

CONFIDENTIAL

Release Date 5/2/87

Salt Grass Exploration, Inc. A-1 State
SE SE 36-10N-28E Apache 861

RECEIVED

JAN 25 1988

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

DESIGNATE TYPE OF COMPLETION:

New Well Work-Over Deepen Plug Back Same Reservoir Different Reservoir Oil Gas Dry

DESCRIPTION OF WELL AND LEASE

Operator SALT GRASS EXPL. INC.		Address 123 SAICFISH, AUSTIN, TX 78734		
Federal, State or Indian Lease Number or name of lessor if free lease State 80869		Well Number A-1	Field & Reservoir Wildcat	
Location 330' FSLJ 330' FEL		County APACHE CO.		
Sec. TWP-Range or Block & Survey 36 TION R 28 E				
Date spudded 10/28/86	Date total depth reached 1072'	Date completed, ready to produce 11-2-86	Elevation (DF, RKB, RT or Gr.) 62 6706 feet	Elevation of casing hd. flange 5775 feet
Total depth 1072	P.B.T.D. NA	Single, dual or triple completion? MA	If this is a dual or triple completion, furnish separate report for each completion.	
Producing interval (s) for this completion NA		Rotary tools used (interval) total	Cable tools used (interval) NA	
Was this well directionally drilled? NO	Was directional survey made? NA	Was copy of directional survey filed? NA	Date filed 77	
Type of electrical or other logs run (check logs filed with the commission) Schlumberger DUAC IND / SFL				Date filed 1-13-87

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	9 3/4"	7 1/2"	26	262	115	none

TUBING RECORD

LINER RECORD

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

PERFORATION RECORD

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

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

INITIAL PRODUCTION

Date of first production		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	Gas prod. during test	Water prod. during test	Oil gravity
			bbls.	MCF	bbls.	*API (Corr)
Tubing pressure	Casing pressure	Cal'ed rate of Production per 24 hrs.	Oil	Gas	Water	Gas-oil ratio
			bbls.	MCF	bbls.	

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 _____ of the _____ (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 **1-25-88**

Signature **R S Shewell**
President

Permit No.

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

PLUGGING RECORD

Operator Salt Grass Exploration, Inc.		Address			
Federal, State, or Indian Lease Number or lessor's name if fee lease.		Well No. 1 State	Field & Reservoir Wildcat		
Location of Well		Sec-Twp-Rge or Block & Survey	County Apache		
Application to drill this well was filed in name of Salt Grass Exploration, Inc.	Has this well ever produced oil or gas No	Character of well at completion (initial production): Oil (bbls/day) Gas (MCF/day) Dry? - - -			
Date plugged: Nov. 1 & 2, 1986	Total depth 1072'	Amount well producing when plugged: Oil (bbls/day) Gas (MCF/day) Water (bbls/day) - - -			
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		
			Cement plugs: bottom - 1072'-730'+ shoe - 363 - 212 surface - 50'-surface		
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
7"	262	None	262	-	-
					JAN 25 1988
Was well filled with heavy drilling mud, according to regulations? Yes			Indicate deepest formation containing fresh water. Coconino		
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name	Address		Direction from this well:		
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>President</u> of the _____ (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>1/25/88</u>		Signature <u>[Signature]</u>		
Permit No. 861	STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy Form No. 10				

APPLICATION TO PLUG AND ABANDON

RECEIVED
JAN 25 1988

FIELD Wildcat Well
OPERATOR Salt Grass Exploration, Inc. ADDRESS 123 Sailfish, Austin, TX 78734
Federal, State or Indian Lease Number or Lessor's Name if Fee Lease State Lease No. 80869 WELL NO. 1 State TX
LOCATION 330' FSL & 330' FEL, Sec 36 - T.10N. - R.28E.

TYPE OF WELL Dry Hole TOTAL DEPTH 1072'
(Oil, Gas or Dry Hole)
ALLOWABLE (If Assigned) NA
LAST PRODUCTION TEST OIL - (Bbls.) WATER - (Bbls.)
GAS - (MCF) DATE OF TEST -
PRODUCING HORIZON - PRODUCING FROM - TO -

1. COMPLETE CASING RECORD.

7", 23lb., J-55, cemented at 262', 115 Sx, no returns filled annulus from the surface with 55 Sx cement
T.D. 1072'

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

Plug with cement T.D. to + 815' - water-bearing sands
Plug with cement across shoe (262') from 312' to 212'
Plug with cement from 50' to surface
Set abandonment monument and clear surface as required

DATE COMMENCING OPERATIONS early Nov. 1986
NAME OF PERSON DOING WORK Cementers Inc. ADDRESS Farmington, NM

Signature RS Shewell
Title PRESIDENT
Address 123 SAILFISH
AUSTIN, TX 78734
Date 1/25/88

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

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

PUGH
 P. O. Box 205
 Eagar, AZ 85925
 (602) 333-2900

1/23/88
599
Paid bk

SALES ORDER

TO: SALT GRASS EXPLORATION
 123 SAILFISH
 AUSTIN, TX 78734

DATE: *1/22/88 & 1/23/88*
 PHONE ORDER COUNTER ORDER
 NEW ACCOUNT OLD ACCOUNT
 CASH CHARGE C.O.D.

CUSTOMER ORDER NO.	TERMS	DATE REQUIRED	SHIP VIA	SALESPERSON
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QUANTITY	DESCRIPTION	PRICE	PER	AMOUNT
1	To backfill pits & level to			
2	ORIGINAL STATE			
3	To REMOVE ALL DEBRIS AND			
4	HAUL AWAY			
5	To INSTALL 4 1/2" PIPE, 5' Long			
6	along with location sign, including			
7	CEMENT			
8	4 1/2 hrs BACKHoe	\$ 35	hr	157.50
9	1 1/2 hrs TRUCK	30	hr	45.00
10	4 hrs LABOR	10 ⁰⁰	hr	40.00
		TOTAL		\$ 242.50

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

SALT GRASS EXPLORATION, INC.

Address City State

123 SAILFISH AUSTIN, TEXAS 78734

Drilling Contractor

To be determined

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor <u>STATE # 80869</u>	Well number <u>A-1</u>	Elevation (ground) <u>6706</u>
Nearest distance from proposed location to property or lease line: <u>330 feet</u>	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: <u>NONE</u> feet	
Number of acres in lease: <u>2,560 ACRES</u>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <u>ONE</u>	
If lease, purchased with one or more wells drilled, from whom purchased: <u>NOT APPLICABLE</u>		
Well location (give footage from section lines) <u>330' FSL & 330' FEL 36</u>	Section—township—range or block and survey <u>36 10N 28E</u>	Dedication (Comply with Rule 105) <u>E/2 S/E 1/4</u>
Field and reservoir (if wildcat, so state) <u>Wildcat</u>	County <u>APACHE</u>	
Distance in miles, and direction from nearest town or post office <u>SIX MILES NW Springville, ARIZONA</u>		
Proposed depth: <u>2500'</u>	Rotary or cable tools <u>Rotary and CABLE TOOL</u>	Approx. date work will start <u>OCTOBER 1986</u>
Bond Status <u>Pending Cash Bond</u>	Organization Report On file Or attached <input checked="" type="checkbox"/>	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>
Amount <u>5000.00</u>		

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the SALT GRASS EXPLORATION (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

Randall S. Sherrill

Date

October 7, 1986

Permit Number: 861

Approval Date: _____

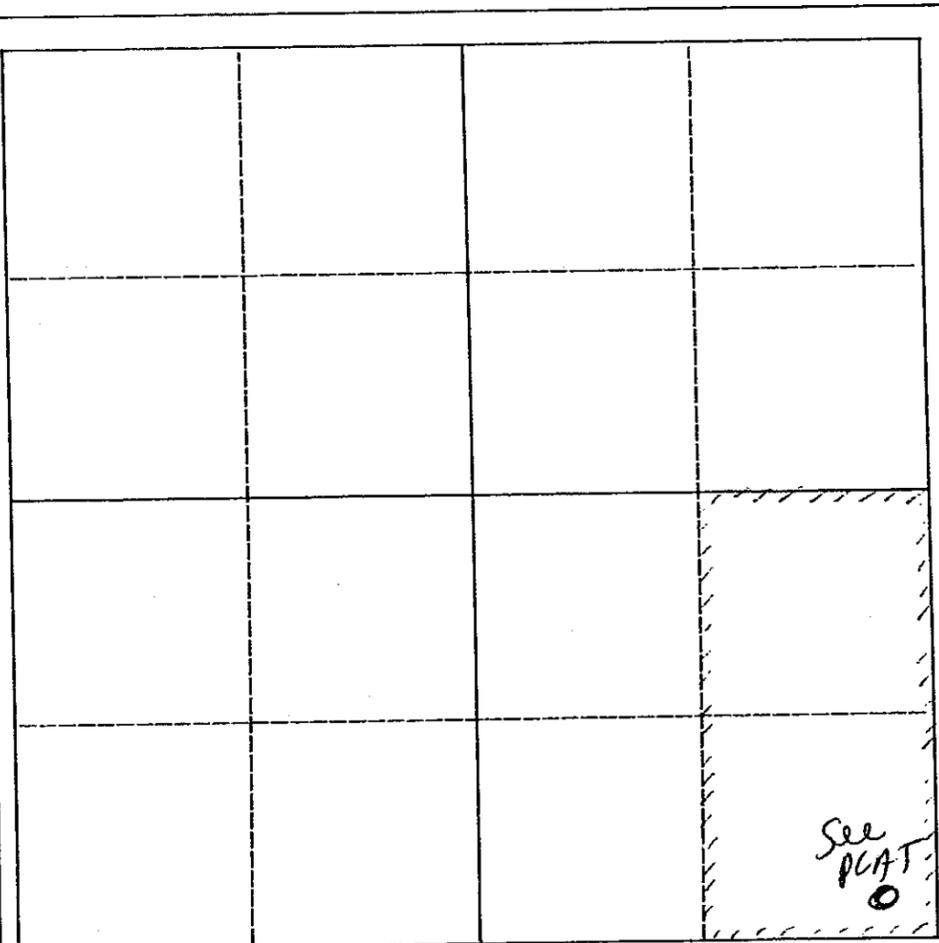
Approved By: _____

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

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

Form No. 3

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

Owner <i>SALT GRASS EXPLORATION, INC</i>	Land Description ^{STATE} <i>LEASE # 80869 2,560 ACS</i> <i>all of secs 25, 26, 25+36 T10N R 28E</i>
	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Randall S. SHAWELL</i></p> <p>Name <i>President</i></p> <p>Position <i>SALT GRASS Exploration, Inc</i></p> <p>Company <i>10/7/84</i></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 style="text-align: center;"><i>Sept 84</i></p> <p>Date Surveyed <i>James E. Muth</i></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p style="text-align: center;"><i>RCS 13104</i></p> <p>Certificate No.</p>

PROPOSED CASING PROGRAM							
Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
<i>7" or 8 5/8"</i>			<i>surface</i>	<i>250'</i>	<i>250' from surface</i>	<i>35</i>	<i>A</i>

STATE OF ARIZONA

OIL AND GAS CONSERVATION COMMISSION

PERMIT 861

REPORT ON PROPOSED OPERATIONS

Salt Grass Exploration, Inc.

123 Sailfish

Austin, TX 78734

Phoenix, ARIZONA

October 22, 1986

Your proposal to drill well No. 1 State,
A.P.I. No. 02-005-20285, Section 36, T. 10N, R. 28E, G&SR B. & M.,
Wildcat field, NW Springerville area, pool,
Apache County, dated 10/7/86, received 10/7/86 has been examined in conjunction with records
filed in this office.

NOTE: The Department of Water Resources (Operations Div.) reports that there are
no water producing wells in Sec. 36, T.10N., R.28E.

THIS PROPOSAL IS APPROVED PROVIDED:

1. The well is cemented 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 7" or 8 5/8" casing.
 - c. To inspect the installed blowout prevention equipment prior to drilling below the shoe of the 7" or 8 5/8" casing at 250'.

BOND \$5,000.00 Cash Bond #CC 6142

D. J. BRENNAN, 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.



PERMIT TO DRILL

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

To: SALT GRASS EXPLORATION, INC.
(OPERATOR)

to drill a well to be known as

A-1

(WELL NAME)

located 330' FSL & 330' FEL

Section 36 Township 10N Range 28E, Apache County, Arizona.

The East 1/4 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 21 day of October, 1986.

OIL AND GAS CONSERVATION COMMISSION

By _____
EXECUTIVE DIRECTOR

PERMIT 00861

RECEIPT NO. 270

A.P.I. NO. 02-001-20285

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

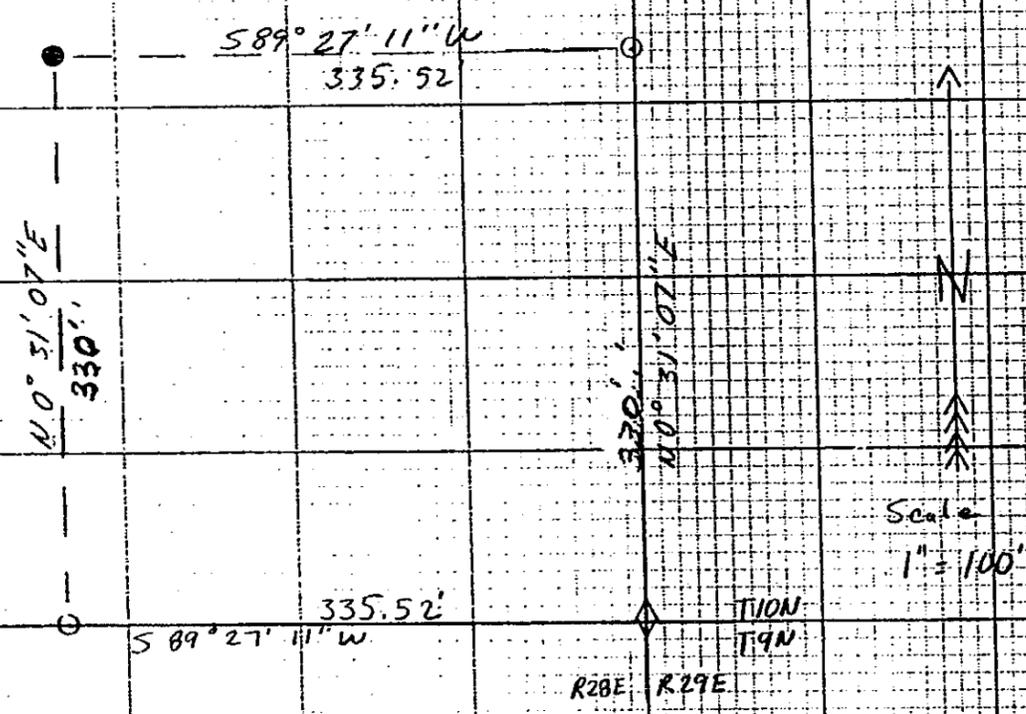
FORM NO. 27

SALT GRASS EXPLORATION INC
 123 SAILFISH AUSTIN TEXAS 78734
 LOCATION: SECTION 36
 TION R 28 E G&SR MERIDIAN

SITE: A-1 ELE. 6906 EI DESCRIPTION:
 THE CENTER OF THE SE 1/4
 SE 1/4 SE 1/4

● Set 5/8" Rebar.
 ◇ Found marked Rock

Record of Survey



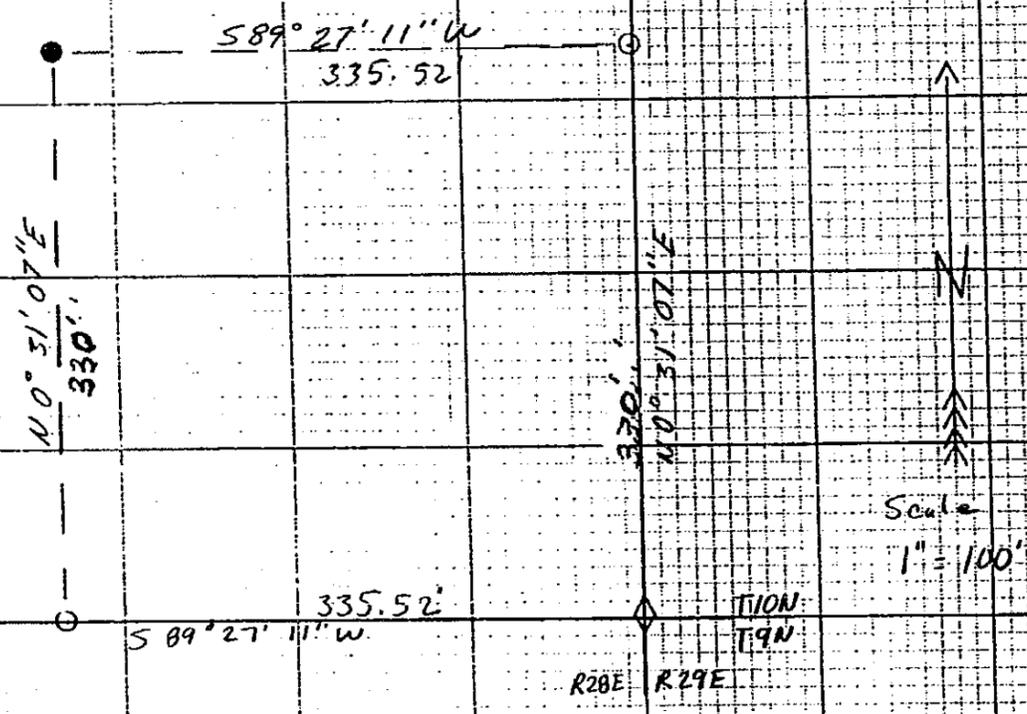
CERT
 I Hereby Certify That This Survey And Plat Was Done
 Under My Direction And Supervision During September 1986.
 James E. Muth
 James E. Muth R.L.S. 13014

SALT GRASS EXPLORATION INC.
 123 SAILFISH AUSTIN TEXAS 78734
 LOCATION: SECTION 36
 TION R 28 E G&SR MERIDIAN

SITE: A-1 ELE. 6906 ET DESCRIPTION:
 THE CENTER OF THE SE 1/4
 SE 1/4 SE 1/4

- Set 5/8" Rebar.
- ◇ Found marked Rebar

Record of Survey



Cert
 I Hereby Certify That This Survey And Plat Was Done
 Under My Direction And Supervision During September 1986.
James E. Muth
 James E. Muth R.L.S. 13014

R S SHAWELL
123 SAILFISH
AUSTIN TX 78734 06AM

Western Mailgram 

4-013885S126 05/06/87 ICS IPMBNGZ CSP PHXB
7136803330 MGMB TDBN HOUSTON TX 74 05-06 1157A EST

OIL AND GAS CONSERVATION COMMISSION
3110 NORTH 19 AVE STE 190
PHOENIX AZ 85015

MAY 7 1987

O & G CONSERV. COMM.

IN REGARD TO WELL #1 SECTION 36 APACHE COUNTY, PLEASE BE ADVISED THAT MR. YOUNG OF THE STATE LAND DEPARTMENT HAS CONFIRMED TO ME THAT NEW LEASES WILL BE FORWARDED TO ME PRIOR TO JUNE 1 1987. THEREFORE, I AM REQUESTING AN EXTENSION UNTIL JULY 1 1987 IN WHICH TO FURNISH RECORDS PAST DUE ON SUBJECT WELL.

R S SHAWELL

11:53 EST

MGMCOMP



Oil and Gas Conservation Commission

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

April 23, 1987

Mr. Randall S. Shawell
Salt Grass Exploration, Inc.
123 Sailfish
Austin, TX 78734

Re: Well No. 1 State
Sec. 36, T.10N., R.28E.
Apache County, AZ

Dear Mr. Shawell:

This is the last reminder for you to file with the Commission records past due on subject well. Also, the well site must be restored to pre-drilling conditions before your bond can be released.

If we do not hear from you by May 23, 1987, this matter will be turned over to the Office of the Attorney General.

Enclosed for your convenience are the forms that are required to be filed.

Sincerely,

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

/kb

Enclosures



Oil and Gas Conservation Commission

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

March 2, 1987

Mr. Randall S. Shawell
Salt Grass Exploration, Inc.
123 Sailfish
Austin, TX 78734

Re: Well No. 1 State
Sec. 36, T.10N., R.28E.
Apache County, AZ

Dear Mr. Shawell:

This is to remind you, for the second time, that records on subject well were due in this office 30 days after the date of completion of the well. The completion date was in early November 1986.

Also, please be aware that the bond on said well cannot be released until all the paper work has been filed and the surface cleanup has been completed and approved.

Please give this matter your immediate attention. Thank you.

Sincerely,

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

/kb



Oil and Gas Conservation Commission

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

December 15, 1986

Mr. Randall S. Shawell
Salt Grass Exploration, Inc.
123 Sailfish
Austin, TX 78734

Re: Well No. 1 State
Sec. 36, T.10N., R.28E
Apache County, AZ

Dear Mr. Shawell:

This letter is to remind you that records on subject well are overdue since the date of completion of the well.

Please fill out the enclosed forms as completely as possible and return to this office, along with copies of any logs or surveys run.

If I may be of assistance, please let me know.

Sincerely,

R. A. Ybarra
R. A. Ybarra *K.B.*
Enforcement Director

/kb

Enclosures

Part Forms 4, 9 & 10



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

October 21, 1986

Mr. Randall S. Shawell
123 Sailfish
Austin, TX 78734

RE: 1 State
Section 36 10N, 28E
Apache County, AZ

Dear Mr. Shawell:

Enclosed please find Receipt No. 2707 covering the \$25 filing fee and Receipt No. 2708 covering the \$5,000 Bond deposit. We are also enclosing a copy of the Permit to Drill and a copy of the Report on Proposed Operations.

We have enclosed instruction sheets concerning samples and some Sundry Notices for your use. If we can be of any assistance to you, please let us know.

Sincerely,

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

Encl.
1r

Randall S. Shawell
123 Sailfish
Austin, Texas 78734
(512) 261-6718

RECEIVED
OCT 21 1986
O & G CONS. COMM.

10/16/86

OIL & GAS CONSERVATION COMMISSION
State of Arizona
Suite 190
3110 N. 19th Ave
Phoenix, ARIZ 85015

ATT: MR. DAN BRENNAN

Gentlemen:

Please find enclosed CASHIOT'S check in
the amount of \$5000.00 to serve as Performance
Bond for SALT GRASS EXPLORATION, INC. in
connection with the drilling of State A#1
well on State Lease # 80869, T10N, R 28E
Sec. 36, Apache Co, ARIZ

It is my understanding that this sum will
be refunded to me at such time as this
well is completed in compliance with the
rules & regulations of the State.

Very Truly Yours,

R. Shawell, President
SALT GRASS EXPLORATION, INC.

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

SALT GRASS EXPLORATION, INC

Post Office Address (Box or Street Address)

CORPORATION

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

OIL & GAS EXPLORATION

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

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 <u>BRUCE CHILDERS</u> <u>7542 VIA CAMELLO DEL MARTE</u> <u>SCOTTSDALE, ARIZONA 85258</u>	(3) Date of permit to do business in state <u>8/19/82</u>
Principal Officers or Partners (if partnership) NAME	TITLE	POST OFFICE ADDRESS
<u>RANDALL S. SHAWWELL</u>	<u>PRESIDENT</u>	<u>123 SAILFISH</u> <u>AUSTIN, TEXAS 78734</u>
<u>NANCY C. SHAWWELL</u>	<u>Secretary - Treasurer</u>	" " "

DIRECTORS NAME	POST OFFICE ADDRESS
<u>RANDALL S. SHAWWELL</u>	<u>123 SAILFISH, AUSTIN, TX 78734</u>

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the PRESIDENT of the SALT GRASS EXPLORATION (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 Randall S Shawell

Date 10/7/89

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

Form No. 1