

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. Contract No. 417		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME Huerfano Apache		
2. NAME OF OPERATOR SUNSHINE ENERGY CORPORATION			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P. O. Box 808, Farmington, New Mexico 87401			8. FARM OR LEASE NAME Huerfano "0"		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 790 feet from the South line & 790 feet from the West line. At proposed prod. zone Same as above			9. WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 10 Miles Southwest of Ojito New Mexico			10. FIELD AND POOL, OR WILDCAT Queen Delata Extension		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 790 Ft. 790 Ft.			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10, T-22N, R-3W		
16. NO. OF ACRES IN LEASE 2555.2 Acres			12. COUNTY OR PARISH Sandoval		
17. NO. OF ACRES ASSIGNED TO THIS WELL 1 1/2 321.15			13. STATE New Mexico		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None			19. PROPOSED DEPTH 7200 Ft.		
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7085 Ft. Cr.		
22. APPROX. DATE WORK WILL START*					

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10-3/4"	8-3/8"	24.00	250	115 cu. ft.
7-7/8"	5-1/2"	15.50	7200	1872 cu. ft.

It is proposed to drill this well to be completed in the Dakota formation. After the well is drilled, pipe will be run and cemented. The casing will then be perforated and sand water fraced. Tubing will be run and set at approximately 7000 feet.

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

24.

SIGNED Rudy B. Motto

TITLE

Area Superintendent

DATE

April 22, 1978

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

RECEIVED

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

ok Enak

MAY 16 1978

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator SUPRON ENERGY CORPORATION			Lease JICARILLA "O"		Well No. 1
Unit Letter M	Section 10	Township 22 NORTH	Range 3 WEST	County SANDOVAL COUNTY	
Actual Footage Location of Well: 790 feet from the SOUTH line and 790 feet from the WEST line					
Ground Level Elev. 7085	Producing Formation DAKOTA		Pool CHACON EXTENSION		Dedicated Acreage: Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable well be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Rudy D. Motto
Name

Rudy D. Motto
Position

Area Superintendent
Company

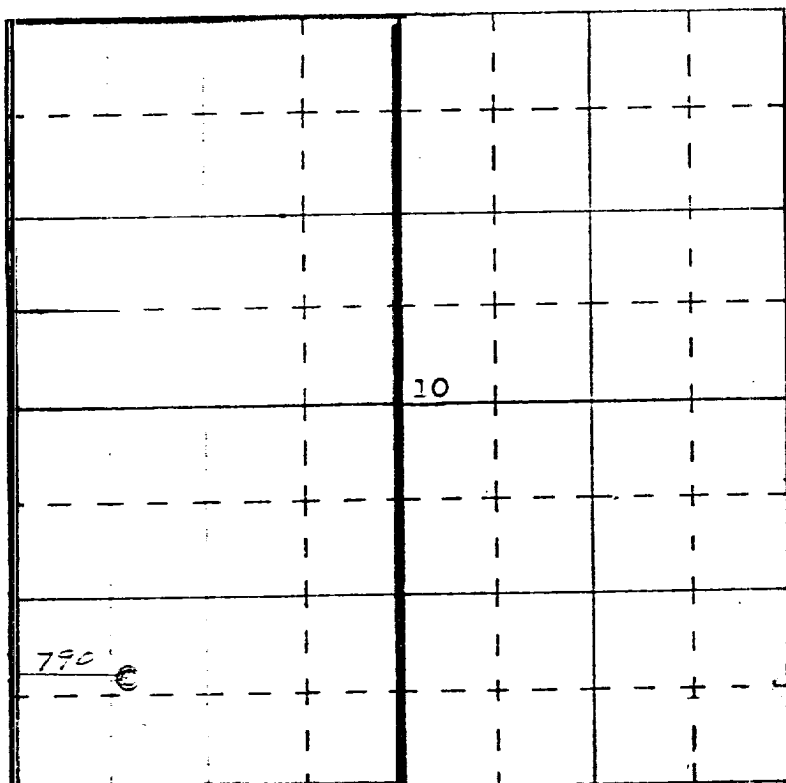
Supron Energy Corporation
Date

April 28, 1978

I hereby certify that the well location shown on this 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.

20 April 1978
Date Surveyed

James P. Leese
Registered Professional Engineer
and/or Land Surveyor **James P. Leese**



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

Certificate No. **1463**

May 12, 1978

United States Geological Survey
P. O. Box 1809
Durango, Colorado 81301

Attention: Mr. Jerry Long

Dear Sir:

Supron Energy Corporation proposes to drill the Jicarilla "O" No. 1 well located 790 feet from the South line and 790 feet from the West line of Section 10, Township 22 North, Range 3 West, N.M.P.M., Sandoval County, New Mexico.

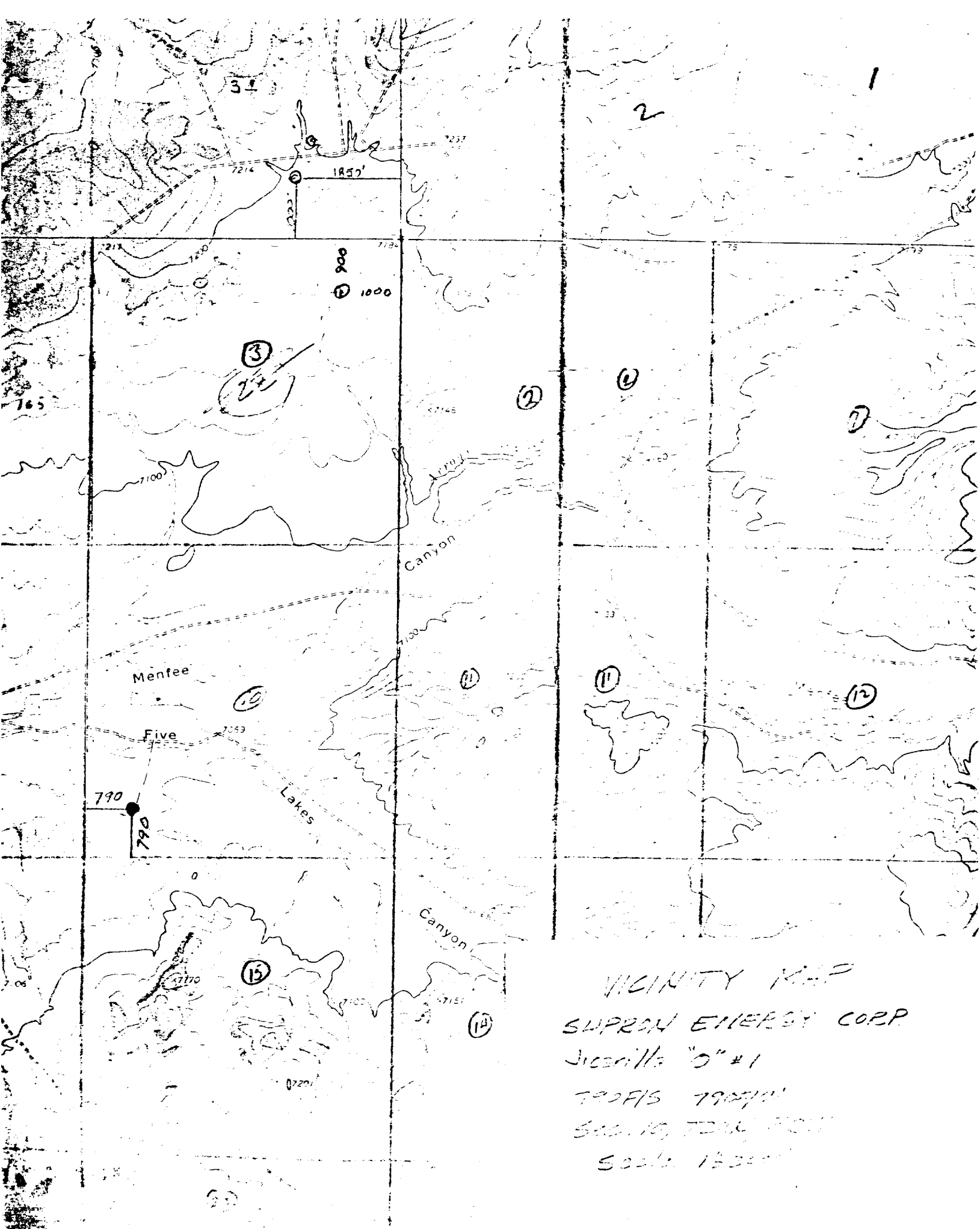
The following attachments are included with this application:

1. Map of existing roads.
2. Planned access road which is approximately 1200 feet long.
3. Location of existing wells.
4. Lateral roads to well locations.
5. Location of surface equipment if required.
6. Drilling and Completion water will be obtained from the water hole on the Largo Arroyo located NE 1/4 of Section 8, Township 24 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.
7. Waste will be disposed of by being placed in the reserve pit and buried upon completion of the well.
8. There will be no camp at or near the well site.
9. There will be no air strip.
10. A plat is attached showing the location of the rig, mud tanks, reserve pit, burn pit, etc.
11. A letter of Certification is attached and the operators representative is Rudy D. Motto, P. O. Box 808, Farmington, New Mexico 87401. Phone (505) 325-3587.
12. When the location is built the reserve pit will be fenced on three sides. After the well is drilled the reserve pit will be fenced off until it has dried. The reserve pit will then be filled and the location cleaned and bladed. The access road will be maintained to facilitate production of the well.
13. The soil is clay and sandy loam and the principal vegetation is Sage Brush.

JICARILLA "O" NO. 1

SUPPLEMENT TO FORM 9-331C

1. The Geologic name of the surface formation is, "Wasatch".
2. The estimated tops of important Geologic markers are:
 - A. Base of Ojo Alamo 2230 feet
 - B. Top of Pictured Cliffs 2430 feet
 - C. Top of Cliff House 3910 feet
 - D. Top of Point Lookout 4515 feet
 - E. Base of Greenhorn 6585 feet
 - F. Top of Dakota 6620 feet
3. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are:
 - A. Base of Ojo Alamo 2230 feet - - Water
 - B. Top of Pictured Cliffs 2430 feet - - Gas
 - C. Top of Cliff House 3910 feet - - Gas
 - D. Top of Point Lookout 4515 feet - - Gas
 - E. Top of Dakota 6620 feet - - Oil & Gas
4. The casing program is shown on Form 9-331C and all casing is new.
5. The lessee's pressure control equipment schematics are attached along with minimum specifications, testing procedures and frequencies.
6. The type, estimated volumes and characteristics of the circulating mediums are as follows:
 - A. From 0 feet to 250 feet - Natural mud.
 - B. From 250 feet to 7200 feet - Permaloid non dispersed mud containing 335 sx of Gel, 135 sx of permaloid and 20 sx of C.M.C. Mud weight will be maintained between 8.2# and 8.8#.
7. The auxiliary equipment to be used will be floats at the bit and a sub on the floor, with a full opening valve to be stabbed into the drill pipe when the Kelly is not in the string.
8. This well is in a partially developed area; therefore, we will not have a testing and coring program. The logging program will be as follows:
 - A. E.S. Induction
 - B. Gamma Ray Density
 - C. Gamma Ray Correlation
 - D. Cement Bond or Temperature
9. There are no anticipated abnormal pressures, temperatures or hydrogen sulfide problems expected in this partially developed area.
10. The anticipated starting date for this well is August 25, 1978.

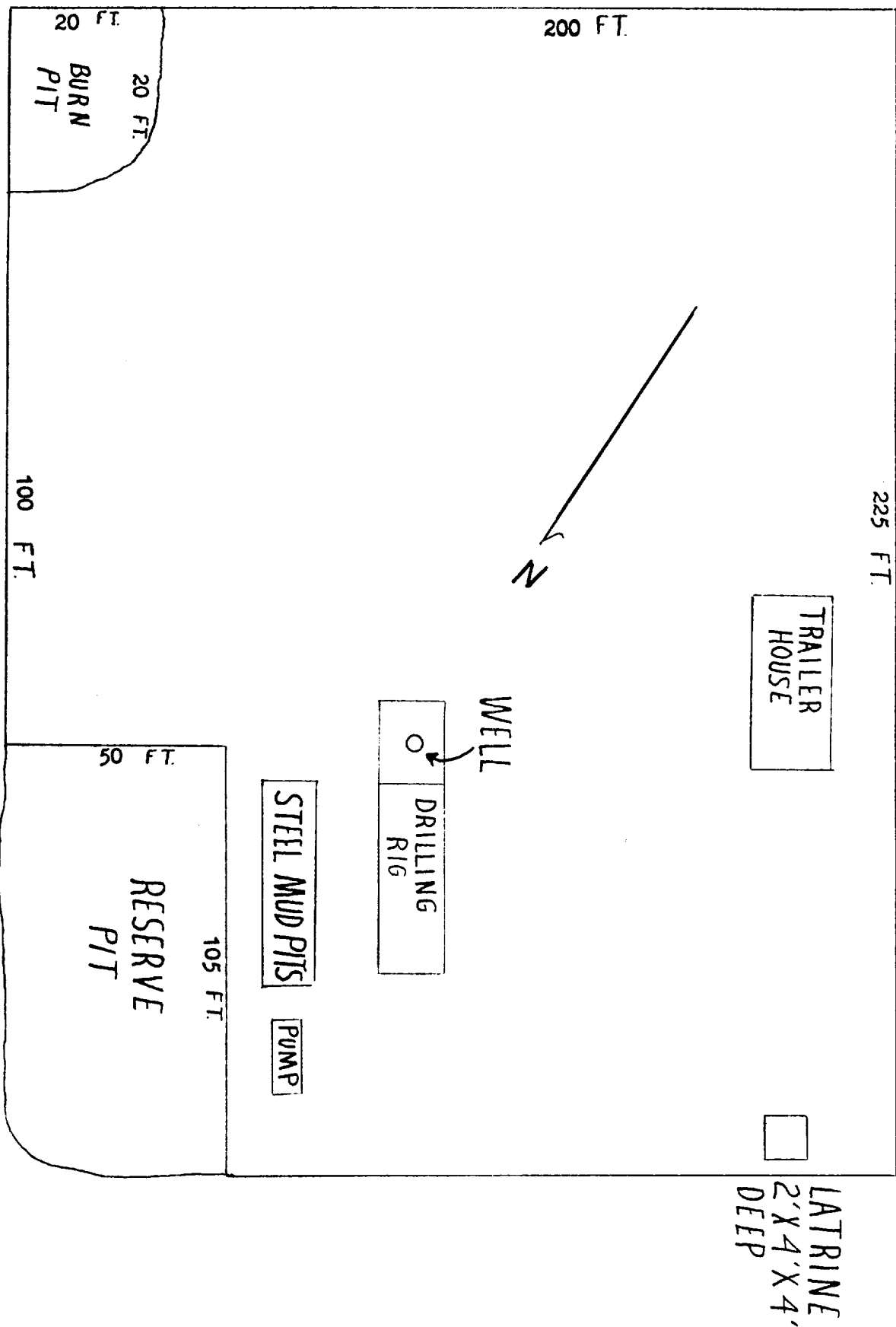


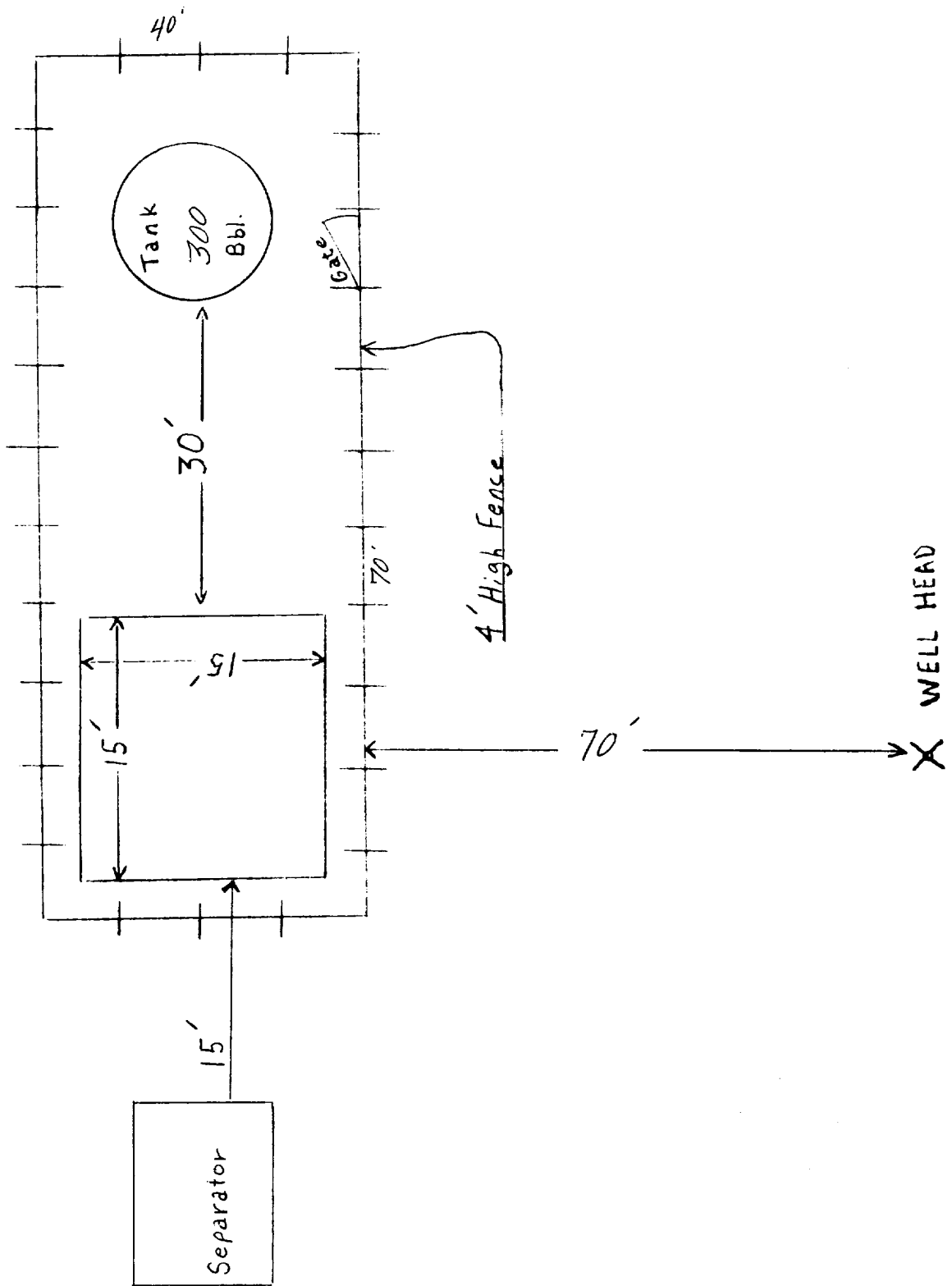
VICINITY MAP
SUPCON ENERGY CORP.
Jugorilla "O" #1

790F/S 7907/04
Soc. 10, 724, 724
Soc. 13000

SUPRON ENERGY CORPORATION - JICARILLA "0" NO. 1

Located 790 feet from the South line & 790 feet from the West line,
Section 10, T-22N, R-3W, N.M.P.M., Sandoval County, New Mexico.

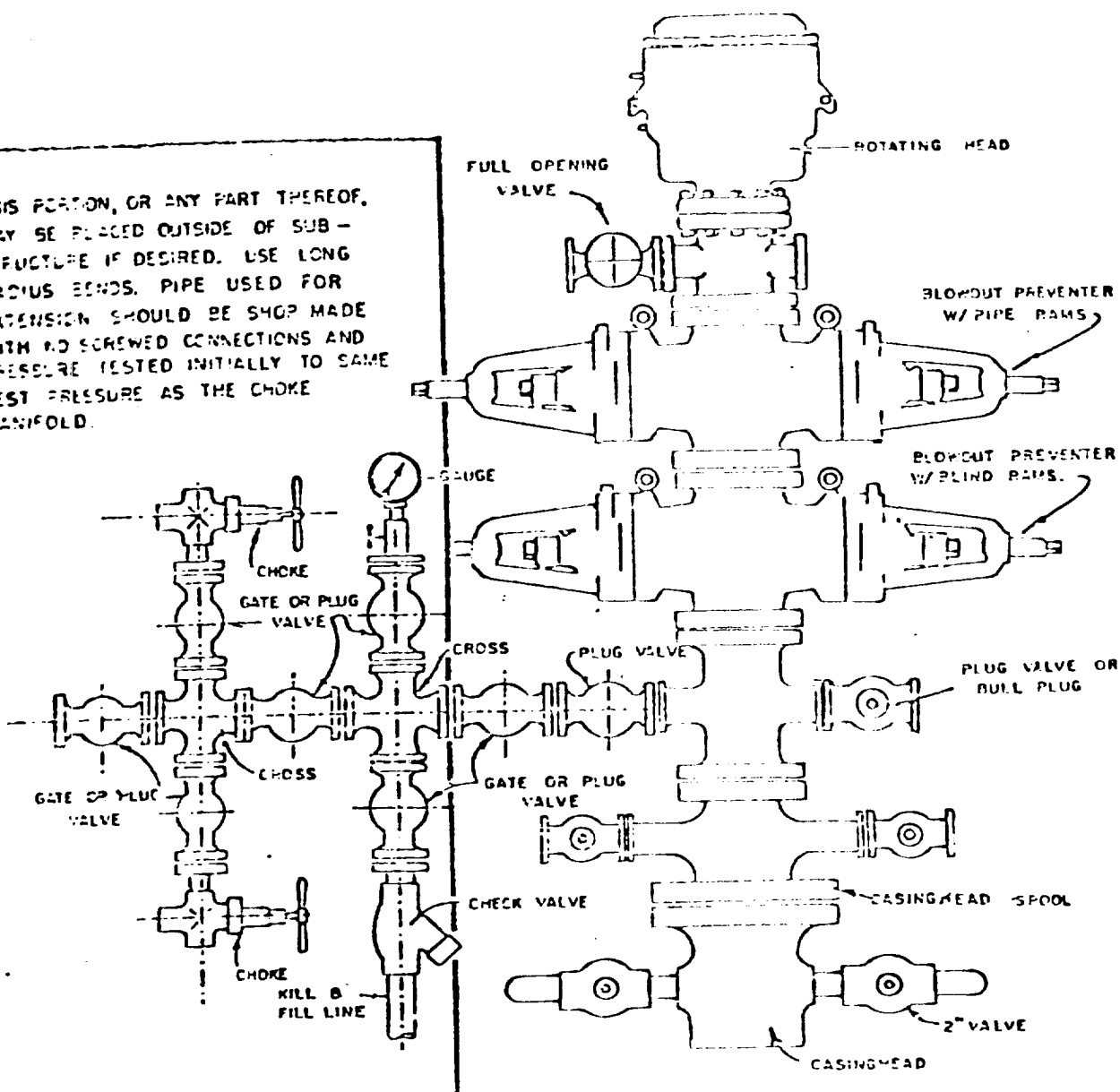




Blowout Preventer will be tested daily and prior to drilling out with the results to be logged on the drillers report.

The B.O.P. and all valve and fittings are rated at 3000 psi working pressure, and hydraulically operated

THIS PORTION, OR ANY PART THEREOF, MAY BE PLACED OUTSIDE OF SUB-STRUCTURE IF DESIRED. USE LONG RADIUS BENDS. PIPE USED FOR EXTENSION SHOULD BE SHOP MADE WITH NO SCREWED CONNECTIONS AND PRESSURE TESTED INITIALLY TO SAME TEST PRESSURE AS THE CHOKE MANIFOLD.



BLOWOUT PREVENTER HOOKUP

SUPRON ENERGY CORPORATION
POST OFFICE Box 808
FARMINGTON, NEW MEXICO 87401

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by SUPRON ENERGY CORPORATION and its contractors subcontractors in conformity with this plan and the terms and conditions under which it is approved.

SUPRON ENERGY CORPORATION



Rudy D. Motto

Area Superintendent

Phone: 325-3587