

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-22997

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Supron Energy Corporation

3. ADDRESS OF OPERATOR
P.O. Box 808, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
1140 Ft. from the North Line and 1730 Ft. from the East Line.
 At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
7 Miles Northwest of Hwajo Dam Post Office

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1140' / Property & Lease line
1140' / Drlg. Unit

16. NO. OF ACRES IN LEASE
734.92

17. NO. OF ACRES ASSIGNED TO THIS WELL
1 1/2

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

19. PROPOSED DEPTH
3000 Ft.

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6411 Gr.

22. APPROX. DATE WORK WILL START*
May 1, 1978

5. LEASE DESIGNATION AND SERIAL NO.
SE 078506

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Hummer

9. WELL NO.
3

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
Sec. 26, T-31N, R-9W

12. COUNTY OR PARISH
San Juan

13. STATE
New Mexico

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13-3/8"	10-3/4"	32.75#	250 Ft.	300 Cu. Ft.
9-7/8"	7-5/8"	26.40#	3520 Ft.	1300 Cu. Ft.
6-3/4"	5-1/2"	15.50#	3000 Ft.	650 Cu. Ft.

It is proposed to drill a well to be completed in the Dakota formation. The well will be drilled through the Pictured Cliffs formation using mud as the circulating medium. Intermediate csg. will be set in the Lewis Shale. The well will then be drilled to T.D. using natural gas as the circulating medium.

Estimated total depth will be 8,000 feet.

gr. of Hwajo

RECEIVED

APR 17 1978

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

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.

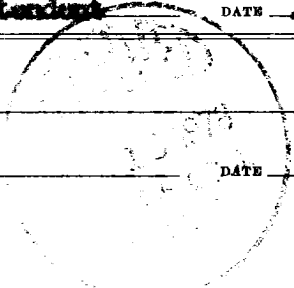
24. Original Signed By
 SIGNED Rudy D. Motto Rudy D. Motto TITLE Area Superintendent DATE 4/10/78

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator SUPRON ENERGY CORPORATION		Lease HUNSAKER		Well No. 3
Unit Letter B	Section 26	Township 31 NORTH	Range 9 WEST	County SAN JUAN
Actual Footage Location of Well: 1140 feet from the NORTH line and 1750 feet from the EAST line				
Ground Level Elev. 6411	Producing Formation DAKOTA	Pool BASIN	Dedicated Acreage: E 1/2 313.16 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 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

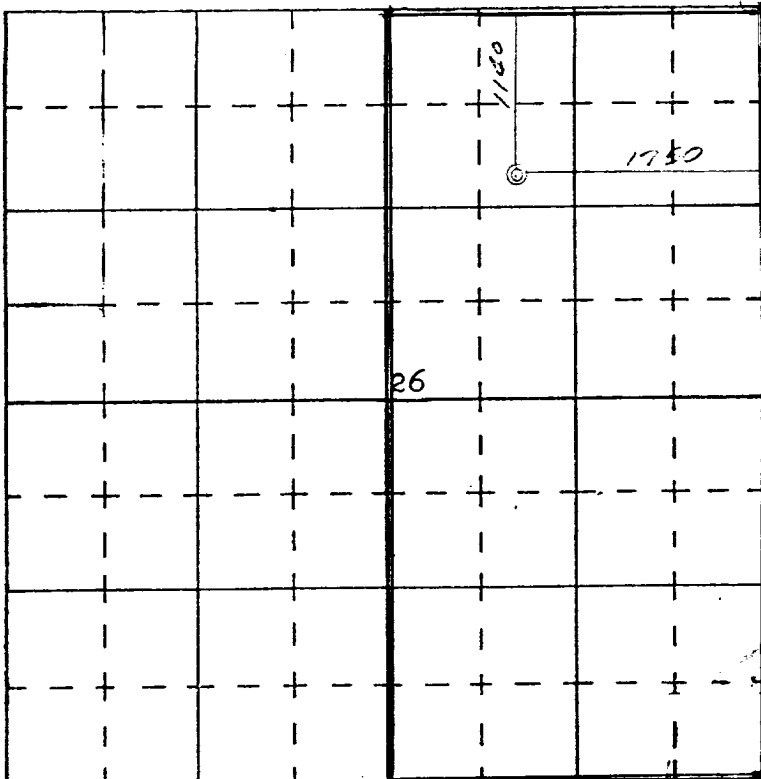
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Original Signed By

Name Rudy D. Motto
 Position Area Superintendent
 Company SUPRON ENERGY CORPORATION
 Date April 14, 1978

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 6 April 1978
 Registered Professional Engineer and/or Land Surveyor James P. Leese



SCALE—4 INCHES EQUALS 1 MILE

April 13, 1978

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

Attention: Mr. P. T. McGrath

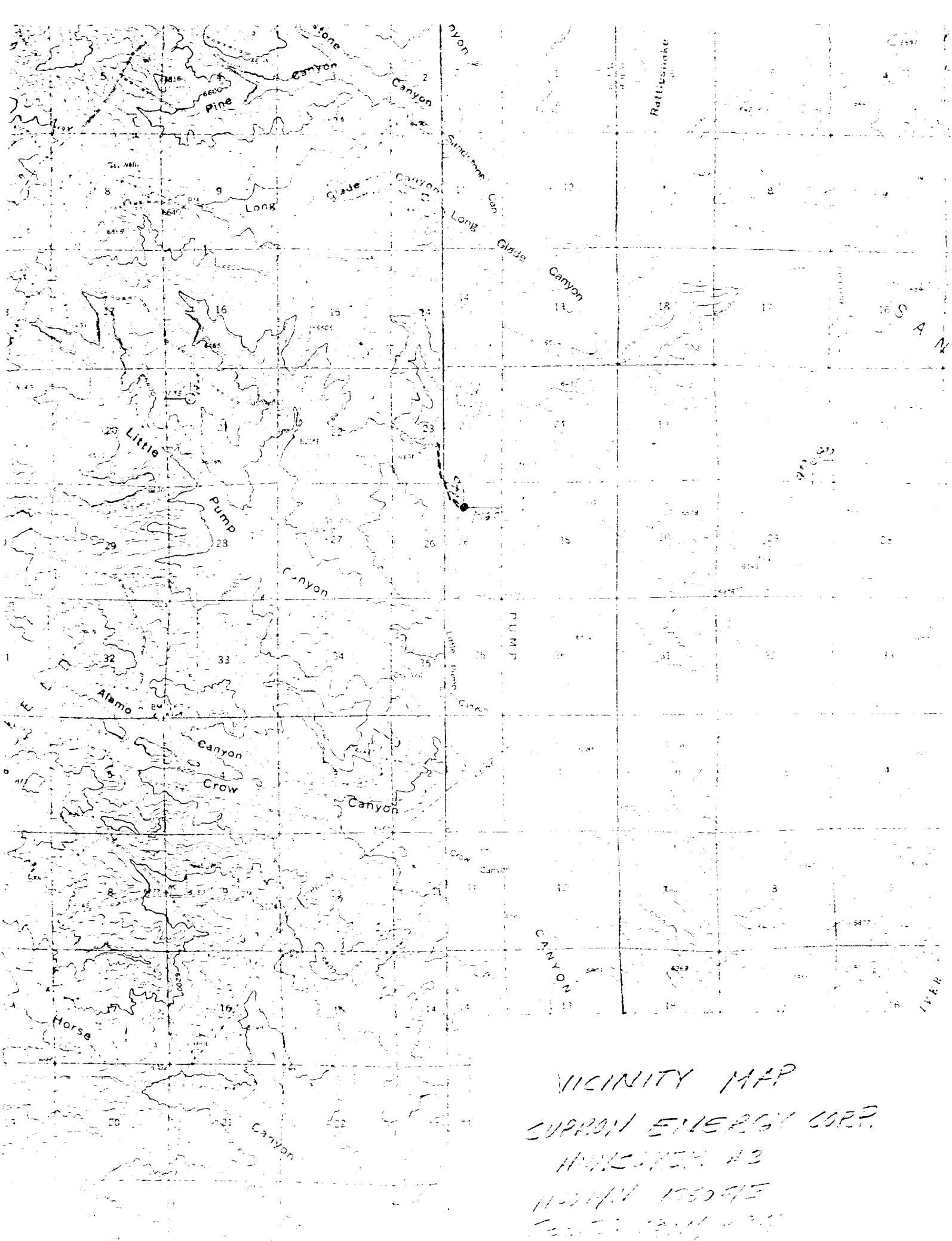
Dear Sir:

Supron Energy Corporation proposes to drill the Hunsaker No. 3 well located 1140 feet from the North line and 1750 feet from the East line of Section 26, Township 31 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The following attachments are included with this application:

1. Map of existing roads.
2. No access road is required.
3. Location of existing wells.
4. Lateral roads to well locations.
5. Location of surface equipment if required.
6. Drilling and completion water will be obtained from the Supron Energy Corporation water hole located in the SE 1/4 of Section 24, T-31N, R-8W, N.M.P.M., San Juan County, New Mexico.
7. Waste will be disposed of by being placed in the reserve pit and buried upon completion of the well.
8. There will be no camps at or near the well.
9. There will be no air strip.
10. A plat is attached showing the location of the rig, mud pits, reserve pit, burn pit, etc.
11. A letter of certification is attached.
12. After the well is completed the location will be cleaned up and bladed. The reserve pit will be fenced until it has dried, then the pit will be restored to its natural state. The soil is principally sand and sand rock with the principal vegetation being Pinon and Juniper.

Rudy D. Motto
Area Superintendent



HUNSAKER NO. 3

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

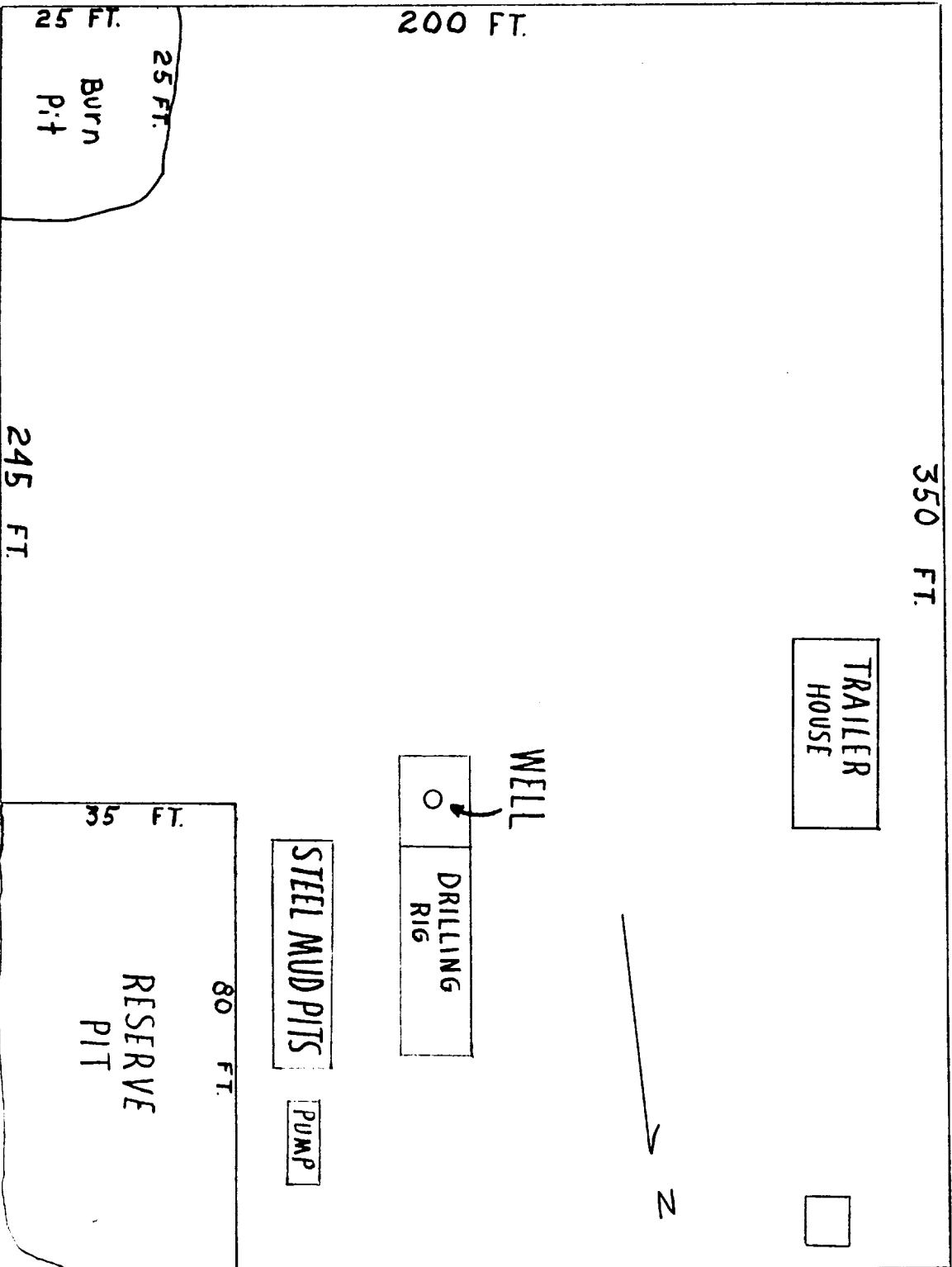
A. Fruitland	2850
B. Pictured Cliffs	3244
C. Cliff House	5046
D. Point Lookout	5448
E. Base of Greenhorn	7580
F. Dakota	7635
3. The estimated depths at which anticipated water, oil, gas and other mineral bearing formations are expected to be encountered are:

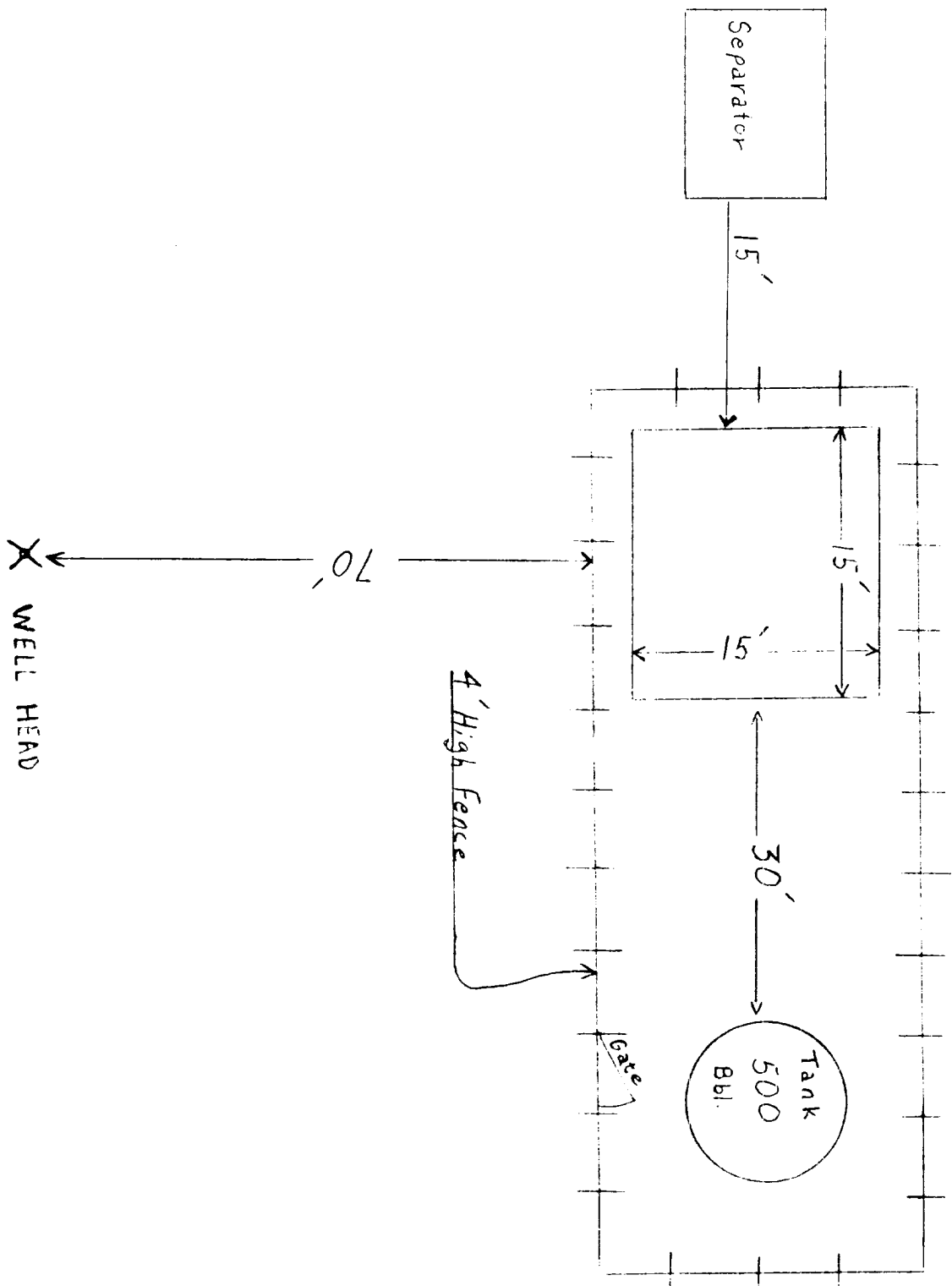
A. Fruitland	2850	Water
B. Pictured Cliffs	3244	Water
C. Cliff House	5046	Gas
D. Point Lookout	5448	Gas
E. Greenhorn	7580	Dry
F. Dakota	7635	Gas
4. The casing program is shown on Form 9 331C and all casing is new.
5. The leesee's pressure control equipment schematics are attached along with minimum specifications, testing procedures and frequencies.
6. The type, estimated volumes and characteristics of the circulating medium are as follows:
 - A. 0 to 250 feet - Natural Mud.
 - B. 250 to 3500 feet - Permaloid non dispersed mud containing 360 sacks of gel, 150 sacks of permaloid, 25 sacks of C.M.C., 2 RD 111, 12 sacks of soda ash and 30 sacks of caustic. Mud weight will be maintained between 8.2# and 10.2#.
 - C. 3500 to 8000 Ft. - The hole will be drilled with natural gas.
7. The Auxiliary equipment to be used will be floats at the bit and a sub with a full opening valve on the floor to be stabbed into the drill pipe when the kelly is not in the string.
8. We will not have a testing and 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. There are no abnormal pressures, temperatures or hydrogen sulfide problems expected in this developed area.
10. The anticipated starting date for this well is May 1, 1978.

SUPRON ENERGY CORPORATION

HUNSAKER NO. 3

1140 Feet from the North line and 1750 feet from the East line,
Section 26, Township 31 North, Range 9 West, San Juan County,
New Mexico.

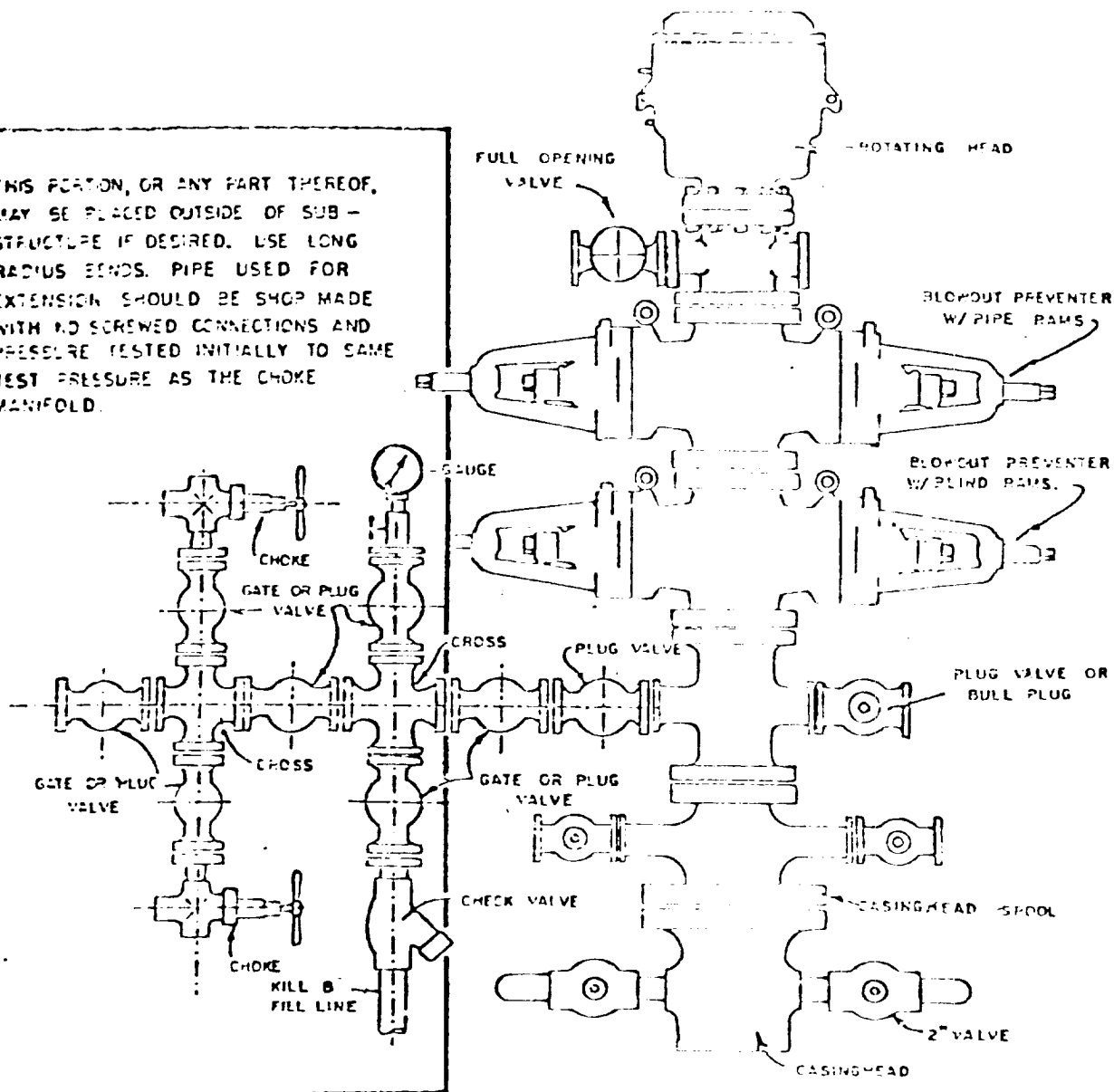




Blowout Preventer will be tested daily and prior to drilling out with the results to be logged on the drillers report.

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

THIS PORTION, OR ANY PART THEREOF, MAY BE PLACED OUTSIDE OF SUB-STRUCTURE IF DESIRED. USE LONG RADIUS BENDS. PIPE USED FOR EXTENSION SHOULD BE SHOP MADE WITH NO SCREWED CONNECTIONS AND PRESSURE TESTED INITIALLY TO SAME TEST PRESSURE AS THE CHOKER MANIFOLD.

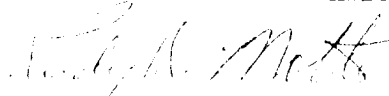


BLOWOUT PREVENTER HOOKUP

SUPRON ENERGY CORPORATION
POST OFFICE 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 performed 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