Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-039-22529

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 [ ]

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

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1660'FSL & 990'FWL (NW SW)
At proposed prod. zone: same

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

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 16.3 miles Northeast of Counselor, New Mexico

5. LEASE DESIGNATION AND SERIAL NO.: Tribal 10

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

7. UNIT AGREEMENT NAME: Jicarilla-Apache

8. FARM OR LEASE NAME: Jicarilla L

9. WELL NO.: #7

10. FIELD AND POOL, OR WILDCAT: S. Blanco Otero Ext Pictured Cliffs/Chacra

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 34 T25N R5W

12. COUNTY OR PARISH: Rio Arriba

13. STATE: New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
990'	2560	320 160 / 160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
-----	3600'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6751'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	200'	Single Stage: Lead slurry
6-1/4"	2-7/8" new	6.5# CW-55 8rd.	3600'	50-50 cement plus additives

1. Drill 12-1/4" hole and set 8-5/8" surface casing to 200' with good returns.
2. Log BOP checks in daily drill reports and drill 6-1/4" hole to 3600'.
3. Run tests if warranted and run 2-7/8" casing if productive.
4. Run logs as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

"A"	Location & 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 Sections
"H"	Drill Rig Layout

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OIL CON. COM.
DIST. 3

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 _____ TITLE Engineer Drilling & Prod. DATE September 26, 1980

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

AS AMENDED

APPROVED BY _____ TITLE _____ DATE _____

1980

CONDITIONS OF APPROVAL, IF ANY:

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

*See Instructions On Reverse Side

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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT "A"

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

Operator	Lease	Well No.
Supron Energy Corporation	Tribal 10	Jicarilla L#7

Unit Letter	Section	Township	Range	County
L	34	25 North	5 West	Rio Arriba

Actual Footage Location of Well: 1660 feet from the South line and 990 feet from the West line

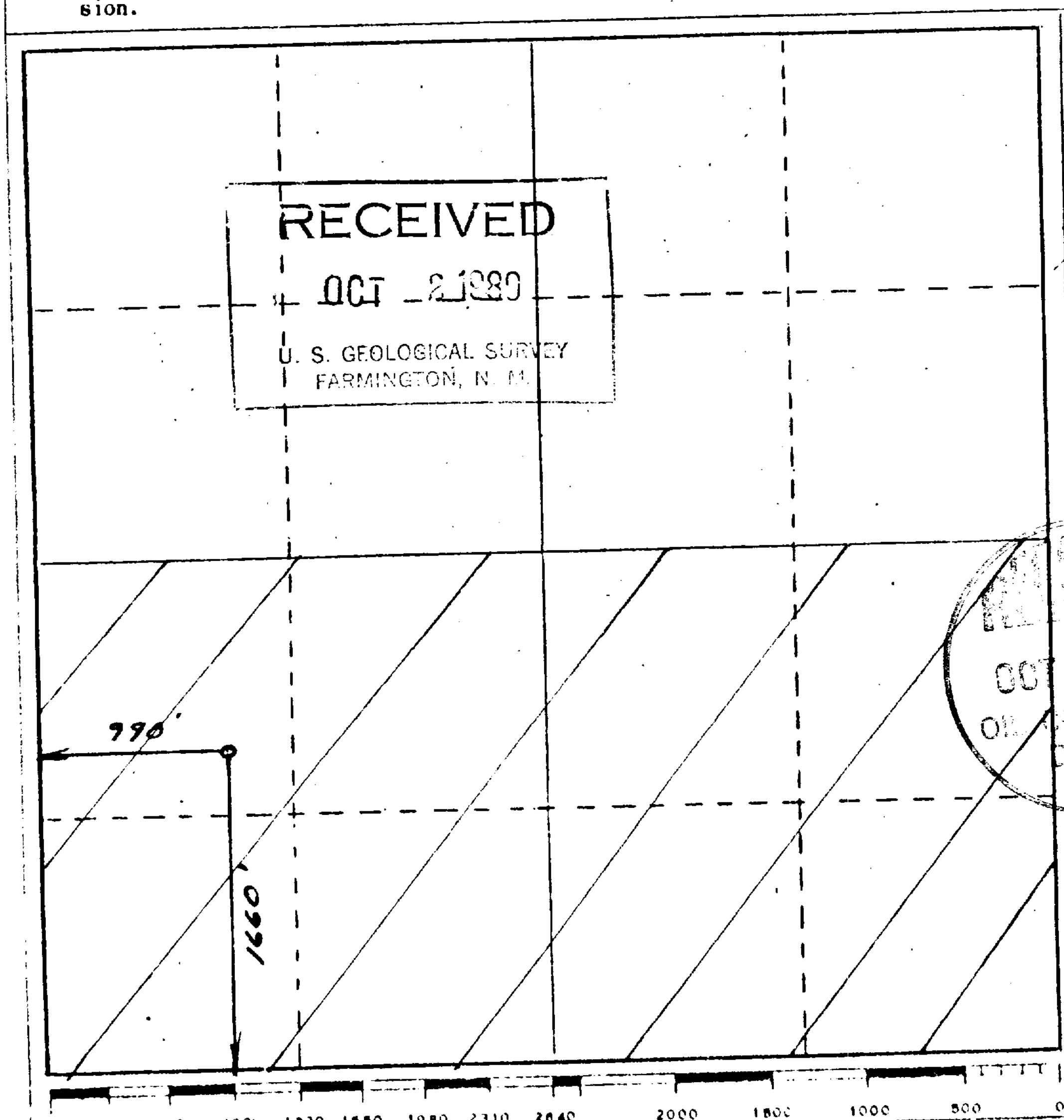
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6751	Pictured Cliffs/Chacra	~~S. Blanco~~ Otero Ext. Pictured Cliffs/Chacra	~~320~~ 160 Acres

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.

[signature]

Name George Lapaseotes

V. Pres. Powers Elevation

Position

Agent Consultant for

Company

Supron Energy Corporation

Date

September 20, 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.

13 July 1980

Date Surveyed

[signature]

Registered Professional Engineer and/or Land Surveyor

6844

Certificate No.

REGISTERED LAND SURVEYOR NEW MEXICO 6844 HUDDLESTON

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM

OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Supron Energy Corporation
Jicarilla L #7
NW SW Sec. 34 T25N R5W
1660'FSL & 990'FWL
Rio Arriba County, New Mexico

1. The Geologic Surface Formation

The surface formation is the Wasatch.

2. Estimated Tops of Important Geologic Markers

Ojo Alamo	2200'
Fruitland	2620'
Pictured Cliffs	2700'
Chacra	3555'
Total Depth	3600'

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

Ojo Alamo	2200'	Water
Fruitland	2620'	Water
Pictured Cliffs	2700'	Gas
Chacra	3555'	Gas

4. The Proposed Casing Program

HOLE SIZE	INTERVAL	SECTION LENGTH	SIZE (OD)	WEIGHT, GRADE AND JOINT	NEW OR USED
12-1/4"	0-200'	200'	8-5/8"	24# K-55 ST&C	New
6-1/4"	0-3600'	3600'	2-7/8"	6.5# CW-55 8rd.	new

Cement Program
Single Stage-Lead slurry 50-50 cement, pozz, 6% gel, ½ cu.ft. perlite.
Follow up slurry to be Class "B" neat cement.

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 kelly cock, 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.

DEPTH	TYPE	WEIGHT #/gal.	VISCOSITY-sec./qt.	FLUID LOSScc
0-200'	Natural Mud	-----	-----	-----
200'-TD	Fresh Water Gel	8.4 - 9.5	35 - 45	Less than 10

7. The Auxiliary Equipment to be Used

(a) A 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.

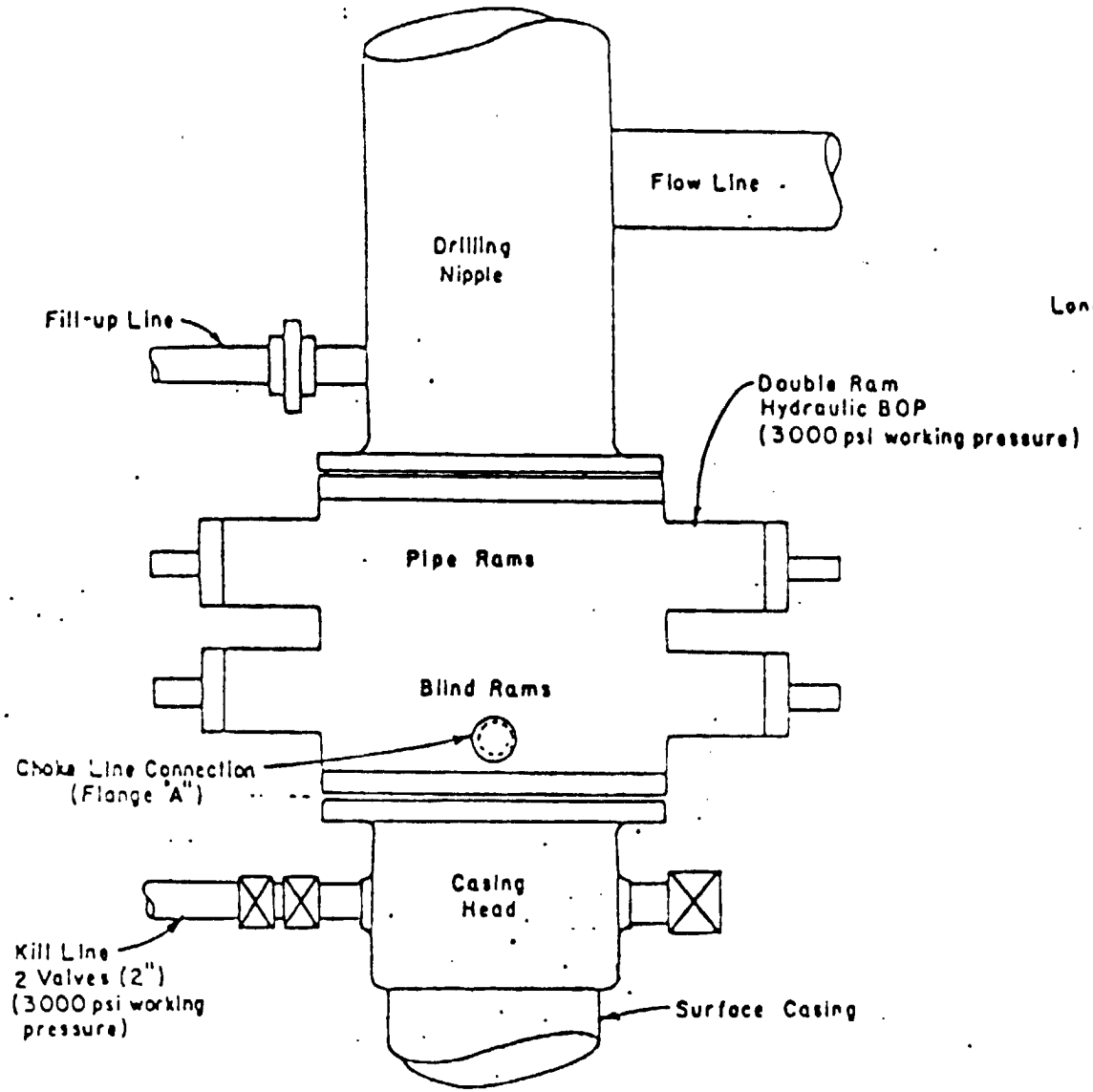
9. Any Anticipated Abnormal Pressures or Temperatures

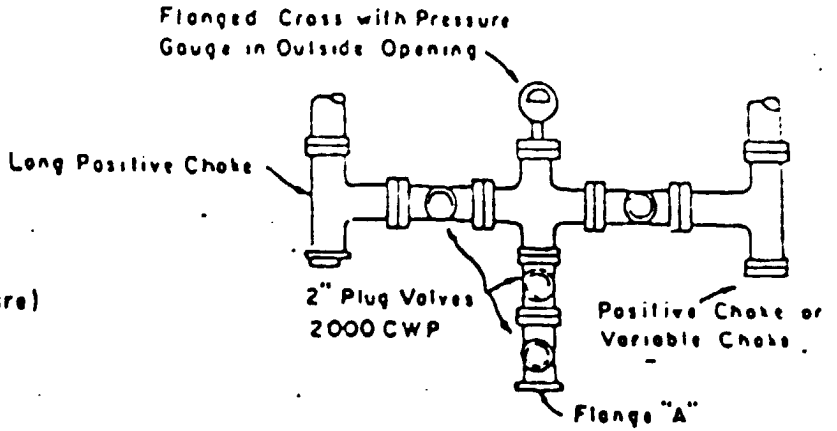
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

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 five 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
Jicarilla L #7
NW SW Sec. 34 T25N R5W
1660' FSL & 990' FWL
Rio Arriba County, New Mexico

1. Existing Roads

A. The proposed well site and elevation plat is shown as EXHIBIT "A".

B. The distance from Counselor, New Mexico is 16.3 miles. Proceed NE 8.6 miles on Lindrith Station Road, thence East (parallel) with major powerline a distance of 5 miles, thence North 2.3 miles and East 0.3 mile on gravel road, thence Southeast 0.1 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 0.1 mile from the exisitng gravel 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 3%.

2. Planned Access Roads

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

(1) The maximum width of the running surface of the 0.1 mile of access road as you leave the existing (road) gravel will be 18'.

(2) The grade will be 1%.

(3) No turn outs 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. No major cuts or fills are anticipated along access road during drilling operation.

(6) Surfacing materials will be native soil.

(7) No gates, cattle guards, 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". If production is obtained, new access road will be widened to 25'.

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 11 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 acilities are owned or controlled by lesee/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 the well is productive, 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 250 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.I.A. stipulations.

5. Location and Type of Water Supply

A. The source of water will be San Juan River, 30 miles Northwest of the location.

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 well is productive. The surface soil materials will be sufficient or will be purchased from Dirt Contractor as needed.

B. No construction materials will be taken off Indian 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".

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 salts 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 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 pit 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.I.A. specifications determined at time of pre-drill inspection.

(2) EXHIBIT "H" is a plan diagram of the proposed rig and equipment, reserve pit, burn and trash 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.I.A. 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. No distinguishing geological features are present. The area is covered with sage and native grasses. There are livestock, rabbits, deer and reptiles in the area. The well site is located next to drainage in gentle rolling hills.

(2) The primary surface use is for grazing. The surface is owned by Indians (Jicarilla Apache).

(3) There is no live water in the vicinity.

The closest occupied dwellings are 16.3 miles South in Couselor, Colorado, as shown on EXHIBIT "E".

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 30 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.

9-26-80
Date

George Lapaseotes
George Lapaseotes
Agent Consultant for
Supron Energy Corporation

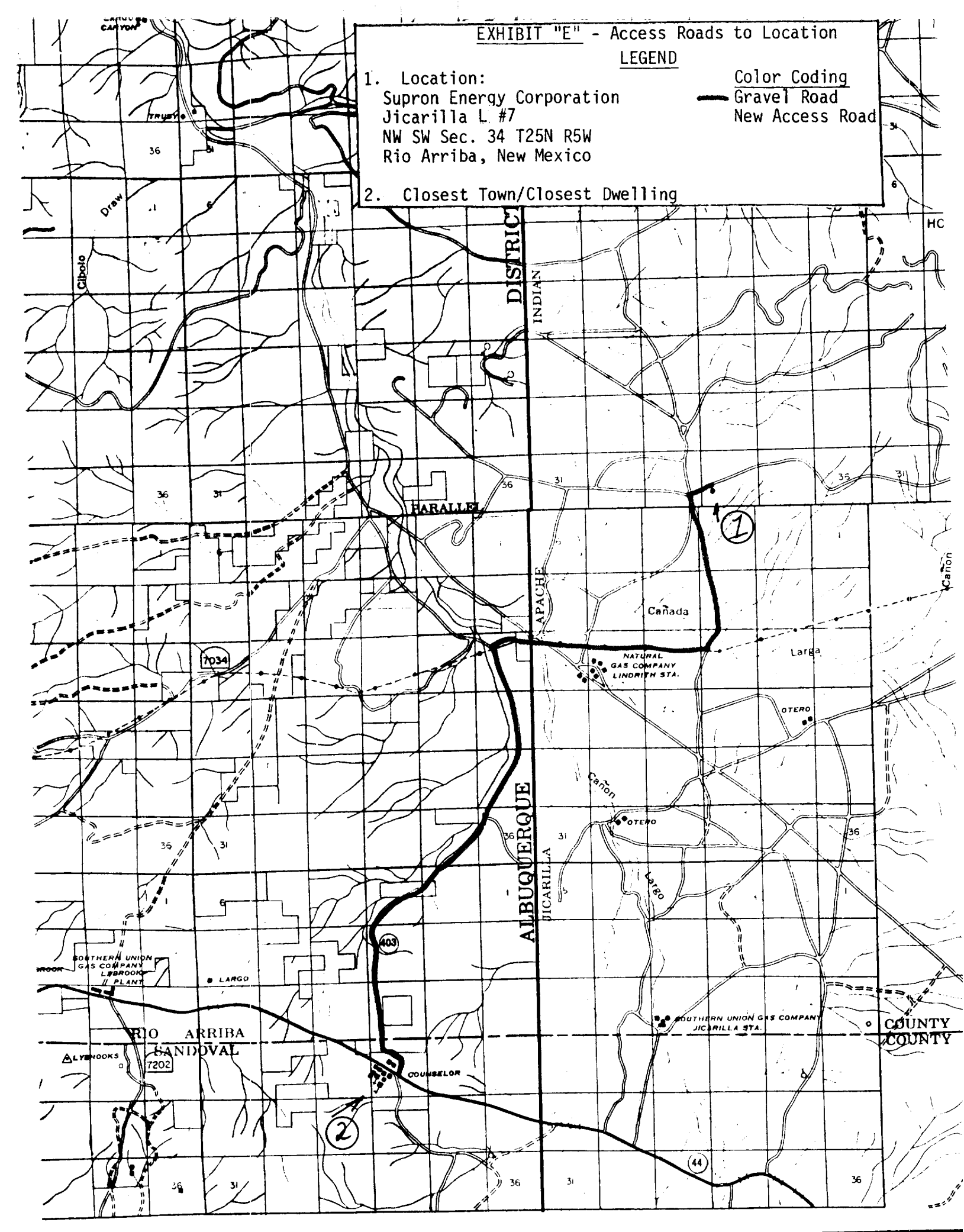
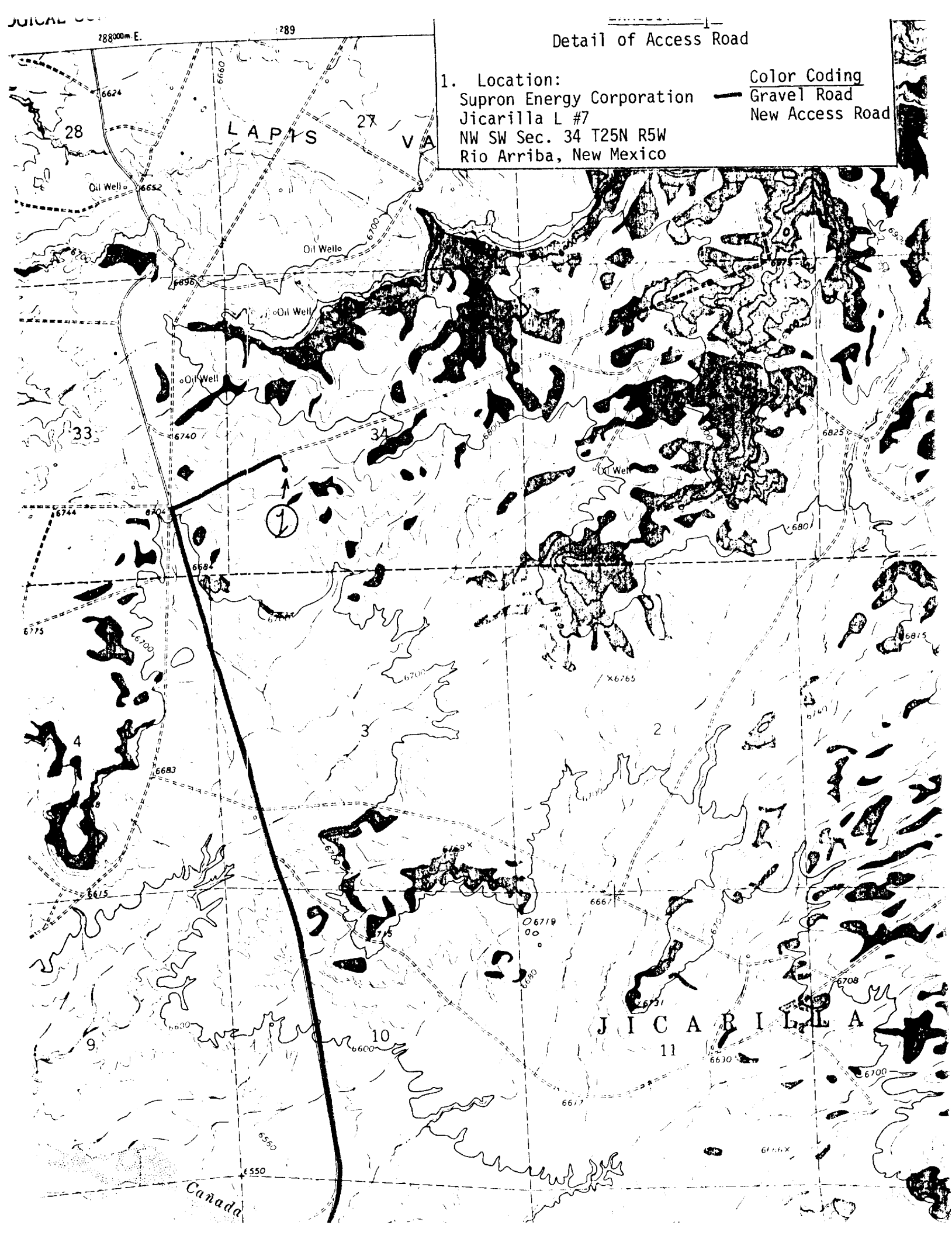


EXHIBIT "E" - Access Roads to Location
LEGEND
1. Location:
Supron Energy Corporation
Jicarilla L #7
NW SW Sec. 34 T25N R5W
Rio Arriba, New Mexico
2. Closest Town/Closest Dwelling
Color Coding
Gravel Road
New Access Road
CANYON
TRUJO
Draw
Cibolo
DISTRICT
INDIAN
HC
PARALLEL
APACHE
Cañada
Canon
Larga
NATURAL GAS COMPANY LINDRITH STA.
OTERO
ALBUQUERQUE
JICARILLA
Largo
7034
403
SOUTHERN UNION GAS COMPANY LYBROOK PLANT
LARGO
RIO ARRIBA
SANDOVAL
LYBROOKS
7202
COUNSELOR
SOUTHERN UNION GAS COMPANY JICARILLA STA.
COUNTY
COUNTY
44
1
2


Detail of Access Road
1. Location:
Supron Energy Corporation
Jicarilla L #7
NW SW Sec. 34 T25N R5W
Rio Arriba, New Mexico
Color Coding
Gravel Road
New Access Road
LAPIS
JICARILLA
Canada
Oil Well
28
27
33
34
4
3
2
9
10
11

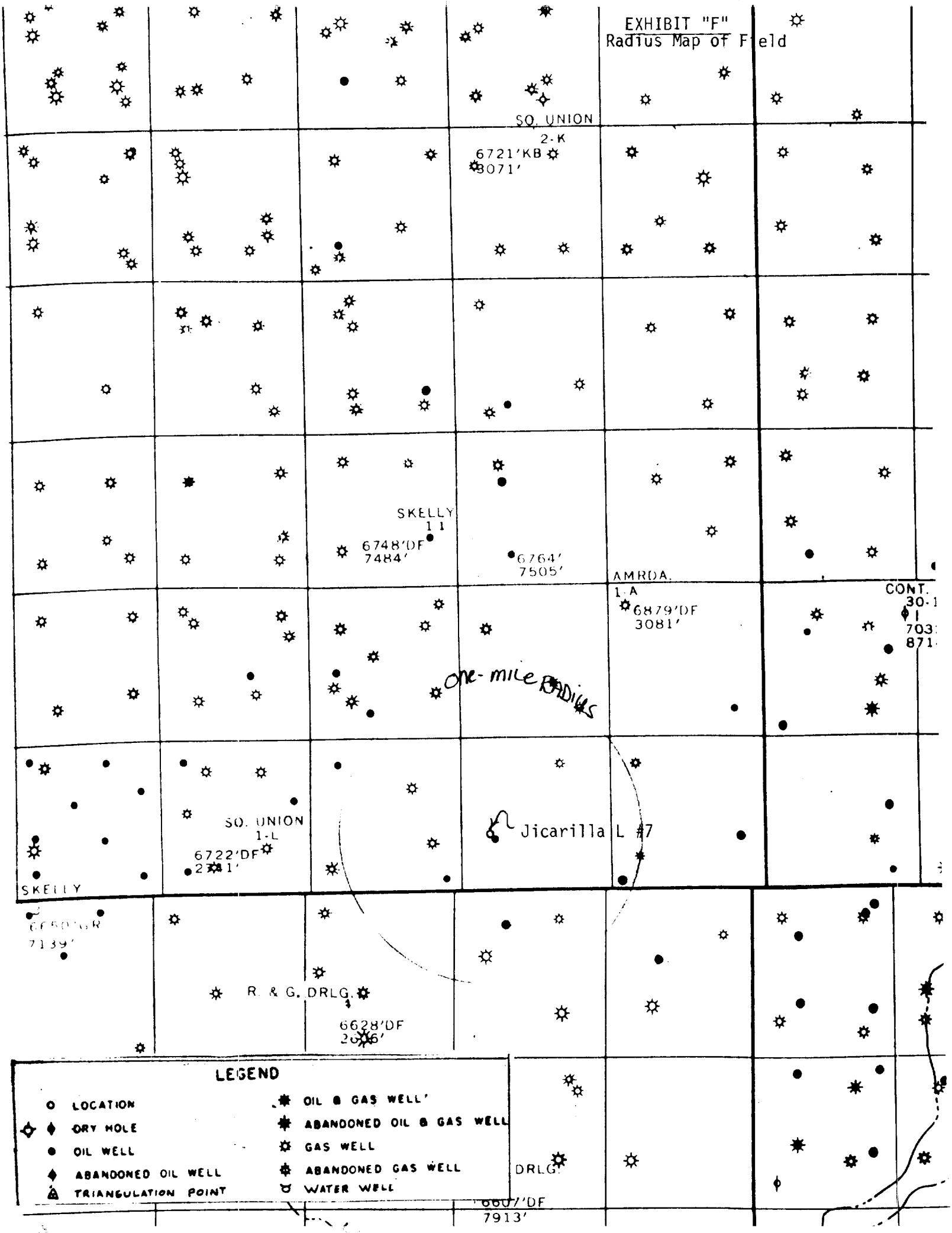
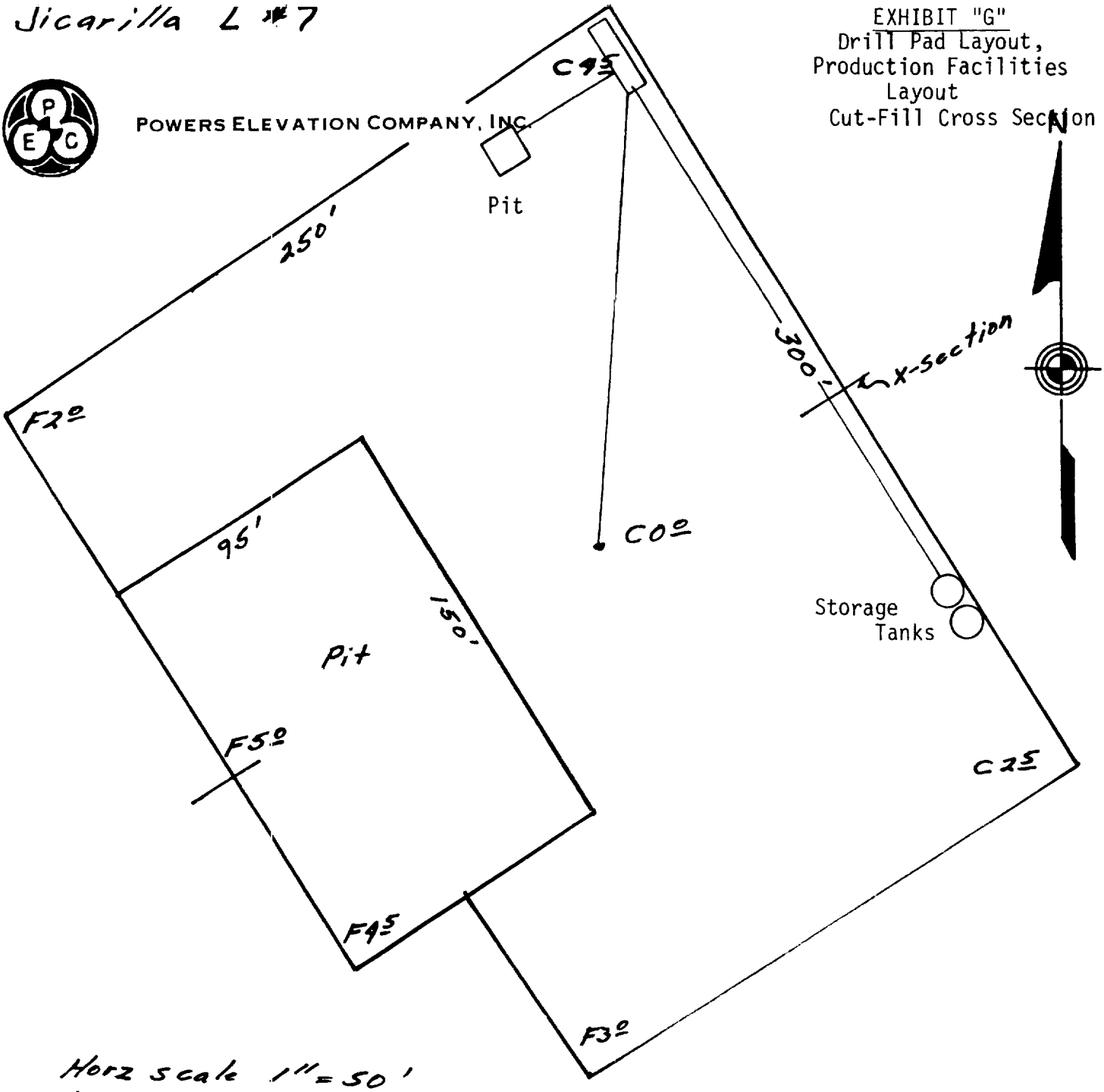


EXHIBIT "F"
Radius Map of Field
SO. UNION
2-K
6721'KB
3071'
SKELLY
1 1
6748'DF
7484'
6764'
7505'
AMRDA.
1 A
6879'DF
3081'
CONT.
30-1
1
703
871
one-mile radius
SO. UNION
1-L
6722'DF
2341'
Jicarilla L #7
SKELLY
7139'
R. & G. DRLG.
6628'DF
2616'
DRLG.
7913'
LEGEND
LOCATION
DRY HOLE
OIL WELL
ABANDONED OIL WELL
TRIANGULATION POINT
OIL & GAS WELL
ABANDONED OIL & GAS WELL
GAS WELL
ABANDONED GAS WELL
WATER WELL

Jicarilla L #7

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

POWERS ELEVATION COMPANY, INC.



Horz scale 1" = 50'
Vert scale 1" = 10'

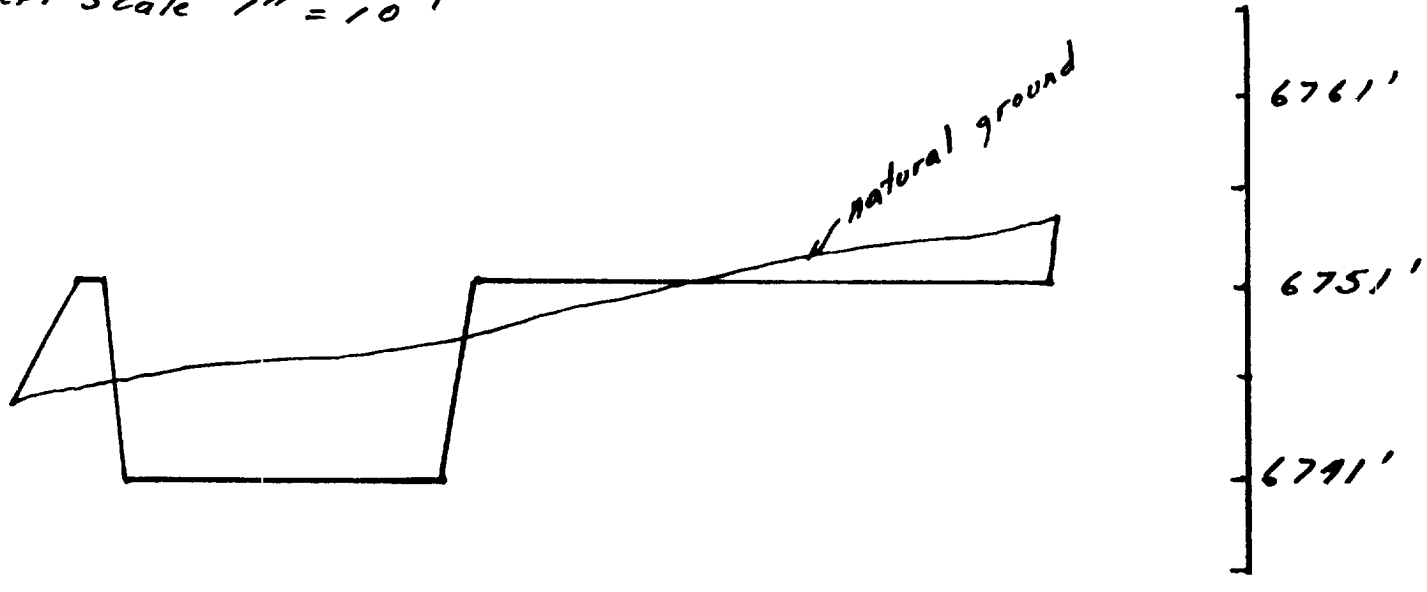


EXHIBIT "H"
Drill Rig Layout

Supron Energy Corporation
Jicarilla L #7
Rio Arriba, New Mexico

Scale: 1" = 50'