

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-045-2455-8

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

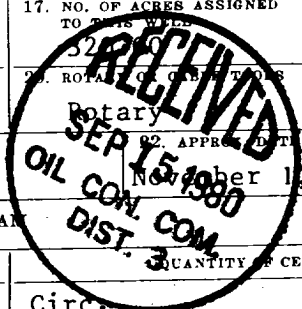
5. LEASE DESIGNATION AND SERIAL NO.  
SF 078213  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 7. UNIT AGREEMENT NAME  
 8. FARM OR LEASE NAME  
City of Farmington  
 9. WELL NO.  
2-E  
 10. FIELD AND POOL, OR WILDCAT  
Basin Dakota  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 35, T-30N, R-13W  
N.M.P.M.  
 12. COUNTY OR PARISH  
San Juan  
 13. STATE  
New Mexico

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 920' FNL & 855' FWL  
 At proposed prod. zone Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
1 mile North of Farmington, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 855'  
 16. NO. OF ACRES IN LEASE 2480  
 18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1850'  
 19. PROPOSED DEPTH 6470'



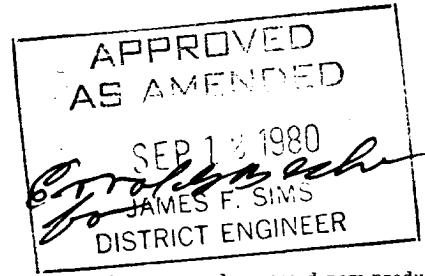
21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5713 GR.

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"	24	350'	Circ.
7-7/8"	4-1/2"	10.5	6470'	3 stages:

We desire to drill 12 1/4" surface hole to approximately 350 ft. Set 8-5/8" surface pipe. Cement surface pipe with cement to be circulated to surface. Pressure test surface pipe. Drill 7-7/8" hole to T.D. of approximately 6470 feet. Run 4 1/2" casing and cement in 3 stages as shown above. Pressure test the casing. Perforate and fracture the Dakota zone. Clean the well up and run tubing to the production zone. Nipple down the wellhead. Test well and connect to the pipeline. This gas has been dedicated to a transporter.

17. NO. OF ACRES ASSIGNED TO THIS WELL 32.00  
 20. ROTARY COMPANY TO BE USED Rotary  
 22. APPROX. DATE WORK WILL START\* November 1, 1980



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface geology, measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Rudy D. Motta TITLE Area Superintendent DATE July 17, 1980

(This space for Federal or State office use)  
 PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

*al 3rd*

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

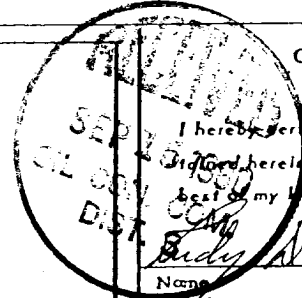
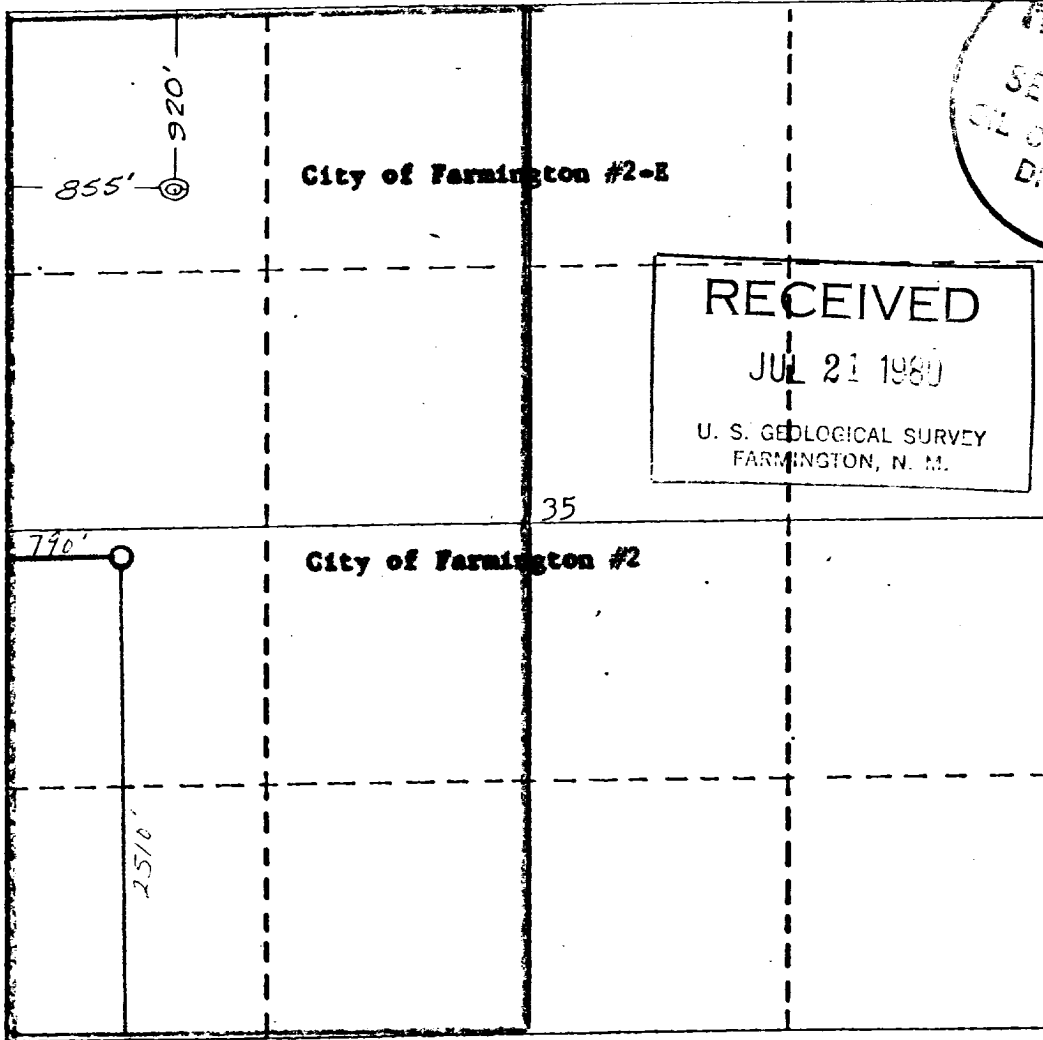
Operator <b>SUPRON ENERGY CORPORATION</b>		Lease <b>CITY OF FARMINGTON</b>			Well No. <b>2-E</b>
Unit Letter <b>D</b>	Section <b>35</b>	Township <b>30 NORTH</b>	Range <b>13 WEST</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>920</b> feet from the <b>NORTH</b> line and <b>855</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>5713</b>	Producing Formation <b>DAKOTA</b>		Pool <b>BASIN</b>	Dedicated Acreages <b>W/2 320.00</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Division.



CERTIFICATION

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

*Rudy D. Motto*  
Name

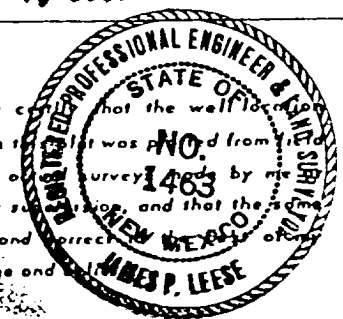
**Rudy D. Motto**

Position  
**Area Superintendent**

Company  
**Supron Energy Corporation**

Date  
**July 7, 1980**

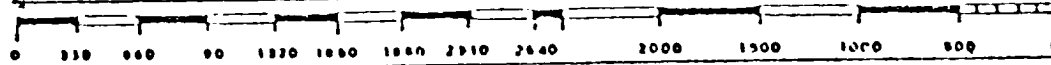
I hereby certify that the well location shown on this plat was located from field notes of a survey made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed  
**February 15, 1980**

Registered Professional Engineer and Land Surveyor  
*James P. Leese*  
**James P. Leese**

Certificate No.  
**1463**

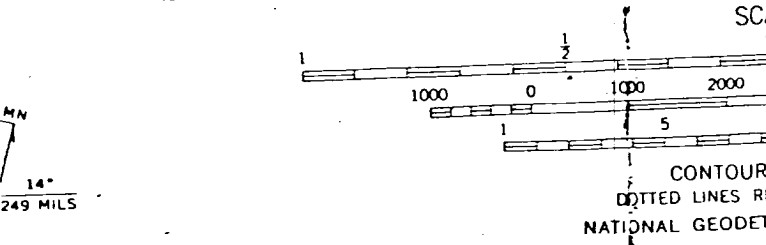
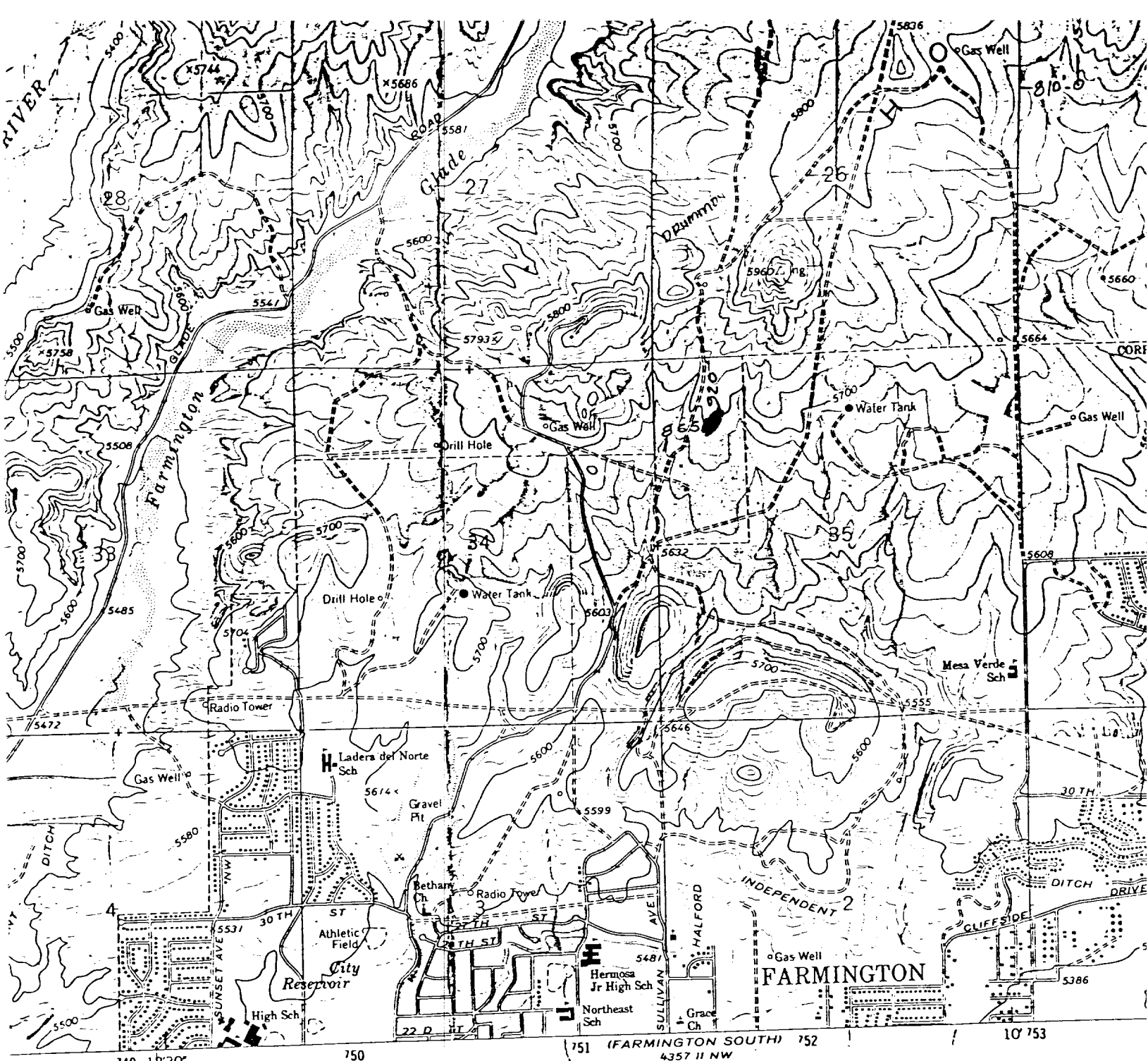


SUPRON ENERGY CORPORATION

City of Farmington No. 2-E  
NW ¼ Sec. 35, T-30N, R-13W, N.M.P.M.  
San Juan County, New Mexico

The following attachments are included with this application:

1. Topographical map showing proposed location and access road.
2. Planned access road is 20 ft. wide and 100 ft. long. The road will follow the natural contour of the land and will have drainage facilities installed to meet requirements of NTL-6. No extra surfacing materials will be used.
3. Map of existing producing facilities.
4. Location of surface equipment if required.
5. Drilling and completion water will be obtained from the Animas river.
6. All pits will be fenced and constructed in such a way as to prevent litter on the location.
7. We will dispose of all waste by placing it in the reserve pit and burying it when the well is completed.
8. There will be no camp at or near the well site.
9. There will be no air strip.
10. A plat is attached showing the location of the rig, mud tanks, reserve pit, burn pit and ect.
11. 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 87401. Phone (505) 325-3587.
12. After the well is completed, the location will be cleaned up and bladed. The reserve pit will be allowed to dry and then be filled and restored to its natural state.
13. The soil is sandy loam and the principal vegetation is snakeweed, juniper and mormon tea.
14. A letter of approval is attached from the surface owner granting permission to enter and drill this well.



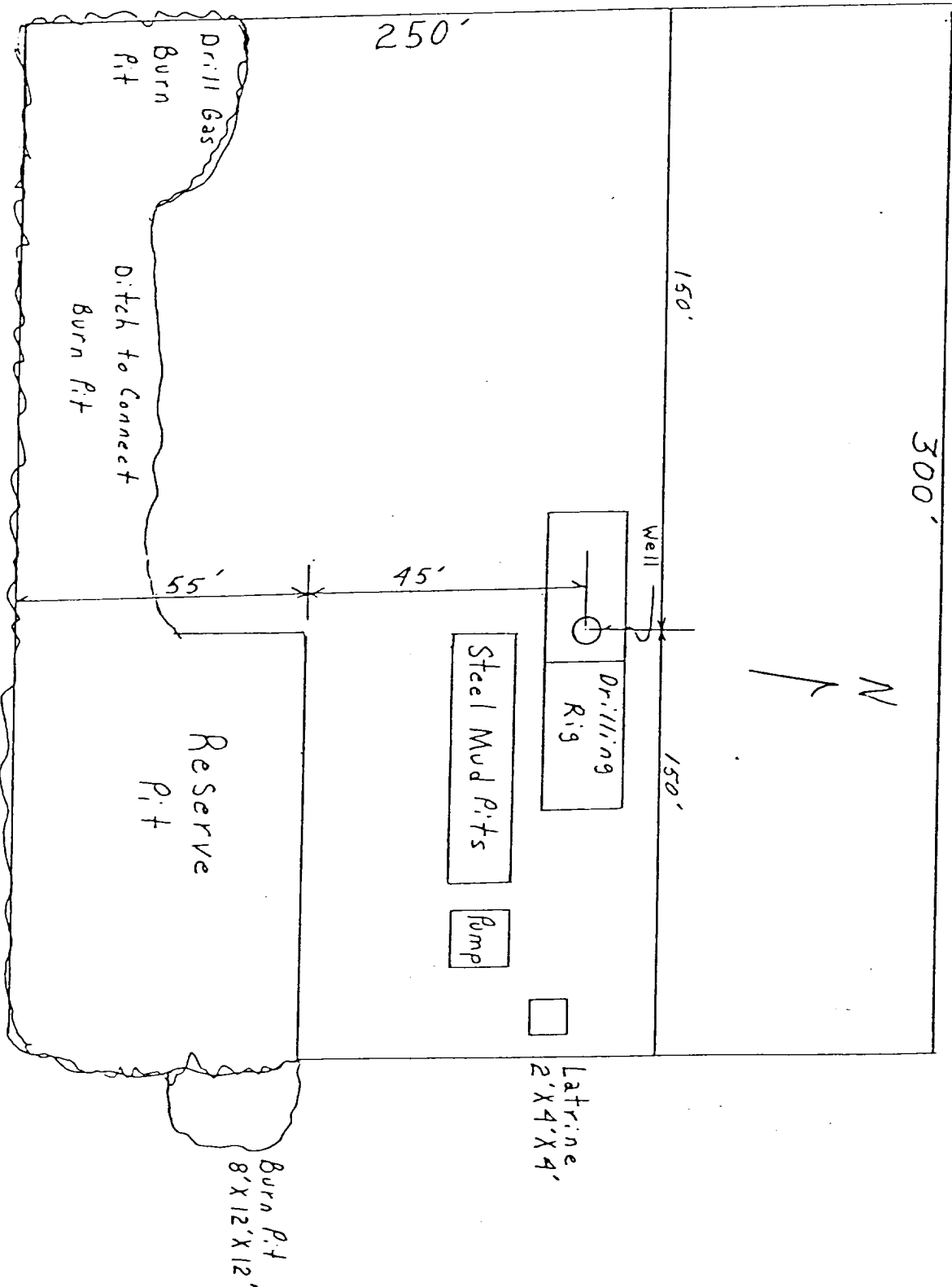
Supron Energy Corporation  
 City of Fmgt. #2-E  
 Sec. 35, T30N, R13W, N.M.P.M.,  
 San Juan County, New Mexico

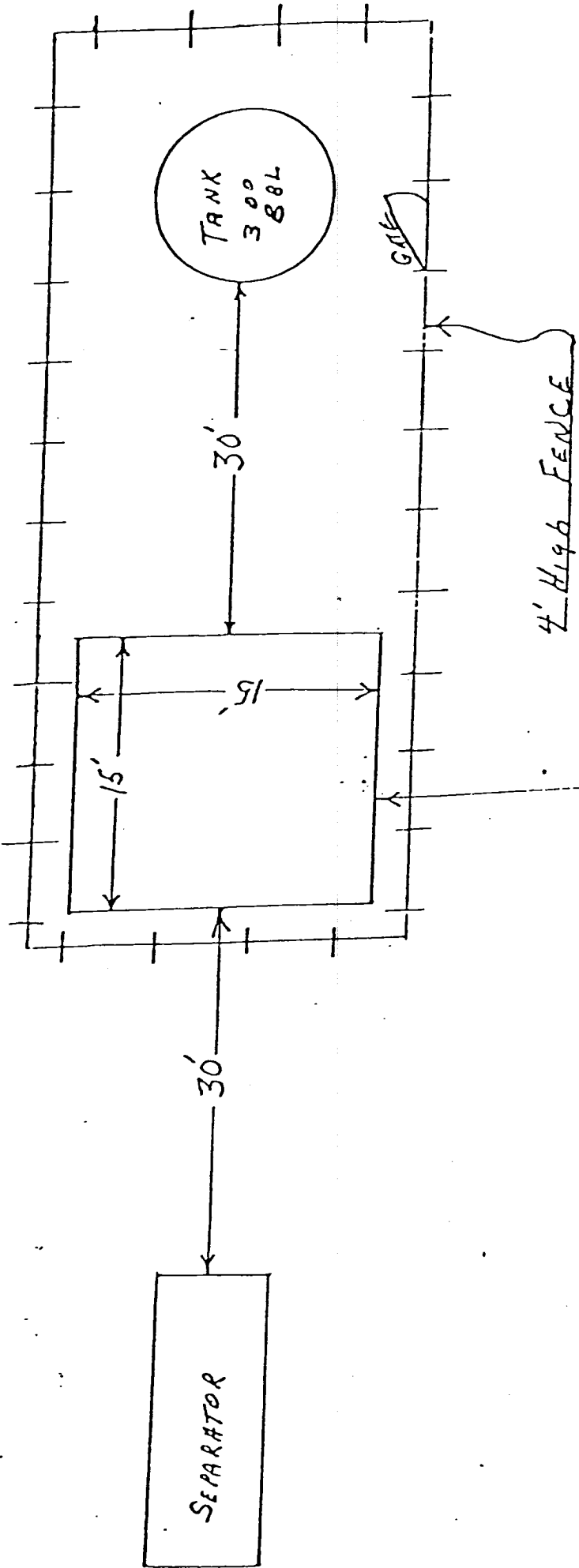
CONTOUR INTERVAL 20 FEET  
 DOTTED LINES REPRESENT 10-FOOT CONTOURS  
 NATIONAL GEODETIC VERTICAL DATUM OF 1929

MAGNETIC NORTH  
 14°  
 249 MILS  
 OF SHEET

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS  
 FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092  
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

SUPRON ENERGY CORPORATION  
CITY OF FARMINGTON NO. 2-E  
920 Ft./North; 855 Ft./West  
Sec. 35, T-30N, R-13W  
San Juan County, New Mexico



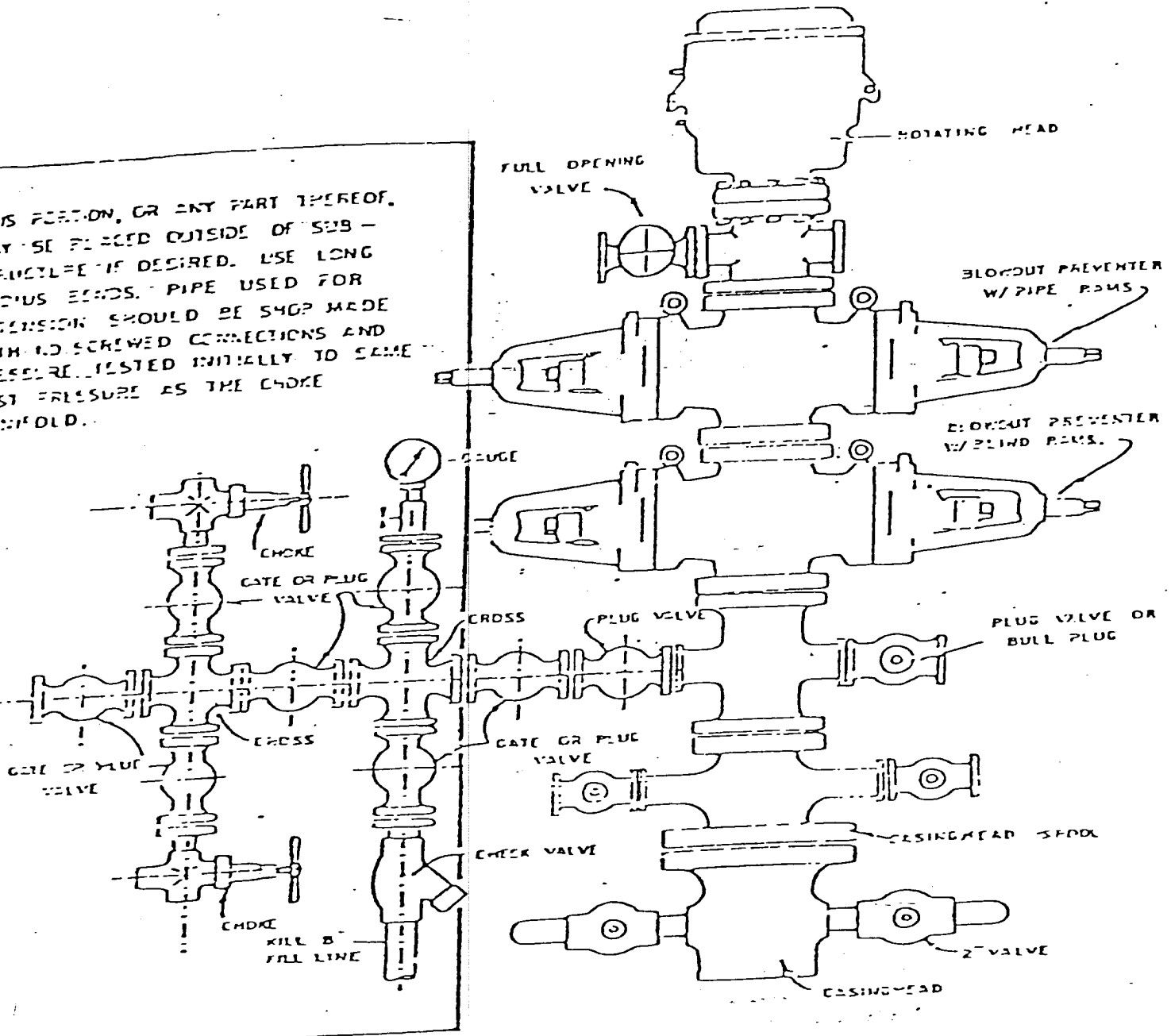


70' WELL HEAD

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 CONUS BEADS. PIPE USED FOR CONNECTION SHOULD BE SHOP MADE WITH WELDED CONNECTIONS AND BESSER TESTED INITIALLY TO SAME TEST PRESSURE AS THE CHOKER SHOULD.



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



SUPRON ENERGY CORPORATION  
City of Farmington No. 2-E  
NW  $\frac{1}{4}$  Section 35, T-30N, R-13W, N.M.P.M.  
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 295 ft.
  - B. Top of the Fruitland 1400 ft.
  - C. Top of the Pictured Cliffs 1680 ft.
  - D. Top of the Chacra 2395 ft.
  - E. Top of the Mesaverde 3235 ft.
  - F. Top of the Gallup 5370 ft.
  - G. Top of the Dakota 6229 ft.
3. The estimated depths at which water, oil or mineral bearing formations are expected to be encountered are:
  - A. Top of the Ojo Alamo 295 ft. Water
  - B. Top of the Fruitland 1400 ft. Water
  - C. Top of the Pictured Cliffs 1680 ft. Water
  - D. Top of the Chacra 2395 ft. Dry
  - E. Top of the Mesaverde 3235 ft. Water
  - F. Top of the Gallup 5370 ft. Dry
  - G. Top of the Dakota 6229 ft. Gas
4. The casing program is shown on form 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. 0 - 350 ft. Natural Mud
  - B. 350 - 6470 ft. Permaloid, non-dispersed mud containing approximately 200 sx of gel, 80 sx of permaloid and 20 sx of C.M.C.
7. The auxiliary equipment to be used 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
9. We do not expect to find any abnormal pressures, temperatures or hydrogen sulfide problems in this highly developed area.
10. The anticipated starting date for this well is November 1, 1980, dependent on rig availability.

GREVEY-LIBERMAN

P. O. Box 25802  
Albuquerque, New Mexico 87125

Rudy D. Motto  
Area Superintendent  
Supron Energy Corporation  
P.O. Box 308  
Farmington N.M. 87401

*CITY OF FARMINGTON No. 2E*

Dear Mr. Motto:

This will reply to your letter of February 29, 1980.

We hereby grant our approval for the drilling of your proposed well subject to our prior receipt of the customary \$1,000.00 standard well location payment.

Very truly yours

*Joseph Grevey*  
Joseph Grevey

March 10, 1980