SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR

| (May 1963) | UNITE | D STATES | reverse sid | le) | 30-045-3 | 34758 | |
|--|----------------------------|---|---|------------|----------------------------|---------------------|--|
| | DEPARTMENT | OF THE INTE | RIOR | ĺ | 5. LEASE DESIGNATION | AND SERIAL NO. | |
| | GEOLOG | SF 080724 A 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | | | | | |
| APPLICATION | FOR PERMIT TO | O DRILL, DEEP | EN, OR PLUG B | ACK_ | 6. IF INDIAN, ALLOTTE | ; OR TRIBE NAME | |
| 10 TYPE OF WORK | LL 🔀 | DEEPEN | PLUG BAC | | 7. UNIT AGREEMENT N | AME | |
| b. TYPE OF WELL | S X OTHER | | SINGLE MULTIPE ZONE ZONE | · | 8. FARM OR LEASE NA | A.E. | |
| 2. NAME OF OPERATOR | ELL CIA | 14 | | | Zachry 9. WELL NO. | | |
| Supron Energy | Corporation | | | | 27 | | |
| 3. ADDRESS OF OPERATOR | Formington Ne | w Mexico 8740 | ECENED | | 10. DUPLD AND POOL | | |
| | | | State requirements | 1 | 11 SEC. T. B. M. OR | BLK. | |
| X At surface 1715 1 | Ft/North; 790 Ft | ./East line | OF THE | , \ | Sec. 34, T- | KEA | |
| | e Same as above | : | | | N.M.P.M. | | |
| 14. DISTANCE IN MILES A | AND DIRECTION FROM NEAR | ST TOWN OR POST OFFI | CE* | | 12. COUNTY OR PARISE | New Mexico | |
| 3-1/2 Miles | South West of B | lanco, New Me | X160 | 17. NO. | OF ACRES ASSIGNED | | |
| 15. DISTANCE FROM PROPO LOCATION TO NEAREST | OSED* 79 | 0 Ft. 16. | NO. OF ACRES IN LEASE 2284.30 | N TO T | NE/4 160.00 | | |
| (Also to nearest drig | OSED LOCATION* | | PROPOSED DEPTH | 20. ROTA | RY OR CABLE TOOLS | | |
| TO NEAREST WELL, DO OR APPLIED FOR, ON THE | | 5 Ft. | 3040 | R | Otary 22. APPROX. DATE W | ODE WILL STARTS | |
| 21. ELEVATIONS (Show who | | | | | January 1 | | |
| 5596 GR | | | | | January 1. | 7, 1701 | |
| 23. | P | ROPOSED CASING A | ND CEMENTING PROGRA | AM | | | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | 750 | Sx. Circulate | | |
| 12-1/4 | 7-5/8" | 24.00 | | | Sx. Girculaced | | |
| 6-3/4 | 2-7/8" | 6.50 | 3040 Ft. | - 300 | | | |
| 9 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 | APL | | This could be supposed to the same of the | 1 | in Linding | | |
| | ATTACHED | eface hole to | approximately 20 | 00 ft. | with natural | mud. Run new | |
| We propose to d | 17111 12→1/4" Sul | crace note co | ment to be circu | lated (| to surface. D | rill out w/6-3/4 | |
| 7-5/8", 24.00# | casing to T.D. | x cement. Gen | to and death to | о Т.Д. | of approx. 30 | 40 ft. Log the | |
| bit, after pres | ssure testing the | e surface cas | ing, and drill c | 0 115 | the Oie Alemo | zone. Pressure | |
| | 2 7/911 eacing & | cmt with 300 | sx. of cmt. to | Cover | Che Ojo Aramo | | |
| test the casing | Perforate & | fracture the (| Chacra zone to s | timula | te production | | |
| well up. Nippl | le down the well | head. Test & | connect to a ga | therin | g system | MAN | |
| | | | | | | | |
| This gas has pr | reviously been d | esignated to | a pipeline syste | :IH• | JAN | 3 1000 | |
| | | | | | VOIL CON | 1981 | |
| | | | | | DIST | OM. | |
| | | | dots on | nresent DF | oductive zone and propo | osed new productive | |
| IN ABOVE SPACE DESCRIB | BE PROPOSED PROGRAM: If | proposal is to deepen o Ally, give pertinent dat | a on subsurface locations | and measu | red and true vertical de | Give blowout | |
| preventer program, if a | ny. | | | | | | |
| 24. | 1 1971 | - | Area Superintend | lent | Dece | ember 16, 1980 | |
| SIGNED Andry | D. Motto | TITLE _ | ALEA Superincent | | | | |
| (This space for Fed | leral or State office use) | | | | | | |
| | APPROVED | 1 | APPROVAL DATE | | | | |
| PERMIT NO. | S AMENDED | | | | | | |
| APPROVED BY | - IAN A E 1001 1 | TITLE | | | DATE | | |
| CONDITIONS OF APPRO | MINUS V LANGEN | 1 | | | | | |
| 1 +8 | LYAMES F. SIMS | / | | | | | |
| \ ' [| DISTRICT ENGINEER | | | | | | |

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section. Well No. Operator SUPRON ENERGY CORPORATION ZACHRY Hang: Unit Letter SAN JUAN 10 WEST 29NORTH 34 Actual Footage Location of Well: Icel from the EAST feet from the NORTH Dedicated Acreage: Producing Formation Ground Level Elev. NE ½ 160.00 5596 1. Outline the acreage dedicated to the subject well by colored pencil or haddure 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? 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 Commis-CERTIFICATION I hereby certify that the information comtained herein is true and complete to the Nome Rady D. Motto Position Area Superintendent -190 · SUPRON ENERGY CORPORATION November 20, 1980 Date Surveyed November 17, Registered Profussional Engine James P. 1463 No. 1000 500 1 500 2000 1650 1980

SUPRON ENERGY CORPORATION Post Office Box 808

FARMINGTON, NEW MEXICO 87401

December 16, 1980

United States Geological Survey P.O. Box 959 Farmington, New Mexico 87401

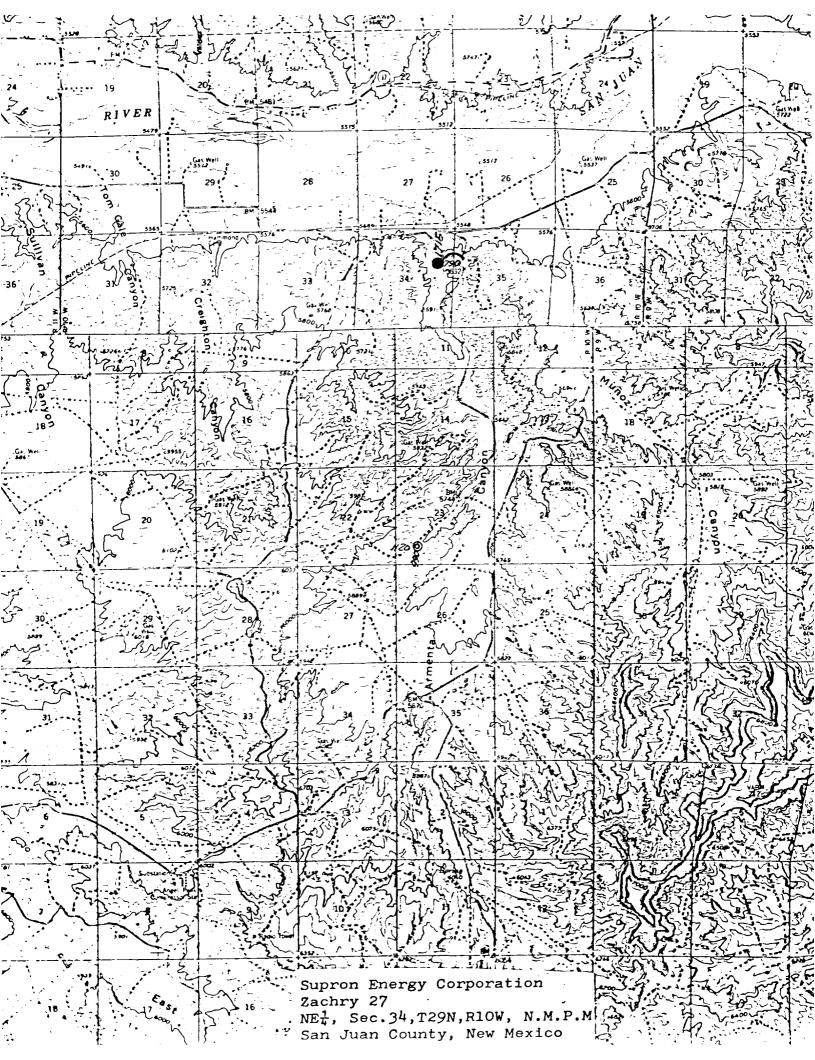
Attention: Mr. James Sims

Dear Sir:

Supron Energy Corporation proposes to drill the Zachry No. 27 well located 1715 feet from the North line and 790 feet from the East line of Section 34, Township 29 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

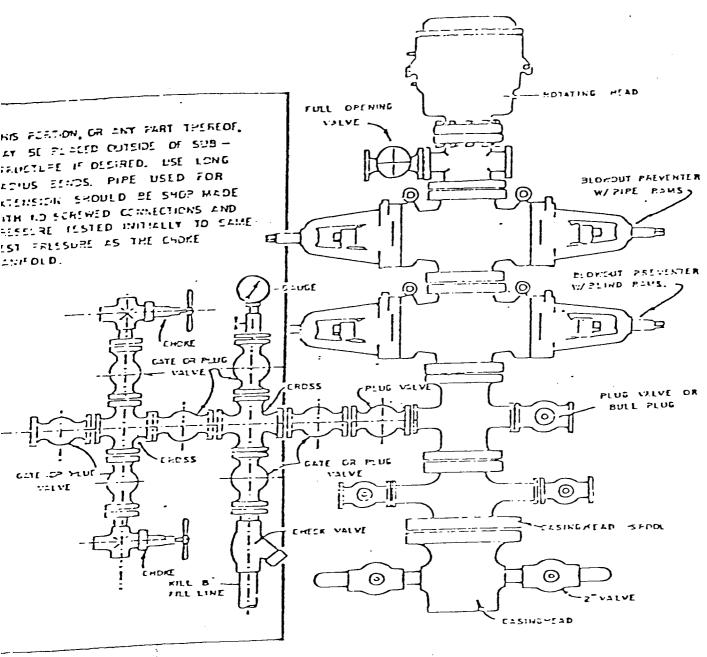
The following attachments are included with this application:

- 1. Map of existing roads.
- There will be approximately 1700 feet of access road, 20 feet wide approaching the location from the East side of the location.
- 3. Location of existing wells.
- Lateral roads to well locations.
- Location of surface equipment if required. 5.
- Drilling and completion water will be obtained from the San Juan river. 6.
- 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.
- There will be no air strip.
- 10. A plat is attached showing the location of the rig, mud tanks, reserve pit, burn pit and etc.
- A letter of certification is attached. The operator representative, for compliance purposes, is Rudy D. Motto, Area Superintendent, P.O. Box 808, Farmington, New Mexico. 11. Phone (505) 325-3587.
- After the well is completed the location will be cleaned up and bladed. The reserve pit will be allowed to dry then it will be filled and restored to its natural state.
- The soil is sandy loam with the principal vegetation being sage juniper, greasewood, broom snakeweed, alkali sacation, indian ricegrass, gramma, prickley pear cactus, saltbush, narrow leaf yucca and ephedra.



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

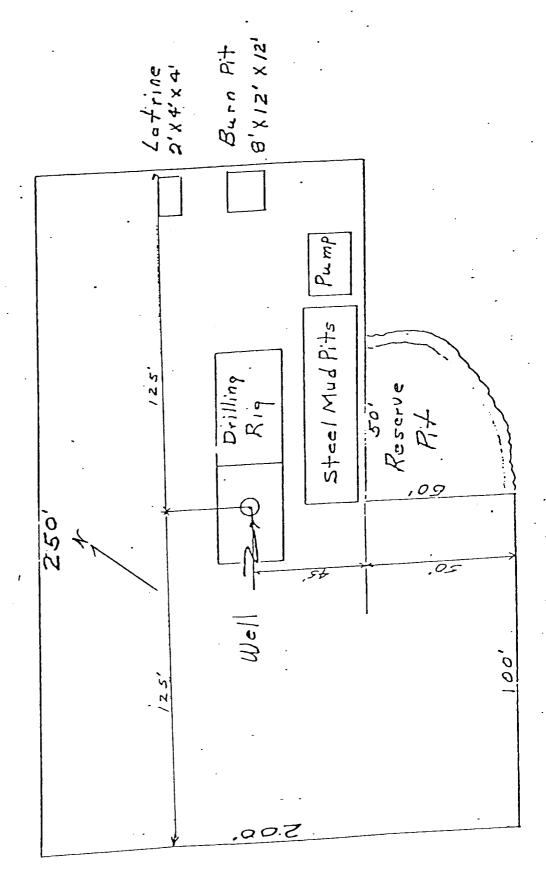
The B.O.P. and all valve and fittings are rated at 3000 psi working pressure, and hydraulically operated



BLOWOUT PREVENTER HOCKUP



ZACHRY NO. 27 1715 Ft./N; 790 Ft./E line Sec. 34, T-29N, R-10W San Juan County, New Mexico



SUPRON ENERGY CORPORATION Post Orrice 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 preformed 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

SUPRON ENERGY CORPORATION

Zachry No. 27

NE % of Section 34, T-29N, R-10W, NMPM San Juan County, New Mexico

- 1. The Geologic name of the surface formation is "Wasatch".
- 2. The estimated tops of important Geologic markers are:

| A. | Top | of | the | Ojo Alamo | 420 ft. |
|-----------------------|-----|----|-----|-----------------|----------|
| B. | Top | of | the | Kirtland | 540 ft. |
| C. | Top | of | the | Fruitland | 1550 ft. |
| \mathcal{D}_{ullet} | Top | of | the | Pictured Cliffs | 1860 ft. |
| E . | Top | of | the | Chacra | 2840 ft. |

3. The estimated depth at which anticipated water, oil or other mineral bearing formations are expected to be encountered are:

| A. | Top | o£ | the | Ojo Alamo | 420 | ft. | Water |
|-------------|-----|----|-----|-----------------|--------------|-----|-------|
| B. | Top | of | the | Kirtland | 540 | ft. | Water |
| C. | Top | of | the | Fruitland | 155 0 | ft. | Water |
| D. | Top | of | the | Pictured Cliffs | 1860 | ft. | Gas |
| E_{ullet} | Top | of | the | Chacra | 2840 | ft. | Gas |

- 4. The casing program is shown on 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 medium are as follows:
 - A. O to 200 ft. Natural Mud.
 - B. 200 to 3040 ft. Permaloid non-dispersed mud containing approx. 67 sx of Permaloid and 10 sx of C.M.C.
- 7. The auxiliary equipment 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 an area which is heavily developed; therefore, we will not have a testing or coring program. The logging program is as follows:
 - A. E.S. Induction
 - B. Gamma Ray Density
 - C. Gamma Ray Correlation
 - D. Cement Bond or Temperature
- 9. We do not expect to find any abnormal pressures, temperatures or hydrogen sulfide problems in this heavily developed area.
- 10. The anticipated starting date for this well is January 15, 1981.

