \_\_\_\_\_

3. Well Name NO. 1-21 FEDERAL

Location 784' from East Line; 846' from South Line

Sec. 21 Twp. 40N Rge. 2E County Coconino, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Federal A-10449

5. Field or Pool Name Wildcat

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

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

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

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

Change of proposed casing string to:

	DEPTH	SIZE	GRADE	TOP	BOTTOM	CEMENTING DEPTH
<u>Primary Plan:</u>	0 - 500	10 <sup>3</sup> / <sub>4</sub> "	K-55	0'	500'	500'
	TD	5 <sup>1</sup> / <sub>2</sub> "	J-55	0'	4700'	4700'
<u>ALTERNATE PLAN (to be used only if needed):</u>	0 - 500	10 <sup>3</sup> / <sub>4</sub> "	K-55	0'	500'	500'
	0 - 3500	7 <sup>5</sup> / <sub>8</sub> "	K-55	0'	3500'	3500'
	TD	4 <sup>1</sup> / <sub>2</sub> "	K-55	0"	4700'	4700'

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

Signed [Signature] Title Vice President Date 14 August, 1986

Permit No. 00856

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

STATE OF ARIZONA  
OIL AND GAS CONSERVATION COMMISSION

PERMIT 856

**REPORT ON PROPOSED OPERATIONS**

Medallion Oil Company  
P. O. Box 1101  
Houston, TX 77251

Phoenix, ARIZONA  
May 27, 1986

Your proposal to drill well 1-21 Federal,  
A.P.I. No. 02-005-20030, Section 21, T. 40 N, R. 2E, G&SR B. & M.,  
Wildcat field, North Jacobs Lake area, \_\_\_\_\_ pool,  
Coconino County, dated 5/15/86, received 5/19/86 has been examined in conjunction with records  
filed in this office.

NOTE: The nearest producing water well to this location is in  
Sec. 3, T 41N, R 8E. The water is used for industrial purposes  
and the top of the producing interval is at 425'.

**THIS PROPOSAL IS APPROVED PROVIDED:**

1. The well is cemented by the displacement method in such a manner as to protect all zones that contain oil, gas, or fresh water, and to provide well control during drilling operations.
2. Blowout prevention equipment shall be installed, used, maintained and tested in a manner necessary to assure well control throughout the drilling, completion or abandonment of the well.
3. Samples of all cores and cuttings taken at maximum intervals of ten feet shall be shipped or mailed, charges prepaid to:
  - a. Oil & Gas Conservation Commission, Phoenix Office.
  - b. Bureau of Geology & Mineral Technology, University of Arizona, 845 N. Park, Tucson, AZ 85719.
4. The status of completed operations (Form 25) shall be completed and filed with the Commission on a timely basis.
5. THIS COMMISSION SHALL BE NOTIFIED:
  - a. Immediately when drilling operations commence.
  - b. To witness the running and cementing (displacement method) of the 9 5/8" casing.
  - c. To inspect the installed blowout prevention equipment prior to drilling below the shoe of the 9 5/8" casing at 700'.

BOND Blanket Bond No. 479G8000

D. J. BRENNAN, Executive Director

By R. A. Ylana  
Enforcement Director

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

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

**APPLICATION FOR PERMIT TO DRILL OR RE-ENTER**

APPLICATION TO DRILL

RE-ENTER OLD WELL

**MEDALLION OIL COMPANY**

NAME OF COMPANY OR OPERATOR

P.O. BOX 1101 HOUSTON, TEXAS 77251

Address

City

State

Drilling Contractor

Address

**DESCRIPTION OF WELL AND LEASE**

Federal, State or Indian Lease Number, or if fee lease, name of lessor <b>A-10449</b>	Well number <b>1-21</b>	Elevation (ground) <b>7117'</b>
Nearest distance from proposed location to property or lease line: <b>4496</b> feet	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: <b>N/A</b> feet	
Number of acres in lease: <b>2560</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <b>NONE</b>	
If lease, purchased with one or more wells drilled, from whom purchased: <b>N/A</b>	Name	Address
Well location (give footage from section lines) <b>784' fr EAST L.; 846' fr WEST L.</b>	Section—township—range or block and survey <b>SOUTH WEST L. SEC. 21 T40N R2E</b>	Dedication (Comply with Rule 105) <b>SE 1/4 of SE 1/4 80 ACRES</b>
Field and reservoir (if wildcat, so state) <b>WILDCAT</b>	County <b>COCONINO</b>	
Distance in miles, and direction from nearest town or post office <b>10 MILES NORTH OF JACOB LAKE, ARIZONA</b>		
Proposed depth: <b>4700'</b>	Rotary or cable tools <b>ROTARY</b>	Approx. date work will start <b>JULY 1, 1986</b>
Bond Status <u>on file #479G8000</u> Amount <b>\$25,000</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the VICE PRESIDENT of the MEDALLION OIL 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

Date

*[Signature]*  
**May 15, 1986**

Permit Number: \_\_\_\_\_

Approval Date: \_\_\_\_\_

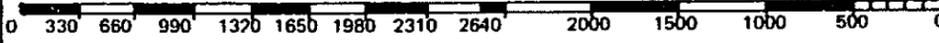
Approved By: \_\_\_\_\_

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

Form No. 3

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

- Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided. SEE ATTACHED PLAT.
- 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 JOINT AGREEMENT
- If the answer to question four is "no," list all the owners and their respective interests below:

Owner <b>TEXACO, INC.</b>	Land Description <b>SEC. 21 T40N R2E</b>								
<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center; vertical-align: middle;"> <b>80 ACRES</b>    </td> <td style="text-align: center; vertical-align: middle;"> <b>1-21</b>  </td> </tr> </table>								<b>80 ACRES</b>  	<b>1-21</b> 
		<b>80 ACRES</b>  	<b>1-21</b> 						
									

**CERTIFICATION**

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

Name	<b>JERELD E. MCQUEEN</b>
Position	<b>VICE PRESIDENT</b>
Company	<b>MEDALLION OIL COMPANY</b>
Date	<b>15 MAY, 1986</b>

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.

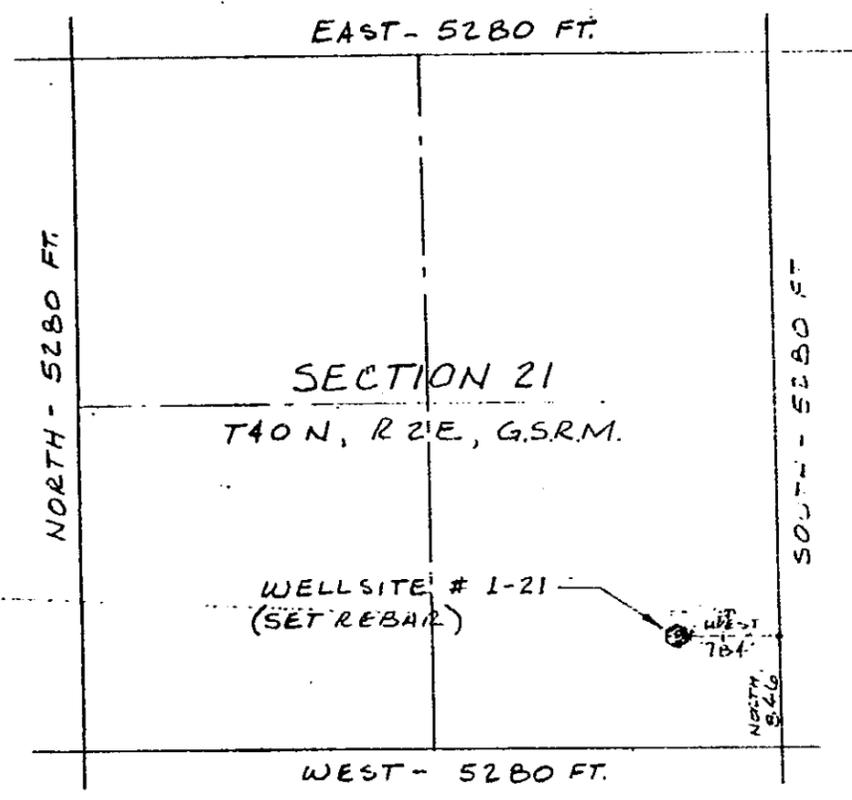
Date Surveyed	<b>SEE ATTACHED PLAT.</b>
Registered Professional Engineer and/or Land Surveyor	<b>SEE ATTACHED PLAT.</b>
Certificate No.	<b>SEE ATTACHED PLAT.</b>

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
9 5/8"	24.0#	K-55	0'	700'	700'	TO SURFACE TO BE DETERMINED*	
5 1/2"	17.0#	J-55	0'	4700'	4700'		
* CALCULATE FROM CALIPER LOG THE ACTUAL CEMENT VOLUME.							

OPERATOR: Medallion Oil Company  
 WELL NUMBER: 1-21  
 LOCATION: Section 21, T40N, R2E, G.S.R.M.  
 COUNTY: Coconino  
 STATE: Arizona  
 ELEVATION: Ground = 7117.1 ft. (above mean sea level)

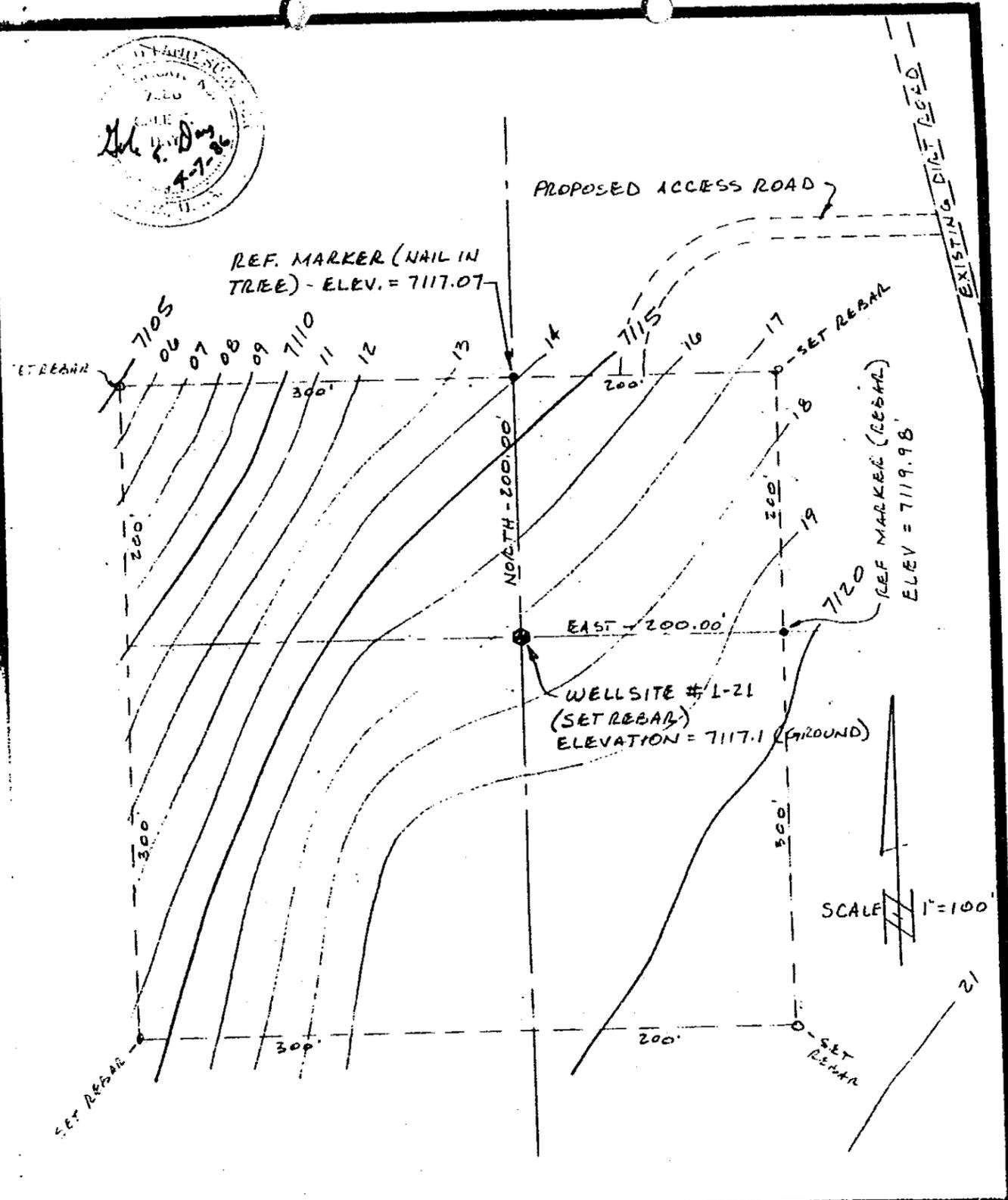
*John L. Rhodes*  
 4-7-86



REF. marker (rebar) - located East, 200 ft. from center of well - Elevation = 7119.98 ft.  
 REF. marker (nail in tree) - located North, 200 ft. from center of well - Elevation = 7117.07 ft.

NOTE: This well site falls within an unsurveyed area and the sectional ties shown are based on BLM protraction diagrams as they relate to existing brass cap monuments at the SW corner and the S $\frac{1}{2}$  corner of Section 35, T41N, R2E, G.S.R.M.

<b>BULLOCH BROS. ENGINEERING INC.</b> CEDAR CITY, UTAH	WELL LOCATION MAP FOR WELL # 1-21 MEDALLION OIL COMPANY	DATE 4/4/86
		SCALE 1" = 120'
		DRAWN <i>M.L. Rhodes</i>



<b>BULLOCH BROS. ENGINEERING INC.</b> CEDAR CITY, UTAH	CONTOUR MAP FOR WELLSITE # L-21 MEDALLION OIL COMPANY	DATE 4/3/86
		SCALE 1" = 100'
		DRAWN N.L. RHODES



# PERMIT TO DRILL

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

To: MEDALLION OIL COMPANY  
(OPERATOR)

to drill a well to be known as

1-21 FEDERAL

(WELL NAME)

784' fr EAST L.; 845' fr SOUTH L.

located

Section 21 Township 40N Range 2E, Coconino County, Arizona.

The SOUTHEAST 4 of SOUTHEAST 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 27th day of May, 19 86.

**OIL AND GAS CONSERVATION COMMISSION**

By R. G. Johnson  
Enforcement EXECUTIVE DIRECTOR

PERMIT 00856

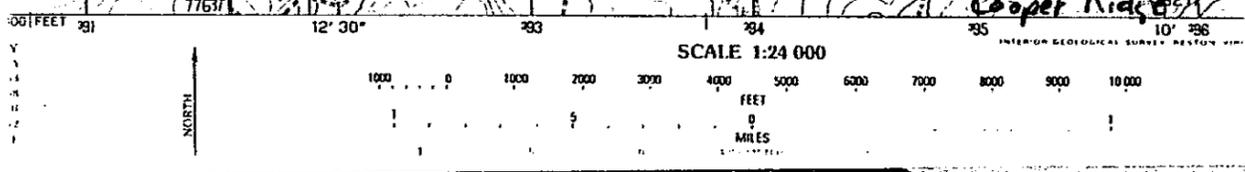
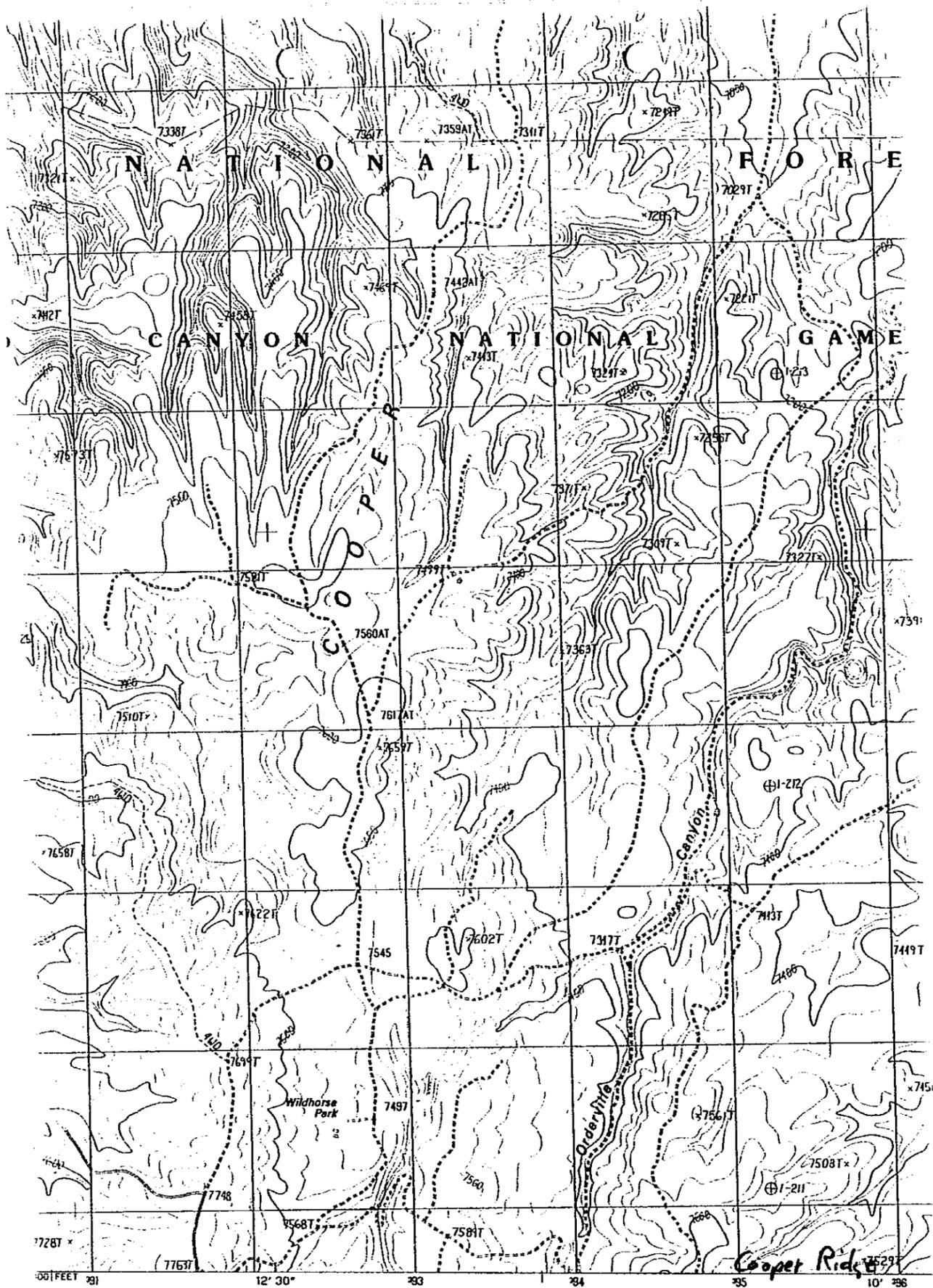
RECEIPT NO.

A.P.I. NO. 16-005-20030

State of Arizona  
Oil & Gas Conservation Commission  
Permit to Drill

FORM NO. 27





UNITED STATES GEOLOGICAL SURVEY, WASHINGTON, D. C. 20508  
 NATIONAL FORE CANYON NATIONAL GAME PRESERVE  
 COOPER RIDGE  
 1958





Jane Dee Hull  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

March 25, 1998

Ms. Rose Surman  
Medallion Oil Company  
1407 Fannin Street / Clay Ave.  
P.O. Box 1101  
Houston, Texas 77251

Re: Medallion Oil Company  
\$25,000 Oil Drilling Blanket Bond #479G8000  
The Travelers Indemnity Company

Dear Ms. Surman:

Records of the Arizona Oil and Gas Conservation Commission (AOGCC) show that Medallion Oil Company has no outstanding drilling or plugging obligations in Arizona. As a result, this letter serves as written permission of the AOGCC to cancel the referenced bond posted with the State of Arizona.

Any request for release of Statewide Oil & Gas Bond #480G2748 posted with the U.S. Bureau of Land Management (BLM) should be directed to Mr. Paul Buff, State Office BLM, 222 N. Central, Phoenix AZ 85004-2203, phone # 602-417-9225.

Please advise if we may be of further service.

Sincerely,

*Steven L. Rauzi*

Steven L. Rauzi  
Oil & Gas Program Administrator

856

The Masonic Temple Building  
1407 Fannin Street at Clay Avenue  
Post Office Box 1101 • Houston, Texas 77251  
Area Code 713 • 654-0144  
FAX: 713 • 654-1524



MEDALLION OIL COMPANY

March 23, 1998

State of Arizona Oil & Gas Conservation Commission  
416 W. Congress, Suite 100  
Tucson, AZ 85701

Re: Assured Number 00-968782-000

To Whom it may concern:

We would like Bond#480G2748-\$25,000 Statewide Oil & Gas Bond and Bond #479G8000-\$25,000 Blanket Bond, Arizona released. We are no longer doing business in Arizona. We had one well in Northern Arizona, it was a dry hole and we dropped the leases on December 31, 1994.

If you should have any questions, please contact Rose Surman, at 713-654-0144.

Thank you,

Don Mclelland





Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

August 29, 1997

Mr. Jereld E. McQueen  
Medallion Oil Company  
P.O. Box 1101  
Houston, TX 77251

Re: Medallion Oil Company  
\$25,000 Oil Drilling Blanket Bond #479G8000  
The Travelers Indemnity Company

Dear Mr. McQueen:

In accordance with Arizona statutes, the Arizona Geological Survey now provides administrative and staff support to the Arizona Oil and Gas Conservation Commission.

The Commission's records show that Medallion Oil Company maintains the referenced bond and yet has no outstanding drilling or plugging obligations in Arizona. A copy of the referenced bond is enclosed.

We have no record of written permission by the Arizona Oil and Gas Conservation Commission to terminate liability under the bond.

Please advise me in writing of your desire to be released from liability under the bond.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

enclosure



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

October 26, 1995

Mr. Rod Shepherd  
Hunt Oil Company  
1445 Fountain Place  
Ross at Field  
Dallas, Texas 75202-2785

*file 856*

Dear Rod:

I trust you received the completion reports for the Shields 12-24 Federal and the Medallion 1-21 Federal wells that I faxed to you earlier this afternoon. I annotated Ed Heylmun's picks onto Medallion's completion report because they were recorded in some notes he left in the Medallion file. He is a local consulting geologist.

The other information we discussed is enclosed. This includes The Dual Induction/SFL, Compensated Neutron-Litho-Density, and segment of mud log for the deepening of the Shields well in October 1990. Since I'll be out of the office between November 6 and 24, let me know right away if I may be of additional assistance.

Sincerely,

*Steve*

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosures



**Oil and Gas Conservation Commission**

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

October 31, 1986

Medallion Oil Company  
P. O. Box 1101  
Houston, TX 77251

RE: 1-21 Federal  
Sec. 21, 40N., 2E  
Coconino County

Gentlemen:

This is to inform you that we have received the requested paper work on subject well. Thank you.

However, I noticed that no mention was made of the fish that was left in the hole.

On the enclosed form (No. 25) please describe fish, give top and bottom, and briefly describe the effort made to recover it. And please date when fishing efforts were made.

If there is anything we can do for you, please advise.

Sincerely,

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

Encl.

lr

The Masonic Temple Building  
1407 Fannin Street at Clay Avenue  
Post Office Box 1101 • Houston, Texas 77251  
Area Code 713 • 654-0144



**MEDALLION OIL COMPANY**

RECEIVED

OCT 23 1986

O & G CONS. COMM.

21 October, 1986

ARIZONA OIL AND GAS CONSERVATION COMMISSION  
Suite 190  
3110 North 19th Avenue  
Phoenix, Arizona 85015

RE: Medallion Oil Company  
Well No. 1-21 Federal  
Section 21, T40N R2E  
Permit No. 00856  
Coconino County, Arizona

Gentlemen:

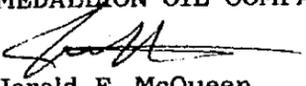
Please find enclosed for the captioned well one copy of the well log and two copies of the following forms:

1. Form 4. Well Completion or Recompletion Report and Well Log.
2. Form 9. Application to Plug and Abandon.
3. Form 10. Plugging Record.
4. Form ?. Miscellaneous Report Form.

Medallion Oil Company requests that the Commission kept confidential all information and data about the well, including, but not limited to, formation tops, drilling data, logs and well cuttings.

Well cuttings have been sent under separate cover to the Bureau of Geology and Mineral Technology at the University of Arizona and to the Oil and Gas Conservation Commission in Phoenix.

Yours Very Truly,  
MEDALLION OIL COMPANY

  
Jereld E. McQueen  
Vice President

encl.



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

May 30, 1986

Mr. Jereld E. McQueen  
Medallion Oil Company  
P. O. Box 1101  
Houston, TX 77251

Re: 1-21 Federal & 1-25 Federal  
Sections 21 & 25, T40N R2E  
Coconino County, Arizona

Dear Mr. McQueen:

Enclosed please find Receipts Nos. 2679 and 2680 covering the \$25 filing fees, copies of your approved Applications for Permit to Drill and Permits to Drill Nos. 856 and 857.

Also enclosed are miscellaneous instruction sheets concerning samples and other Commission requirements and forms.

Sincerely,

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

Encl.

lr

The Masonic Temple Building  
1407 Fannin Street at Clay Avenue  
Post Office Box 1101 • Houston, Texas 77251  
Area Code 713 • 654-0144



**MEDALLION OIL COMPANY**

RECEIVED

MAY 19 1986

O & G CONS. COMM.

15 May, 1986

ARIZONA OIL AND GAS CONSERVATION COMMISSION  
Suite 420  
164 5 W. Jefferson Street  
Phoenix, Arizona 85007

RE: Applications for Permits to Drill  
Medallion Oil Company  
Well Nos. 1-21 and 1-25 Federal  
Sections 21 and 25, T40N R2E  
Coconino County, Arizona

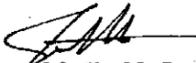
Gentlemen:

Please find enclosed two Applications for Permits to Drill for the captioned wells. Two copies of the following documents for each well are enclosed:

1. Application for Permit to Drill or Re-enter Form 3.
2. Certified survey plats.
3. A check for the amount of twenty-five dollars (\$25.00) for the filing fee.

If you need any more information or have any questions, please call me at (713) 654-0144.

Very truly yours,  
MEDALLION OIL COMPANY

  
Jerold E. McQueen  
Vice President

encl.

856

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual  
MEDALLION OIL COMPANY

Post Office Address (Box or Street Address)  
P.O. BOX 1101, Houston, Tx. 77251

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

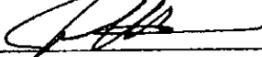
Purpose of Organization (State type of business in which engaged)  
PRODUCTION AND EXPLORATION

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
		October 7, 1985
Principal Officers or Partners (if partnership) NAME	TITLE	POST OFFICE ADDRESS
H. S. FINKELSTEIN	PRESIDENT	77251 P.O. BOX 1101, HOUSTON, TX.
Jereld E. McQueen	Vice President	" " "
Ann O. Odom	Vice President	" " "
Don McLelland	Vice President	" " "
Leo N. Shaver, Jr.	Secretary/Treasurer	" " "

DIRECTORS NAME	POST OFFICE ADDRESS
H. S. FINKELSTEIN	P.O. Box 1101, Houston, Tx. 77251
LEO N. SHAVER, JR.	" " " "
PHILIP A. DONISI	" " " "

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

11 MARCH 1986  
Date

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

PERFORMANCE BOND

4796 8000

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 47968000

That we: MEDALLION OIL COMPANY

of the County of Harris in the State of Texas

as principal, and THE TRAVELERS INDEMNITY COMPANY

of Hartford, Connecticut

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty-Five Thousand and No/ 100 lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

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

Blanket Bond

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

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. 27-652, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce Geothermal Resources in commercial quantities, or cease to produce a Geothermal Resource in commercial quantities, this obligation is void, otherwise it shall remain in full force and effect.

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

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

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

WITNESS our hands and seals, this 3rd day of March, 19 86.

MEDALLION OIL COMPANY

BY: [Signature] Vice President
Principal

WITNESS our hands and seals this 3rd day of March, 19 86.

THE TRAVELERS INDEMNITY COMPANY

BY: [Signature] Linda M. Nikolaeff, Surety

By: [Signature] Doris F. Moore Atty-in-Fact

Arizona Resident Agent: Doris F. Moore
Surety, Resident Arizona Agent
(If issued in a state other than Arizona)

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

Approved Date: 3/18/86
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: R. G. Ytana

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

Permit No. \_\_\_\_\_

**The Travelers Indemnity Company**  
Hartford, Connecticut

If necessary, validation of this power of attorney is available at (203) 277-7839. Collect calls will be accepted.

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:**

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

Norman Sterling, David H. Snead, William J. Orris, Linda M. Nikolaeff, Donald H. Muller, all of Denver, Colorado, EACH \_\_\_\_\_

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof \_\_\_\_\_

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Resolutions adopted by the Board of Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 1st day of November, 1985 which Resolutions are now in full force and effect:

**VOTED:** That the Chairman of the Board, the President, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Corporate Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

**VOTED:** That any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by the Corporate Secretary or any Department Secretary or any Assistant Corporate Secretary or any Assistant Department Secretary, or shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent, pursuant to and within the limits of the authority granted by his or her power of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 1st day of November, 1985:

**VOTED:** That the signature of any officer authorized by Resolutions of this Board and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

This power of attorney revokes any and all powers of attorney dated prior to November 1, 1985. \_\_\_\_\_

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 1st day of November 19 85 .



THE TRAVELERS INDEMNITY COMPANY

By

*D.L. Banta*

Secretary, Surety

State of Connecticut, County of Hartford—ss:

On this 1st day of November in the year 1985 before me personally came D. L. Banta to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he signed his name thereto by the above quoted authority; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal, and that it was so affixed by authority of his office under the by-laws of said corporation.



*Gloria D. Seekins*

My commission expires Notary Public  
April 1, 1988

**CERTIFICATION**

I, Paul D. Tubach, Assistant Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, certify that the foregoing power of attorney, and the above quoted Resolutions of the Board of Directors of November 1, 1985 have not been abridged or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this 3rd day of March 19 86 .



*Paul D. Tubach*

Assistant Secretary, Surety