

Richard Nixon Presidential Library  
White House Special Files Collection  
Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
10	7	11/19/1965	Letter	C. Arnold Brown to Nixon re: revised Lies November 1965 monthly operations report. 1 page.
10	7	11/10/1965	Letter	C. Arnold Brown to Nixon re: Lies monthly operations report, with attachments.3 pages.
10	7	11/01/1965	Letter	C. Arnold Brown to Nixon re: Lies lease division order, with attachment. 2 pages.
10	7	10/19/1965	Letter	C. Arnold Brown to Nixon re: Hiebsch Lease expiration and recommendation. 1 page.
10	7	10/08/1965	Letter	H. L. Caldwell to Nixon re: water disposal arrangements for Lies No. 1 well. 1 page.
10	7	09/28/1965	Report	Daily Drilling Report Lies No. 1. 1 page.

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
10	7	10/04/1965	Letter	C. Arnold Brown to Nixon re: Monthly operating report for Lies No. 1, including attachments. 4 pages.
10	7	n.d.	Report	Lies No.1 Daily Drilling Report 09/15/1965 - 09/18/1965
10	7	n.d.	Report	Lies No.1 Daily Drilling Report 09/19/1965 - 09/25/1965
10	7	n.d.	Report	Lies No.1 Daily Drilling Report 09/26/1965 - 09/27/1965
10	7	09/24/1965	Letter	Wanenmacher to Nixon re: status of well in Barber County. 1 page.
10	7	n.d.	Financial Records	Lease of Chrysler LeBaron, including mailing envelope. 2 pages.
10	7	08/30/1965	Letter	C. Arnold Brown to Nixon re: approval for Lies fracture treatment with attachments. 4 pages.

<b><u>Box Number</u></b>	<b><u>Folder Number</u></b>	<b><u>Document Date</u></b>	<b><u>Document Type</u></b>	<b><u>Document Description</u></b>
10	7	08/04/1965	Letter	C. Arnold Brown to Nixon re: problems with Lies No. 1 Well, with attachments, including mailing envelope. 5 pages.

**K W B**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

November 19, 1965

*file*

Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis, Minnesota

Sierra Petroleum Co., Inc.  
211 North Broadway  
Wichita, Kansas 67202

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Revised Monthly Operations Report  
Lies No. 1 Well  
NE SE Section 14-32S-10W  
Barber County, Kansas

Gentlemen:

In our recent operating report dated November 10, 1965, we stated the oil production for the month "increased approximately 45 barrels per day as a result of the fracture". This should have been, increased approximately 45 barrels per month.

We hope this has not inconvenienced you.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

*C. Arnold Brown*  
C. Arnold Brown

CAB/pjl

**K W B**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

November 10, 1965

RECEIVED

NOV 13 1965

*Lyci*  
*V.A*  
*for filing*

Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis, Minnesota

Sierra Petroleum Co., Inc.  
211 North Broadway  
Wichita, Kansas 67202

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Monthly Operations Report  
Lies No. 1 Well  
NE SE Section 14-32S-10W  
Barber County, Kansas

Gentlemen:

Enclosed is the production analysis and performance for the Lies No. 1 as shown in the above-caption.

The Mississippi formation was fractured during the month with resulting increase in oil production to around 25 barrels of oil per day. Water production also increased which has resulted in having to dispose of water into a local injection well operated by the Rice Engineering Company, Great Bend, Kansas. Oil production for the month increased approximately 45 barrels per day as a result of the fracture.

If there are any questions regarding this operations summary, we will be happy to confer with you.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

*C. Arnold Brown*

C. Arnold Brown

Enclosures

CAB/pjl

LEASE ANALYSIS  
 BARBER COUNTY, KANSAS  
 FOR AUGUST AND SEPTEMBER, 1965

LEASE	GROSS FOR AUGUST	PRODUCTION FOR SEPTEMBER	(BARRELS) CHANGE	AVG. BBLs/DAY FOR AUGUST	TOTAL CURRENT YEAR	R E M A R K S
Lies	150	204	+ 45	6.8	1,620	Fracked Mississippi Perf 4385-89 w/ 1250 # Sd. 100 Bbl. lease crude

KWB  
OIL PROPERTY MANAGEMENT, INC.

Daily Gauge Report

Lease or Unit Name Lies

Description SE Sec. 14-32S-10W County Barber State Kansas

Month-Day	Production	Sales	R e m a r k s		
September 1	7.00				
2	5.00				
3	6.00				
4	7.00				
5	7.00				
6	7.00				
7	7.00				
8	5.00				
9	7.00				
10	7.00				
11	5.00				
12	7.00				
13	5.00				
14	5.00				
15			working on well		
16			"	"	"
17			"	"	"
18			"	"	"
19			"	"	"
20	8.35				
21	1.67				
22	5.01				
23	20.03				
24	60.12				
25	8.35	154.84 43.94			
26	24.21				
27	31.72				
28	40.06				
29	6.68				
30	16.70				
31					
TOTAL	309.90	203.78			

fyi  
Action

**KWB**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

November 1, 1965

*file*  
*KWB registered*

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Lies Lease  
SE/4 Section 14-32S-10W  
Barber County, Kansas

Dear Mr. Nixon:

We are enclosing a recently prepared division order from the Tulsa Crude Oil Purchasing Company for the above-captioned lease. If this division order meets with your understanding, please execute, having your signature witnessed, and return one copy to our office. The extra copy may be retained for your files. We would appreciate your quick attention to this matter.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

*C. Arnold Brown*

C. Arnold Brown

Enclosures

CAB/pjl



63-4706

# TULSA CRUDE OIL PURCHASING COMPANY

## DIVISION ORDER

October 25, 1965

TO TULSA CRUDE OIL PURCHASING COMPANY, P. O. BOX 1709, TULSA 1, OKLAHOMA

The undersigned, and each of them guarantee and warrant that they are the legal owners in the proportion set out below of all the oil produced from the LIES LEASE-KWB Oil Property Management, Inc., Operator lease, described as

SE/4 of Section 14-32 South-10 West

State of Kansas, and commencing as of 7 a.m. the 5th day of June in Barber County,

1965, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay therefor as follows:

OWNERS' SOCIAL SECURITY OR TAX ACCOUNT NO.	CREDIT TO	DIVISION OF INTEREST
-----	Margreth Lies	1/2 of 1/8 RI or .0625000
-----	Marie M. Lies	1/2 of 1/8 RI or .0625000
-----	W. H. James, Jr.	1/32 of 7/8 ORRI or .0273438
-----	Katherine B. Copass	1/32 of 7/8 ORRI or .0273438
-----	Sierra Petroleum Co., Inc.	1/4 of 15/16 of 7/8 WI or .2050781
-----	*Russell T. Lund	1/2 of 15/16 of 7/8 WI or .4101562
-----	*Richard M. Nixon	1/4 of 15/16 of 7/8 WI or .2050781

\*Payment shall continue to the parties as shown until Tulsa Crude Oil Purchasing Company is notified in writing to the contrary.

The following covenants are also parts of this DIVISION ORDER and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The term "oil" as used in this division order shall include all liquid hydrocarbons.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. You may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by law to be deducted and paid by you as purchaser. At your option, you may withhold, without interest, monthly payment due any payee of amounts less than Five Dollars (\$5.00), it being agreed, however, that regardless of the amount so accumulated, you will make payment of full amount so credited to each payee either annually or semi-annually.

FIFTH: Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure so to furnish such evidence of title, or in the event of an adverse claim, question or dispute at any time concerning the title to such oil or any part thereof or to the land from which such oil is produced, you may hold the proceeds of all oil received and run, to the extent of the interest involved in such adverse claim, question or dispute, without interest, until indemnity satisfactory to you has been furnished or until said claim, question or dispute as to ownership has been finally settled or finally determined. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of the filing of said action shall be immediately furnished you by the undersigned stating the court in which the same is filed and the title of such action or suit. You and/or any carrier transporting oil for your account shall be held harmless by each party to this division order to the extent of each party's interest, as set forth in this division order, from any judgment rendered against you or it on account of receiving, purchasing, paying for or transporting the oil credited to such party's interest.

SIXTH: The undersigned severally shall notify you in writing of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof. Transfer of interest shall be made effective at 7 o'clock A.M. on the first day of the calendar month following said written notice to you unless this requirement is waived by you. If any limited, reversionary or sliding scale interest is owned or retained by any party to this division order, such party hereby relieves you of any obligation to determine if and when payment for such interest shall commence, change or cease, and further agrees to notify you in writing as to the date on which such payment shall commence, change or cease, and to hold you harmless for any erroneous payment made prior to receipt of said written notice.

SEVENTH: Working interest owners or operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been or will be produced in accordance with applicable Federal, State and Municipal laws and official rules and regulations, and in compliance with all the requirements of the Fair Labor Standards Act of 1938 and amendments thereto.

EIGHTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you or any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines, in case of termination by either you or us of purchases under this division order. You are not expected to receive oil in definite quantities or for fixed periods nor to provide storage on the credit balance plan or otherwise except as and when you shall now or hereafter agree in writing.

WITNESSES SIGN BELOW

OWNERS SIGN BELOW

(PRINT OR TYPE YOUR COMPLETE ADDRESS)

Horizontal lines for witness signatures and names.

Horizontal lines for owner signatures and complete addresses.

**IMPORTANT:** TO AVOID DELAY IN PAYMENT — YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.

*file*

*file  
Personal Business*

**KWB**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

October 19, 1965

*✓*

Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis, Minnesota

Sierra Petroleum Co., Inc.  
1015 Wichita Plaza Building  
Wichita, Kansas 67202

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Hiebsch Lease  
NW/4 Section 24-32S-10W  
Barber County, Kansas

Gentlemen:

Please be advised the above-captioned tract will expire on November 6, 1965 if a well is not commenced on or before this date.

We recommend that no well be started on this tract in view of the disappointing performance of the Lies No. 1 located approximately one-half mile northwest. If you have any questions concerning this lease or our recommendations, we will be happy to confer with you.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

*C. Arnold Brown*

C. Arnold Brown

CAB/pjl

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file*

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OCT 11 1965

**K W B**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

October 8, 1965

Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis, Minnesota

Sierra Petroleum Co., Inc.  
1015 Wichita Plaza Building  
Wichita, Kansas 67202

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Lies No. 1 Well  
NE SE Section 14-32S-10W  
Barber County, Kansas

Gentlemen:

As mentioned in Mr. Arnold Brown's letter of October 4, 1965, the above-well is making approximately 35 barrels of oil and approximately 35 barrels of water per day. Arrangements have been made, on a temporary basis, to dispose water into a disposal system approximately one mile east of the Lies well. Arrangements with the Rice Engineering Operating Company, Great Bend, Kansas, to dispose of our water from the Lies well into their Sharon Disposal System has been agreed upon. The disposal of water into this system will cost a minimum of \$50.00 per month, or a charge of \$0.02 per barrel of water disposed into the system each month.

Rice Engineering has informed this company that this disposal system is a jointly owned system by several operators in the immediate area. The participation factor is based upon the number of wells in, or being serviced by, this disposal well. Rice Engineering will also furnish the necessary information concerning the possibility of KWB as operator of the Lies No. 1 becoming a member of this disposal system.

This letter is furnished to all interest owners as informational and to keep all concerned abreast of the activities concerning this well.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

*H. L. Caldwell*

H. L. Caldwell  
General Production Superintendent

HLC/pjl

*Lygi*

**K W B**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

October 4, 1965

*file*

Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis, Minnesota

Sierra Petroleum Co., Inc.  
1015 Wichita Plaza Building  
Wichita, Kansas 67202

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Monthly Operating Reports  
Lies No. 1 Well  
NE SE Section 14-32S-10W  
Barber County, Kansas

Gentlemen:

We are enclosing the production analysis from the Lies No. 1 well located as shown in the above-caption.

These reports indicate that the oil production from this well has declined rapidly since initial completion. On September 15, 1965, this well was fractured with 750 pounds polymer coated sand and approximately 450 pounds of regular sand accompanied with approximately 100 barrels crude oil. Initial production after fracture was discouraging in that these tests revealed approximately 1 barrel of oil and 99 barrels of water in 24 hours. However, after pumping the well three days, recovering all the load oil, the well produced 42 barrels of oil with approximately 35 barrels of water per day. It is too early, at this time, to state the actual results of this stimulation treatment. It is hoped, however, that the well will be capable of producing between 30 and 40 barrels of oil per day.

Since the water production on this well has increased considerably, it will be necessary to provide a source for disposal. As soon as this has been arranged, we will supply this information to you. If there are any questions concerning this report, we will be happy to confer with you.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

*C. Arnold Brown*

C. Arnold Brown

Enclosures

CAB/pjl

LEASE ANALYSIS  
 BARBER COUNTY, KANSAS  
 FOR MAY AND JUNE, 1965

GROSS FOR MAY	PRODUCTION FOR JUNE	(BARRELS) CHANGE	AVG. BBLs/DAY FOR JUNE	TOTAL CURRENT YEAR	R E M A R K S
—	968	+ 968	32,2	968	

LEASE ANALYSIS  
 BARBER COUNTY, KANSAS  
 FOR JUNE AND JULY, 1965

GROSS PRODUCTION FOR JUNE	PRODUCTION FOR JULY	(BARRELS) CHANGE	AVG. BBLs/DAY FOR JULY	TOTAL CURRENT YEAR	R E M A R K S
968	289	- 679	9.3	1,257	

LEASE ANALYSIS  
 BARBER COUNTY, KANSAS  
 FOR JULY AND AUGUST, 1965

GROSS FOR JULY	PRODUCTION FOR AUGUST	(BARRELS) CHANGE	AVG. BBL/DAY FOR AUGUST	TOTAL CURRENT YEAR	R E M A R K S
289	159	- 130	5.1	1,416	



DAILY  
DRILLING REPORT

*fyi  
fill*

TUESDAY - SEPTEMBER 28, 1965

Barber County, Kansas  
Lies No. 1

Pumped 42 barrels oil - 70% water estimated.  
Pit starting to seep. Looking in to disposal  
situation.

DAILY  
DRILLING REPORT

KWB ✓

fyi  
lee

WEDNESDAY - SEPTEMBER 15, 1965

Barber County, Kansas  
Lies No. 1

Pulled tubing & rods. Run 2" EUE w/Baker Packer, set @ 4366'. Load tubing with oil. Break down @ 2600#, treat formation with 750# S041 20/40 sand and 500# regular 20/40 sand treat @ 3300#. ~~8xx~~ Screen out sand & flush at maximum 3850# to 3500# 10 minutes shut in pressure 250#. Total load 107 barrels.

THURSDAY - SEPTEMBER 16, 1965

Pulling tbg. & pkr., run tbg. & rods, put to pumping.

FRIDAY - SEPTEMBER 17, 1965

Pump not pumping right.

SATURDAY - SEPTEMBER 18, 1965

Pull pump, run back, start pumping.

DAILY  
DRILLING REPORT

Barber County, Kansas

Lies No. 1

SUNDAY - SEPTEMBER 19, 1965

Pumped 4 BLO, well died.

MONDAY - SEPTEMBER 20, 1965

Pumped 5 BLO & 125 BW/D. Pump still failing occasionally due to sand in valves. Gas starting to show.

TUESDAY - SEPTEMBER 21, 1965

Pumped 1 BLO & 100 BW/D. Still lack 80 BLO to recover. Gas volume now adequate to run engine & fire heater.

WEDNESDAY - SEPTEMBER 22, 1965

Well Went down last night - lost gas. Pumped 5 BO, est. 95% water cut. Pump still giving trouble, will not pump continuously. Total load oil recovered 10 bbls.

THURSDAY - SEPTEMBER 23, 1965

Pumped 20 BO, 20 BW in 16 hrs. Pump still giving some trouble. Wtr. cut 50%. Considerably more gas. Total load oil recovered 35 bbls. Still lack a total of 55 bbls. load oil to recover.

FRIDAY - SEPTEMBER 24, 1965

Pumped 55 bbls. load oil - all load oil recovered est. 60% wtr. indicating 90 bbls water. Gas very good. Pump still giving trouble - will change today.

SATURDAY - SEPTEMBER 25, 1965

Replaced bottom hole pump w/1½" x 12' x 2". Pumped 8 BO & 25 BW/15 hres. Good gas show. CP 35 psi.

DAILY  
DRILLING REPORT

SUNDAY - SEPTEMBER 26, 1965

Barber County, Kansas  
Lies No. 1

Pumped 25 BO.

MONDAY - SEPTEMBER 27, 1965

Pumped 32 BO, 70% wtr. Pumping 12 strokes per  
minute, 54" strokes.

*KWB*

KEPLINGER AND WANENMACHER  
PETROLEUM ENGINEERS  
KENNEDY BUILDING  
TULSA 3, OKLAHOMA

RECEIVED  
*Lyni*  
*file*

SEP 28 1965

September 24, 1965

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Dear Mr. Nixon:

The oil well in Barber County in which you own an interest is performing better after the fracture treatment than we had anticipated. All of the oil introduced into the well during the treatment has been recovered. The production rate during the last 24 hours, while the load oil was being recovered, amounted to 60 barrels of oil per day accompanied by 90 barrels of water.

At this time the pump was not functioning and a new pump is being installed today. It appears that the oil production has been stimulated and we will know the rate of production of new oil early next week.

I advised Mr. Lund of this today and he requested me to contact you immediately to inform you of these results. We were unable to contact you at your office or home late this afternoon and since I am leaving town the information is being transmitted by letter.

We hope that the treatment will result in a paying oil well. I told Mr. Lund that the increases obtained from fracture treatment are sometimes short lived and in other instances the beneficial results are maintained for a long time. It will be necessary to observe the performance of the well before these effects can be evaluated.

Very truly yours,

KEPLINGER AND WANENMACHER

*J M Wanenmacher*  
J. M. Wanenmacher

JMW:adb

cc: Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis 2, Minnesota



SPECIAL ADDITIONAL PROVISIONS

Invoicing of this lease will be based upon calendar months payable Semiannually-In Advance. Parts of months will be calculated upon the number of days of actual use based upon a 30-day month.

Lessee may extend the lease term of any or all vehicles for an additional term of 12 months at the quoted rates by giving Lessor written notice of such election at least one month in advance, identifying the vehicle(s) to be so extended.

If Lessee installs additional equipment on any leased vehicle, such additional equipment shall be removed and all damage caused by such removal repaired before the vehicle is returned to Lessor.

As to Paragraph 2: Lessor shall accomplish and pay for titling, registration and licensing of vehicle in Lessor's name in the state of NEW YORK, and pay for any inspections required during the term of this lease. Lessee shall accomplish and pay for the titling, registration and licensing of the vehicle in Lessor's name in any other state within the continental limits of the United States.

As to Paragraph 5: Standard Warranty will apply.

As to Paragraph 6: Lessee will furnish proof of \$100 deductible collision insurance.

GOVERNMENT SALES DEPARTMENT



**CHRYSLER**  
MOTORS CORPORATION

WASHINGTON OFFICE  
1700 K STREET, N. W.  
WASHINGTON, 6, D. C.



Mr. Richard Nixon  
20 Broad Street  
New York, New York



TAPE: RMW: 9/15

Memo to RN

FROM rmw

Should the attached letter from Arnold Brown  
KWB Oil Property Management just be sent on up to the Andrews  
office for FILE ~~AFTER-you-talk-with-Russell~~

Or - after you talk with Russell Lund  
is there some other action which should be taken

Send up for filing                     

Action

RN

9/8/65

I had drafted a letter saying you were out of the country and then thought I better call Russ Lund.

He said he told them you were out of the country and to go ahead with the fracture treatment - he does not hold out much hope for it. He also said it would not cost you anything.

**KWB**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

August 30, 1965

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Mr. R. James Gear  
Sierra Petroleum Co., Inc.  
1015 Wichita Plaza Building  
Wichita, Kansas 67202

Re: Workover Lies No. 1  
NE SE Section 14-32S-10W  
Barber County, Kansas

Gentlemen:

We are enclosing our AFE No. S-K-1 providing for the fracture treatment of the Mississippi formation in the Lies No. 1 well.

This well is currently producing approximately 7 barrels of oil and 20 barrels of water per day. The revenue from this quantity of oil is just barely sufficient to pay the operating costs. As stated in my letter of August 4, 1965, we recommend that a stimulation treatment be attempted on the Mississippi perforations before abandonment. A good possibility exists that a fracture treatment of the Mississippi zone in this well will increase the water production considerably. However, it is hoped that a fracture treatment will increase the oil production without increasing the water production so that a more profitable operation will result.

We believe this treatment is necessary in view of the expiration time on a certain number of the leases in the area. After the results of this treatment can be analyzed, a future program for development can be determined.

If this proposal meets with your approval, please execute in the space at the bottom of the AFE form, keeping one copy for your files and returning one copy to us. If there are any questions regarding our recommendations or procedure we will be happy to confer with you.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.



C. Arnold Brown

Enclosure

CAB/pjl

TYPE JOB	DIVISION	DISTRICT	Kansas	Budget	<input type="checkbox"/>	<input type="checkbox"/>
New Work <input checked="" type="checkbox"/>				Yes	<input type="checkbox"/>	No
Repair <input type="checkbox"/>	LEASE-PROJECT	Lies	WELL NO. 1	Part Int.	<input type="checkbox"/>	<input type="checkbox"/>
Replace <input type="checkbox"/>						
Other <input type="checkbox"/>	POOL	Northeast Sharon	STATE	Kansas	COUNTY	Barber
Primary <input type="checkbox"/>						
Secondary <input type="checkbox"/>	LOCATION	NE SE Sec. 14-32S-10W				
Well Code <input type="checkbox"/>						

DESCRIPTION OF JOB Pull rods, pump and tubing. Run 5½" packer w/2-3/8" EUE tubing to 4360'. Fracture Mississippi perforation 4385'-89' w/4500 gallons lease crude, 750# polymer coated sand, 1850# 20-40 sand.

EQUIPMENT	CASH ITEM	ON HAND	SALVAGE	INTANGIBLES	COST
				Fracture materials & equipment per Dowell quote	\$ 791.80
				Rental on Frac Truck	100.00
				Packer rental	450.00
				Pulling rods & running tbg. w/packer. Re-pulling pkr. & tbg. & putting well on pump 2 days @ \$210/day	420.00
				Supervision Foremen & Expenses	200.00
				Contingencies	100.00
				<b>TOTAL</b>	<b>\$2,061.80</b>

\_\_\_\_\_ WORKING INT.                      DATE INITIATION                      EST. PAYOUT                      MOS.

TOTAL CASH OUTLAY    \$2,061.80                      TOTAL COST

\_\_\_\_\_ CASH OUTLAY                      \_\_\_\_\_ COST

REMARKS

REQUESTED  PREPARED <i>C. Arnold Brown</i>	NON-OPERATOR APPROVAL BY _____  FOR _____ DATE _____	APPROVAL <i>C. Arnold Brown</i> Aug 27, 1965
---	--	--

**K W B**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103

August 4, 1965

*Lies*

Mr. Russell T. Lund  
1450 West Lake Street  
Minneapolis, Minnesota

Sierra Petroleum Co., Inc.  
1015 Wichita Plaza Building  
Wichita, Kansas 67202

Mr. Richard M. Nixon  
20 Broad Street  
New York, New York

Re: Lies No. 1 Well  
NE SW Section 14-34S-10W  
Barber County, Kansas

Gentlemen:

The rapid decline of the oil production from the Lies No. 1 well since completion is going to require some action by the working interest owners in the very near future. Therefore, we are writing this letter to bring all of you up to date on the present producing capability of this well.

During the month of July this well declined from around 20 barrels of oil and 6 barrels of water per day to 7 barrels of oil and 20 barrels of water per day. A recent fluid level test indicated that there was only approximately 115 feet of fluid above the pump in the hole. From this performance it is apparent that the producing Mississippi reservoir is limited and the oil-water contact is fairly close to the producing interval in the well. In an effort to determine a feasible course of action, we have consulted with the Dowell Company in an effort to determine the possibilities of stimulating this well. We are attaching a letter from this company's engineers whereby they have suggested two types of stimulation treatment. The cost for performing either of these treatments, including pulling and running the tubing, packer rental and miscellaneous labor, is estimated to approximate \$1,200.00. If the treatment resulted in an increase of 5 barrels of oil per day, payout time would require approximately five months. Our calculations have provided for the expected operating cost increase due to water hauling charges created by a water production increase.

In view of the progressive water increase shown by this well since completion, we believe any type of formation stimulation treatment will result in an increase of water production. It is a gamble situation whether this work would increase the oil production sufficiently to payout the workover expense and the increased operating cost. At this time we are hesitant to recommend

Messrs. Lund and Nixon and  
Sierra Petroleum Co., Inc.

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additional work on this well. However, before the well is abandoned, a stimulation treatment should be performed on the present producing interval.

If there are any questions regarding this letter, please advise. We will be happy to confer with you.

Yours very truly,

KWB OIL PROPERTY MANAGEMENT, INC.

A handwritten signature in cursive script that reads "C. Arnold Brown".

C. Arnold Brown

CAB/pj1



**DOWELL** DIVISION OF THE DOW CHEMICAL COMPANY

Great Bend, Kansas  
July 20, 1965

RECEIVED

JUL 23 1965

Arnold Brown  
K W & B Operating  
9th Floor Kennedy Building  
Tulsa, Oklahoma

KWB, INC.

Mr. Brown,

Our Jessie Clifton called regarding your Leis #1 - 14-32-10 - Barber county, Kansas. 500 Mud Acid through perforations 4385-89 in May 1965. Made about 105 bopd. Present production 15 bwpd and 13 bopd. An electric log showed 44% water saturation at 4387-90.

It is desired to stimulate this well. In view of the high water cut, we believe a small treatment is appropriate using a diverting technique of sand placement. Two types of treatment are submitted for your evaluation. In both cases, injection rate is low in an attempt to arrest downward propagation of the fracture and make it develop outward and upward.

**Suggested treatment:**

4000 gals lease crude containing 1/20# Adomite Mark II/gal.  
Spearhead with 500 gals lease crude.  
750# S041 - (Polymer coated sand)  
1850# - R20-40 sand  
Injection rate 3 bpm using Twin Diesel pumper. Maintain 3 bpm through first half of treatment. Increase to 4 bpm for second half.

The well should be equipped with tubing and packer and tailpipe, as it could screen out at this low rate. Packer and tubing will facilitate cleaning out. The purpose of the low rate is to allow sand to drop to the bottom of the fracture being created and sand it off. The Polymer sand swells in contact with water and will tend to shut off the fracture in the water zone.

**Alternate treatment:**

3500 gals 3% Frac Acid 20  
Spearhead with 500 gals Frac Acid 20.  
2500# R20-40 sand  
Displacement rate 3 bpm through first half of treatment and increase to 4-5 bpm for second half using Twin Diesel pumper.

The well should be equipped with tubing, packer and tailpipe for reasons explained above.



**DOWELL** DIVISION OF THE DOW CHEMICAL COMPANY

Cost of Dowell Service:

Plan I	
Pumper	300.00
Blender	77.00
Adomite Mark II	110.00
S041 (Polymer Sand)	187.50
2040 sand	63.30
Ton mileage on sand	10.00
License fee	44.00
Total	\$791.80

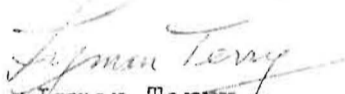
\* This quote is exclusive of any frac tank or sales tax.

Plan II	
Pumper	300.00
Blender	77.00
Acid	78.47
Inhibitor	6.00
J99	56.00
Sand	63.30
Ton mileage	10.00
License fee	44.00
Total	\$634.77

\* This quote is exclusive of any frac tank or sales tax.

To repeat, either of these treatments employs the Divertafrac technique of sand placement. Should neither of these treatments meet with your approval, we would like to discuss other possibilities with you.

We appreciate the opportunity given to make these recommendations and look forward to working with you on this well.

  
Lyman Terry  
vs



**K W B**  
OIL PROPERTY MANAGEMENT, INC.  
KENNEDY BUILDING  
TULSA, OKLAHOMA 74103



Mr. Richard M. Nixon  
20 Broad Street  
New York, New York



P E R S O N A L