Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-045-24638

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

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

2. NAME OF OPERATOR: Supron Energy Corporation c/o John H. Hill et al

3. ADDRESS OF OPERATOR: Suite 020, Kyser Building
300 W. Arrington, Farmington, New Mexico 87401 ATTN: Lura Wallis

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 870' FSL & 1030' FEL (SE SE)
At proposed prod. zone: same

5. LEASE DESIGNATION AND SERIAL NO.: SF-078430

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME: Newsom A

9. WELL NO.: #12

10. FIELD AND POOL, OR WILDCAT: Ballard Pictured Cliffs ~~Blanco Mesa Verde~~

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 26 T36N R8W

12. COUNTY OR PARISH: San Juan

13. STATE: New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 26.9 miles South of Blanco, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 870'

16. NO. OF ACRES IN LEASE: 2480

17. NO. OF ACRES ASSIGNED TO THIS WELL: S 320 ~~1160~~

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: ----

19. PROPOSED DEPTH: 5200'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6838' GR

22. APPROX. DATE WORK WILL START*: October 1, 1980

23. 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-surface to 3300' and
6-1/4"	4-1/2" new	10.5# CW-55 ST&C	5200'	3300' to total depth

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO ... "GENERAL REQUIREMENTS". This action is subject to ... appeal pursuant to 30 CFR 290.

1. Drill 12-1/4" 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 6-1/4" hole to 5200'.
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_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

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 Jerry L. Lee TITLE Engineer Drilling & Prod. DATE August 15, 1980

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
NOV 03 1980
JAMES F. SIMS
DISTRICT ENGINEER

NM080C

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT "A"

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator	Lease	Well No.
Supron Energy Corporation	SF-078430	Newsom A #12

Unit Letter	Section	Township	Range	County
P	3	26 North	8 West	San Juan

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

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6838'	~~Point Lookout~~ Ballard Pictured Cliffs	Ballard PC	320 Acres

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

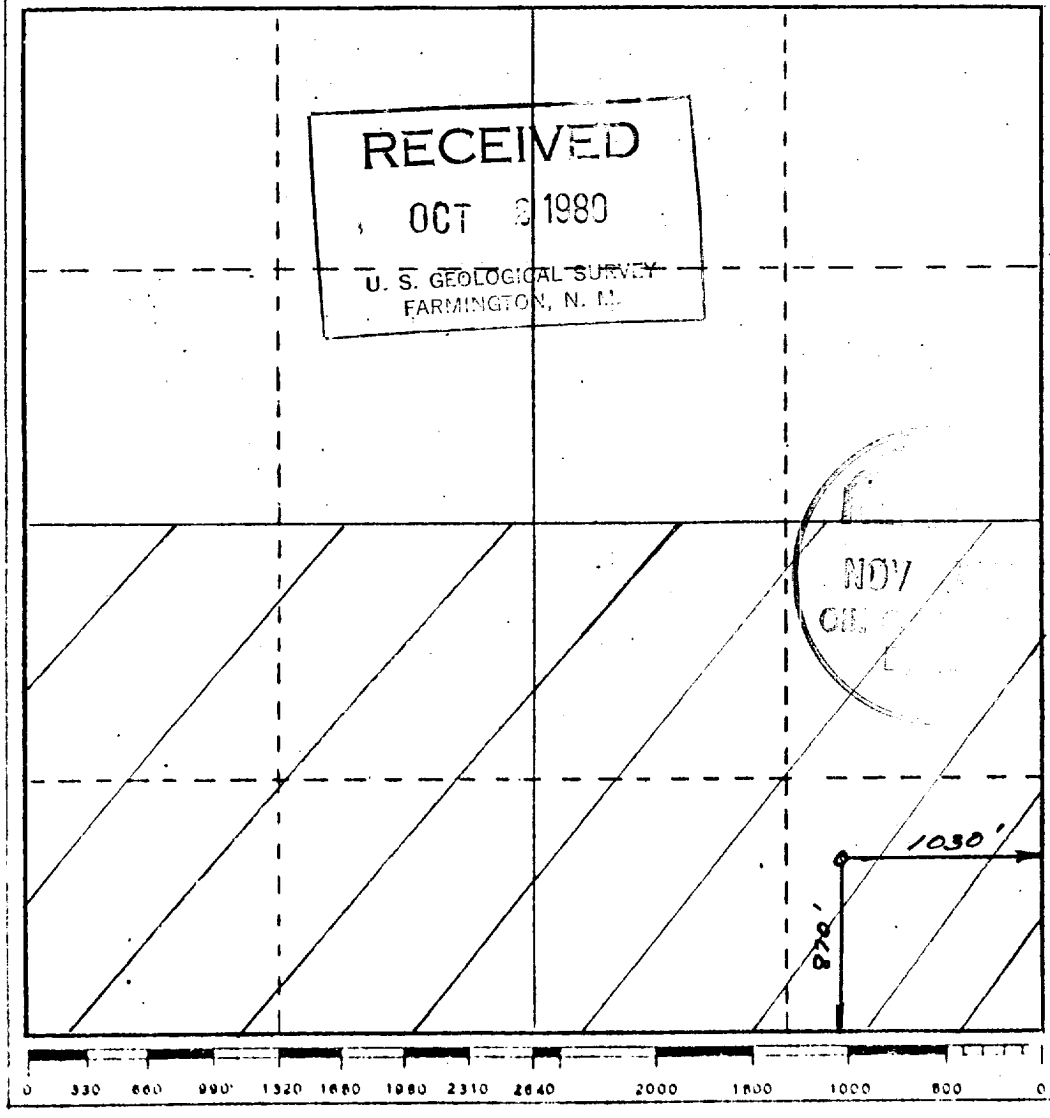
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Name: George Lapaseotes
Position: V. Pres. Powers Elevation
Company: Agent Consultant for Supron Energy Corporation
Date: August 26, 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.

Date Surveyed: 21 July 1980
Registered Professional Engineer and/or Land Surveyor
Certificate No.

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM

OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Supron Energy Corporation
Newsom A #12
SE SE Sec. 3 T26N R8W
870' 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	1380'
Kirtland	1870'
Fruitland	2210'
Pictured Cliffs	2830'
Chacra	3640'
Cliffhouse	4390'
Menefee	4520'
Point Lookout	5090'
Total Depth	5200'

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

Ojo Alamo	1380'	Water
Kirtland	1870'	Water
Fruitland	2210'	Water
Pictured Cliffs	2830'	Gas
Chacra	3640'	Water
Cliffhouse	4390'	Gas
Menefee	4520'	---
Point Lookout	5090'	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"	0-5200'	5200'	4-1/2"	10.5# CW-55 ST&C	New

Cement Programs: Two Stages

First Stage - From total depth to 3300' with 35% excess on filler cement. Slurry to be 50-50 pozz cement, 6% gel, 2% Calcium Chloride followed by 50 sacks neat cement Class "B". 13.3#/gal. yield 1.53 cu. ft./sack 50 sacks neat cement 15.6#.

Second Stage- From surface to 3300' with 100% excess - slurry to be 50-50 pozz cement, 2% gel, 2% Calcium Chloride for 500' from 3300' to 2800' then from 2800' to surface 50-50 pozz and cement, 2% Calcium Chloride, 6% gel.

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 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
0-300'	Natural mud	-----	-----	-----
300'-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.

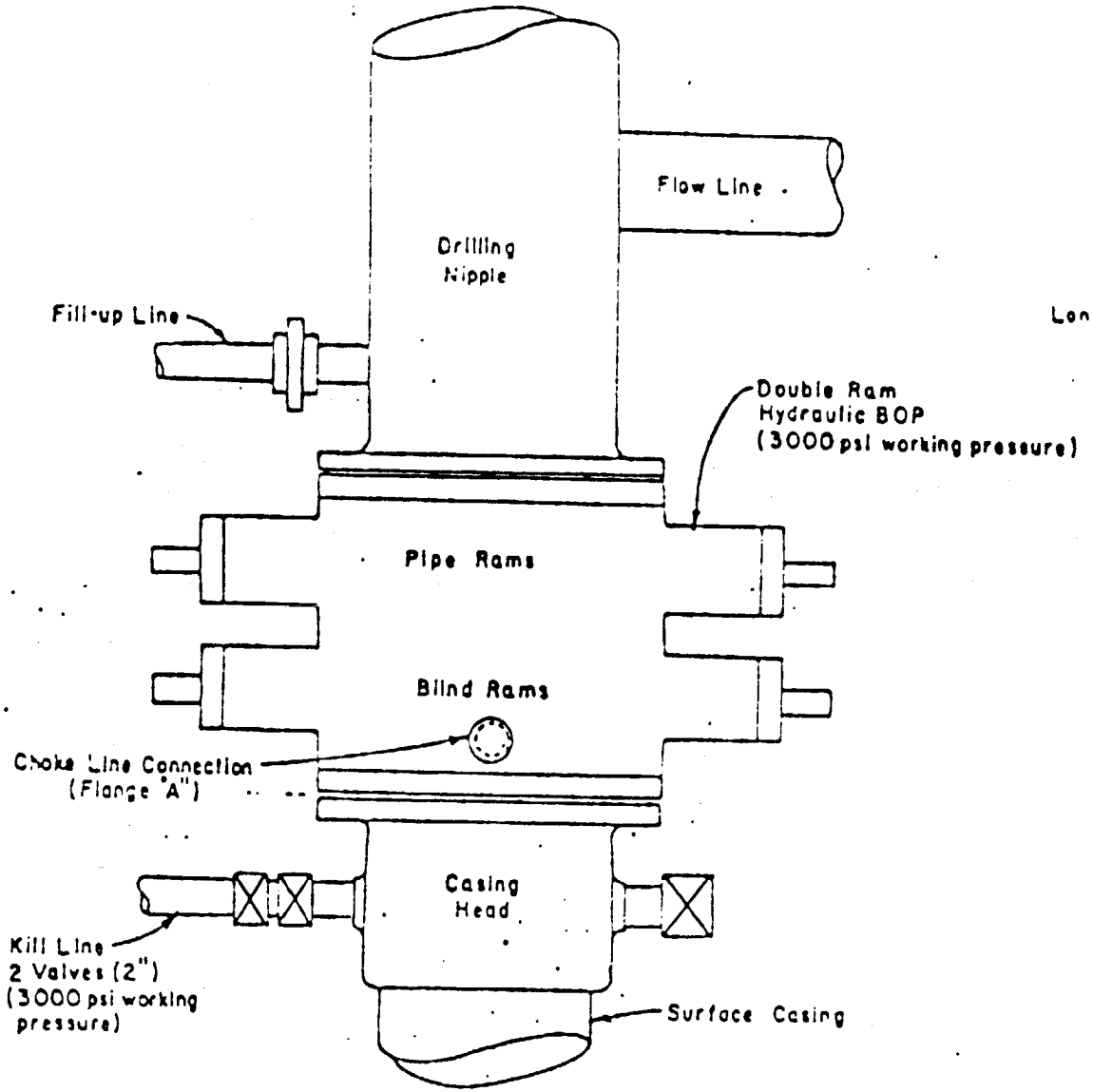
9. Any Anticipated Abnormal Pressures or Temperatures

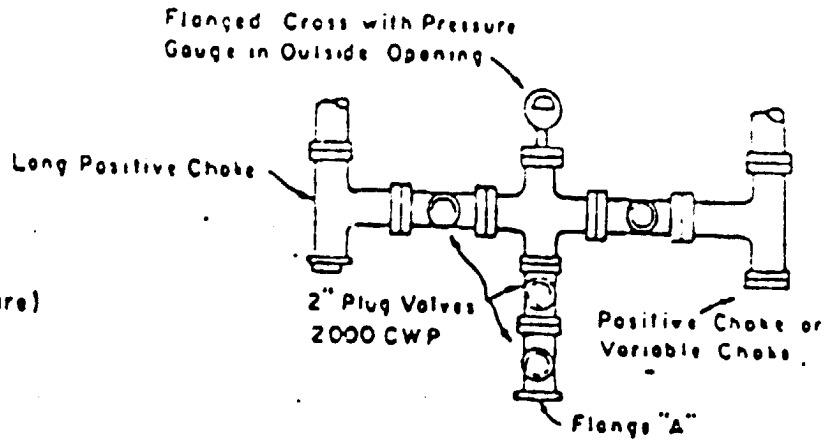
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

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 October 1, 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.





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
Newsom #A-12
SE SE Sec. 3 T26N R8W
870' 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 26.9 miles. Proceed East on State Highway #17 for 1.3 miles; thence South (right) on Cutter Dam Road (CR A-80). Continue for 12.3 miles on graded road; thence Southwest (right) on oil field road (graded) a distance of 12.6 miles; thence East 0.5 mile to begin access required; thence 0.4 mile on proposed access road to the location, as shown on EXHIBITS "E" & "E_1".

C. All roads to location are color-coded on EXHIBITS "E" & "E_1". A new access road 0.4 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. The grade does not exceed 6%.

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 0.4 mile of access road as you leave the existing oil field road will be 18'.

(2) The grade will be 1% to 5%.

(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. One side hill cut 300' in length will be required.

(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 eight 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: Supron has active wells in the area.

(2) Production Facilities: Same as #(1).

(3) Oil Gathering Lines: None

(4) Gas Gathering Lines: Same as #(1).

(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 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 300 feet long and 150 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, 26 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 and 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 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 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 and/or 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 fourth side fenced upon removal of the rig.

(6) After the portable 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 portable 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 is 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. The area is covered with cactus, cedar, and native grasses. There are reptiles, rabbits, and deer in the area. The location is on a bench on Blanco Mesa immediately above Heifer Canyon. The pit is terraced with respect to the pad. The drainage is to the East.

(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, 26 miles Northwest of the location, as shown on EXHIBIT "E".

The closest occupied dwelling is located 3.2 miles West of the location, 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 October 1, 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
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.

9-25-80
Date

George Lapaseotes
Agent Consultant for
Supron Energy Corporation

EXHIBIT 2 - Access Road to Location

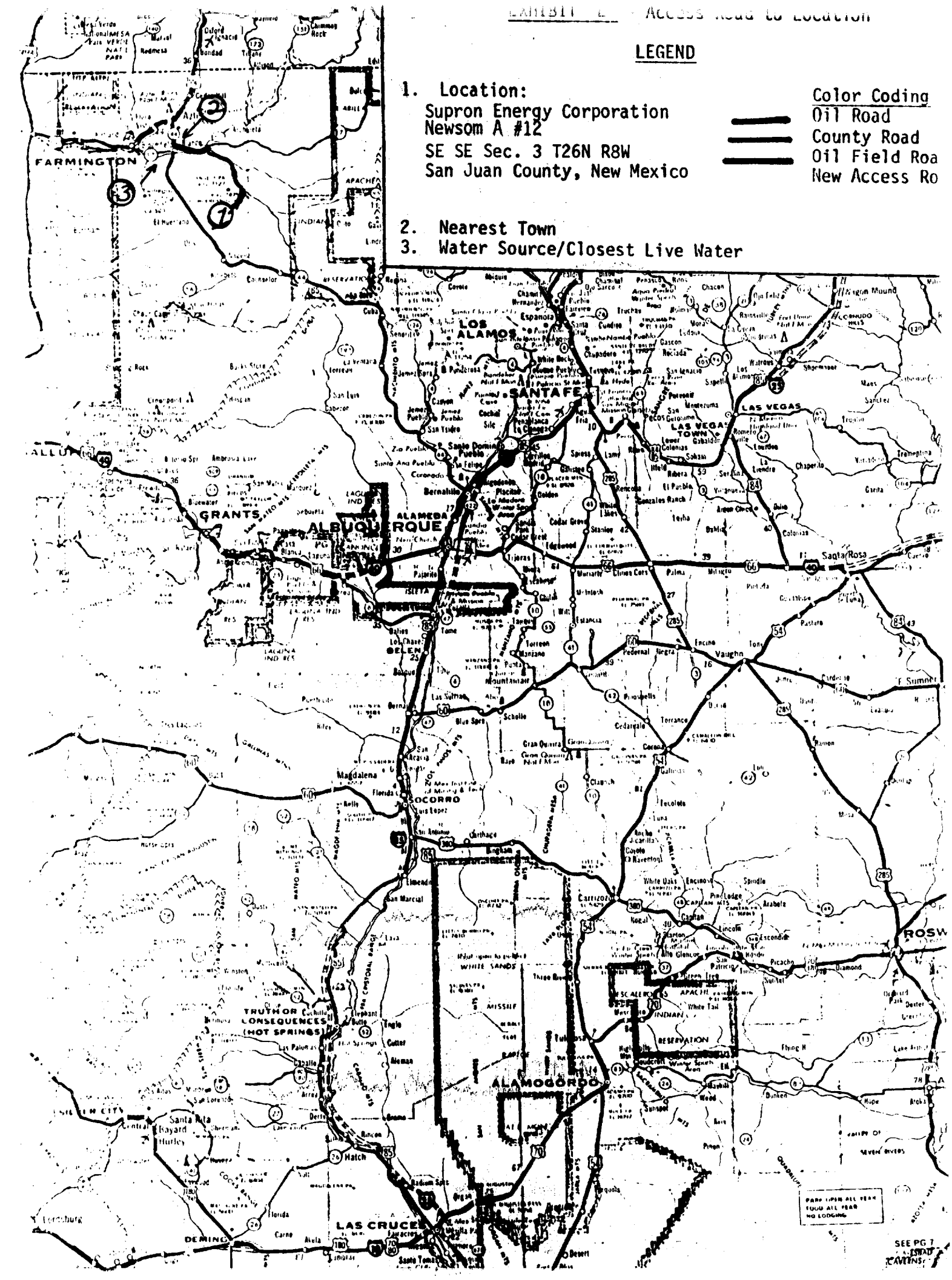


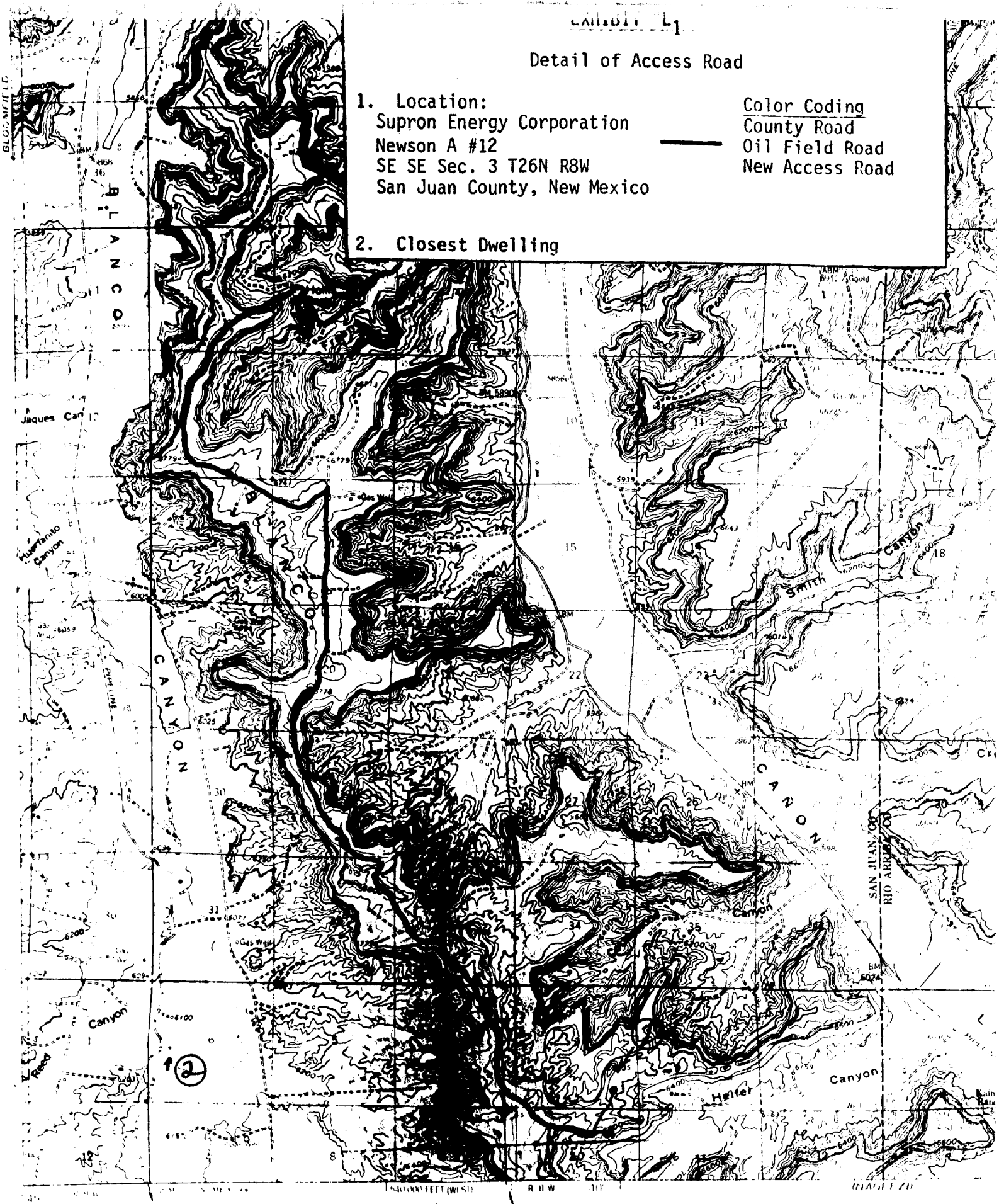
EXHIBIT 1

Detail of Access Road

1. Location:
Supron Energy Corporation
Newson A #12
SE SE Sec. 3 T26N R8W
San Juan County, New Mexico

Color Coding
County Road
Oil Field Road
New Access Road

2. Closest Dwelling



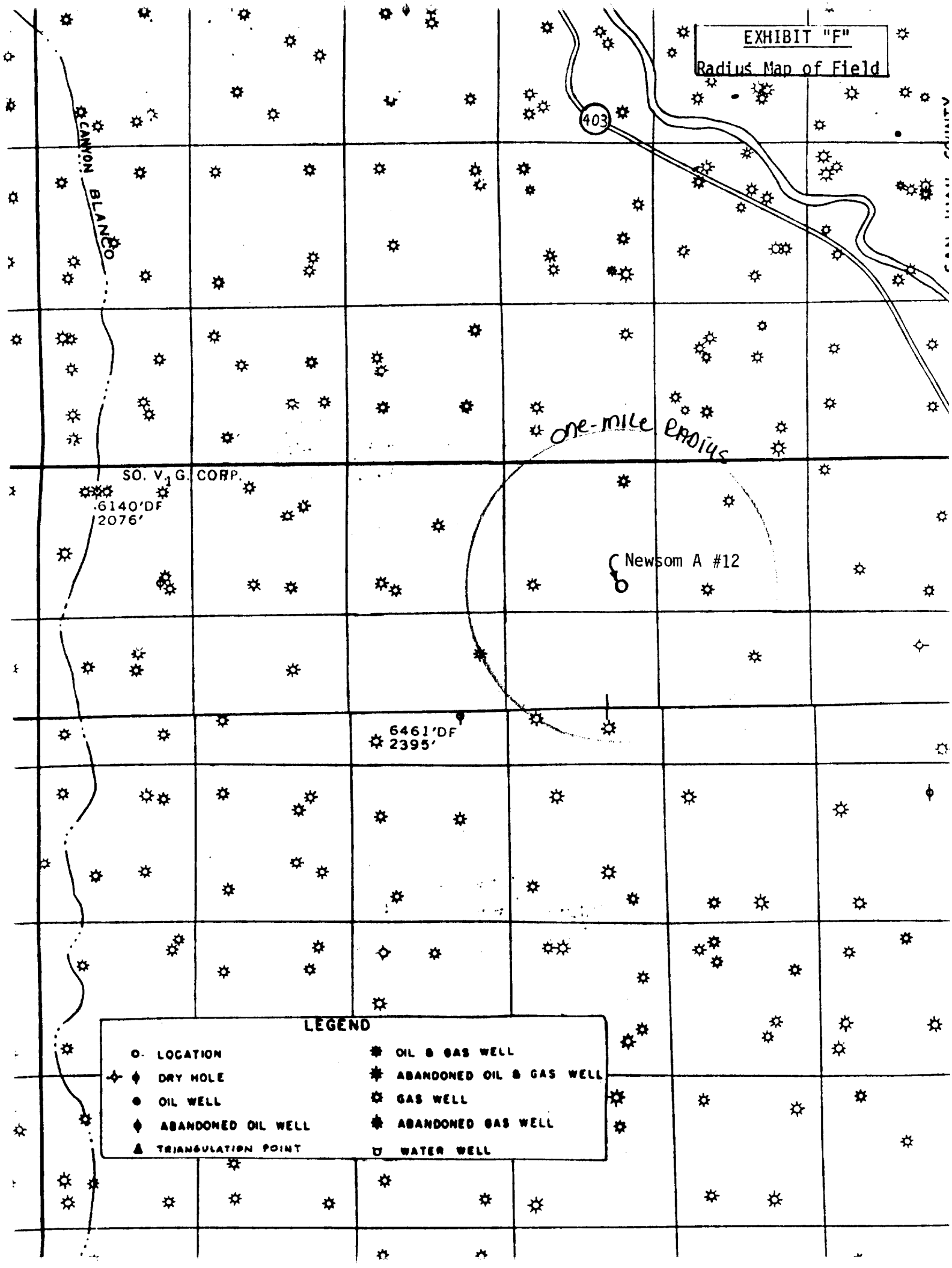
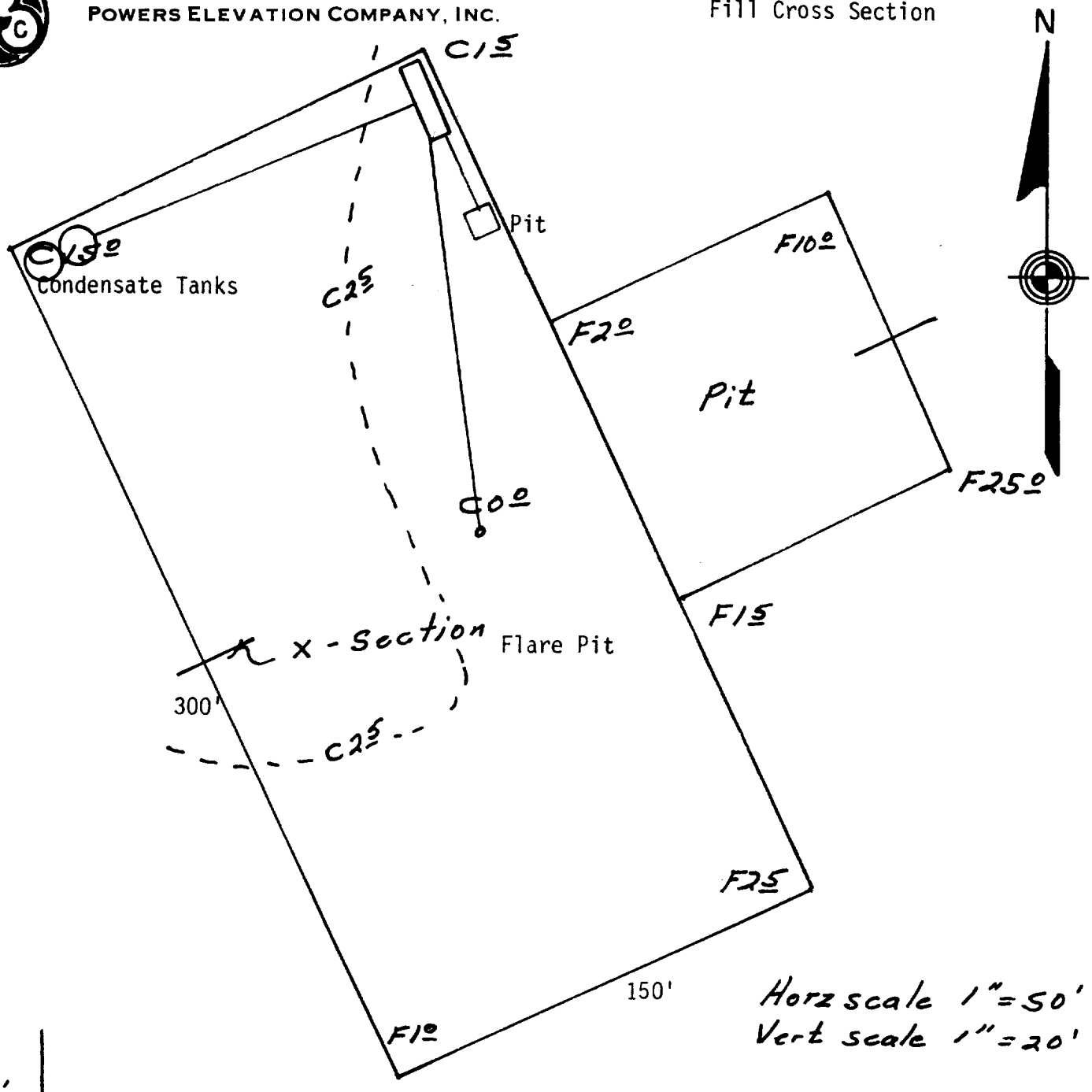


EXHIBIT "F"
Radius Map of Field
403
CANYON BLANCO
one-mile radius
SO. V. G. CORP.
6140'DF
2076'
Newsom A #12
6461'DF
2395'
LEGEND
LOCATION
DRY HOLE
OIL WELL
ABANDONED OIL WELL
TRIANGULATION POINT
OIL & GAS WELL
ABANDONED OIL & GAS WELL
GAS WELL
ABANDONED GAS WELL
WATER WELL

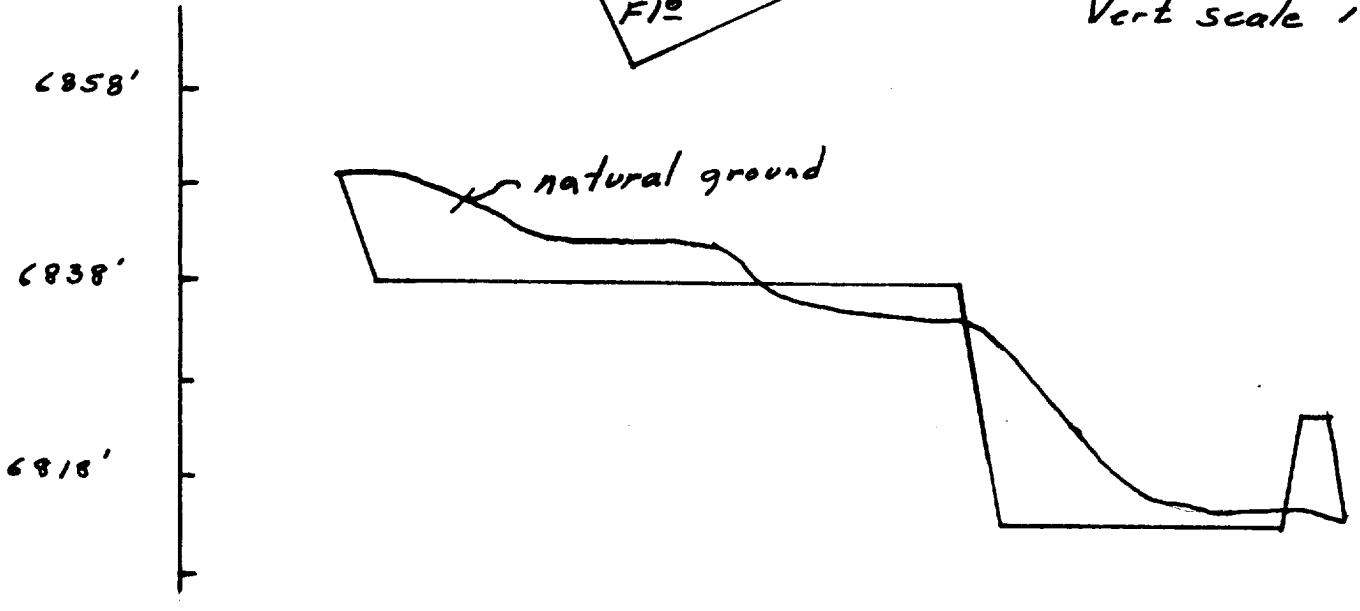
Supron Energy Corporation
Newsom A #12

POWERS ELEVATION COMPANY, INC.

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



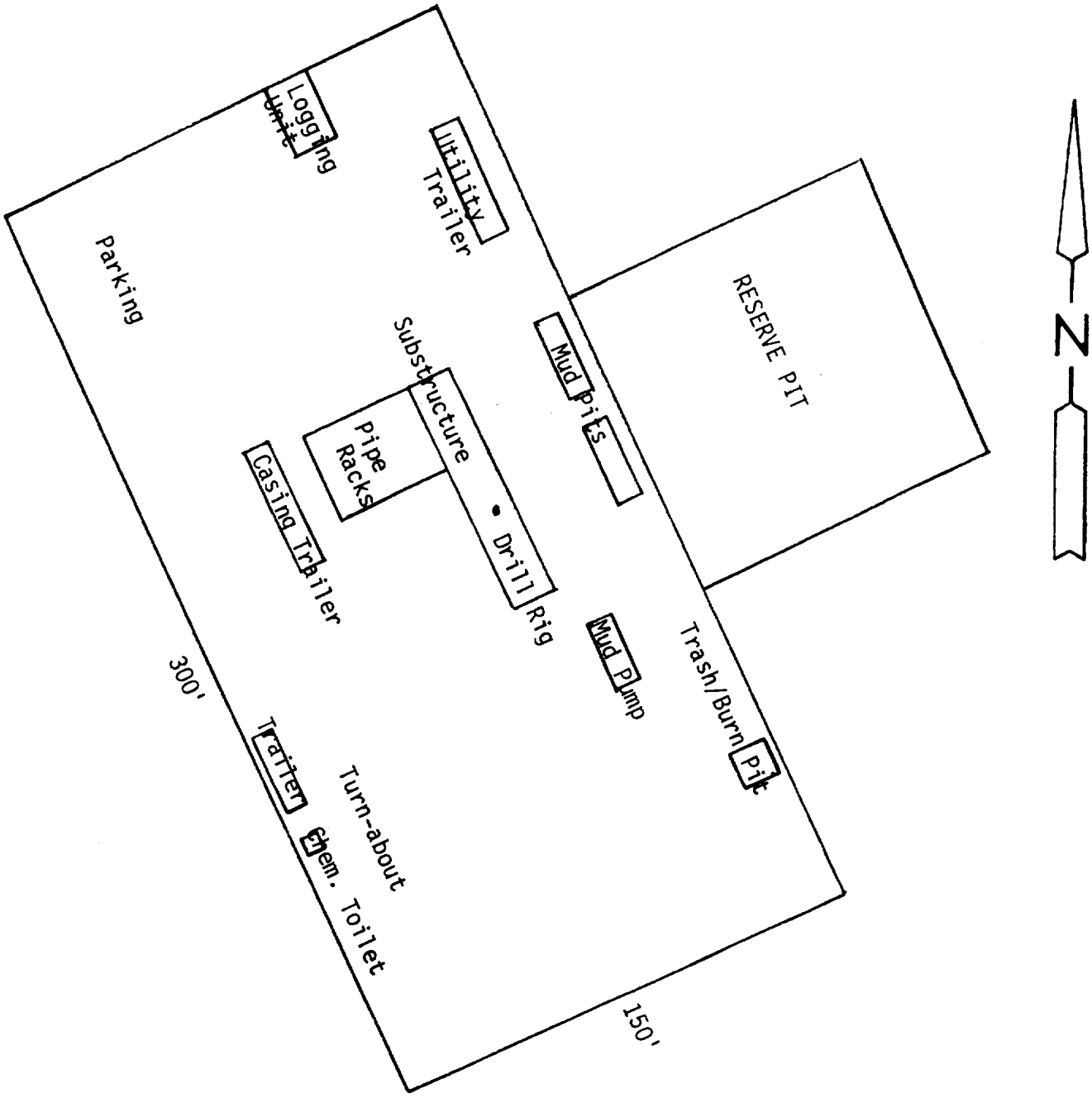
Horz scale 1"=50'
Vert scale 1"=20'



Supron Energy Corporation
Newsom A #12

EXHIBIT "H"
Drill Rig Layout

Scale: 1" = 50'



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
600 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:

RECEIVED
OCT 2 1980
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

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