Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-045-24441

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Supron Energy Corp. c/o Gordon L. Llewellyn

3. ADDRESS OF OPERATOR: Suite 140 Campbell Centre, 8350 North Central Expressway, Dallas TX 75206

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1420' FSL & 1030' FEL (NE SE) I
At proposed prod. zone: Same

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U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

5. LEASE DESIGNATION AND SERIAL NO.: SF-078 432
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT AGREEMENT NAME: N/A
8. FARM OR LEASE NAME: Hodges
9. WELL NO.: # 17
10. FIELD AND POOL, OR WILDCAT: Ballard Pictured Cliffs
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 21 T26N R8W
12. COUNTY OR PARISH: San Juan
13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 26 miles SE of Blanco, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1030'
16. NO. OF ACRES IN LEASE: 2480
17. NO. OF ACRES ASSIGNED TO THIS WELL: 160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: -------
19. PROPOSED DEPTH: 2440'
20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6521' GR
22. APPROX. DATE WORK WILL START*: June 4, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-¼"	8-5/8" new	24# K-55ST&C	200'	single stage: circulate
6-¼"	2 7/8" new	6.5 # CW-55 8 rd.	2440'	to surface

1. Drill 12-¼" hole and set 8-5/8" surface casing to 200' with good returns
2. Log B.O.P. checks in daily drill reports and drill 6-¼" hole to 2440'.
3. Run tests if warranted and run 27/8" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

"A"	Location and Elevation Plat
"B"	The Ten-Point Compliance Program
"C"	The Blowout Preventer Diagram
"D"	The Multi-Point Requirements for A.P.D.
"E" & "E 1"	Access Road Maps to Location
"F"	Radius Map of Field
"G"	Drill Pad Layout, Production Facilities & Cut-Fill Cross-Section
"H"	Drill Rig Layout
"I"	Cultural Resource Inventory

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OIL CON. COM.
DIST. 3

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 [signature] TITLE Engineer Drilling & Prod. DATE 5/14/80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [signature] TITLE _____ DATE JUL 1 1980

CONDITIONS OF APPROVAL, IF ANY:

Std. C-104 for NSL

OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

APPROVED AS AMENDED
JAMES F. SIMS
DISTRICT ENGINEER

*See Instructions On Reverse Side

NMOCC

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 14-65

EXHIBIT "A" - Location & Elevation Plat

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
Supron Energy Corporation	SF-078432	Hodges #17

Unit Letter	Section	Township	Range	County
I	21	26 North	8 West	San Juan

Actual Footage Location of Well:
1420 feet from the South line and 1030 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6521	Pictured Cliffs	BALLARD Pictured Cliffs	160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

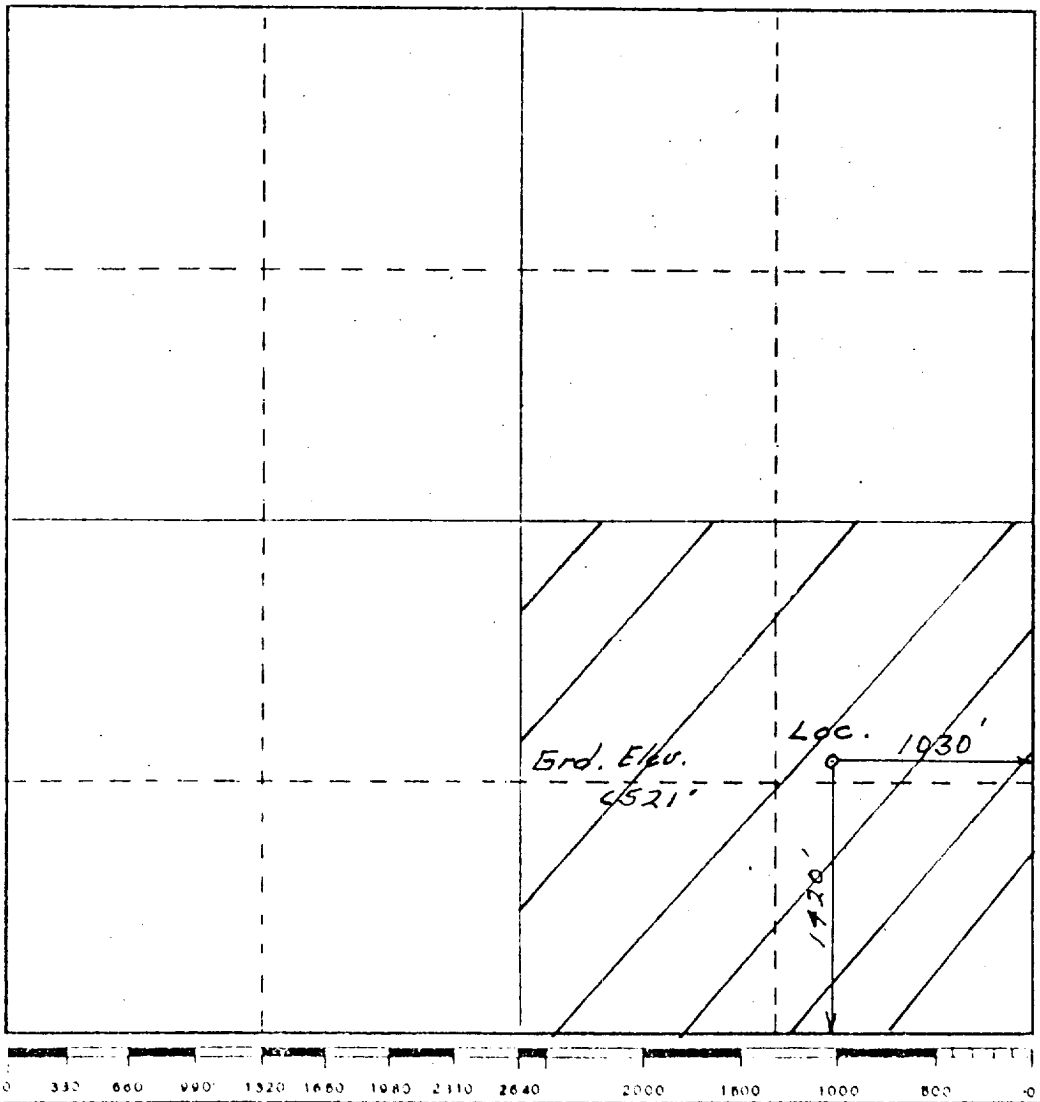
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, 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 been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, 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.

George Lapaseotes

Name George Lapaseotes
V. President Powers Elevation
Position
Agent Consultant for
Company
Supron Energy Corporation
Date
May 15, 1980

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.

JUL 2 1980 OIL CONSERVATION DIST. 3

18 April 1980
Date Surveyed
Gerald C. Huddleston
Registered Professional Engineer and/or Land Surveyor
6844
Certificate No.

NEW MEXICO — GERALD C. HUDDLESTON — 6844 — REGISTERED LAND SURVEYOR

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM

OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Supron Energy Corporation
Hodges #17
NE SE Sec. 21 T26N R8W
1420'FSL & 1030'FEL
San Juan County, New Mexico

1. The Geologic Surface Formation

The surface formation is the Wasatch.

2. Estimated Tops of Important Geologic Markers

Ojo Alamo	1450'
Kirtland	1641'
Fruitland	1971'
Pictured Cliffs	2276'
Total Depth	2440'

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

Ojo Alamo	1450'	Water
Kirtland	1641'	Water
Fruitland	1971'	Water
Pictured Cliffs	2276'	Gas

4. The Proposed Casing Program

HOLE SIZE	INTERVAL	SECTION LENGTH	SIZE (OD)	WEIGHT GRADE & JOINT	NEW OR USED
12-1/4"	0-200'	200'	8-5/8"	24# K-55 ST&C	New
6-1/4"	0-2440'	2440'	2-7/8"	6.5# CW-55 8rd.	New

Cement Plans: Single Stage - circulate to surface

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to half of working pressure after nippling up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include a floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

Mud system will be fresh water gel with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Heavier muds will be on location to be added if pressure requires.

DEPTH	TYPE	WEIGHT#/gal.	VISCOSITY-sec./qt.	FLUID LOSS cc
0-200'	Natural Mud	-----	------	------
200'-TD	Fresh Water Gel	8.4 - 9.5	35 - 45	less than 10

7. The Auxiliary Equipment to be Used

(a) No kelly cock will be used.

(b) A float will be used at the bit.

(c) Neither a mud logging unit nor a gas detecting device will be monitoring the system.

(d) A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string.

8. The Testing, Logging and Coring Programs to be Followed

(a) No DST's are anticipated.

(b) The logging program will consist of an IES and a GR Density over selected intervals. Other logs will be determined at well site to best evaluate any shows.

(c) No coring is anticipated.

(d) Stimulation procedures will be determined after evaluation of logs. If treatment is indicated, appropriate Sundry Notice will be submitted.

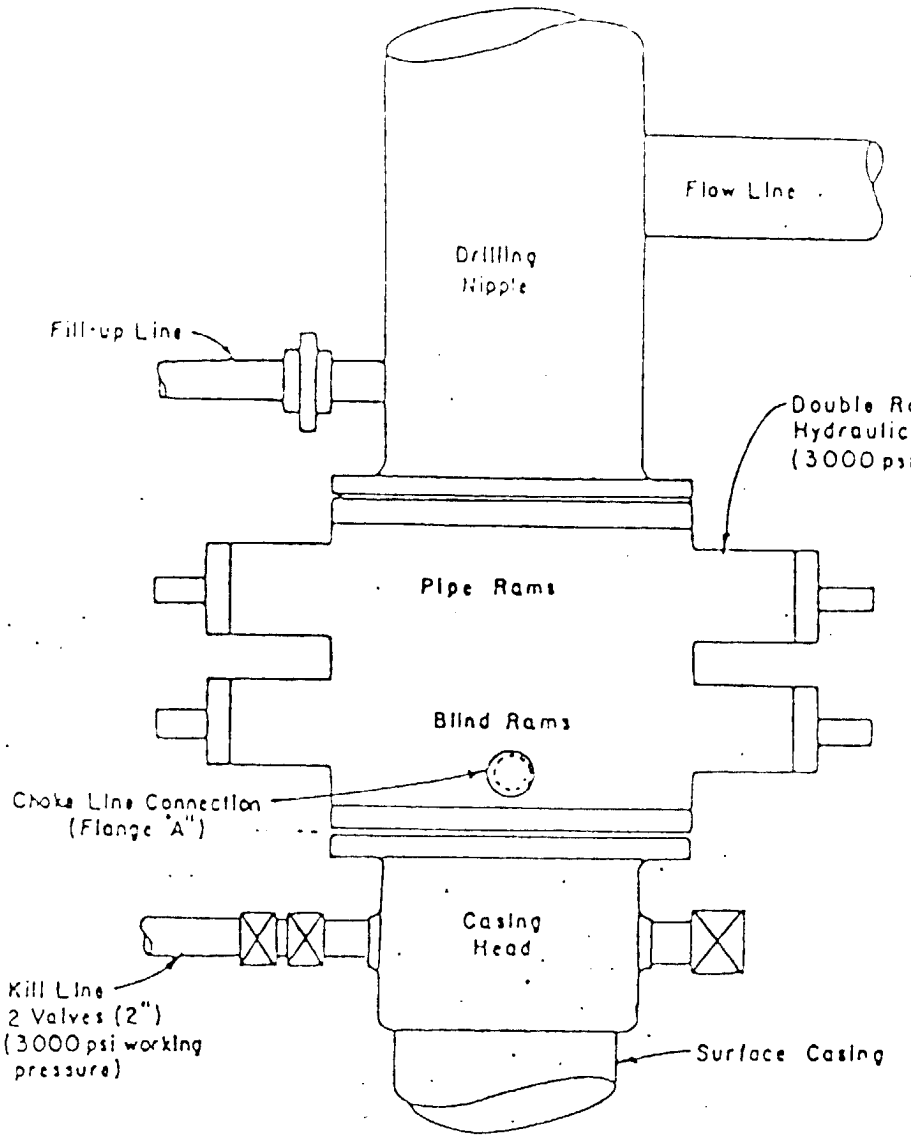
9. Any Anticipated Abnormal Pressures or Temperatures

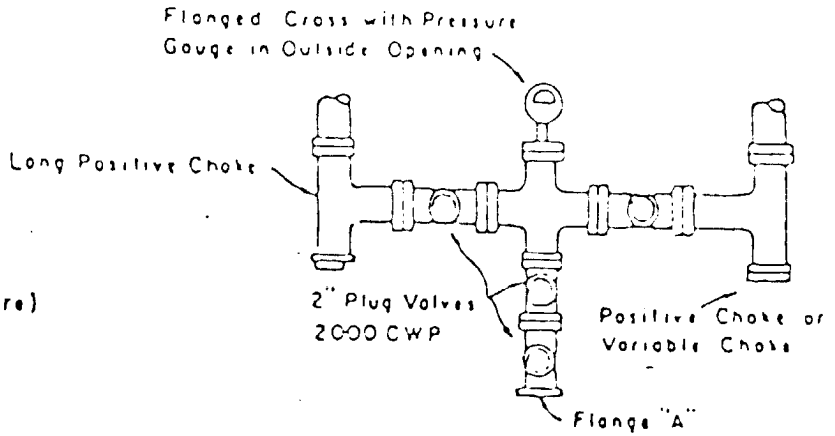
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for June 4, 1980, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 5 days after spudding the well and drilling to casing point.





PLAN VIEW - CHOKE MANIFOLD

Blowout Preventer Diagram

EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Attached to Form 9-331C
Supron Energy Corporation
Hodges #17
NE SE Sec. 21 T26N R8W
1420' FSL & 1030' FEL
San Juan County, New Mexico

1. Existing Roads

A. The proposed well site and elevation plat is shown as EXHIBIT "A".

B. The distance from Blanco, New Mexico is 26 miles. Proceed East 0.8 mile on Highway #17; thence take Cutter Dam road and CR #80 across bridge 7.2 miles to CR #58; thence South on CR #58 6.8 miles to East turn and low water crossing; cross river and continue South (Parallel to river) 8.7 miles to NW-SE pipeline road; thence Southeast 1.0 mile; thence Northeast 1.0 mile; thence 0.3 mile to producing well Hodges #14 and beginning access road; thence Northerly on access 0.2 mile to location, as shown on EXHIBITS "E" & "E_1".

C. All roads to location are color-coded on EXHIBITS "E" & "E_1". An access road 0.2 mile from the existing oil field road will be required, as shown on EXHIBITS "E" & "E_1".

D. N/A

E. This is a development well. All existing roads within a one-mile radius are shown on EXHIBIT "E".

F. The existing roads need no improvement.

2. Planned Access Roads

Map showing all necessary access roads to be constructed or reconstructed is shown as EXHIBIT "E_1" for the following:

(1) The maximum width of the running surface of the 0.2 mile of access road, extending beyond the existing oil field road will be 18'.

(2) The grade will be 8% (eight percent) or less.

(3) No turn outs are planned.

(4) Appropriate water bars will be constructed to assure drainage off location to conform with the natural drainage pattern.

(5) No culverts are needed. No major cuts or fills are anticipated along access road during drilling operation.

(6) Surfacing materials will be native soil.

(7) No gates, cattle guards, or fence cuts are needed.

(8) The new access road to be constructed was staked and centerline flagged, as shown on EXHIBIT "E_1".

3. Location of Existing Wells

For all existing wells within a one mile radius of development well, see EXHIBIT "F".

(1) There are no water wells within a one-mile radius of this location.

(2) There is one abandoned well in this one-mile radius.

(3) There are no temporarily abandoned wells.

(4) There are no disposal wells.

(5) There are no wells presently being drilled.

(6) There are 12 producing wells within this one-mile radius.

(7) There are no shut-in wells.

(8) There are no injection wells.

(9) There are no monitoring or observation wells for other uses.

4. Location of Existing and/or Proposed Facilities

A. Within a one-mile radius of location the following existing facilities are owned or controlled by lessee/operator:

(1) Tank Batteries: None

(2) Production Facilities: None

(3) Oil Gathering Lines: None

(4) Gas Gathering Lines: None

(5) Injection Lines: None

(6) Disposal Lines: None

B. If the well is productive, new facilities will be as follows:

(1) Production facilities will be located on the drill pad, as shown on EXHIBIT "G".

(2) All well flow lines will be buried and will be on the well site and battery site.

(3) Facilities will be 340 feet long and 125 feet wide.

(4) All construction materials for battery site and pad will be obtained from site. No additional material from outside sources is anticipated.

(5) Any necessary pits will be fenced and flagged to protect livestock and wildlife.

C. Rehabilitation, whether well is productive or dry, will be made on all unused areas in accordance with B.L.M. stipulations.

5. Location and Type of Water Supply

A. The source of water will be the San Juan River 25 miles North of location, as shown on EXHIBIT "E".

B. Water will be transported by truck over existing roadways.

C. No water well is to be drilled on this lease.

6. Construction Materials

A. No construction materials are needed for drilling well or constructing access roads into the drilling location unless well is productive. The surface soil materials will be sufficient or will be purchased from Dirt Contractor as needed.

B. No construction materials will be taken off Federal land.

C. All surface soil materials for construction of access roads are sufficient.

D. All major access roads presently exist as shown on EXHIBIT "E_1".

7. Handling of Waste Materials and Disposal

(1) Drill cuttings will be buried in the reserve pit.

(2) Drilling fluids will be handled in the reserve pit.

(3) Any fluids produced during drilling test or while making production test will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in reserve pit. Any spills of oil, gas, salt water or other noxious fluids will be cleaned up and removed.

(4) Chemical toilet facilities will be provided for human waste.

(5) Garbage, waste, salts and other chemicals produced during drilling or testing will be handled in trash/burn pit. Drill fluids, water, drilling mud and tailings will be kept in reserve pit, as shown on EXHIBIT "H". The trash/burn pit will be totally enclosed with small mesh wire to prevent wind scattering trash before being burned or buried. Reserve pit will be fenced on three sides and the fourth side fenced upon removal of the rig.

(6) After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until the pit has dried and is filled.

8. Ancillary Facilities

No air strip, camp or other facilities will be built during drilling of this well.

9. Well Site Layout

(1) EXHIBIT "G" is the Drill Pad Layout as staked, with elevations, by Powers Elevation of Durango, Colorado. Cuts and fills have been drafted to visualize the planned cut across the location spot and the deepest part of the pad. Topsoil will be stockpiled per BLM specifications determined at time of pre-drill inspection.

(2) EXHIBIT "H" is a plan diagram of the proposed rig and equipment, reserve pit, trash/burn pit, pipe racks and mud tanks. No permanent living facilities are planned. There will be a trailer on site.

(3) EXHIBIT "G" is a diagram showing the proposed production facilities layout.

(4) The reserve pits will not be lined.

10. Plans for Restoration

(1) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils materials will be buried or hauled away immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.

(2) The soil banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the BLM. Revegetation is recommended for road area, as well as around drill pad.

(3) Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until leveling and cleanup are accomplished.

(4) If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substances will be flagged overhead or covered with wire mesh.

(5) The rehabilitation operations will begin immediately after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best in Fall, 1981, unless requested otherwise.

11. Other Information

(1) The soil is a sandy loam. No distinguishing geological features are present. The area is covered with cactus, sagebrush, juniper, cedar and native grass. There are livestock, rabbits and deer in the area. The topography drains Southwest, the location is bounded by drains on the North and South.

(2) The primary surface use is for grazing. The surface is owned by the U.S. Government.

(3) The closest live water is the San Juan River 25 miles North of the location, as shown on EXHIBIT "E".

The closest occupied dwelling is located 5 miles Northwest along Blanco Canyon, as shown on EXHIBIT "E_1".

There are no known archaeological, historical, or cultural heritages that will be disturbed by this drilling.

(4) There are no reported restrictions or reservations noted on the oil and gas lease.

(5) Drilling is planned for on or about June 4, 1980. It is anticipated that the casing point will be reached within 5 days after commencement of drilling.

12. Lessee's or Operator's Representative

George Lapaseotes
Agent Consultant for
Supron Energy Corporation
600 South Cherry Street
Suite 1201
Denver, Colorado 80222
Phone (303) 321-2217

Jerry L. Lee
Supron Energy Corporation
c/o Gordon L. Llewellyn
Suite 140 Campbell Centre
8350 North Central Expressway
Dallas, Texas 75206
Phone (214) 692-7021

13. Certification

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 and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5-15-80
Date

George Lapaseotes
Agent Consultant for
Supron Energy Corporation

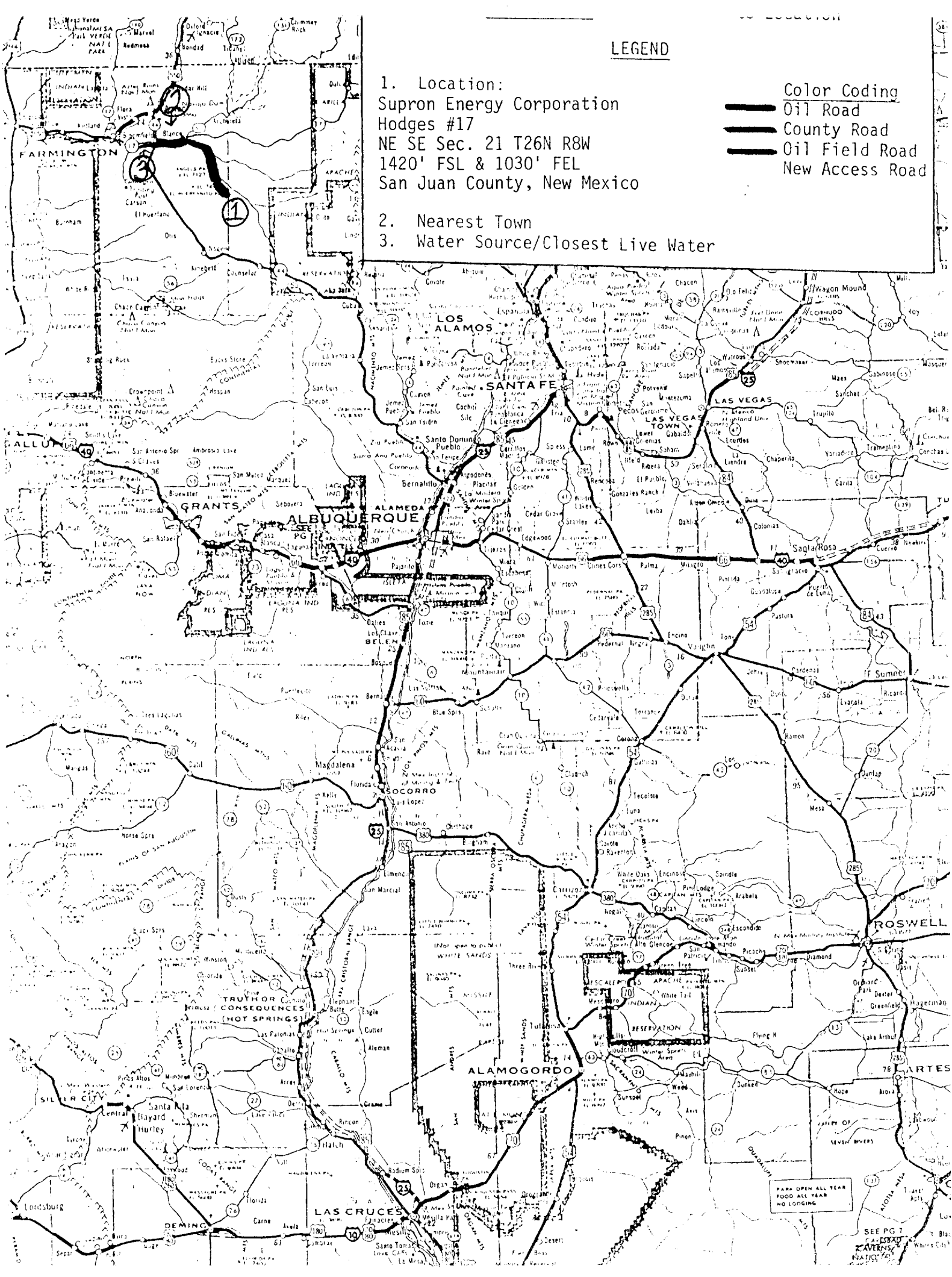

LEGEND
1. Location:
Supron Energy Corporation
Hodges #17
NE SE Sec. 21 T26N R8W
1420' FSL & 1030' FEL
San Juan County, New Mexico
2. Nearest Town
3. Water Source/Closest Live Water
Color Coding
Oil Road
County Road
Oil Field Road
New Access Road
FARMINGTON
LOS ALAMOS
SANTA FE
LAS VEGAS
GRANTS
ALBUQUERQUE
Santa Rosa
SOCORRO
ROSWELL
TRUTH OR CONSEQUENCES (HOT SPRINGS)
ALAMOGORDO
LAS CRUCES
DEMING
SILVER CITY
Lordsburg
CARLSBAD
PARK OPEN ALL YEAR
FOOD ALL YEAR
NO LONGING
SEE PG 7

EXHIBIT "E-1"

Detail of Access Road

1. Location:
Supron Energy Corporation
Hodges #17
NE SE Sec. 21 T26N R8W
1420' FSL & 1030' FEL
San Juan County, New Mexico

2. Closest Dwelling

Color Coding
County Road
Oil Field Road
New Access Road

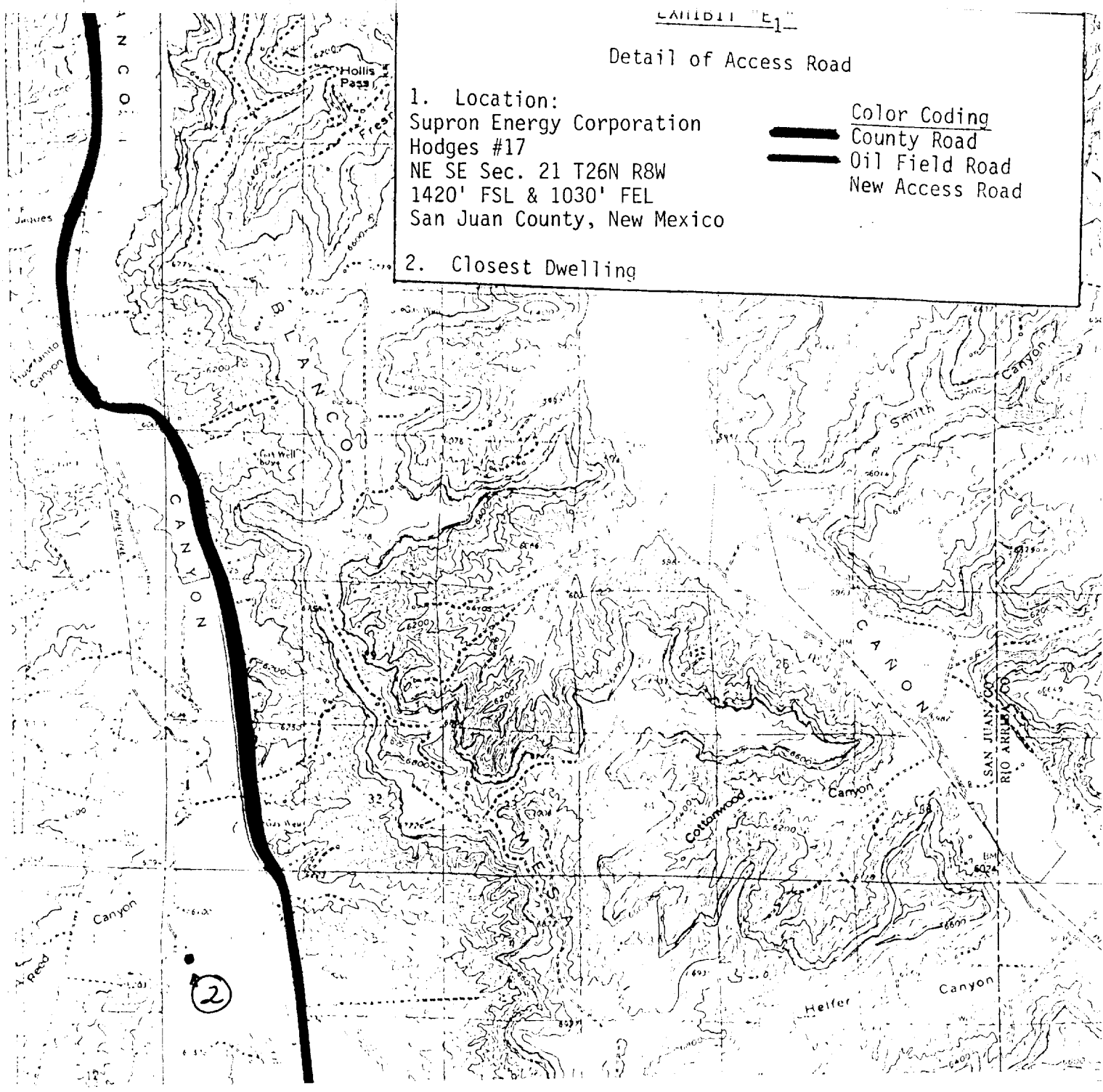


EXHIBIT "F"
Radius Map of Field

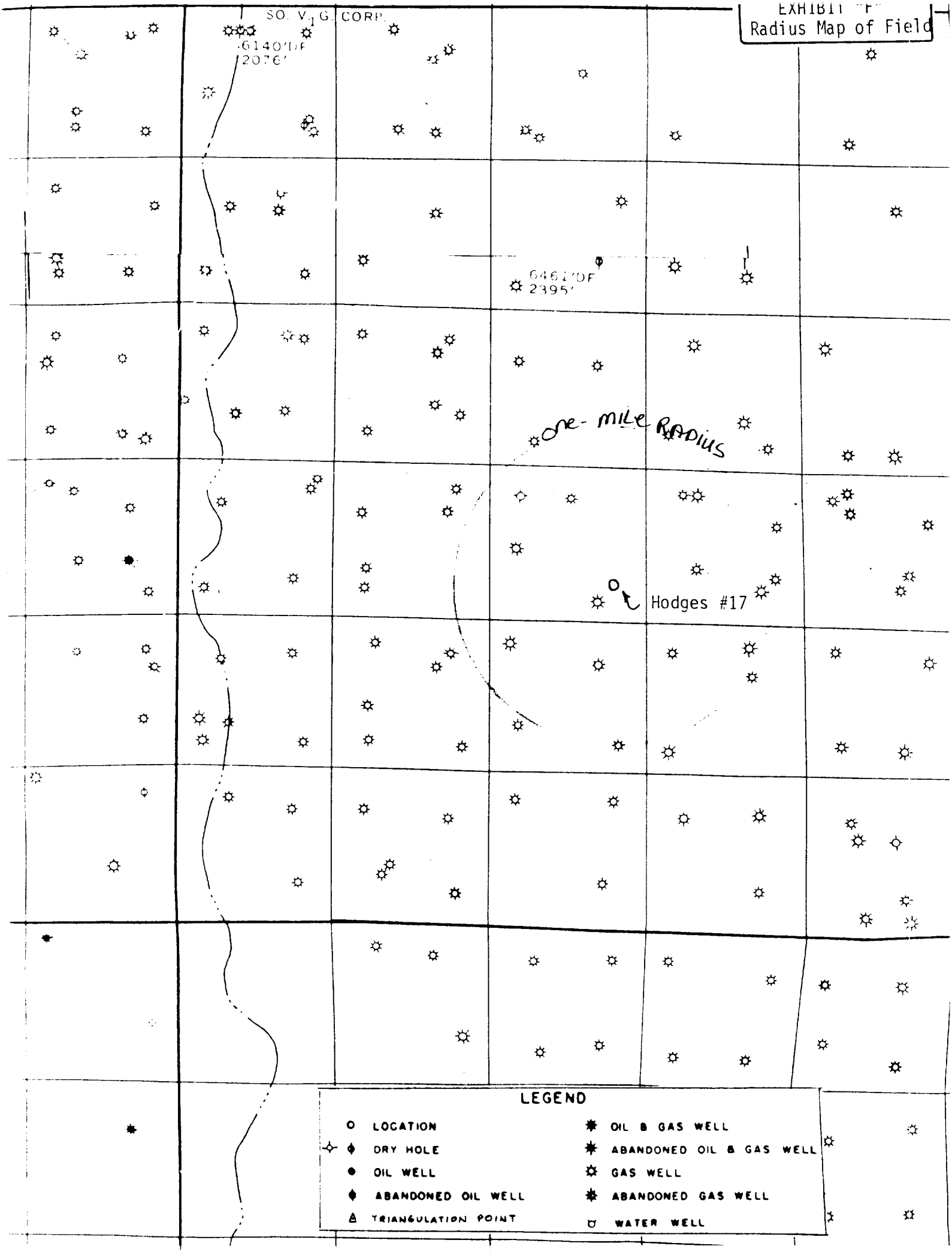


Exhibit G - Drill Pad Layout, Production Facilities Layout & Cut-Fill Cross Section

POWERS ELEVATION COMPANY, INC.

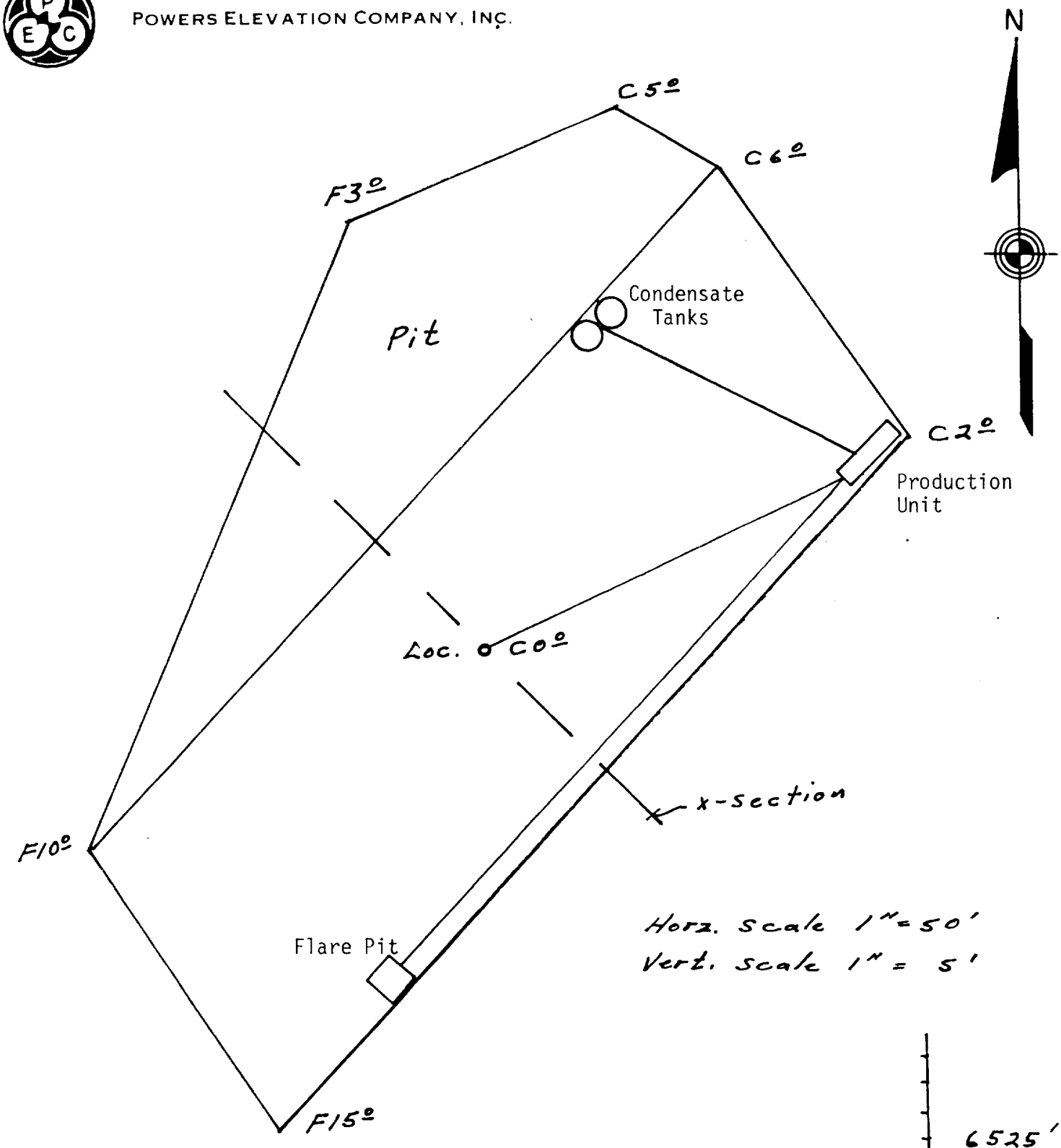
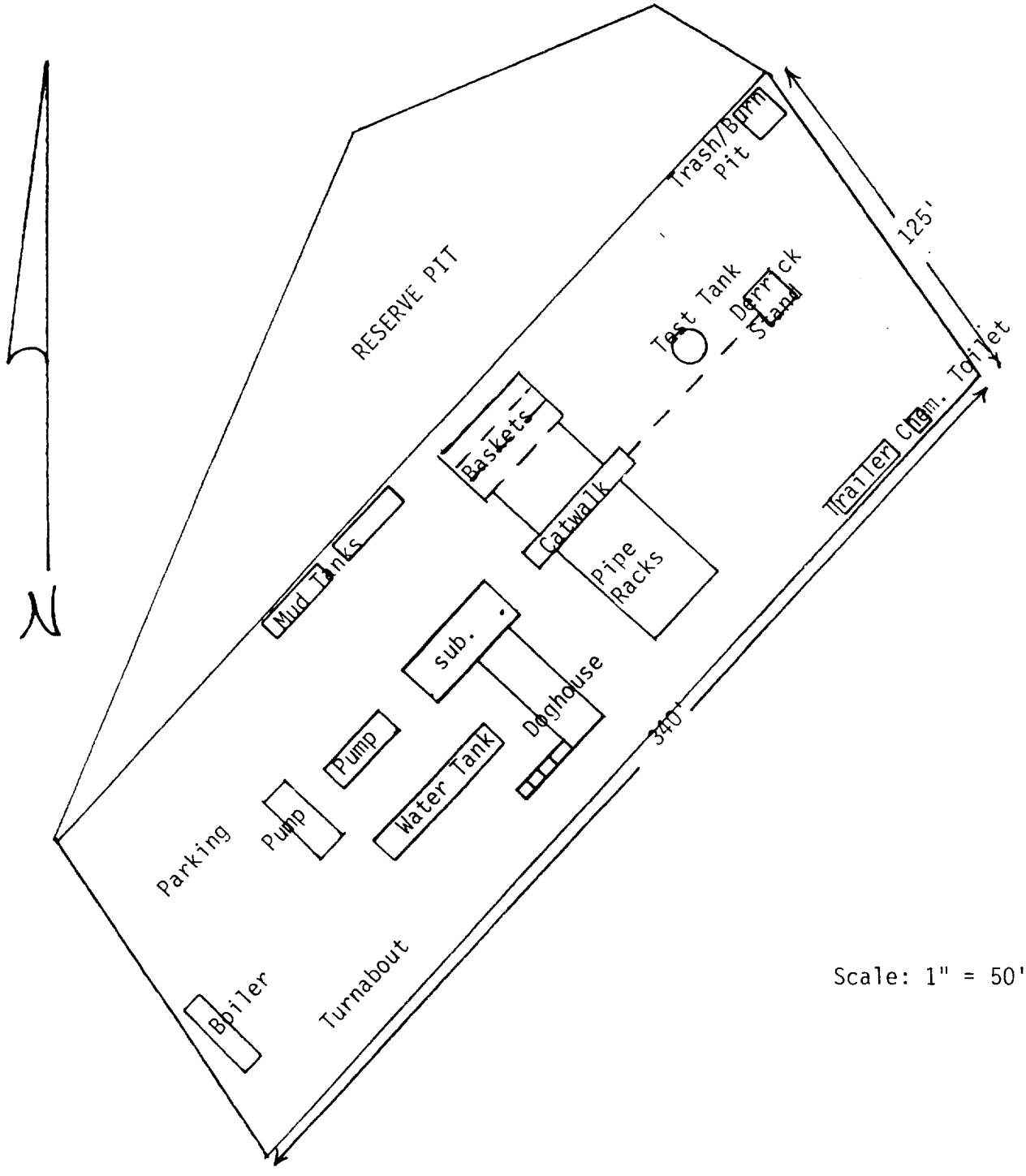


EXHIBIT "H"
Drill Rig Layout

Supron Energy Corporation
Hodges #17



Scale: 1" = 50'