

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-045-24561

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

2. TYPE OF WELL

Oil Well ☐

Gas Well ☒

OTHER

Single Zone ☐

Multiple Zone ☒

3. NAME OF OPERATOR

Supron Energy Corporation c/o Gordon L. Llewellyn

4. ADDRESS OF OPERATOR

The Lakes at Bent Tree  
17400 Dallas Parkway, Ste. 210, Dallas, Texas 75252

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements\*)

At surface  
1610' FNL & 800' FWL (SW NW)

At proposed prod. zone  
same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

35.3 miles Southeast of Blanco New Mexico

7. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drilg. unit line, if any)

800'

8. NO. OF ACRES IN LEASE

1122

9. NO. OF ACRES ASSIGNED

TO THIS WELL

321.2 W/320.80 + 160.80

10. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

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11. PROPOSED DEPTH

5400'

12. ROTARY OR CABLE TOOLS

Rotary

13. ELEVATIONS (Show whether DF, RT, GR, etc.)

6705' GR

14. APPROX. DATE WORK WILL START\*

September 15, 1980

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" New	24# K-55 ST&C	300'	2 stage D.V. Tool to
6-1/4"	4-1/2" New	10.5# CW-55ST&C	5400'	cover Pictured Cliffs

1. Drill 12-1/4" hole and set 8-5/8" surface casing to 300' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 6-1/4" hole to 5400'.
3. Run tests if warranted and run 4-1/2" 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<sub>1</sub>" Access Road Maps to Location
- "F" Radius Map of Field
- "G" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Section
- "H" Drill Rig Layout



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

*Gordon L. Llewellyn*

TITLE Engineer, Drilling & Production September 2, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITION OF APPROVAL IF ANY:

*Steve Wandy*

TITLE

DATE

\*See Instructions On Reverse Side

11/10/80

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT Form C-102  
Supersedes C-120  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

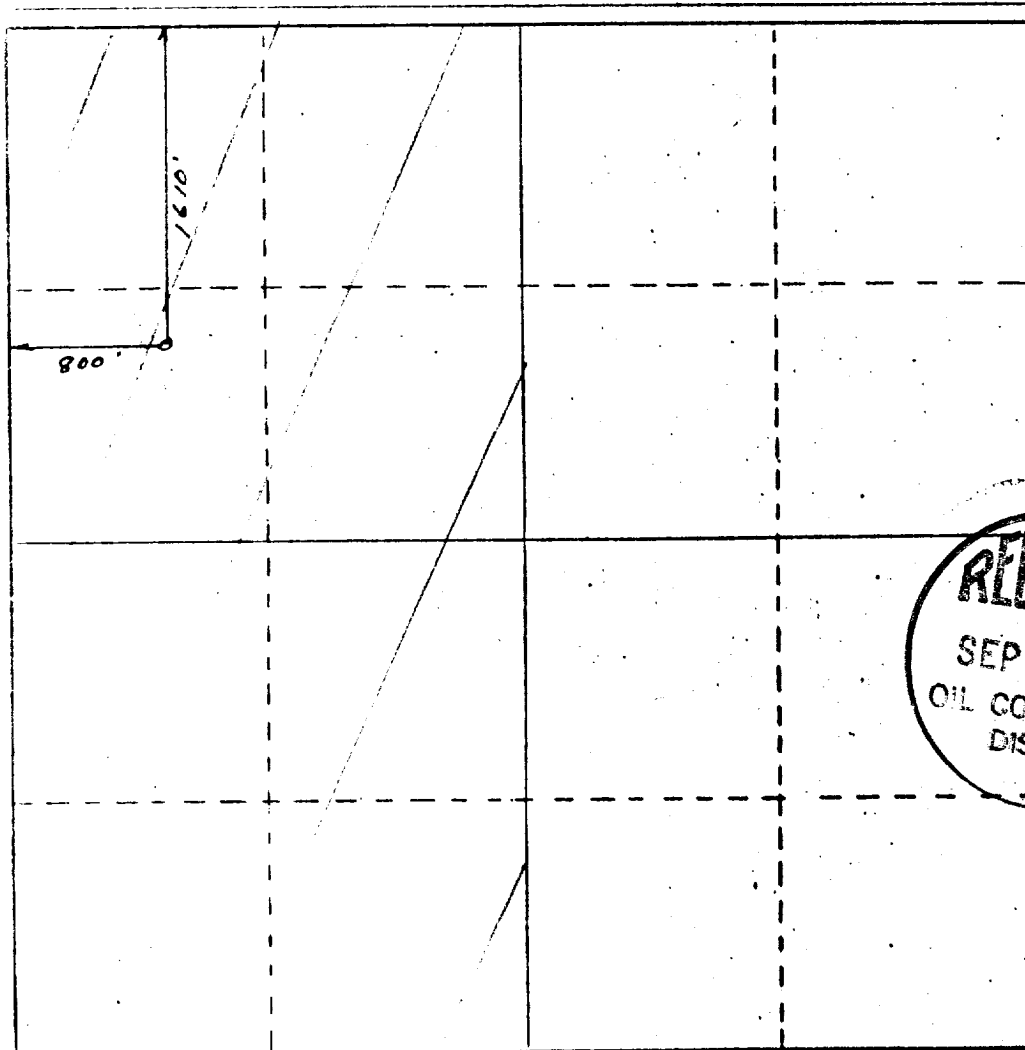
Lessee <b>Supron Energy Corporation</b>		Lease <b>NM SF-02901</b>		Well No. <b>Newson A#13</b>	
Section <b>E</b>	Section <b>3</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>	
Location of Well: <b>1610</b> feet from the <b>North</b> line and <b>800</b> feet from the <b>West</b> line.					
Surface Elev. <b>6705'</b>	Producing Formation <b>Point Lookout</b>	Pool <b>Blaney me #1</b>	Dedicated Acreage: <b>321.2</b>		Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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. Pres-Powers Elevation

Position

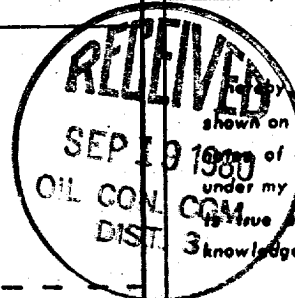
Agent Consultant for

Company

**Supron Energy Corporation**

Date

**September 2, 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.

**17** Date Surveyed  
*George Lapaseotes*  
Registered Professional Engineer  
and/or Land Surveyor

**6814**  
**REGISTERED LAND SURVEYOR**  
Certificate No. \_\_\_\_\_

0 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800 3000

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

Attached to Form 9-331C  
Supron Energy Corporation  
Newson A #13  
SW NW Sec. 3 T26N R8W  
1610' FNL & 800' FWL  
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	1681'
Kirtland	1908'
Fruitland	2373'
Pictured Cliffs	2748'
Chacra	3480'
Cliffhouse	4130'
Point Lookout	4830'
Total Depth	5400'

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

Ojo Alamo	1681'	Water
Kirtland	1908'	Water
Fruitland	2373'	Water
Pictured Cliffs	2748'	Gas
Chacra	3480'	Water
Cliffhouse	4130'	Gas
Point Lookout	4830'	Gas

4. The Proposed Casing Program

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE &amp; JOINT</u>	<u>NEW OR USED</u>
12-1/4"	0 - 300'	300'	8-5/8"	24# K-55 ST&C	New
6-1/4"	0 - 5400'	5400'	4-1/2"	10.5# CW-55 ST&C	New

Cement Program

2 Stage - D.V. Tool to cover Pictured Cliffs

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, 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.

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT #/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSS cc</u>
0 - 300'	Natural Mud	----	-----	-----
300' - T.D.	Fresh Water	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 mud logging unit nor 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 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

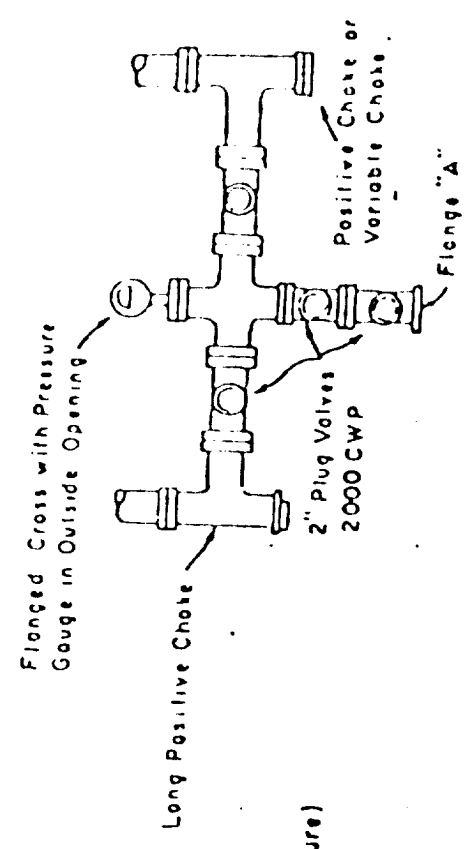
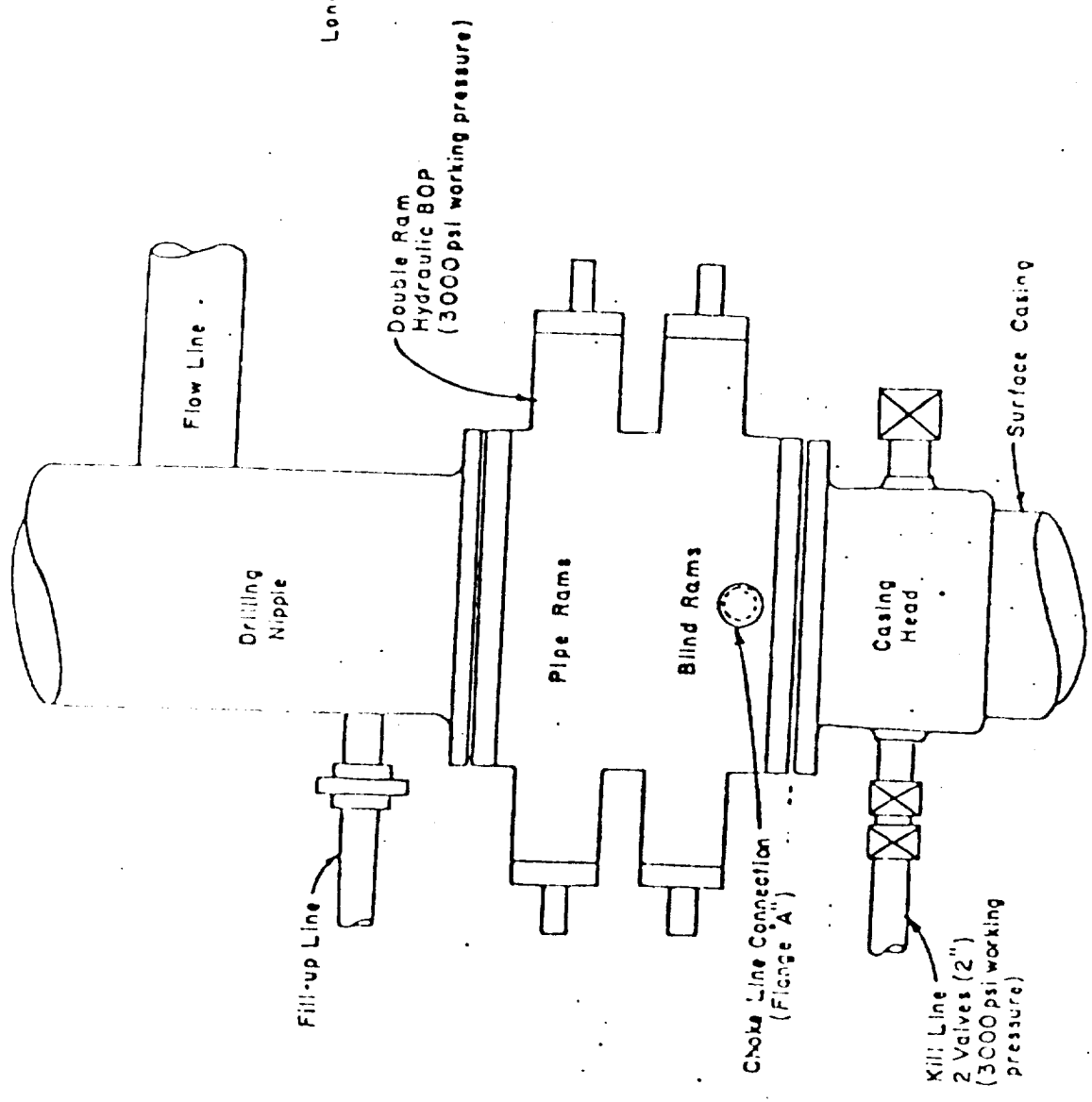
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

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 September 15, 1980, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 10 days after spudding the well and drilling to casing point.

# Blowout Preventer Diagram



PLAN VIEW-CHOKE MANIFOLD

## EXHIBIT "D"

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

Attached to Form 9-331C  
Supron Energy Corporation  
Newsom A #13  
SW NW Sec. 3 T26N R8W  
1610' FNL & 800' FWL  
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 35.3 miles. From Blanco go East on State Highway #173 0.8 mile to CR-80; thence go Southeast on CR 80 6.9 miles to CR-58; thence go 7.8 miles on CR-58 and cross wash; thence continue South parallel to wash 8.6 miles; thence go Southeast on field road 1.3 miles; thence go South 0.3 mile; thence go Southeast 2.3 miles to top of Duffers Point; thence go East 0.7 mile to fork; thence go North-Northeast 7.1 miles to beginning of access road; thence go North, then South; thence go East 0.5 mile to location, as shown on EXHIBITS "E" & "E<sub>1</sub>".
- C. All roads to location are color-coded on EXHIBIT "E". A new access road 0.5 mile from the existing field road will be required, as shown on EXHIBITS "E" & "E<sub>1</sub>".
- 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. There is an 8% grade at Duffers Point. The grade on the rest of existing road is 1-4%.

#### 2. Planned Access Roads

Map showing all necessary access roads to be constructed or reconstructed is shown as EXHIBIT "E<sub>1</sub>" for the following:

- (1) The maximum width of the running surface of the 0.5 mile of access road as you leave the existing field road will be 18'.
- (2) The grade will be 8% (eight percent) or less.
- (3) No turnouts 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. Large cuts and fills will be needed at the beginning of the new access road. The road will require large amounts of dirt work.

- (6) Surfacing materials will be native soil.
- (7) No gates, cattleguards or fence cuts are needed.
- (8) The new access road to be built has been staked during the time of staking the location, and is centerline flagged, as shown on EXHIBIT "E".

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 seven 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 production is obtained, new facilities will be as follows:

- (1) Production facilities will be located on 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 250 feet long and 200 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 Source

- A. The source of water will be the San Juan River, 25 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 production is obtained. The surface soil materials will be sufficient or will be provided by the Dirt Contractor as needed.
- B. No construction materials will be taken off Federal land.
- C. All surface soil materials for construction of access roads for drilling are sufficient.
- D. All major access roads presently exist as shown on EXHIBIT "E".

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 waters or other noxious fluids will be cleaned up and removed.
- (4) Chemical facilities will be provided for human waste.
- (5) Garbage and non-flammable waste and salt and other chemicals produced during drilling or testing will be handled in trash pit. Flammable waste will be disposed of in 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 pits will be fenced during drilling and kept closed until such time as the pit is leveled.

#### 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 to the deepest part of the pad. Topsoil will be stockpiled per B.L.M. 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 B.L.M. 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 or burned 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 pinon, cedar and native grass. There are reptiles, rabbits and deer in the area. The location sits on a bench on the East side of Blanco Mesa, and above Cottonwood Canyon. The terrain is rolling and highly dissected. The drainage is to Cottonwood Canyon, North-easterly.
- (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 Northwest of the location, as shown on EXHIBIT "E".

The closest occupied dwelling is 9 miles West in Blanco Canyon, as shown on EXHIBIT "E<sub>1</sub>".

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 September 1, 1980. It is anticipated that the casing point will be reached within 10 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  
17400 Dallas Parkway  
Suite 210  
The Lakes at Bent Tree  
Dallas, Texas 75252  
Phone (214) 385-9100

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

9-2-80


  
George Lapasertes  
Agent Consultant for  
Supron Energy Corporation

EXHIBIT "E" - Access Roads to Location  
LEGEND

1. Location:  
Supron Energy Corporation  
Newsom A #13  
SW NW Sec. 3 T26N R8W  
1610' FNL & 800' FWL  
San Juan County, New Mexico
2. Water Supply/Nearest Live Water
3. Nearest Town
4. Closest Dwelling

### Color Coding

Oil Field Road  
New Access Road

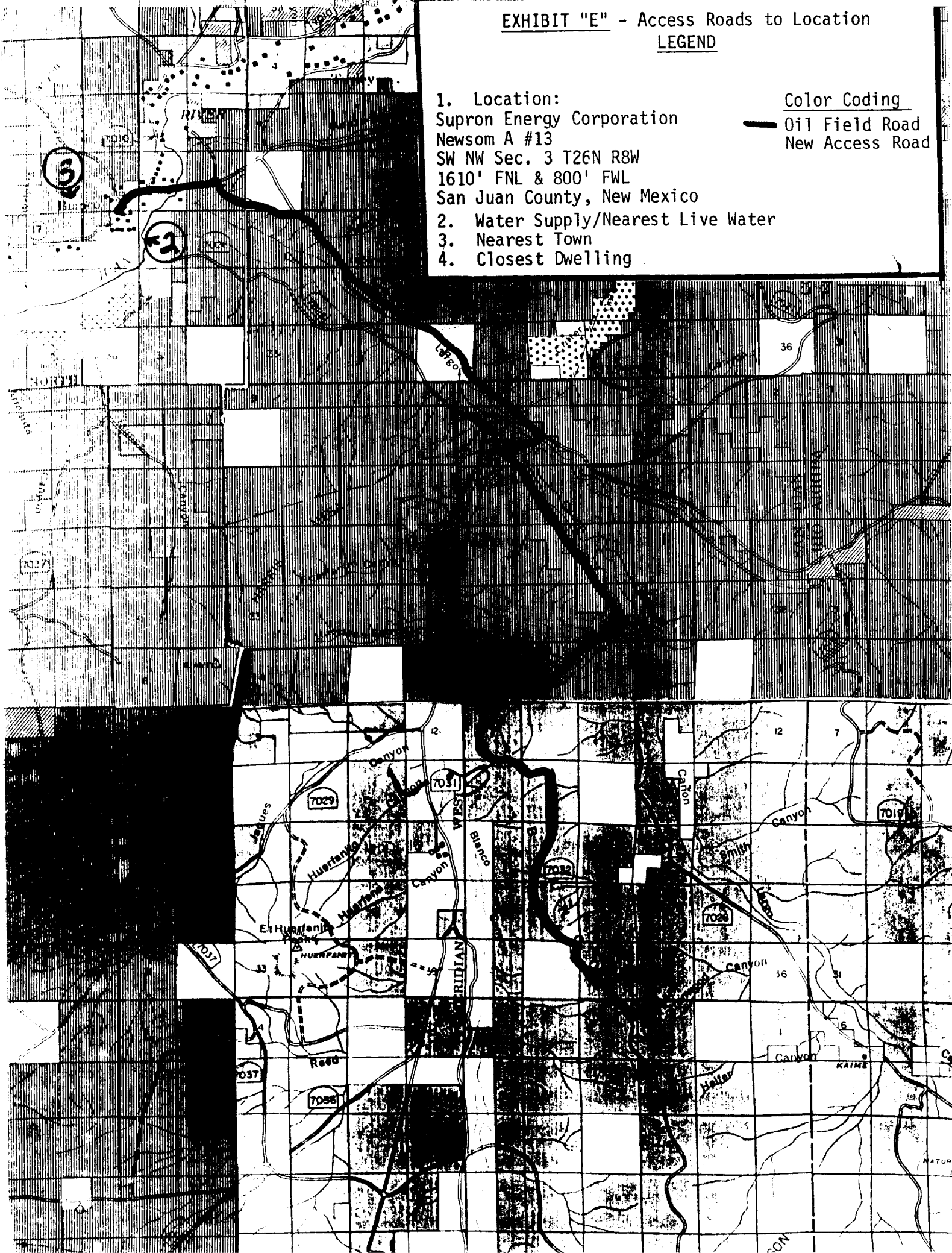


EXHIBIT "E<sub>1</sub>"

Detail of Access Road

1. Location:  
Supron Energy Corporation  
Newsom A #13  
SW NW Sec. 3 T26N R8W  
1610' FNL & 800' FWL  
San Juan County, New Mexico

Color Coding

— Oil Field Road  
— New Access Road



*One-Mile Radius*

Newsom A #13

6461' DF  
2395'

LEGEND

- |                      |                            |
|----------------------|----------------------------|
| ○ LOCATION           | ★ OIL & GAS WELL           |
| ⊕ DRY HOLE           | ★ ABANDONED OIL & GAS WELL |
| ● OIL WELL           | ★ GAS WELL                 |
| ◆ ABANDONED OIL WELL | ★ ABANDONED GAS WELL       |
| ○ MINERATION POINT   | □ WATER WELL               |



POWERS ELEVATION

Drill Pad Layout, Cut-Fill Cross-  
Section, Production Facilities

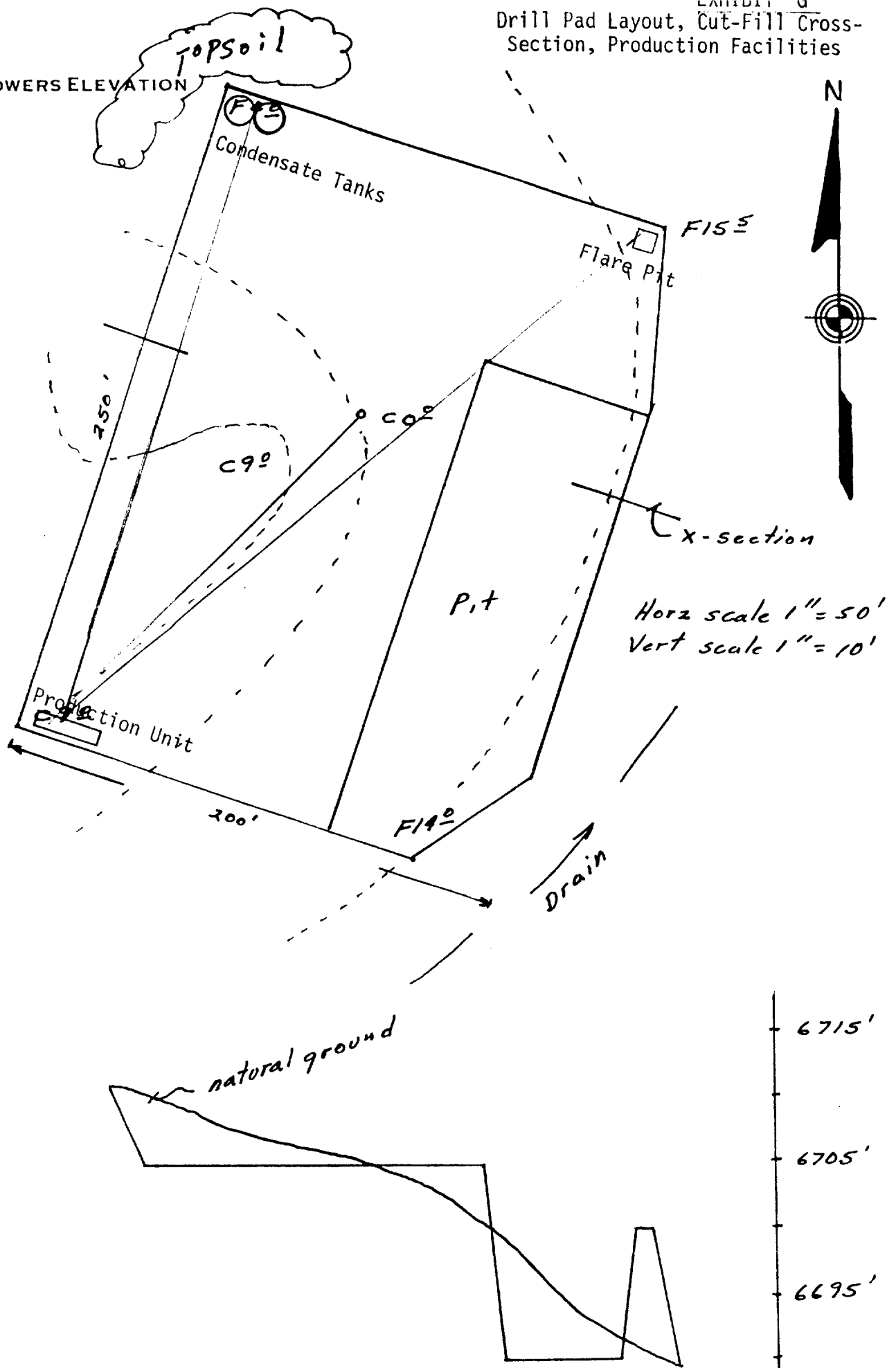
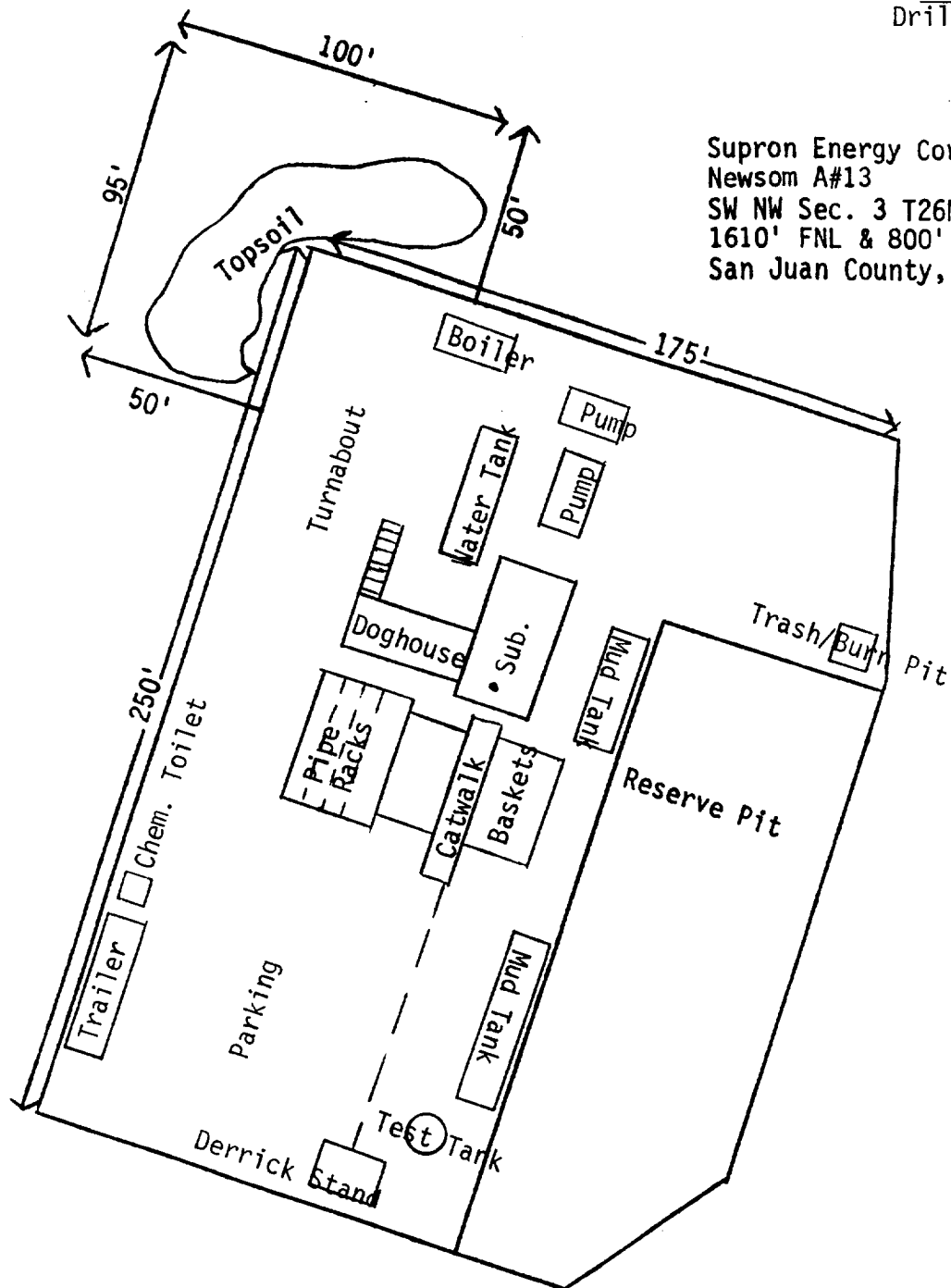




EXHIBIT "H"  
Drill Rig Layout

Supron Energy Corporation  
Newsom A#13  
SW NW Sec. 3 T26N R8W  
1610' FNL & 800' FWL  
San Juan County, New Mexico



# SUPRON ENERGY CORPORATION

BLDG. V, FIFTH FLOOR  
10300 NORTH CENTRAL EXPRESSWAY  
DALLAS, TEXAS 75231

TELEPHONE (214) 691-9141  
TWX (910) 861-9117  
SUPCO DAL.

March 19, 1980

Powers Elevation Co., Inc.  
Suite 1201 Cherry Creek Plaza  
660 So. Cherry Street  
Denver, Colorado 80222

Gentlemen:

This letter will serve to confirm our understanding with you that Powers Elevation Co., Inc. shall be, and is hereby authorized to act as the agent of Supron Energy Corporation with respect only to wells drilled by John H. Hill and Gordon L. Llewellyn, Trustee, pursuant to their agreement with Supron Energy Corporation dated July 25, 1979, as amended, in the following capacities:

- A. In surveying, staking, and preparing and filing necessary applications, permits and compliance programs, including complete NTL-6 reports.
- B. In accepting on our behalf any changes to location, proposed facilities and/or surface use plan and compliance program requested at on-site inspections, when we are unable to have a company representative present. Such changes will then be binding upon us or designated Operator.

All of your actions pursuant to this authorization shall be subject to the following:

- A. Supron Energy Corporation shall have no obligation for payment to you of any amounts for services by you in accordance with the foregoing authorization, and you shall look solely to John H. Hill and Gordon L. Llewellyn, Trustee, for payment of any fees or charges by your company in connection with such activities.
- B. A copy of all applications, permits, completion reports and other similar or dissimilar documents filed by you with any governmental agency on behalf of Supron Energy Corporation shall be promptly furnished to each of the following:

Powers Elevation Co., Inc.  
March 19, 1980

Page Two

Mr. Rudy Motto  
Supron Energy Corporation  
Post Office Box 808  
Farmington, New Mexico 87401

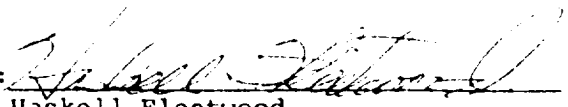
Mr. Haskell Fleetwood  
Supron Energy Corporation  
Bldg. V, Fifth Floor  
10300 North Central Expressway  
Dallas, Texas 75231

- C. Powers' responsibilities do not include supervision of drilling, completion or rehabilitation operations.
- D. The foregoing authorization may be revoked by Supron Energy Corporation insofar as concerns all subsequent actions by you by written notice given to you at the above address.

Very truly yours,

SUPRON ENERGY CORPORATION

By:

  
Haskell Fleetwood  
Vice President