

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 c/o John H. Hill et al

3. ADDRESS OF OPERATOR

Suite 020 Kysar Building, 300 West Arrington
Farmington, New Mexico 87401 Attn: Lura Wallis

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

At proposed prod. zone

1580' FSL & 1010' FWL (NW SW)

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 miles North of Flora Vista, New Mexico.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1010'

16. NO. OF ACRES IN LEASE

2004.86

17. NO. OF ACRES ASSIGNED
TO THIS WELL

w/ 320

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

19. PROPOSED DEPTH

5400'

20. ROTARY OR CABLE TOOLS

Rotary

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

5957' GR

22. APPROX. DATE WORK WILL START*

January 15, 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	26# H-40 ST&C	300'	2 stage - surface to 2700';
7-7/8"	5 1/2" New	15.5# K-55 ST&C	5400'	2700' to total depth (suf- ficient cement to cover Ojo Alamo).

1. Drill 12 1/4" hole and set 8-5/8" surface casing to 300' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 7-7/8" hole to 5400'.
3. Run tests if warranted and run 5 1/2" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

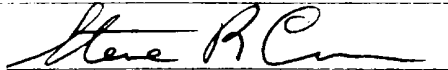
EXHIBITS ATTACHED

- "A" Location and Elevation Plat
- "B" The Ten-Point Compliance Program
- "C" The Blowout Preventer Diagram
- "D" The Multi-Point Requirements for A.P.D.
- "E" & "E1" Access Road Maps to Location
- "F" Radius Map of Field
- "G" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Section
- "H" Drill Rig Layout

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

Manager Exploration &
Production

DATE

14 November 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED
DATEJAN 2 1981
JAMES F. SIMS
DISTRICT ENGINEER

*See Instructions On Reverse Side

W7067

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

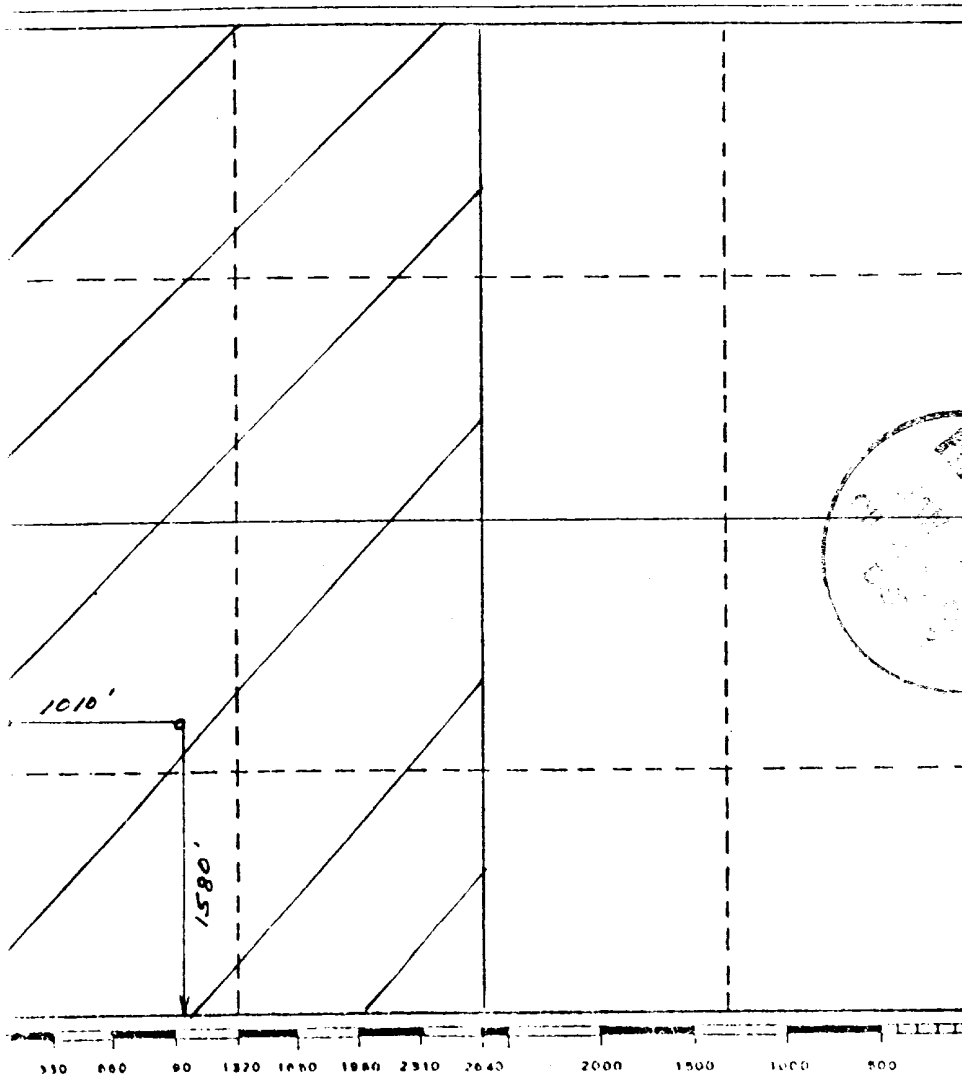
Operator Supron Energy			Lease Taliaferro / SF 078244		Well No. Taliaferro # 7
Section Letter L	Section 29	Township 31 North	Range 12 West	County San Juan	
Well Location: 1580 feet from the South line and 1010 feet from the West line					
Well Level Elev. 5957'	Producing Formation Mesa Verde		Pool Blanco		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division.



CERTIFICATION

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

George Lapaseotes
Name **George Lapaseotes, Vice President, Powers Elevation,**

Position
Agent Consultant for

Company
Supron Energy Corporation

Date
December 3, 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.

27
Date Signed
Sheldon P. Hudspeth
Registered Professional Engineer and/or Land Surveyor
6844
Certification No. _____

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Supron Energy Corporation
Taliaferro #7
NW SW Sec. 29 T31N R12W
1580' FSL & 1010' FWL
San Juan County, New Mexico

1. The Geologic Surface Formation

The geologic formation is the Wasatch.

2. Estimated Tops of Important Geologic Markers

Ojo Alamo	336'
Kirtland	884'
Fruitland	1958'
Pictured Cliffs	2255'
Cliffhouse	3885'
Menefe	4025'
Point Lookout	4675'

Total Depth 5400'

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

Ojo Alamo	Water
Kirtland	Gas
Fruitland	Gas
Pictured Cliffs	Gas
Cliffhouse	Gas
Menefe	Gas
Point Lookout	Gas

4. The Proposed Casing Program

HOLE SIZE	INTERVAL	SECTION LENGTH	SIZE (OD)	WEIGHT, GRADE & JOINT	NEW OR USED
12-1/4"	0-300'	300'	8-5/8"	26# H-40 ST&C	New
7-7/8"	0-5400'	5400'	5-1/2"	15.5 # K-55 ST&C	New

Cement Program - 2 Stage Cementing

First Stage - Sacks of mix required and additives to fill from 5400' to approximately 2700'. Slurry 50-50 poz cement, 2% gel, 2% Calcium Chloride, .06% - D -19 Aquatrol.

Second Stage - From 2700' to surface with 100% excess. Slurry to be 50-50 poz cement, 2% gel, 2% Calcium Chloride for 500' from 2700' to 2200', then from 2200' to surface 50-50 poz and cement, 2% Calcium Chloride, 6% gel (sufficient to cover Ojo Alamo sandstone).

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 nipping 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 floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristic of the Proposed Circulating Muds

This will be drilled with air and 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/gal	FLUID LOSS cc
0-300'	Fresh Water-Gel	8.4 - 9.5	35 - 45	Less than 10
300'-4200'	Fresh Water-Gel	8.4 - 9.5	35 - 45	Less than 10
4200'-T.D.	Air	-----	-----	-----

7. The Auxiliary Equipment to be Used

(a) No kelly cock will be used.

(b) A float will be used at the bit.

- (c) Neither mud logging unit nor 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 on 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 January 15, 1981 or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 75 days after spudding the well and drilling to casing point.

Blowout Preventer
Diagram

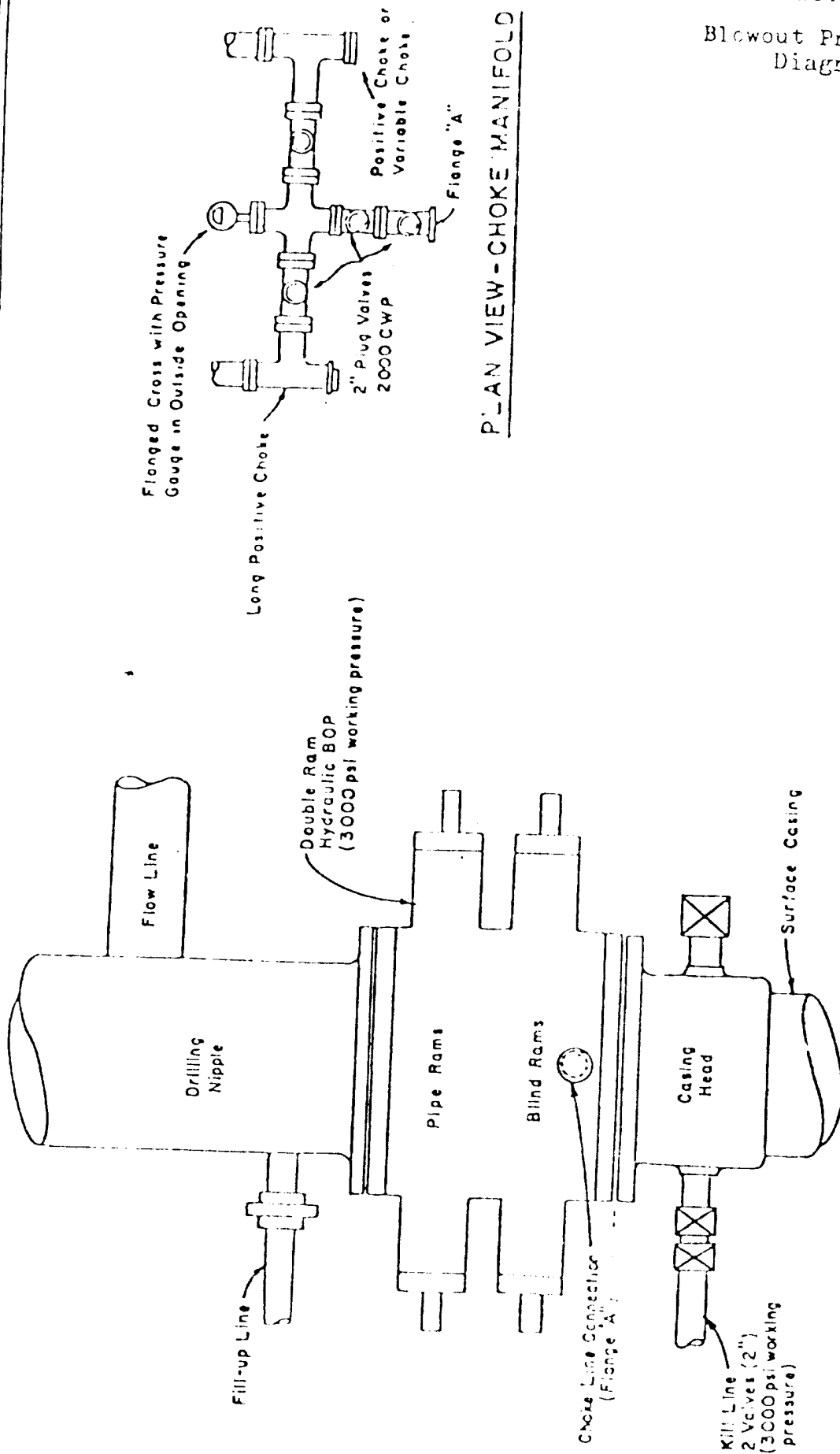


EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Attached to Form 9-331C
Supron Energy Corporation
Taliaferro #7
NW SW Sec. 29 T31N R12W
1580' FSL & 1010' FWL
San Juan County, New Mexico

1. Existing Roads

- A. The proposed well site and elevation plat is shown as EXHIBIT "A".
- B. The distance from Flora Vista, New Mexico is 6.0 miles. From Highway #550 proceed North on CR A-115 (Flora Vista Arroyo) road 0.3 mile; bear North 1.4 miles; bear Northwest 3.3 miles; thence 0.5 mile Northeast; thence 0.5 mile Northwest on proposed access road to location, as shown on EXHIBIT "E".
- C. All roads to location are color-coded on EXHIBIT "E". A new access road 0.5 mile from the existing dirt road will be required, as shown on EXHIBIT "E".
- 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 is 1-4%.

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 0.5 mile of access road as you leave the existing dirt road will be 18 feet. If well is a producer, total disturbed area will be 25 feet.
- (2) The grade will be 1-2%.
- (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, cattleguards 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".

3. Location of Existing Wells

For all existing wells within a one mile radius of Development well, see EXHIBIT "F".

- (1) There is one water well 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 8 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 facilities are owned or controlled by lessee/operator:
 - (1) Tank Batteries: Yes. Supron has producing wells in the area.
 - (2) Production Facilities: Yes. Same as above.
 - (3) Oil Gathering Lines: None.
 - (4) Gas Gathering Lines: Yes. Supron has producing wells in the area.
 - (5) Injection Lines: None.
 - (6) Disposal Lines: None.
- B. If production is obtained, 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 live-stock and wildlife.
- C. Rehabilitation, whether well is productive or dry, will be made on all unused areas in accordance with B.L.M. stipulations.

5. Location and Type of Water Source

- A. The source of water will be the San Juan River 6.5 miles South of the location, as shown on EXHIBIT "E".
- 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 and access roads into the drilling location unless well is productive. The surface soil materials will be sufficient or will be purchased from the Dirt Contractor as needed.
- B. No construction materials will be taken off Federal 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 toilet 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/burn 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/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 the pit has dried and 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 is 2 feet and will be stockpiled per B.L.M. specifications determined at time of pre-drill inspection.
- (2) EXHIBIT "H" is a plan diagram of the proposed rig and equipment, reserve pit, trash/burn pit, and mud pits. 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 to an approved sanitary landfill 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.L.M. 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 or burned 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 Spring 1982, unless requested otherwise.

11. Other Information

- (1) The soil is a sandy-clay. There is no vegetation in the area. There are rabbits, deer and reptiles. The location is immediately above a drainage in Farmington Glade. Terrain is flat with no distinguishing features present. Drainage is to the Southwest.
- (2) The primary surface use is for oil production. The surface is owned by the U.S. Government.
- (3) The closest live water is La Plata River, 4 miles West of the location.

The closest occupied dwellings are located in Flora Vista, 6 miles South of the location, as shown on EXHIBIT "E".

There were no archaeological, historical, or other cultural artifacts apparent to Powers' surveyors during their staking of this location. However, a complete, standard cultural resource (including archaeological) survey will be conducted by a qualified archaeologist, and a report submitted to the B.L.M, prior to any surface disturbance.

- (4) There are no reported restrictions or reservations noted on the oil and gas lease.
- (5) Drilling is planned for on or about January 15, 1981. It is anticipated that the casing point will be reached within 75 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

Steve Connor
Supron Energy Corporation
c/o John H. Hill, et al.
The Lakes at Bent Tree
Suite 210
17400 Dallas Parkway
Dallas, Texas
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.

Date

12-3-80

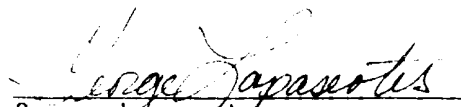

George Lapaseotes
Agent Consultant for
Supron Energy Corporation

EXHIBIT "E"

Access Roads to Location

1. Location:
Supron Energy Corp.
Taliaferro #7
NW SW Sec. 29 T31N R12W
San Juan County, New Mexico

Color Coding
Dirt Road
New Access Road

2. Nearest Town/Closest Dwelling

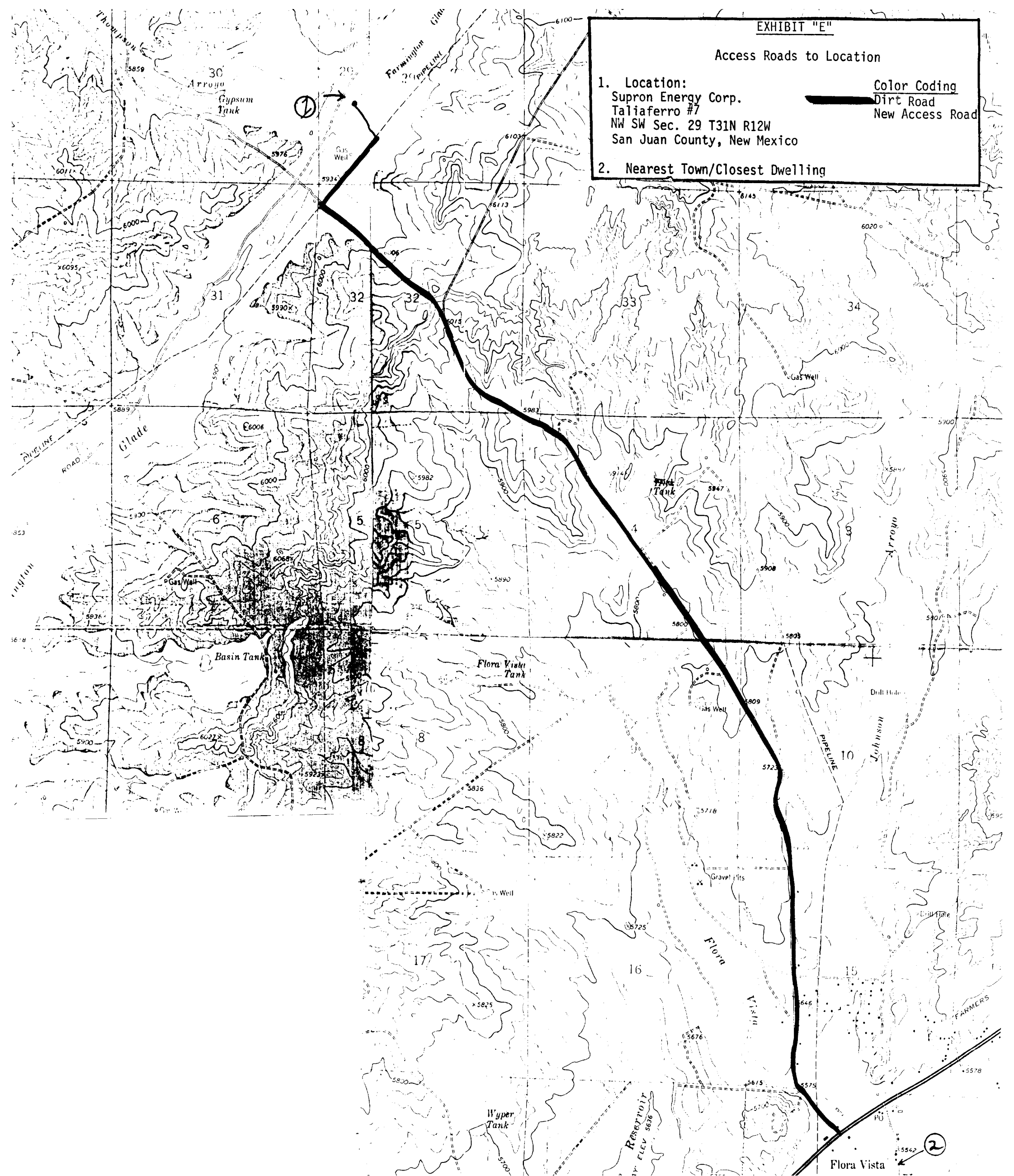


EXHIBIT "F"
Radius Map of Field

173

one mile Radius

Taliaferro #7

AZTEC
6194' *5
7232'

INSOLIDATED
*1-35
5916'
6880'

LEGEND

- | | |
|-----------------------|----------------------------|
| ○ LOCATION | ★ OIL & GAS WELL |
| ◊ DRY HOLE | ★ ABANDONED OIL & GAS WELL |
| ● OIL WELL | ★ GAS WELL |
| ◆ ABANDONED OIL WELL | ★ ABANDONED GAS WELL |
| △ TRIANGULATION POINT | ○ WATER WELL |

BYRD-FROST

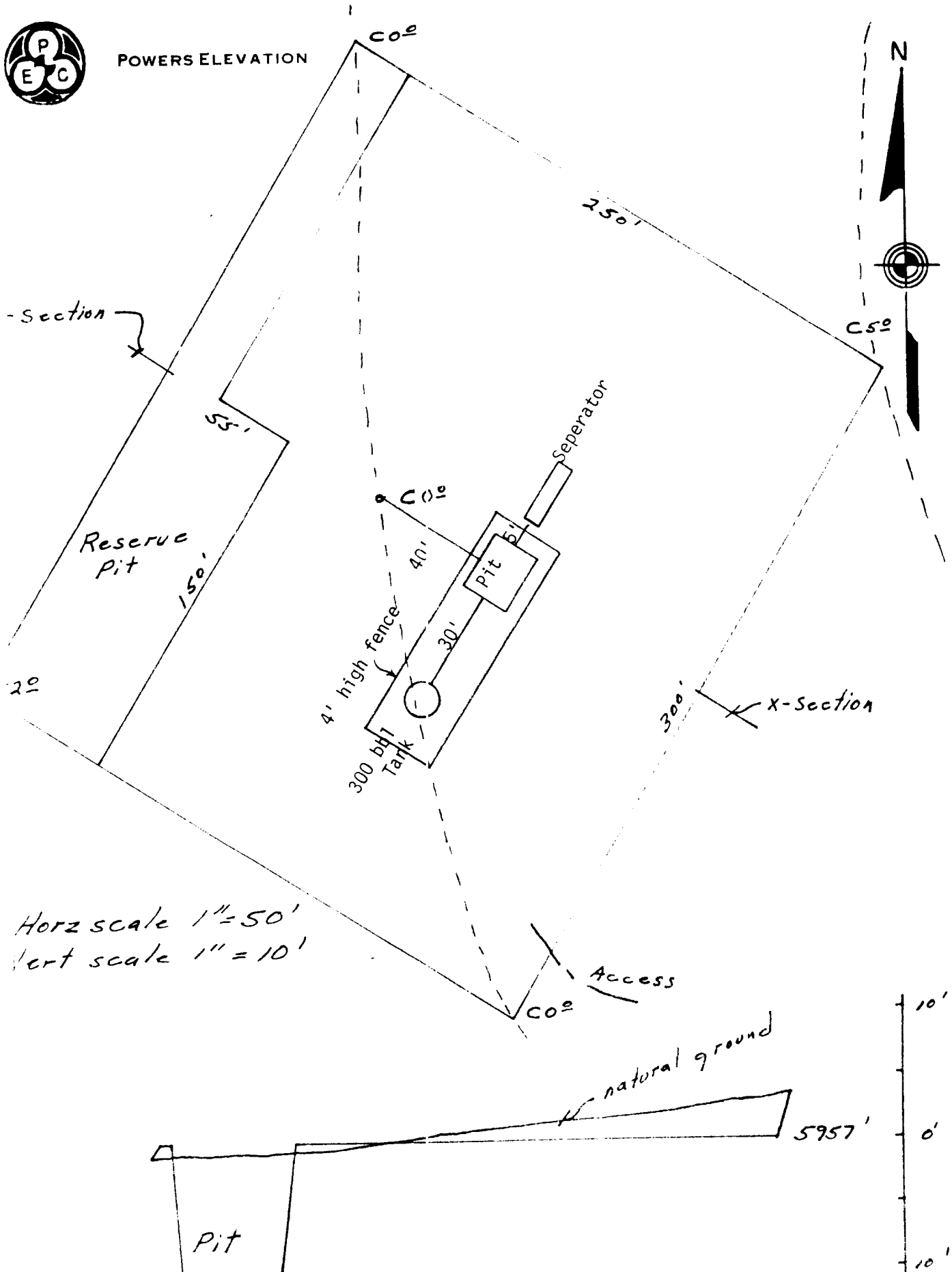
1
5849'
2095'

DON TRADERS

2
5845'
2013'

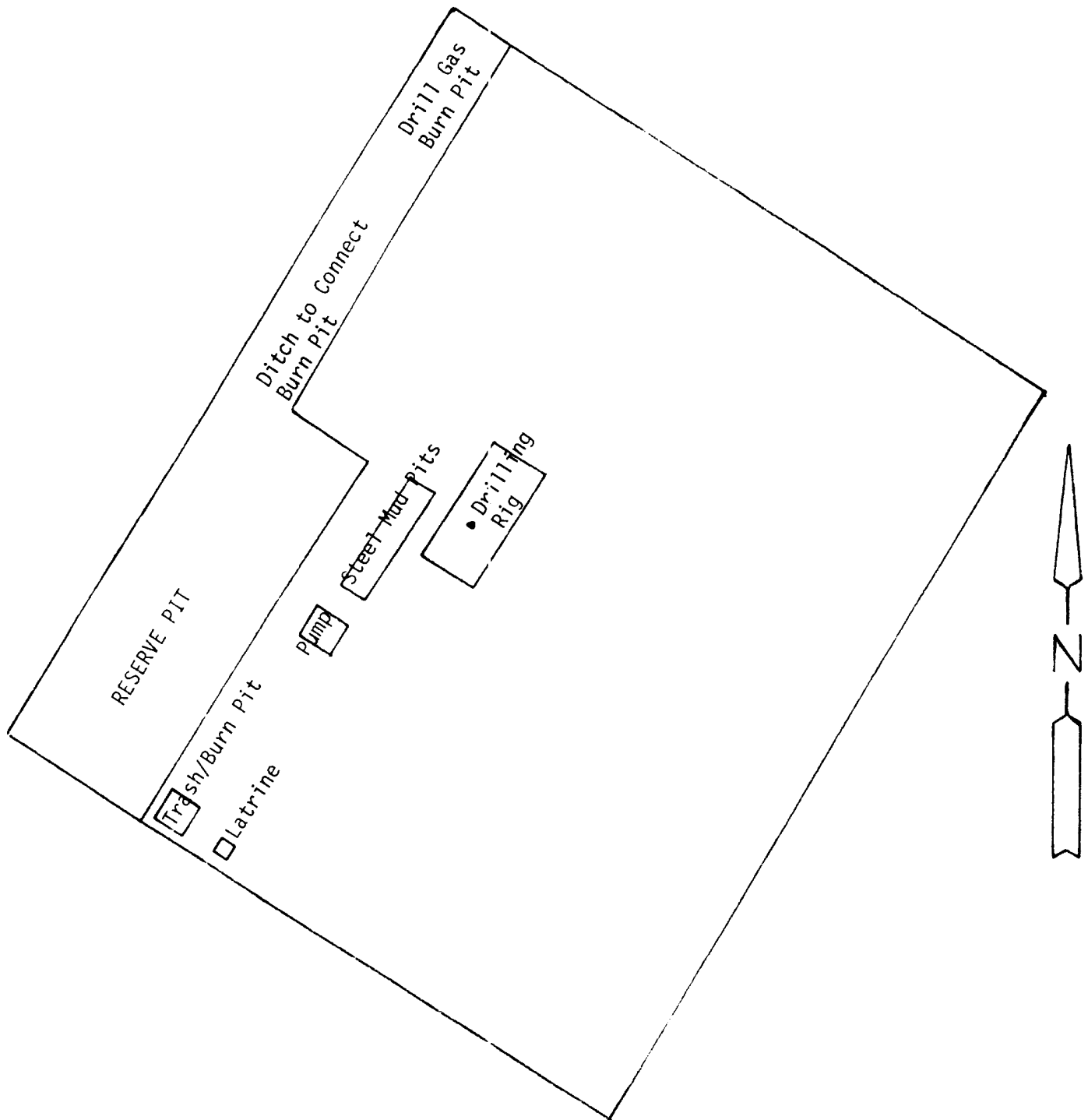
550

MON



Supron Energy Corporation
Taliaferro #7
San Juan, New Mexico

EXHIBIT "H"
Drill Rig Layout





POWERS ELEVATION

OIL WELL ELEVATIONS AND LOCATIONS
CHERRY CREEK PLAZA, SUITE 1201
600 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

November 17, 1980

✓ Steve Connor
John H. Hill
The Lakes at Bent Tree
17400 Dallas Parkway
Dallas, TX 75252

Dear Mr. Connor:

Enclosed are the cultural resource survey reports for the following locations:

Supron Taliaferro #7 and #5-M,
 U.S.A. #1-M, #2-M, and #3-M
 McCord 7-E, Newsom B #13E

A BLM Class-III pedestrian survey and inspection of existing records were performed for these locations. No cultural resources were found either in the literature or pertinent site files, or during our field surveys.

In view of this lack of cultural resources and the consequent lack of adverse impact (that is: no effect) upon National Historic Register eligible resources, we recommend that the projects be allowed to proceed.

If you have any questions regarding these reports, please contact Eva Bailey at this office.

Sincerely,

Marcia J. Tate

Marcia J. Tate
Principal Investigator
Assistant Manager, Heritage

MJT:dc

cc: Farmington BLM
Albuquerque BLM
USGS, Farmington
State Archaeologist, Curtis Schaafsma
SHPO, Tom Merlan
Brian O'Neil, District Archaeologist, Grand Junction, CO

enclosures



POWERS ELEVATION

OIL WELL ELEVATIONS AND LOCATIONS
CHERRY CREEK PLAZA, SUITE 1201
800 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

PROJECT IDENTIFICATION: A cultural resource survey for Supron, Taliaferro #7, well pad and access, San Juan County, New Mexico.

ANTIQUITIES PERMIT NO: 79-NM-111

FILE SEARCH: A file search conducted November 4, 1980, with the Bureau of Land Management, Farmington Resource Area, revealed no sites or surveys for the project area.

MAP REFERENCE: Farmington North Quad, 7.5', 1963

PROPOSED ACTION: The completed well pad will measure approximately 250 feet by 300 feet. The access is a 50 foot wide corridor, approximately 700 feet long, from an existing bladed road along a pipeline right-of-way to the southeast.

LOCATION: 1580 ft. FSL, 1010 ft. FWL; SE/NW/SW, Section 29, T31N, R12W

DATE OF INVESTIGATION: November 5, 1980

PERSONNEL: Brian O'Neil, Field Investigator; Bruce Rippeteau and Marcia Tate, Principal Investigators.

ENVIRONMENT: The general physiography is rolling hills and ridges, forming the divide between Estes arroyo and Farmington Glade.

The well pad is situated on the eastern flood plain of Farmington Glade arroyo. Exposure is open. The elevation is approximately 5960 feet.

The drainage pattern and type are dendritic/intermittent. The nearest water is Farmington Glade, 300 feet west. Other available water is the La Plata River, approximately four miles west.

Vegetation cover is up to 10% with excellent visibility. The plant community consists of pinon-juniper, sagebrush, rabbitbrush, greasewood, cheat grass, snakeweed and prickly pear cactus. In the project area, there are sagebrush, greasewood and cheat grass.

The soil is light brown/tan, fine, sandy loam. The depth is 10 meters plus. There is a moderate potential for buried deposits.

FIELD METHODS: A 10 acre area surrounding the well pad center stake was surveyed in parallel north/south transects at intervals of 20 meters. Nearby arroyo cuts were also examined for evidence of buried cultural materials. The access road was surveyed 25 feet on each side of the center flagging, for a distance of approximately 700 feet from its take-off point at an existing bladed road along the pipeline right-of-way to the southeast.

ADDITIONAL OBSERVATIONS: An 80 centimeter long, 5 centimeter wide, charcoal lense was observed in the east wall of Farmington Glade arroyo, at a depth of 2 meters below the present surface at an azimuth of 330 degrees from the center stake. No cultural materials were in direct association, so no definite conclusions regarding its origins can be made. The surface vegetation in the area of the well pad has been burned by a recent brush fire.

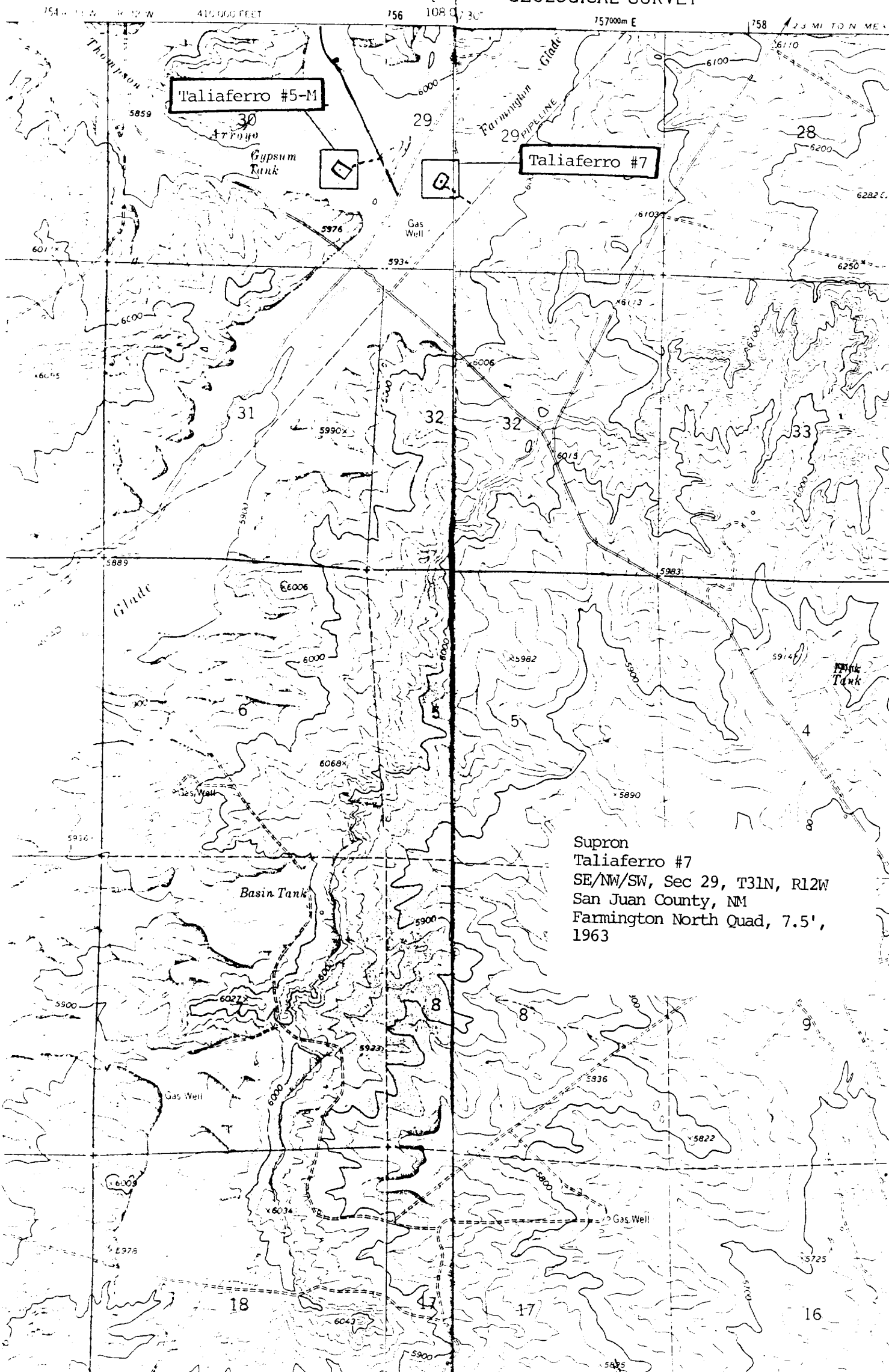
RESULTS: No surface indications of cultural resources were observed. The charcoal lense observed in the arroyo wall will not be impacted by pad construction or drilling operations.

RECOMMENDATIONS: We recommend that the project be allowed to proceed.

MJT:dc

FARMINGTON NORTH QUADRANGLE
NEW MEXICO-SAN JUAN CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



Supron
Taliaferro #7
SE/NW/SW, Sec 29, T31N, R12W
San Juan County, NM



Looking southwest at Center Stake