

EXHIBIT "B"
TEN-POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Supron Energy Corporation
Newsom A #6E
SW NE Sec. 15 T26N R8W
1800'FNL & 1890'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	1862'
Kirtland	2240'
Fruitland	2606'
Pictured Cliffs	2888'
Chacra	3764'
Cliffhouse	4461'
Point Lookout	5163'
Gallup	5733'
Greenhorn	7128'
Dakota	7229'
Total Depth	7470'

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

Ojo Alamo	1862'	Water
Kirtland	2240'	Water
Fruitland	2606'	Water
Pictured Cliffs	2888'	Gas
Chacra	3764'	Water
Cliffhouse	4461'	Gas
Point Lookout	5163'	Gas
Gallup	5733'	---
Greenhorn	7128'	---
Dakota	7229'	Gas

4. The Proposed Casing Program

HOLE SIZE	INTERVAL	SECTION LENGTH	SIZE (OD)	WEIGHT GRADE & JOINT	NEW OR USED
12-1/4"	0-300'	300'	8-5/8"	24# K-55 ST&C	New
6-1/4"	0-2000'	2000'	4-1/2"	10.5# K-55 ST&C	New
	2000'-6000'	4000'		10.5# CW-55 ST&C	
	6000'-7470'	1470'		10.5# K-55 ST&C	

Cement Plans: 3 Stage - D.V. Tool to cover Pictured Cliffs and Mesa Verde

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 nipping 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

The well will be drilled with air and 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
0-300'	Fresh Water Gel	8.4 - 9.5	35 - 45	less than 10
300'-6000'	Fresh Water Gel	8.4 - 9.5	35 - 45	less than 10
6000'-TD	Air	-----	-----	-----

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 August 23, 1980, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 3 weeks after spudding the well and drilling to casing point.

Blowout Preventer Diagram

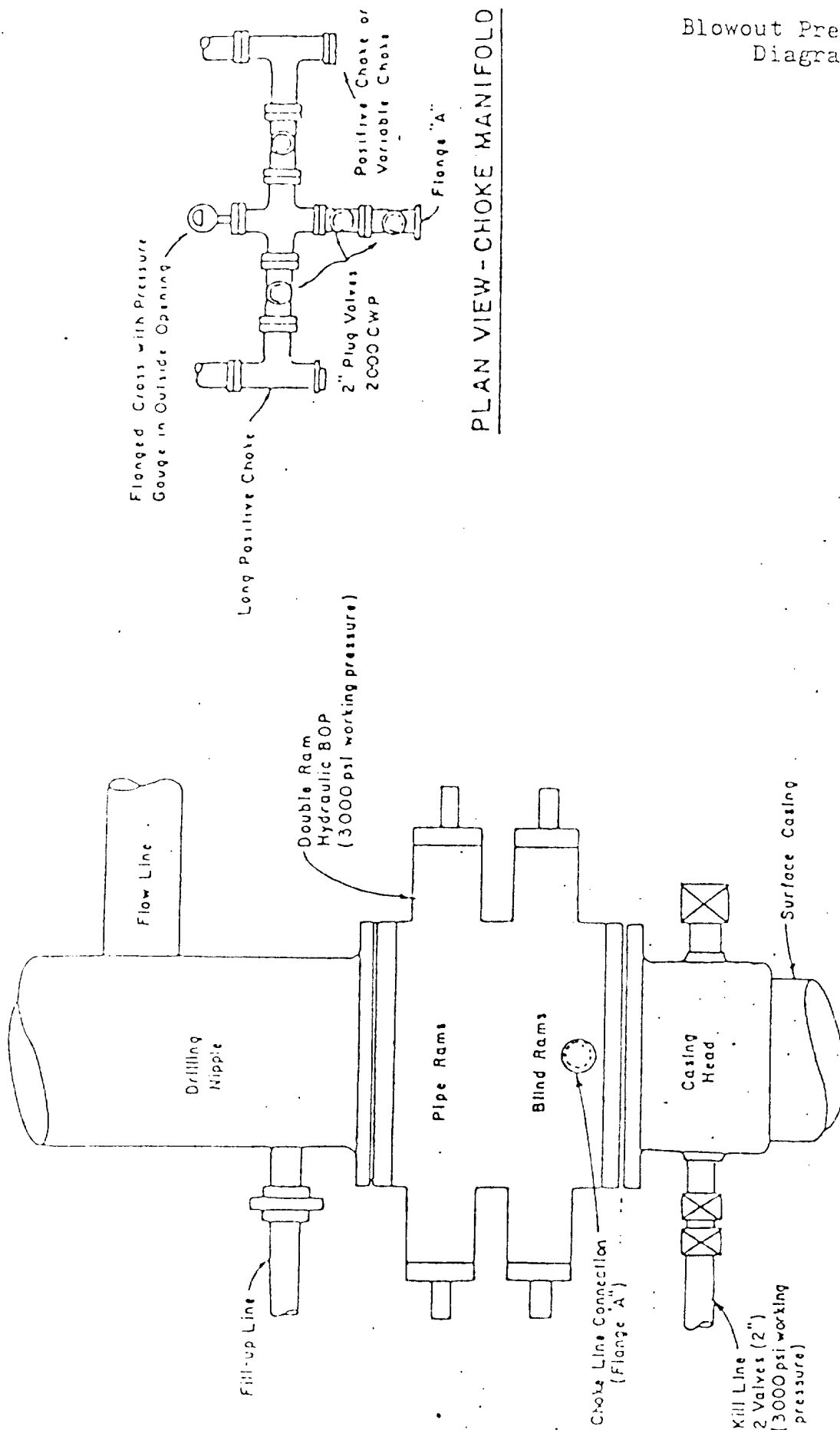


EXHIBIT "D"

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

Attached to Form 9-331C
Supron Energy Corporation
Newsom A #6E
SW NE Sec. 15 T26N R8W
1800' FNL & 1890' 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 33.1 miles. From Post Office proceed East 0.8 mile on Highway #17; then 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, thence 1.1 miles on NW-SE pipeline road; thence South 0.9 mile; thence 2.3 miles Southeast to Duffers Point; thence East 0.7 mile to fork; thence 4.6 miles to beginning of access road, thence East 50' on access road to location, as shown on EXHIBITS "E" & "E₁".
- C. All roads to location are color-coded on EXHIBITS "E" & "E₁". An access road 50' from the existing oil field road will be required, as shown on EXHIBITS "E" & "E₁".
- 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 "E₁" for the following:

- (1) The maximum width of the running surface of the 50 feet 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 "E₁".

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 are no abandoned wells 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 14 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 solid ground of cut area of 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 355 feet long and 160 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 27 miles Northwest of the 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 "E₁".

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, cedar and native grass. There are livestock, rabbits, antelope and deer in the area. The topography is flat gently sloping to the Northeast.
- (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 27 miles Northwest of the location.

The closest occupied dwelling is 7 miles West-Northwest along Blanco Canyon, as shown on EXHIBIT "E₁".

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 August 23, 1980. It is anticipated that the casing point will be reached within 3 weeks 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.

Date

5-15-80

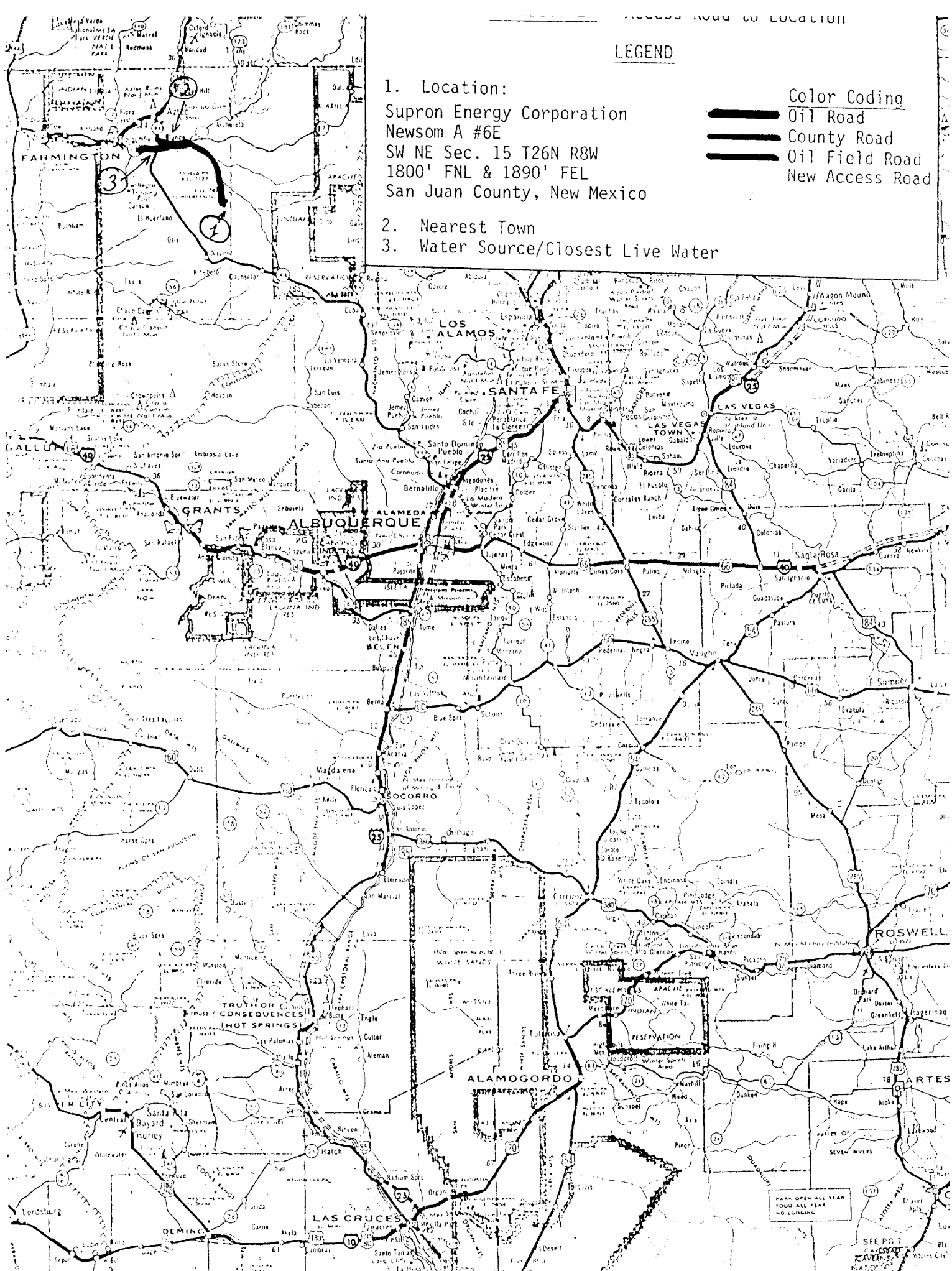

George Lapaseotes
Agent Consultant for
Supron Energy Corporation

LEGEND

1. Location:
Supron Energy Corporation
Newsom A #6E
SW NE Sec. 15 T26N R8W
1800' FNL & 1890' 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



Detail of Access Road

1. Location:
Supron Energy Corporation
Newsom A #6E
SW NE Sec. 15 T26N R8W
1800' FNL & 1890' FEL
San Juan County, New Mexico

Color Coding
County Road
Oil Field Road
New Access Road

2. Closest Dwelling

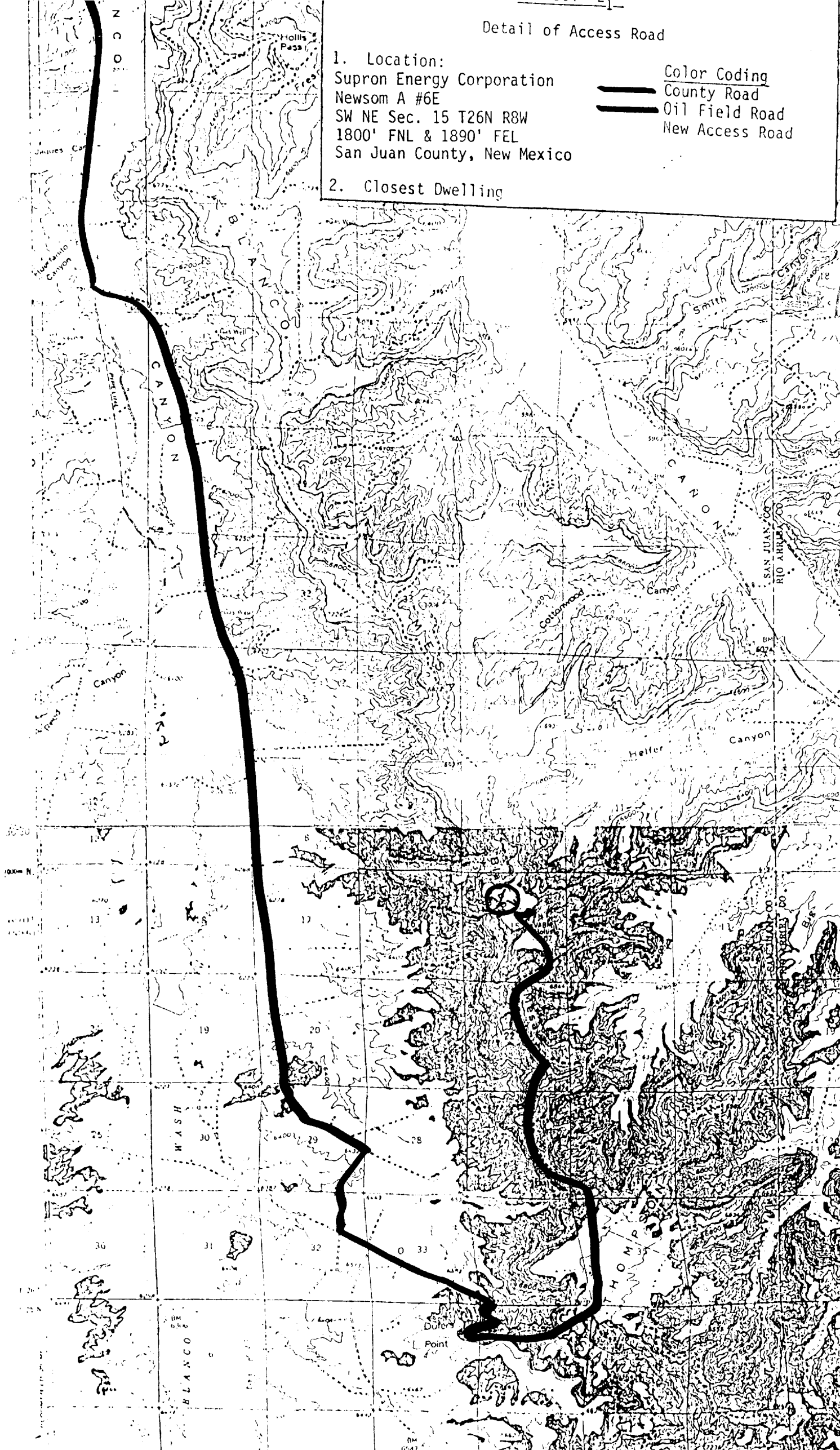
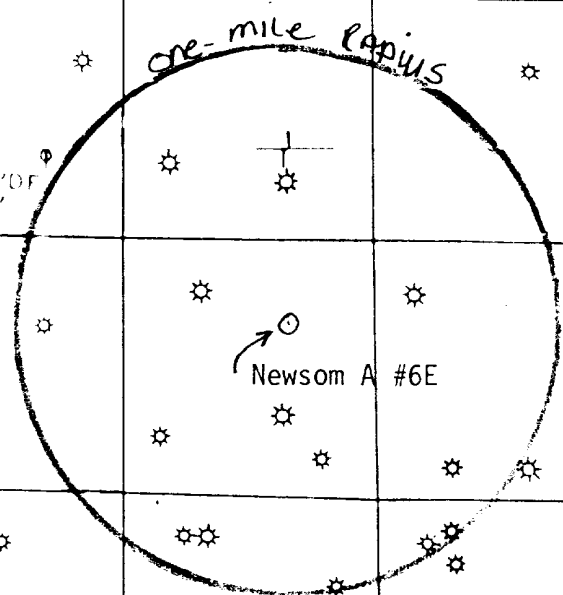


EXHIBIT "F"
Radius Map of Field



LEGEND

- | | |
|-----------------------|----------------------------|
| ○ LOCATION | ★ OIL & GAS WELL |
| ◇ DRY HOLE | ✱ ABANDONED OIL & GAS WELL |
| ● OIL WELL | ☆ GAS WELL |
| ◆ ABANDONED OIL WELL | ✱ ABANDONED GAS WELL |
| △ TRIANGULATION POINT | ⊕ WATER WELL |

BOLACK ET AL

1
6641'DF
2400'



POWERS ELEVATION

OIL WELL ELEVATIONS AND LOCATIONS
CHERRY CREEK PLAZA, SUITE 1201
800 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

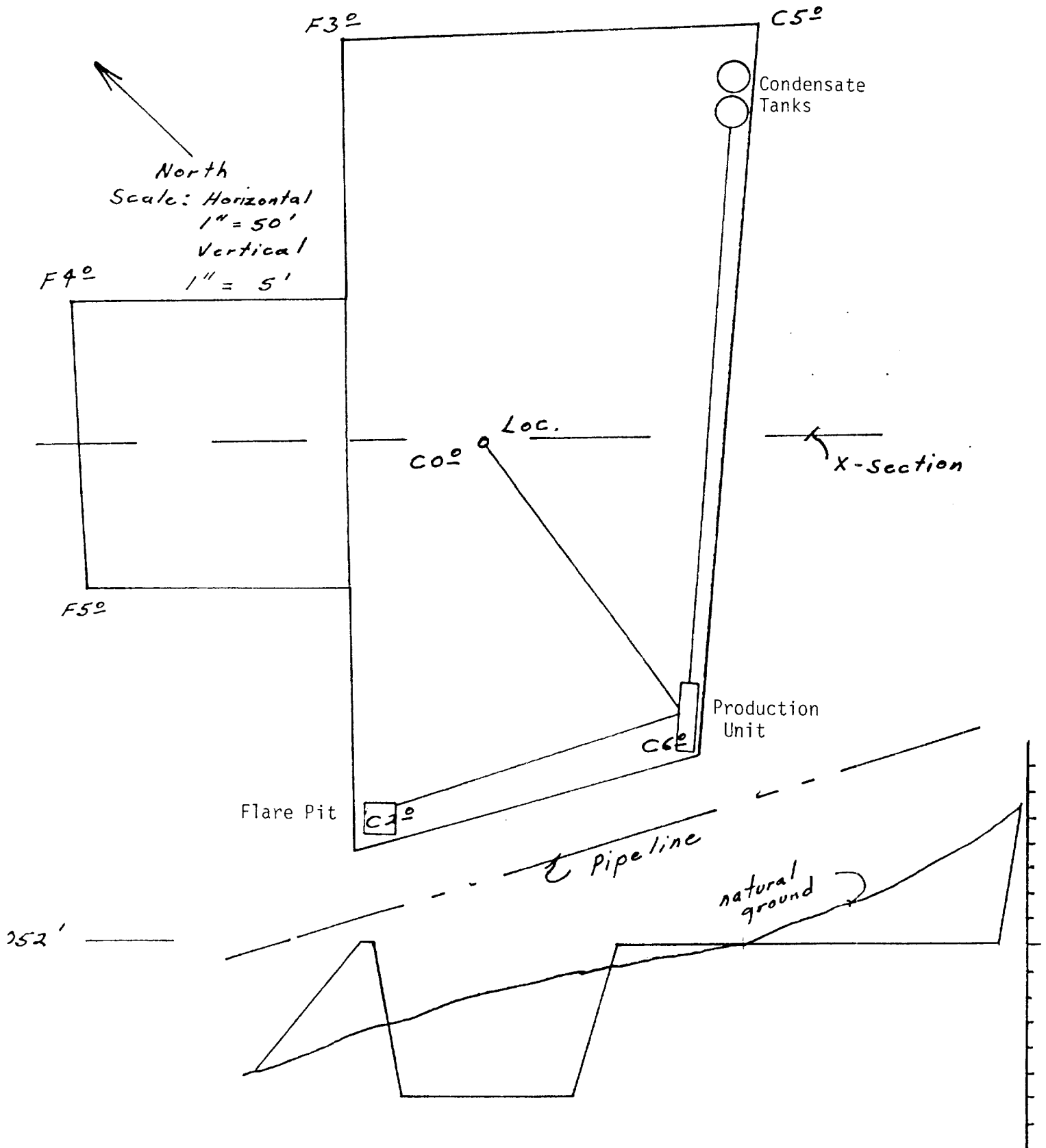
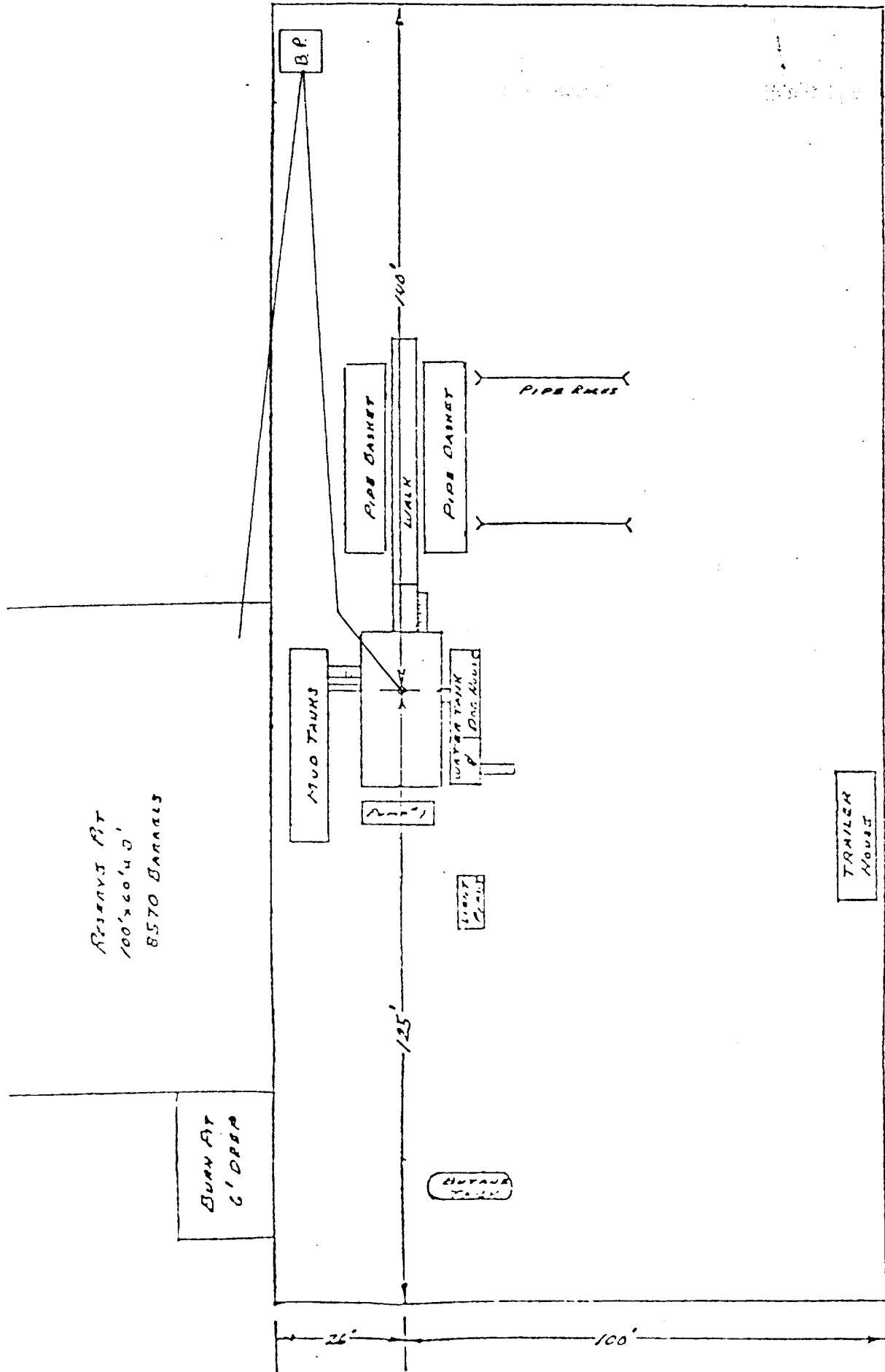
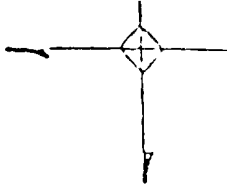


EXHIBIT "H"
Drill Rig Layout



KENAI DRILLING OF NEW MEXICO, INC.
RIG NO. 10

0 10 20 30
1 IN. = 30 FEET



POWERS ELEVATION

L-1111D11 1
Cultural Resource Inventory

OIL WELL ELEVATIONS AND LOCATIONS
CHERRY CREEK PLAZA, SUITE 1201
800 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

Project Identification: Archaeological survey for Supron Energy Corporation proposed Newsom #6E well pad, surrounding 40 acres, and access. This investigation meets the requirements of applicable historic preservation laws and Executive Order 11593.

Antiquities Permit No.: April 22, 1980

Personnel: Brian O'Neil, field investigator, Bruce E. Rippeteau and Marcia Tate, principal Investigators.

Map Reference: Nageesi 15' 1959

Files Search: A files search conducted by the Museum of New Mexico indicated that no sites have been previously recorded in the study area.

Location/Description: The proposed well pad is located 1800' FNL, 1890' FEL, SW $\frac{1}{4}$ of NE $\frac{1}{4}$ Section 15, T26N, R8W in San Juan County, New Mexico. The well pad is 250' x 300'. The access is approximately 100' long from an existing gas road and was incorporated within the survey area.

Environment: In the general area is Blanco Mesa. The well pad is situated on a flat on the north side of a rise on top of Blanco Mesa marked by VABM Hollis 7107. The drainage of the area is of a dendritic pattern, with an intermittent tributary to Canyon Largo located one mile to the east of the project area.

The vegetation cover is 40% with excellent visibility. The general area vegetation is Pinon-Juniper, sagebrush, bayonet yucca, snake weed, Russian Thistle, Gramma grasses, Buffalo grass, Prickly Pear Cactus. These are also located in the project area.

The soil is light reddish brown with fine sandy eolian silt with a depth of 10 meters plus. It has a moderate potential for buried deposits.

Field Methodology: A 400 ft. radius area (10 acres) from the center stake was surveyed in parallel east/west transects at intervals of 20 meters. Access was incorporated within well pad survey area from the existing road.

Results/Recommendations: No cultural resource materials were found. Cultural resource clearance is recommended for the project. If cultural resource materials are uncovered during construction activity, work should be halted immediately and the appropriate BLM officials should be notified.



Dupron Energy Corp.
Jewson#6E, well pad
USGS Quad Nageesi 15' 1959
SW $\frac{1}{4}$ OF NE $\frac{1}{4}$ of Sec. 15, T26N, R8W
San Juan County, NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

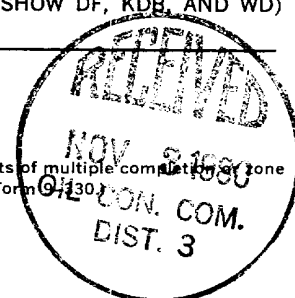
1. oil ☐ gas ☒ other ☐
2. NAME OF OPERATOR
Supron Energy Corp. c/o John H. Hill, et al.
3. ADDRESS OF OPERATOR Kysar Building, Suite 020
300 W. Arrington, Farmington, New Mexico 87401
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 1800' FNL & 1850' FEL (SW NE)
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input checked="" type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) <input type="checkbox"/>	<input type="checkbox"/>

5. LEASE
SF -078430
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A
7. UNIT AGREEMENT NAME
N/A
8. FARM OR LEASE NAME
Newsom
9. WELL NO.
6-E
10. FIELD OR WILDCAT NAME
Basin Dakota
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 15 T26N R8W
12. COUNTY OR PARISH
San Juan
13. STATE
New Mexico
14. API NO.
15. ELEVATIONS (SHOW DF, KDB, AND WD)
7052' GR

(NOTE: Report results of multiple completion zone change on Form 9-331-C)



17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. Spudded 12 1/4" hole, drilled to 370' at 1:00 A.M., 10/2/80. Cement circulated.
2. Ran 7 joints (306') of new 8 5/8", 18# ST&C, 1 joint of new 8 5/8", 23.56#, ST&C (47.5').
3. Set and cemented at 354.5'.
4. Cemented with 275 sacks Ideal Class B, 9 sacks Calcium Chloride, 3 sacks of flo-cele.
5. Plug down at 7:30 P.M..
6. Circulation good thruout job, circulated 12 barrels cement.
7. Check water shut-off at 900#, with 10" 900 Series Gardner-Denver Blow-out Preventer.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Herman V. Wallis TITLE Exploration and Development Superintendent DATE OCT 10 1980

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

BW

NOV 10 1980