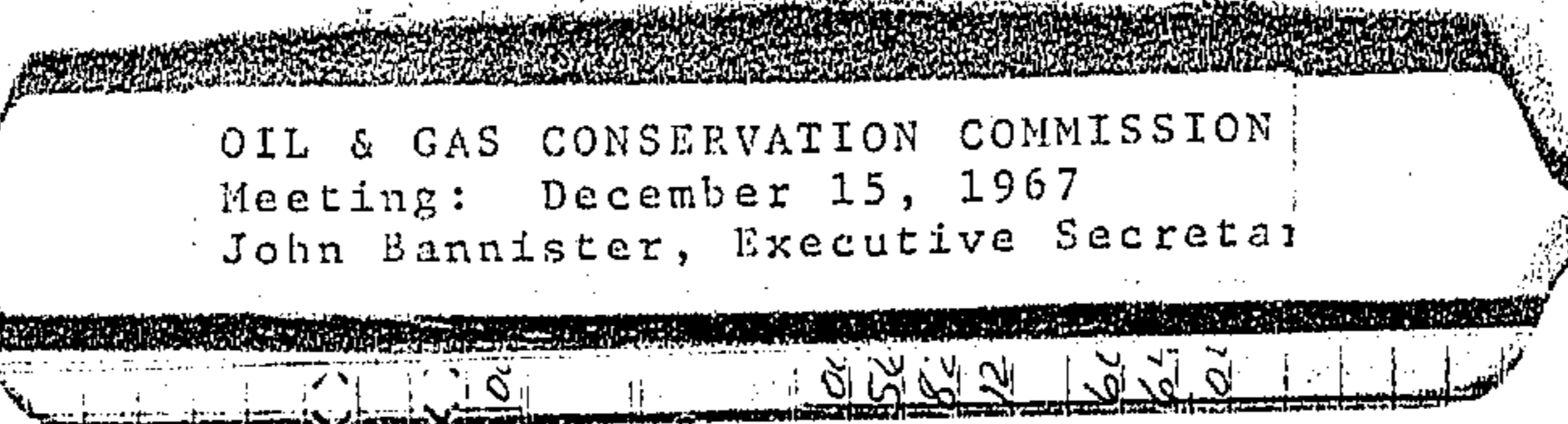


OIL & GAS CONSERVATION COMMISSION
Meeting: December 15, 1967
John Bannister, Executive Secretary



MONTHLY FINANCIAL REPORT

| RECEIPTS MONTH OF | CLASSIFICATION | APPROPRIATED RECEIPTS | UNAPPROPRIATED RECEIPTS | TOTAL ALL RECEIPTS HAS TO DATE |
|----------------------|---------------------------------|--------------------------|----------------------------|--------------------------------------|
| Nov. 1967 | 1 Permit to Drill | | 50.00 | 600.00 |
| 50.00 | 2 | | | |
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| 50.00 | TOTAL CURRENT MONTH RECEIPTS | | 50.00 | XXXXXX |
| XXXXXX | TRANSFERS IN | | | |
| 50.00 | BALANCES BROUGHT FORWARD | | 10,870.25 | XXXXXX |
| | TOTALS - MONTH AND YEAR TO DATE | | 10,920.25 | 600.00 |

| CLAIMS PAID MONTH OF | EXPENDITURES FUND TITLES | TOTAL AMOUNT AVAILABLE YEAR TO DATE | CLAIMS PAID YEAR TO DATE | OUTSTANDING ENCUMBRANCES | UNENCUMBERED BALANCE |
|-------------------------|-----------------------------|---|-----------------------------|-----------------------------|-------------------------|
| Nov 1967 | 1 Personal Services | *14,750.00 | 11,800.00 | | 2,950.00 |
| 2,415.00 | 2 Current Expenditures | *3,782.50 | 1,970.13 | 106.81 | 1,705.56 |
| 312.54 | 3 Travel-state | 5,000.00 | 1,461.18 | 157.00 | 3,381.82 |
| 416.85 | 4 Travel-out of state | 2,500.00 | 1,015.88 | - | 1,484.12 |
| 29.00 | 5 Capital Outlay | | | | |
| 303.40 | 6 Current Fixed Charges | 540.00 | 320.40 | | 219.60 |
| 291.36 | 7 Professional Services | 2,000.00 | 1,212.36 | 200.00 | 587.64 |
| | 8 Museum N. Arizona | 1,250.00 | 625.00 | | 625.00 |
| | 9 Ariz: Bu Mines., UofA | 1,250.00 | 1,250.00 | | |
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| 3,768.15 | TOTALS | 31,072.50 | 19,654.95 | 463.81 | 10,953.74 |

AGENCY STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

DIVISION IDENTIFICATION CODE NO.

| 1 | 2 | 3 | 4 |
|--------------------------|-----------------|---|----------------------|
| CLAIMS PAID YEAR TO DATE | OBJECT CODE NO. | DISTRIBUTION OF EXPENDITURES CLASSIFICATION | CLAIMS PAID MONTH OF |
| 11,075.00 | 110 | 1 Salaries, wages: employees | 2,215.00 |
| 775.00 | 150 | 2 Per diem: board members | 200.00 |
| | | 3 | |
| | | 4 | |
| 180.45 | 211 | 5 Postage | |
| 645.18 | 212 | 6 Telephone, telegraph | 114.70 |
| 1,461.18 | 220 | 7 Travel-state | 416.80 |
| 1,015.88 | 230 | 8 Travel-out of state | 29.00 |
| 1,212.36 | 240 | 9 Professional services | 291.30 |
| 20.26 | 262 | 10 Mntns/repairs to office equip., furnitures | 20.26 |
| 470.01 | 294 | 11 Legal Advt. notary, court, recording fees | |
| | 295 | 12 Transportation of things (well samples) | |
| 1,880.36 | 299 | 13 Miscellaneous (blueprint service, Ariz Bu Mine) | |
| | | 14 Museum N Arizona) | |
| | | 15 | |
| | | 16 | |
| 216.13 | 310 | 17 Office supplies | 96.40 |
| 272.62 | 360 | 18 Scientific supplies: drafting, correlated logs | 81.40 |
| 1.12 | 370 | 19 Duplicate Keys | |
| 19.00 | 390 | 20 Film | |
| | | 21 | |
| | | 22 | |
| | | 23 | |
| | | 24 | |
| 280.00 | 411 | 25 Rent, office equip: copy machine (Nov-Dec-Jan Feb) | 280.00 |
| | | 26 | |
| | | 27 | |
| | | 28 | |
| 40.40 | 430 | 29 Subscriptions/organizations dues | 23.40 |
| | | 30 | |
| | | 31 | |
| | | 32 | |
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| 250.00 | 995 | 34 To create revolv fund | |
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| 19,654.95 | | TOTAL | 3,768.15 |

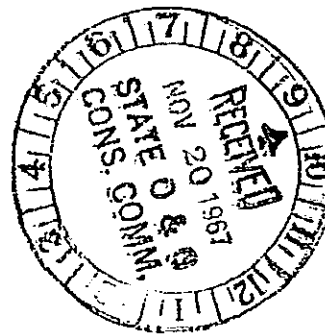
OFFICE DO NOT WRITE BELOW THIS LINE FIELD

DEPARTMENT OF LAW
OFFICE OF THE
Attorney General
STATE CAPITOL
Phoenix, Arizona 85007

DARRELL F. SMITH
THE ATTORNEY GENERAL
WILLIAM E. EUBANK
CHIEF ASSISTANT ATTORNEY GENERAL

November 16, 1967

Mr. John Bannister, Executive Secretary
OIL AND GAS CONSERVATION COMMISSION
1624 West Adams
Phoenix, Arizona 85007



Dear John:

With respect to your letter dated November 10, 1967, I have on November 15 hand delivered to you copies of all the pleadings in the collective Harless cases.

Secondly, the following suggested legislation should be added to A.R.S. § 27-520(A): Strike the "period" after the word "relief" and add a comma, and add the following language:

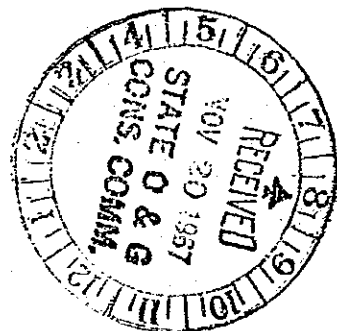
" * * * within 30 days from the effective date of the article, rule or regulation for order complained of."

Sincerely,

DARRELL F. SMITH
The Attorney General

Jordan Green
JORDAN GREEN *wel*
Assistant Attorney General

JG:hc





JACK WILLIAMS
GOVERNOR
LYNN LOCKHART
CHAIRMAN
LUCIEN B. OWENS
VICE CHAIRMAN
HIRAM S. CORBETT
MEMBER
GEORGE T. SILER
MEMBER
KENNETH G. BENTSON
MEMBER

OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
Phoenix, Arizona 85007
PHONE: 271-5161

JOHN BANNISTER
EXECUTIVE SECRETARY
J. R. SCURLOCK
PETROLEUM GEOLOGIST

A G E N D A

Meeting

December 15, 1967

Room 204, Arizona State Office Bldg.
1624 W. Adams, Phoenix

9:30 a.m. Call to order

1. Approval of minutes of meeting of November 15, 1967
2. Executive Secretary's report
3. Geologist's report
4. Old business: *Harless status (Joe Clifford, AG office)*
Proposed Legislation
5. New business: *Oil & Gas Assoc. Mtg. (?)*
Faith Petroleum
6. Adjourn *Potter - Ferrin - Fraser*

OIL AND GAS CONSERVATION COMMISSION
1624 West Adams - Suite 202
Phoenix, Arizona

Minutes of Meeting
November 15, 1967

Present:

Mr. Lynn Lockhart, Chairman
Mr. Lucien B. Owens, Vice Chairman
Mr. George T. Siler, Member
Mr. Kenneth G. Bentson, Member
Mr. Ralph W. Bilby, Member
Mr. John Bannister, Executive Secretary
Mr. J.R. Scurlock, Geologist
Dr. Willard Pye, University of Arizona
Mr. R.E. Dunlap
Mr. Ewell N. Walsh

The meeting was called to order at 9:30 a.m. by Vice-chairman Lucien B. Owens. Chairman Lockhart moved, Mr. Bentson seconded, that the minutes of the meeting of October 18, 1967 be approved as submitted. Motion passed unanimously.

Chairman Lockhart stated that he had been Chairman of the Commission for about three years, but because he had been handicapped by surgery he asked the Commission to accept his resignation as Chairman and nominated Mr. Lucien Owens for Chairman, and asked that he be nominated by acclamation; and he also nominated Mr. George Siler for Vice Chairman.

Mr. Bilby moved that we accept Mr. Lockhart's resignation as Chairman, but with a vote of thanks for those things he had done under adverse circumstances. Mr. Bentson seconded. Mr. Owens added that he knew Mr. Lockhart had acted when he shouldn't have for his own good. The motion passed unanimously.

Mr. Siler asked that the record show that Mr. Lockhart was still "the Daddy of the Commission".

Mr. Bentson opined that he did not particularly subscribe to the philosophy that the chairmanship was an honorary position but that the man most capable should take the position and he re-nominated Mr. Owens for Chairman because of his experience and the way he demonstrated as substitute during the last few sessions. Mr. Siler seconded. Mr. Bilby moved that it be made unanimous. Mr. Bentson seconded that motion. Motion passed unanimously.

Mr. Bentson then seconded Mr. Lockhart's nomination of Mr. Siler for Vice Chairman. The motion passed unanimously.

Mr. Lockhart thanked all the Commission for their help to him and for their taking time from their businesses to attend to Commission functions.

Mr. Owens added that it was his observation that where the Commission would miss Mr. Lockhart most was the many connections he had on the outside that brought increased activity to the State. He suggested that if Mr. Lockhart's health permitted, that he be the Commission's delegate to the upcoming Interstate Oil Compact Commission meeting in December in New Orleans. Mr. Lockhart responded, saying that health permitting he would be pleased to attend the meeting and that he always boosted Arizona.

Mr. Lockhart moved that the Executive Secretary's report be accepted for filing.

Because there followed considerable discussion of this above report, the meeting was recessed to go into the hearing of Case 28, scheduled for 10:00 a.m.

The meeting re-convened at 12:15 p.m. with further discussion of the Executive Secretary's report.

The Executive Secretary was instructed to have suggestions for proposed legislation available for the Commission meeting in December.

Due to possible conflicts with the Interstate Oil Compact Commission meeting and the Christmas season, it was agreed that the next Commission meeting would be Friday, December 15, 1967, at 9:30 a.m.

Meeting adjourned at 12:40 p.m.

APPROVED December 15, 1967

Lucien B. Owens
Chairman



JACK WILLIAMS
GOVERNOR
LYNN LOCKHART
CHAIRMAN
LUCIEN B. OWENS
VICE CHAIRMAN
HIRAM S. CORBETT
MEMBER
GEORGE T. SILER
MEMBER
KENNETH G. BENTSON
MEMBER

OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
Phoenix, Arizona 85007
PHONE: 271-5161

JOHN BANNISTER
EXECUTIVE SECRETARY
J. R. SCURLOCK
PETROLEUM GEOLOGIST

December 5, 1967

Memo to: Commissioners
From: John Bannister, Executive Secretary
Re: Report of Activity

Dineh bi Keyah is continuing its expansion. Humble has now completed its 2-88 well in the SE NE 25-36N-29E, at an estimated 1631 barrels of oil per day.

The Humble 1-88 is still in the phase of being tested. Humble has advised that two sills have been located, the upper being more analogous to the producing field; however it contains more gas. The lower sill apparently is productive of a little oil, however how much is not known.

Humble has received a permit to drill its 3-88, located SE NE 36-36N-29E.

Based upon these Humble successes, Kerr-McGee has drilled its F-1 located in SE SE24-36N-29E, and this has been made into a producer. Completion reports have not been filed and I do not at this time have the capability of this well.

However, Kerr-McGee has made application to take oil from the F-1, run it downhill to the approximately location of the #16 well where it will be metered, separated, and run into the pipeline.

This is the northern most producer in the field. Consequently the field is expanding both westerly and northerly.

The Gulf wells, drilling north of Canyon de Chelly, while all strat tests, have been plugged and abandoned.

South of the Pinta Dome-Navajo Springs Fields, Crest Oil has drilled its #1 Spurlock, located SW NE 3-17N-26E. At this time this well will probably result in a dry hole. However, the operator has indicated he would like to put this well on a temporary abandoned status for testing at some later date.

The Potter well, southwest of Flagstaff, (this is the well about which I spoke to you at our last meeting) has not changed status.

We have written to Mr. Potter on November 10 and again on November 28, but he has failed to reply to any or our requests.

The Attorney General has filed a counterclaim against Richard Harless seeking the enforcement of our penalty provisions. As you may be aware, Mr. Jordan Green who was representing us on this case has resigned from the Attorney General's Office and the case has been taken by Mr. Joe Clifford. He is seeking to bring about a summary judgment on point of law. If he is successful it will not be necessary that the case then go to trial. Should there be any further developments in this I will of course report.

The Oil Discovery well, north of Sedona, has resulted in a dry hole at a total depth of approximately 3200 feet. It is our understanding that the operator had in excess of \$126,000 in this hole. Approximately half of this money was spent in fighting a lost circulation problem above the 700-foot level. Once the operator ran the 7-inch pipe to 700 feet he overcame the lost circulation and the well drilled easily. However, no significant porosity was encountered.

The operator has indicated some interest in attempting another exploratory well somewhere in this general area.

As you may recall, Kerr-McGee drilled its B-1 well in the SE NW 5-35N-30E of Dineh bi Keyah. This well failed to encounter the sill and due, in my opinion, to mechanical difficulties did not complete as a helium well.

The operator has made application to drill a replacement well in the quarter section northwest-northwest. You will recall in our spacing order for this area the operator has the choice of drilling to the Hermosa in either the southeast quarter section or the northwest quarter section.

In order to drill the B-1X (the replacement well), the operator is completely shutting off the lower Hermosa formation in the B-1 and rededicating. Once this is done the B-1X can then be drilled to the Hermosa and not be in violation of the spacing or pooling order.

It is with most sincere regret that I inform you that Mr. Lynn Lockhart is as of this writing undergoing surgery again. At this time we have no indication of his condition. He is in Lincoln Memorial Hospital.

There has been considerable leasing activity in Cochise County, primarily by an individual from Oklahoma City. No applications as yet have been received as the result of this play.

The old Humble E-2 Nav ajo well, located SW NE 9-41N-28E, is being re-entered by AAA Fishing Tool Company, Farmington. They apparently will take a look at one of the Pennsylvanian limestones.

Approximately four miles west of Holbrook Faith Petroleum Company has had a rig on location for approximately three weeks. Faith Petroleum has been in contact with this office but has not as yet made an application and have had considerable difficulty in coming

up with a bond and it is not known whether or not they will be able to make one. Undoubtedly they are failing to show sufficient financial statements for a bonding company to take this venture with them.

In one of the numerous calls from Mr. Loren Hughes of Faith, he finally announced in desperation that he might have to drill the hole as a water well. I informed him that if this attempted evasion was undertaken we would have to close him down. It is my understanding now that they are attempting to get another outfit to make bond for them. We of course are keeping our eye on this situation.

Satisfactory evidence of the approval of U.S. Geological Survey to the unit agreement for Pinta Dome has been furnished to this office. Pursuant to our order, a letter was issued making the effective date of the unit at 7:00 a.m. on November 28, 1967.

The Minister of Mines, British Columbia, has been invited to give a talk to the Oil and Gas Association. This talk will be given at a noon meeting Thursday, December 14, at the Adams Hotel.

This office has been informed that the Legislature will not consider any change in the oil and gas taxation structure during this current special session. However, they have indicated the possibility of considering the whole picture of oil and gas taxation during the regular session which commences in January.

As you are aware, the Interstate Oil Compact Commission meeting will be held December 11-12-13 in New Orleans. The first official function will occur however on the night of December 10. Governor Williams will be in attendance at this meeting and will make one of the major addresses. I will go to New Orleans on the afternoon of December 9th with the Governor's security aide to help in making final arrangements for the Governor.

Arizona Helium Corporation is now waiting for the arrival of the components for the extraction plant at Navajo. The building, housing, and all pipelines have been completed with the exception of the connection across the River. The supports have already been suspended on the bridge and it will be a quick and easy task to make this final connection.

I have been informed that the target date for the initial production run will be February 15 instead of January 1. It is not known why the components have not as yet begun to arrive.

C.T. Henderson has sold all his interest in Apache Drilling Co. Inc. to a group of people owning stock also in Arizona Helium Corporation. They acted not as representatives of Arizona Helium Corporation.

Mr. Bill Johnson, Tucson, has assumed the presidency of Apache Drilling Co. Inc., and is moving the headquarters to Tucson. It is my understanding that a financial institution in Tucson will loan Apache monies to begin a substantial exploration program to prove their holdings.

May I take this opportunity to remind you again that much of the information in this report is of confidential nature and should not be disclosed.

GEOLOGIST'S REPORT

Champlin (Sec. 4-41N-29E) has an indicated oil discovery in the Pennsylvanian Akai zone. Production string was set at total depth of 6173. Akai limestone zone was perforated from 5309-75. After acid treatment, well flowed 49 bbls. oil plus 9 bbls. water per day. (This is probably all load water from the acid treatment-- not from the formation.) The flow has decreased to 10 bbls of oil plus 1 bbl. of water per day. (Tubing pressure 35#; GOR 5100:1) They plan to continue to flow the well for another week. Then the well will be shut in to determine pressure build-up. If pressure builds up sufficiently to indicate adequate reservoir, then they will acid-frak.

Simmons (Sec. 30-36N-27E) set 4 1/2" production string at 2605. Total depth of the well is 3313. Perforated Pennsylvanian Desert Creek limestone zone 2404-2425. After acid treatment, well pumped est. 5-10 bbls. oil per day plus "considerable" water. Total fluid now being pumped has now reduced to 3/4 bbl. per day, of which 5-20% is oil. They are preparing to plug. In any case, this amounts to a small but very encouraging show for this area because it demonstrates that the Pennsylvanian zones, which become thin as they approach the flanks of the Defiance Uplift, offer the possibility of stratigraphic traps in this area. This encouragement should spark more wildcatting in here.

Miami #1 Navajo (Sec. 30-41N-39E) Proposed 6500' basement test. Drilling 5185.

AAA Fishing Tool Co. (Farmington, New Mex.) will re-enter the old Humble E-2 (Sec. 9-41N-28E) which was drilled in 1958 to a depth of 6520. They hope to work over this old well and complete it in one of the several Pennsylvanian limestone zones which appear favorable on the electric logs. If this attempt at completion fails, Humble hopes to re-acquire the well from AAA and use it as a salt water disposal well for its two East Boundary Butte wells, which currently are producing about 200 bbls. of salt water per day.

American Mining #1 Navajo (Sec 28-38N-24E). O'Donnell-Ewing (the contractor) collapsed the derrick while pulling on stuck drill pipe. Derrick was replaced. Pipe twisted off. Unable to recover fish. O'Donnell-Ewing lost \$140,000 on this hole. (Moved rig to Nevada.) Well dry and abandoned. TD 5807.

McCulloch #1-1 Navajo (Sec. 1-38N-22E) Casing parted; could not recover fish. Plugged and abandoned. TD 5846. Skidded rig 150 ft. to the north and spudded #1-1X Navajo. Pipe stuck at 765 ft. Unable to recover fish. D&A.

Gulf #1 Navajo 11 (Sec. 11-7N-8W) TD 2687; D&A.
Gulf #1 Navajo Agua Sal (Sec. 4-7N-8W) TD 2656. D&A.
Gulf #1 Navajo 4 (Sec. 4-34N-28E) TD 2681. D&A.
Gulf #1 Navajo 22 (Sec. 22-7N-8W) TD 2836. D&A.

C & J Drilling #1 State (Sec. 5-9N-6W) Shut down. In fishing for a lost string of pipe another string was lost. Consequently there are two fish in the hole, side by side. Apparently the operators

intend to secure the grazing permit and then make application for agricultural permit. Thus, in this event, the well will be made into a water well.

Oil Discovery #1 Federal (Sec. 17-19N-6E; Coconino Co; 12 miles North of Sedona) This well has been a classic study in fighting lost circulation. The cause of the trouble was the cavernous nature of the basalt which lies on the surface in this area. A cavern 15' deep has been found within 50 yards of the location. A crew member reportedly entered the cavern and described it as spreading out in all directions. At one point the bit dropped 8 ft. Total depth 3253 ft. in Pre-Cambrian. Dry and Abandoned.

Crest Oil #1 Spurlock (Sec. 3-17N-26E) This well has been drilled to basement and is preparing to temporarily abandon. (No data available.)

Potter #1 State (Sec. 24-20N-5E) This is the old Willett well 12 mi. SW of Flagstaff. Moving in Walker-Neer C-32 cable tool rig. Plan to run Schlumberger log (Gamma Ray-Neutron) and attempt completion. This permit to Potter was issued April 26, 1966. Mr. Bannister has advised Potter that unless he brings himself into compliance with the regulations of the Commission by submitting to us written reports of work done and of his intentions concerning the well, the Commission would require that the well be plugged.

Dineh bi Keyah Field produced its 2 millionth bbl. of oil during October.

Kerr McGee is disposing of salt water (about 800 bbls. per day) by sprinkling it from a truck over lease roads. The #E-1 has not yet been converted into a water disposal well. Kerr McGee is still waiting on Tribal approval.

Kerr McGee #F-1 (Sec. 24-36N-29E). Completed as oil well. (No data as yet. This gives Kerr McGee 12 producers in the Field.

Kerr McGee # B-1 (Sec. 5-35N-30E) Well to be plugged off down ^{thru} the sill. They may want to use this well eventually as an injection well in a secondary recovery program. Acreage will be re-dedicated to the # B-1X, which will be drilled in the NW NW of this same section.

Humble # 88-1 (Sec 25-36N-29E) TD 3850. Plugged back to 3550. Has found the sill to be separated into two zones. The top sill zone contains gas, the bottom zone oil. Still testing.

Humble # 88-2 (Sec. 25-36N-29E) TD 4814. Has Tested 3000 MCFPD gas (containing 4-5% helium) from the McCracken. Plugged back and completed in the sill for approx. 1600 BOPD. (Humble's 2nd well in the Field.)

Humble # 88-3 (Sec. 3-36N-29E) Location.

IC

From the Desk of

JOHN BANNISTER

Will need a legislator to sponsor
this legislation (can be in one Bill)
and order legislative Council to
prepare.

Amend 27-515.B by adding the following:

4. Collect such fees as determined by the Commission which will cover the costs of such services as, but not limited to, reproduction of records or any portion thereof, publication of technical maps, copies of Rules and Regulations, and any other forms of publications by the Commission. The monies so collected shall not be subject to the provisions of 27-523, but shall be deposited by the Commission with the state treasurer to the fund from which the expenditure was originally made.

Amend 27-517.A by adding at the end:

The request for hearing shall be accompanied by a fee of \$ _____. The interested persons requesting the hearing shall also be billed by the Commission as soon as possible for ____% of the cost of publication of the hearing and shall within ten days after receipt of the billing reimburse the Commission. The monies so collected shall not be subject to the provisions of 27-523, but shall be deposited by the Commission with the state treasurer to the fund from ^{which} the expenditure was originally made.

Amend 27-520.A by adding at the end:

The civil action contemplated in this section must be commenced within twenty days from the effective date of the (article, rule or regulation or) order complained of.

November 28, 1967

Mr. James M. Potter
P.O. Box 493
Flagstaff, Arizona 86001

Re: Potter #1 State 8219
SW NW 24-20N-53, Coconino County
Permit 351

Dear Mr. Potter:

By our letter of November 10, 1967 you were requested to file a sundry report informing this Commission as to the cement work you did during June in the captioned well to cut off a water flow. As you recall, you did state in our conversation of November 9 that this would be filed immediately.

As usual you have ignored requests of this Commission. You have advised several times when telephoned by this Commission that you were moving in a rig. You also advised that initial work had been started, hopefully to be completed during the weekend of October 9, 1967. However, no reports detailing any of these operations have been filed.

As you are aware, this permit was issued April 26, 1966, and it is felt that this Commission has been extremely lenient and cooperative in attempting to allow you to accomplish your aims. It is further felt that you have taken advantage of the Commission's desire to cooperate.

Once again we ask that you advise in writing as to all the work done by you and that you further advise in writing your intentions concerning this well. Should we not hear from you within a reasonable time, this commission must enforce its rules and regulations and require that this well be plugged.

Should you desire to meet with the Commission, the next regular meeting will be on December 15, 1967, 9:30 a.m., in the Commission's office in Phoenix.

Mr. James H. Potter
November 28, 1967
Page 2

Again, we urge that you bring yourself into compliance with our
rules and regulations. Should you have any questions, please advise.

Very truly yours,

John Bannister
Executive Secretary
BT
enc: form 25

November 10, 1967

Mr. Harold Ferrin
P.O. Box 102
Mesa, Arizona

Re: Ferrin #1 NMA
NW NW 22-19N-17E, Navajo County
Permit 344

Ferrin #1 Aja Cattle Co.-Babbitt Bros.
SW NW 4-17N-16E, Navajo County
Permit 356

Dear Mr. Ferrin:

As you are aware, the Commission has granted you an extension until December 31, 1967 in which to commence work on the two captioned wells. As yet this office has no information that further work has been commenced.

With approximately 45 days remaining in which to comply with the order, you are requested to advise us of your plans.

Very truly yours,

John Bannister
Executive Secretary
BT

12-31-67

June 21, 1967

Mr. Harold Ferrin
P.O. Box 102
Hesa, Arizona 85201

Re: Ferrin #1 State well
NE SW 10-19N-17E, Navajo County
Permit 301

Ferrin #1 NMA well
NW NW 22-19N-17E, Navajo County
Permit 344

Ferrin #1 Aja Cattle Co.-Zabbitt Bros. well
SW NW 4-17N-16E, Navajo County
Permit 350

Dear Mr. Ferrin:

Your verbal request presented to the Commission at its regular meeting on June 21, 1967 for an extension of time in which to commence further drilling operations on the Ferrin #1 NMA well, Permit 344, and for the Ferrin #1 Aja well, Permit 350, is hereby granted. This extension will expire December 31, 1967 and is subject to the conditions herein below set forth, which were accepted by you during the meeting:

That the wells are no longer considered tight holes and that all information contained in the files may be made public information.

A ~~summary~~ report must be submitted on each of these wells wherein the current status is reflected and accurate data is shown. Samples also must be submitted.

On the #1 NMA a copy of all ^{logs} logs which have been run, including drilling logs, must be submitted.

As to the Aja Cattle Co. well, you have advised this Commission that no logs have as yet been run. A copy of the drilling log must be submitted.

You advised the Commission of your intention to turn the Ferrin #1 State, Permit 301, to the land owner for use as a water well. In order to complete the files on this well it will be necessary that you

Mr. Harold Farris
June 21, 1967
Page 2

file with this commission the water well acceptance form, properly executed, and the Well Completion Report, as well as samples.

Should you have any questions, would you please advise.

Very truly yours,

John Bannister
Executive Secretary
sr

FU
12-167

October 30, 1967

Mr. J.M. Frasier
1424 Kensington Avenue
Salt Lake City, Utah 84105

Re: Frasier #1 State well
NE SE 19-21S-23E, Cochise County, Arizona
Permit 93

Dear Mr. Frasier:

We have had no definite word from you concerning your progress on this well since approximately June 27, 1967 when you and Mr. O.L. Carson were in this office. At that time you advised it was your intention to test the Mississippian as well as the hot water zone and advised that Mr. Carson was headed to Farmington to look for a combination rotary-cable tool rig.

Will you please advise me at your earliest convenience as to your plans and intentions. As you are aware, this office has been more than patient in your endeavor to do something with this well. It is absolutely necessary that this well be brought into some conclusion in the immediate future. If there is a possibility of doing something, the Commission does not want to force a plugging. However, as I have said before, we are bound by our Rules and Regulations and must see to their enforcement.

Very truly yours,

John Bannister
Executive Secretary
BT

cc: Hartford Insurance Group Bond 3125317
Arizona Title Bldg., Phoenix, Arizona