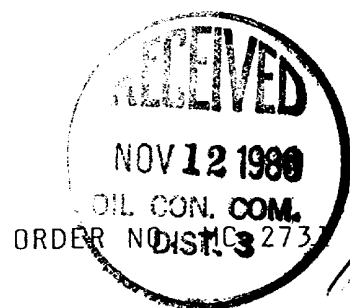


THE APPLICATION OF SUPRON ENERGY  
CORPORATION FOR A DUAL COMPLETION



ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A, Supron Energy Corporation made application to the New Mexico Oil Conservation Division on September 26, 1980, for permission to dually complete its Nye Federal No. 1-M located in Unit P of Section 20, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Blanco Mesaverde Gas Pool and the Basin Dakota Gas Pool.

Now, on this 29th day of October, 1980, the Division Director finds:

- (1) That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified;
- (3) That no objections have been received within the waiting period as prescribed by said rule;
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Supron Energy Corporation, be and the same is hereby authorized to dually complete its Nye Federal No. 1-M located in Unit P of Section 20, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Blanco Mesaverde Gas Pool and the Basin Dakota Gas Pool through parallel strings of tubing.

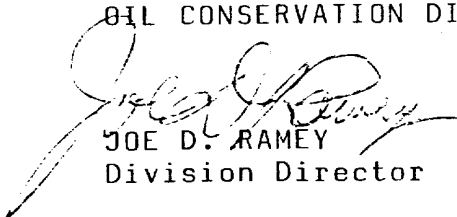
PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Division Director

OIL CONSERVATION COMMISSION  
Albuquerque DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE September 26, 1980

RE: Proposed MC X  
Proposed DHC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated September 26, 1980  
for the Supran Energy Corp. Nye Federal # M P-20-310-12W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

Frank J. Carey

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

Form C-107  
5-1-61

|  |                  |                             |                             |                         |
|--|------------------|-----------------------------|-----------------------------|-------------------------|
| Operator<br><b>Supron Energy Corporation</b>                 |                  | County<br><b>San Juan</b>   |                             | Date                    |
| Address<br><b>P.O. Box 808, Farmington, New Mexico 87401</b> |                  | Lease<br><b>Nye Federal</b> |                             | Well No.<br><b>1-M</b>  |
| Location of Well   | Unit<br><b>P</b> | Section<br><b>20</b>        | Township<br><b>31 North</b> | Range<br><b>12 West</b> |

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES XX NO
2. If answer is yes, identify one such instance: Order No. DC - 849 ; Operator Lease, and Well No.: Supron Energy Corporation Nye Federal No. 1

| 3. The following facts are submitted:                | Upper Zone              | Intermediate Zone | Lower Zone          |
|--|-------------------------|-------------------|---------------------|
| a. Name of Pool and Formation                        | <b>Blanco Mesaverde</b> |                   | <b>Basin Dakota</b> |
| b. Top and Bottom of Pay Section (Perforations)      | <b>4755 - 4957</b>      |                   | <b>6966 - 7139</b>  |
| c. Type of production (Oil or Gas)                   | <b>Gas</b>              |                   | <b>Gas</b>          |
| d. Method of Production (Flowing or Artificial Lift) | <b>Flowing</b>          |                   | <b>Flowing</b>      |

4. The following are attached. (Please check YES or NO)

| Yes                                 | No                       |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that such offset operators have been furnished copies of the application.*  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by rule 112-A.)   |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Amoco Production Company - 501 Airport Dr., Farmington, N.M. 87401

Consolidated Oil & Gas - P.O. Box 2038, Farmington, N. M. 87401

El Paso Natural Gas Co. - P.O. Box 289, Farmington, New Mexico 87401

Union Texas Petroleum - 1860 Lincoln St., Suite 1010, Denver, Colo. 80295

Marathon Oil Company - P.O. Box 2659, Farmington, N.M. 87401

Lynco Oil Company - 5290 DTC Parkway, Englewood, Colo. 80111

Southland Royalty Company - P.O. Drawer 570, Farmington, N.M. 87401

Southwest Production - P.O. Box 400, Aztec, New Mexico 87410

Tenneco, Inc. - 720 S. Colo. Blvd., Denver, Colo. 80222

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO. If answer is yes, give date of such notification June 13, 1980

CERTIFICATE: I, the undersigned, state that I am the Production Superintendent of the Supron Energy Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

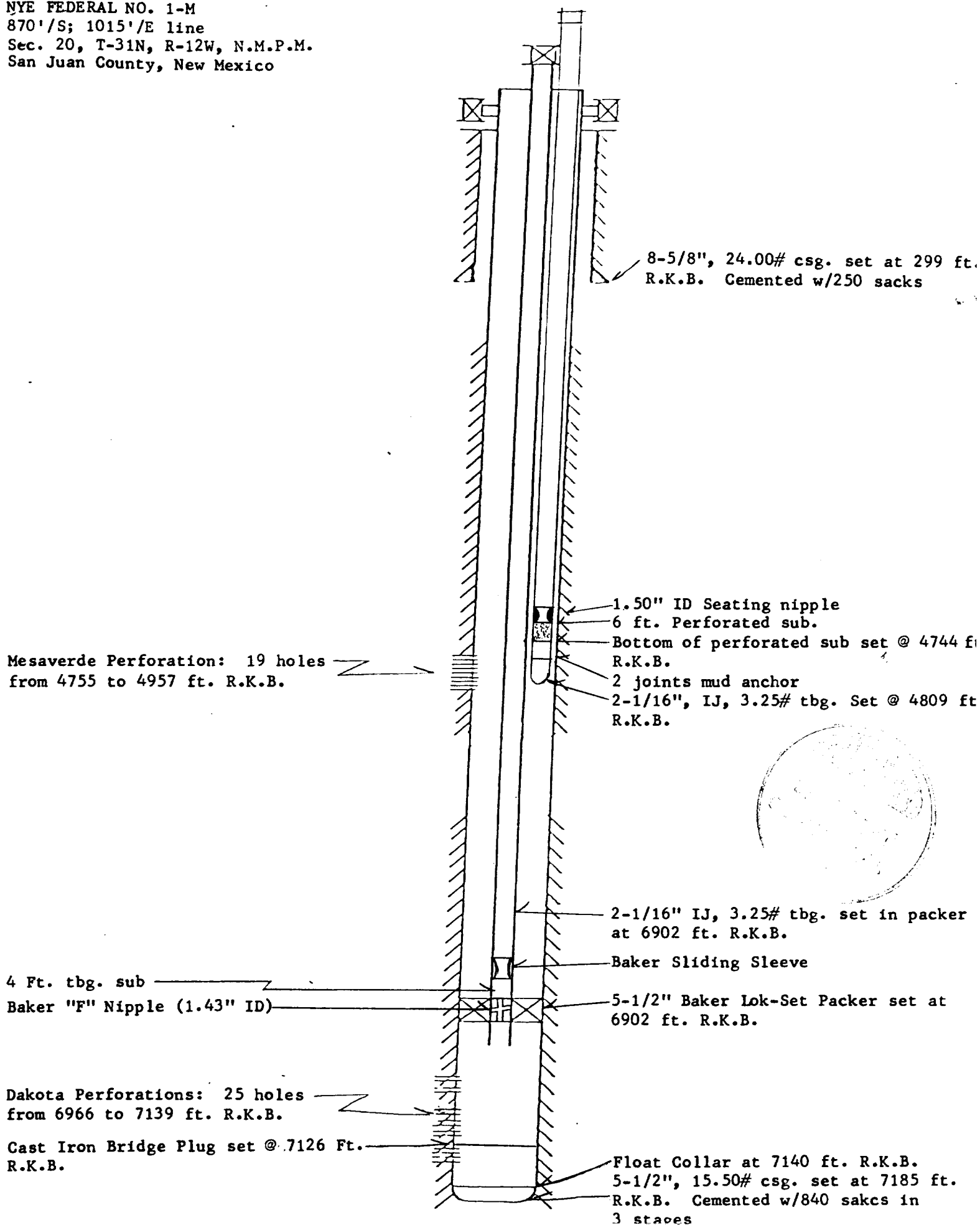
Kenneth E. Roddy  
Kenneth E. Roddy Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



SUPRON ENERGY CORPORATION  
 NYE FEDERAL NO. 1-M  
 870'S; 1015'E line  
 Sec. 20, T-31N, R-12W, N.M.P.M.  
 San Juan County, New Mexico



OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO  
PACKER-SETTING AFFIDAVIT  
(Dual Completion)

STATE OF New Mexico )  
 )  
COUNTY OF San Juan )

Marvin Kruschke, being first dually sworn according to law upon his oath deposes and says:

That he is of lawful age and has full knowledge of the facts herein below set out.

That he is employed by Baker Packers in the capacity of

Manager and as such as its authorized agent.

That on August 27, 19 80, he personally supervised the setting of  
a Baker 5-1/2" Lok-Set in Supron Energy Corporation's  
(Make and Type of Packer) (Operator)

Nye Federal Well No. 1-M, located in Unit Letter  
P, Section 20, Township 31 North, Range 12 West,  
N.M.P.M., San Juan County, New Mexico.

That said packer was set at a subsurface depth of 6902 feet, said depth  
measurement having been furnished by Curtis Boone.

That the purpose of setting this packer was to effect a seal in the annular space between the two strings of pipe where the packer was set so as to prevent the comingling, within the well-bore, of fluids produced from a stratum below the packer with fluids produced from a stratum above the packer. That this packer was properly set and that it did, when set, effectively and absolutely seal off the annular space between the two strings of pipe where it was set in such manner as to prevent any movement of fluids across the packer.

Baker Packers  
Company

Marvin Kruschke  
Its Agent

Subscribed and sworn to before me this the 25th day of September, AD, 19 80.

Betty G. Stuart  
Notary Public

My Commission Expires: August 25, 1984