

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

1530' FNL & 1050' FEL (\$ RECEIVED

At proposed prod. zone

Same

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

5 miles North of La Plata, New Mexico.

U. S. GEOLOGICAL SURVEY

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

1050'

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

16. NO. OF ACRES IN LEASE*

2510.69

19. PROPOSED DEPTH

7000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

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

6012' GR

22. APPROX. DATE WORK WILL START*

May 1, 1981

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'	3 stage - surface to 3300'
7-7/8"	5 1/2" New	20# K-55 ST&C	7000'	3300 to 5400' and 5400' to total depth (sufficient 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 7000'.
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.R.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 80

(This space for Federal or State office use)

PERMIT NO.

APPROVED
AS AMENDED

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL

JAMES F. SIMS
DISTRICT ENGINEER

TITLE

DATE

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
EXHIBIT "A" - Location and Elevation Plat
All distances must be from the outer boundaries of the Section.

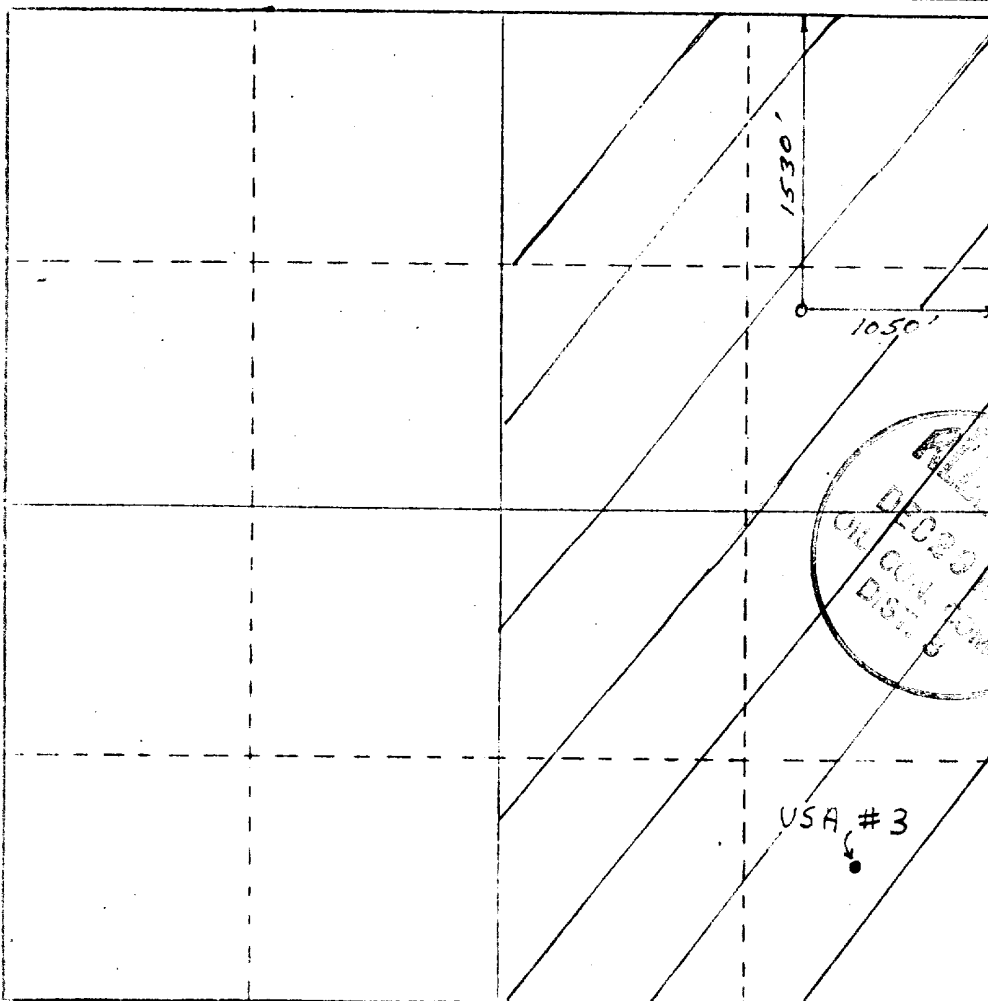
Form C-102
Supersedes C-175
Effective 1-1-65

Operator Supron Energy		Lease USA/SF-028818-A		Well No. USA #3-M	
Grid Letter H	Section 23	Township 32 North	Range 13 West	County San Juan	
Actual Postage Location of Well: 1530 feet from the North line and 1050 feet from the East line					
Ground Level Elev. 6012'	Producing Formation Mesa Verde - Dakota		Pool Basin Dakota		Dedicated Acreage 320 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.

George Kapaseotes
Name **George Kapaseotes**
V. Pres. Powers Elevation

Position
Agent Consultant for

Company
Supron Energy Corporation

Date
24 November 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.

G. Huddleston
Date **16 DEC 1980**
Registered Professional Engineer
and Land Surveyor
REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR
G. HUDDLESTON
CERTIFICATE NO. _____

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900 10230 10560 10890 11220 11550 11880 12210 12540 12870 13200 13530 13860 14190 14520 14850 15180 15510 15840 16170 16500 16830 17160 17490 17820 18150 18480 18810 19140 19470 19800 20130 20460 20790 21120 21450 21780 22110 22440 22770 23100 23430 23760 24090 24420 24750 25080 25410 25740 26070 26400 26730 27060 27390 27720 28050 28380 28710 29040 29370 29700 30030 30360 30690 31020 31350 31680 32010 32340 32670 33000 33330 33660 33990 34320 34650 34980 35310 35640 35970 36300 36630 36960 37290 37620 37950 38280 38610 38940 39270 39600 39930 40260 40590 40920 41250 41580 41910 42240 42570 42900 43230 43560 43890 44220 44550 44880 45210 45540 45870 46200 46530 46860 47190 47520 47850 48180 48510 48840 49170 49500 49830 50160 50490 50820 51150 51480 51810 52140 52470 52800 53130 53460 53790 54120 54450 54780 55110 55440 55770 56100 56430 56760 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EXHIBIT "B"

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

Attached to Form 9-331C
Supron Energy Corporation
USA #3-M
SE NE Sec. 23 T32N R13W
1530' FNL & 1050' FEL
San Juan County, New Mexico

1. The Geologic Surface Formation

The geologic formation is the Kirtland.

2. Estimated Tops of Important Geologic Markers

Fruitland	1708'
Pictured Cliffs	2187'
Lewis	2394'
Chacra	2982'
Cliffhouse	3878'
Menefe	4151'
Point Lookout	4684'
Mancos	4938'
Gallup	5898'
Greenhorn	6689'
Graneros	6743'
Dakota	6858'
Morrison	6994'
Total Depth 7000'	

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

Fruitland	1708'	Coal
Pictured Cliffs	2187'	Gas
Lewis	2394'	Shale
Chacra	2982'	Shale
Cliffhouse	3878'	Gas
Menefe	4151'	Gas
Point Lookout	4684'	Gas
Mancos	4938'	Sandy Shale
Gallup	5898'	Shale
Greenhorn	6689'	Sand
Graneros	6743'	Shale
Dakota	6858'	Gas
Morrison	6994'	Shale

4. The Proposed Casing Program

HOLE SIZE	INTERVAL	SECTION LENGTH	SIZE (OD)	WEIGHT, GRADE & JOINT	NEW OR USED
12 $\frac{1}{4}$ "	0-300'	300'	8-5/8"	26# H-40 ST&C	New
7-7/8"	0-7000'	7000'	5 $\frac{1}{2}$ "	20# K-55 ST&C	New

Cement Program - 3 Stage Cementing

First Stage - Sacks of mix required and additives to fill from 7000' to approximately 5400'. Slurry 50-50 poz cemnt, 2% gel, 2% Calcium Chloride, .06% - D-19 Aquatrol.

Second Stage - From 5400' to 3300' with 35% excess on filler cement. Slurry to be 50-50 poz cement, 6% gel, 2% Calcium Chloride followed by 50 sacks neat cement Class "B".

Third Stage - From 3300' to surface with 100% excess. Slurry to be 50-50 poz cement, 2% gel, 2% Calcium Chloride for 500' from 3300' to 2800' then from 2800' 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 nipling 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 May 1, 1981 or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 31 days after spudding the well and drilling to casing point.

Blowout Preventer Diagram

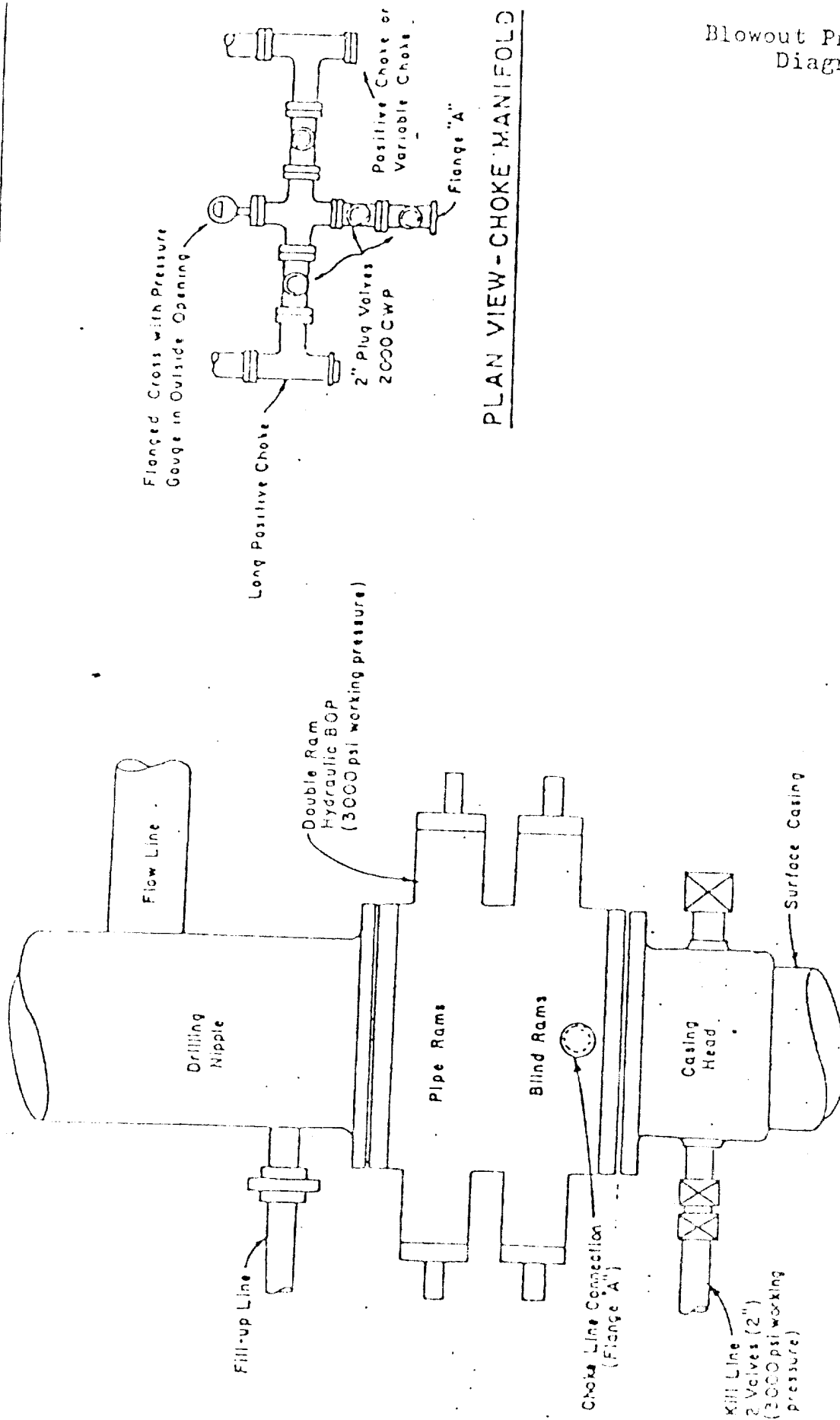


EXHIBIT "D"

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

Attached to Form 9-331C
Supron Energy Corporation
USA #3-M
SE NE Sec. 23 T32N R13W
1530' FNL & 1050' FEL
San Juan County, New Mexico

1. Existing Roads

- A. The proposed well site and elevation plat is shown as EXHIBIT "A". Staking included two directional reference stakes and elevations, also shown on EXHIBIT "A".
- B. The distance from La Plata, New Mexico, is 5 miles. Proceed East 0.8 mile on State Highway 173; thence North 2.4 miles on field road; thence East 0.5 mile; thence North 1.3 miles; thence East 200' on proposed access road to the location, as shown on EXHIBIT "E".
- C. All roads to location are color-coded on EXHIBIT "E". A new access road 200' from the existing bladed field 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 1-3%.

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 200' of access road as you leave the existing bladed field road will be 18'. If the well is a producer, total disturbed area will be 25'.
- (2) The grade will be 1%.
- (3) No turnouts 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 are no water wells within a one-mile radius of this location.
- (2) There is one abandoned well 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 is one producing well 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: Same as (1).
 - (3) Oil Gathering Lines: None
 - (4) Gas Gathering Lines: Yes. Same as (1).
 - (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 livestock 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, 15 miles South 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 and access roads into the drilling location unless production is obtained. The surface soil materials will be sufficient or will be provided by 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 and covered.
- (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 salt 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 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. All dangerous open pits 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 is 2' 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 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 are 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. The area is covered with native grasses, juniper and sagebrush. There are deer, rabbits and reptiles in the area. The terrain is rolling hills and plains. The location is on terrain that is relatively flat. Drainage is to the East.
- (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, 1.3 miles West of the location, as shown on EXHIBIT "E".
The closest occupied dwelling is 3 miles South of the location, 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 May 1, 1981. 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

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

Date

11-25-80

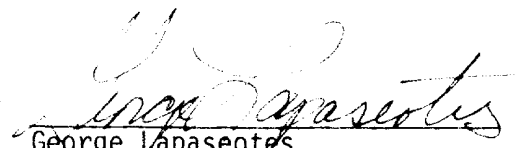

George Lapaseotes
Agent Consultant for
Supron Energy Corporation

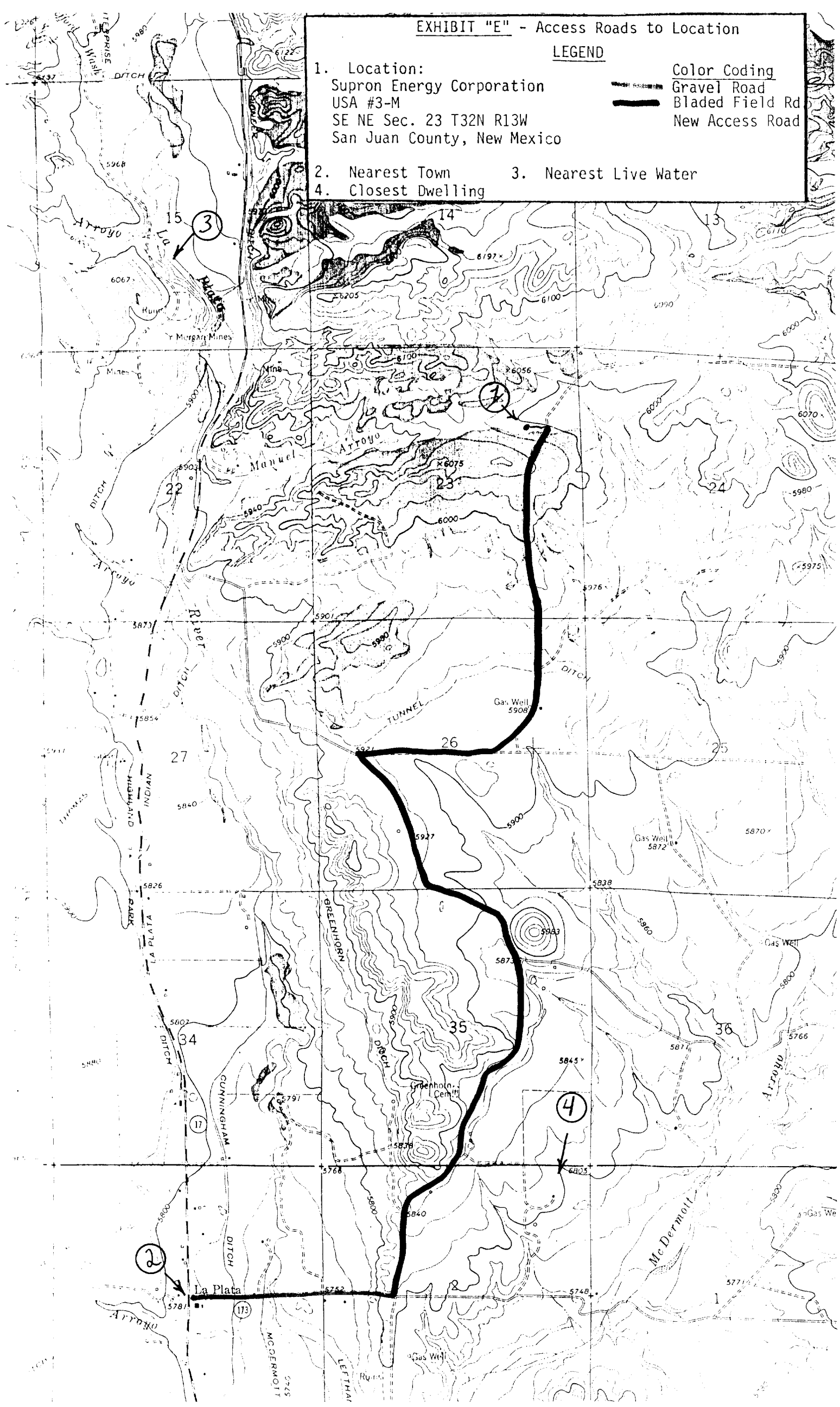
EXHIBIT "E" - Access Roads to Location

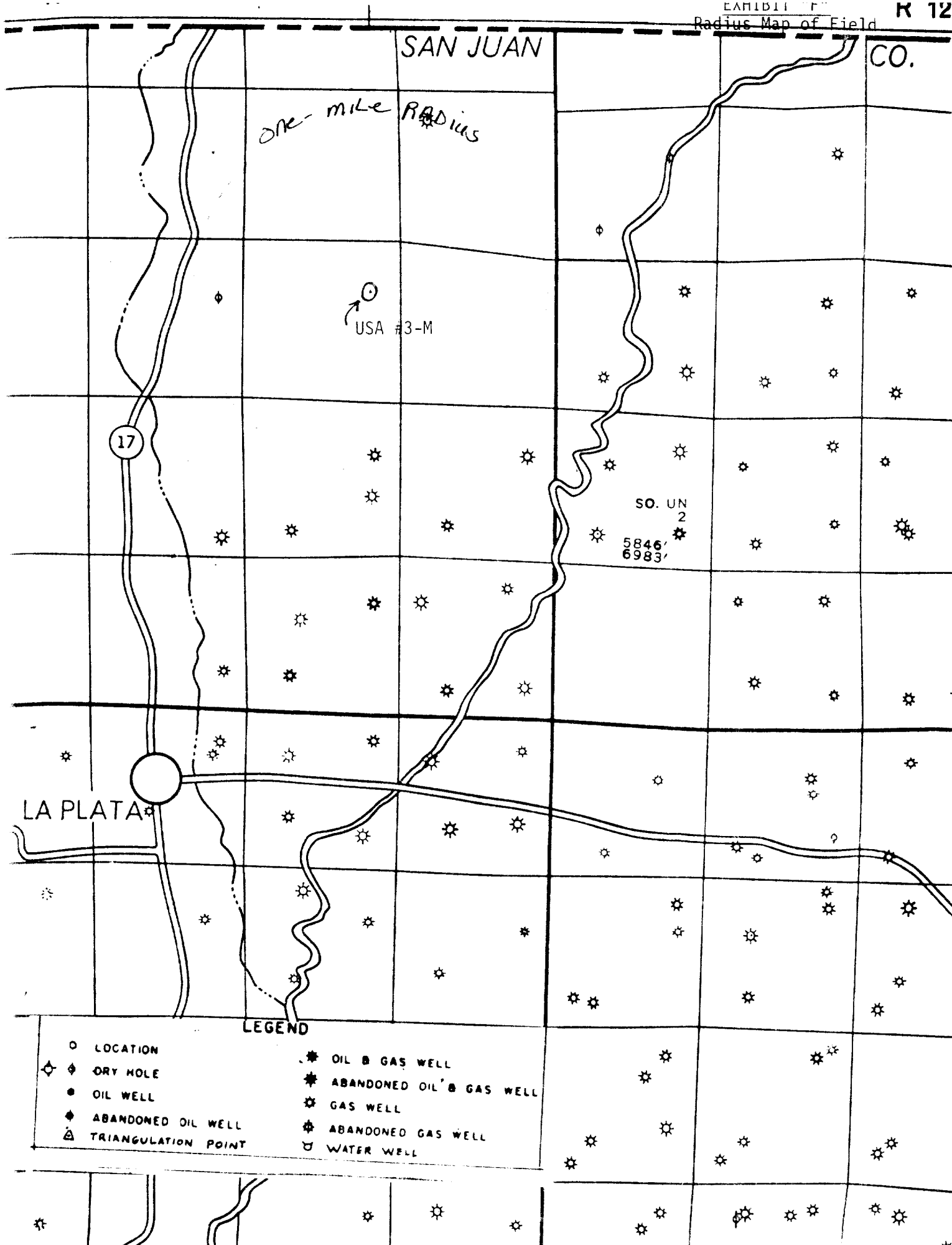
LEGEND

1. Location:
Supron Energy Corporation
USA #3-M
SE NE Sec. 23 T32N R13W
San Juan County, New Mexico

- Color Coding
Gravel Road
Bladed Field Rd
New Access Road

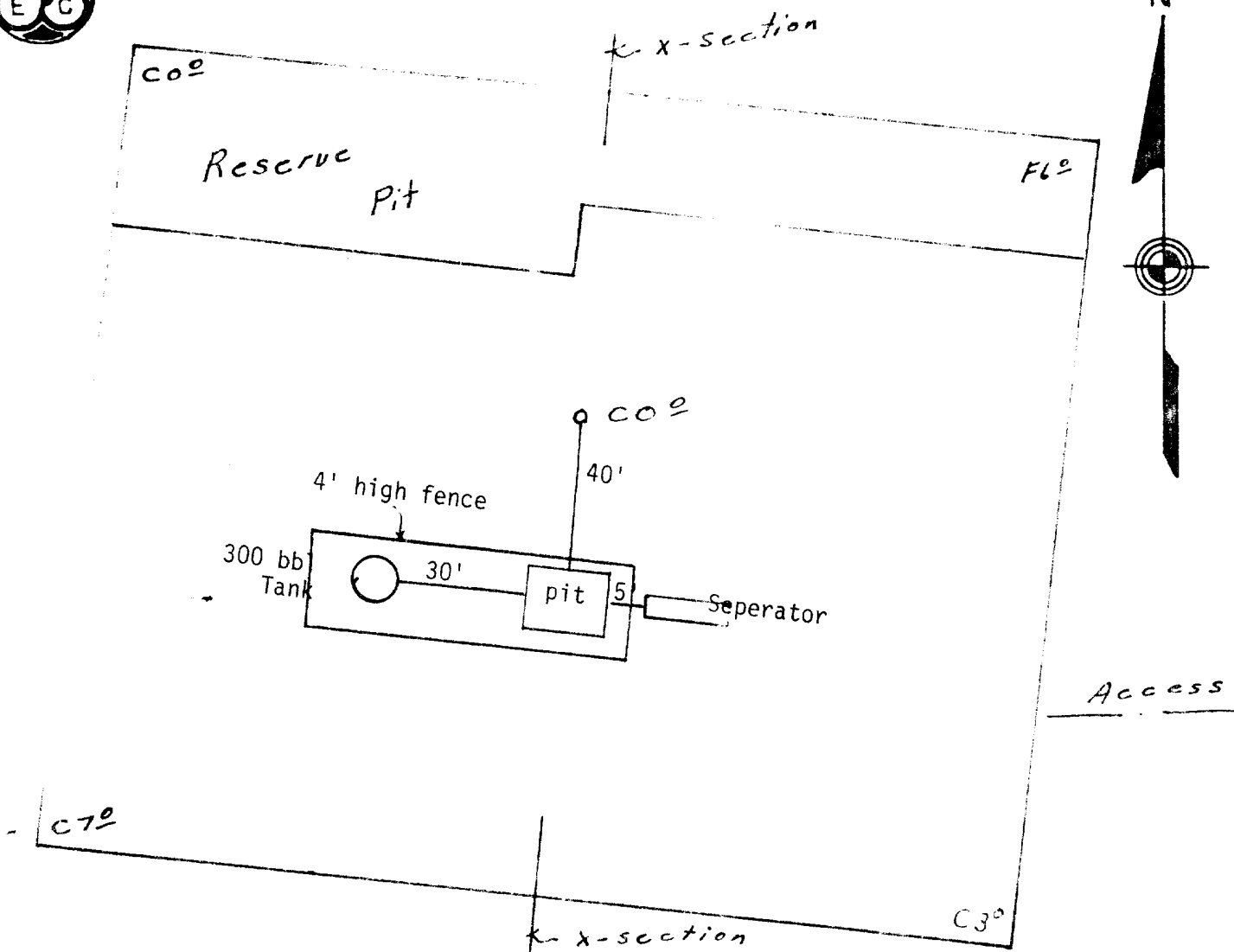
2. Nearest Town 3. Nearest Live Water
4. Closest Dwelling



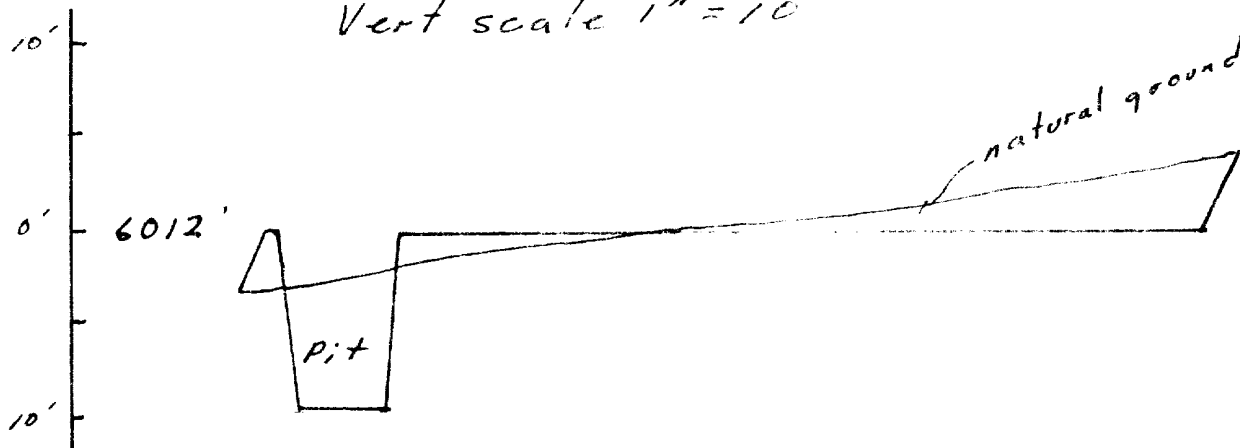




POWERS ELEVATION

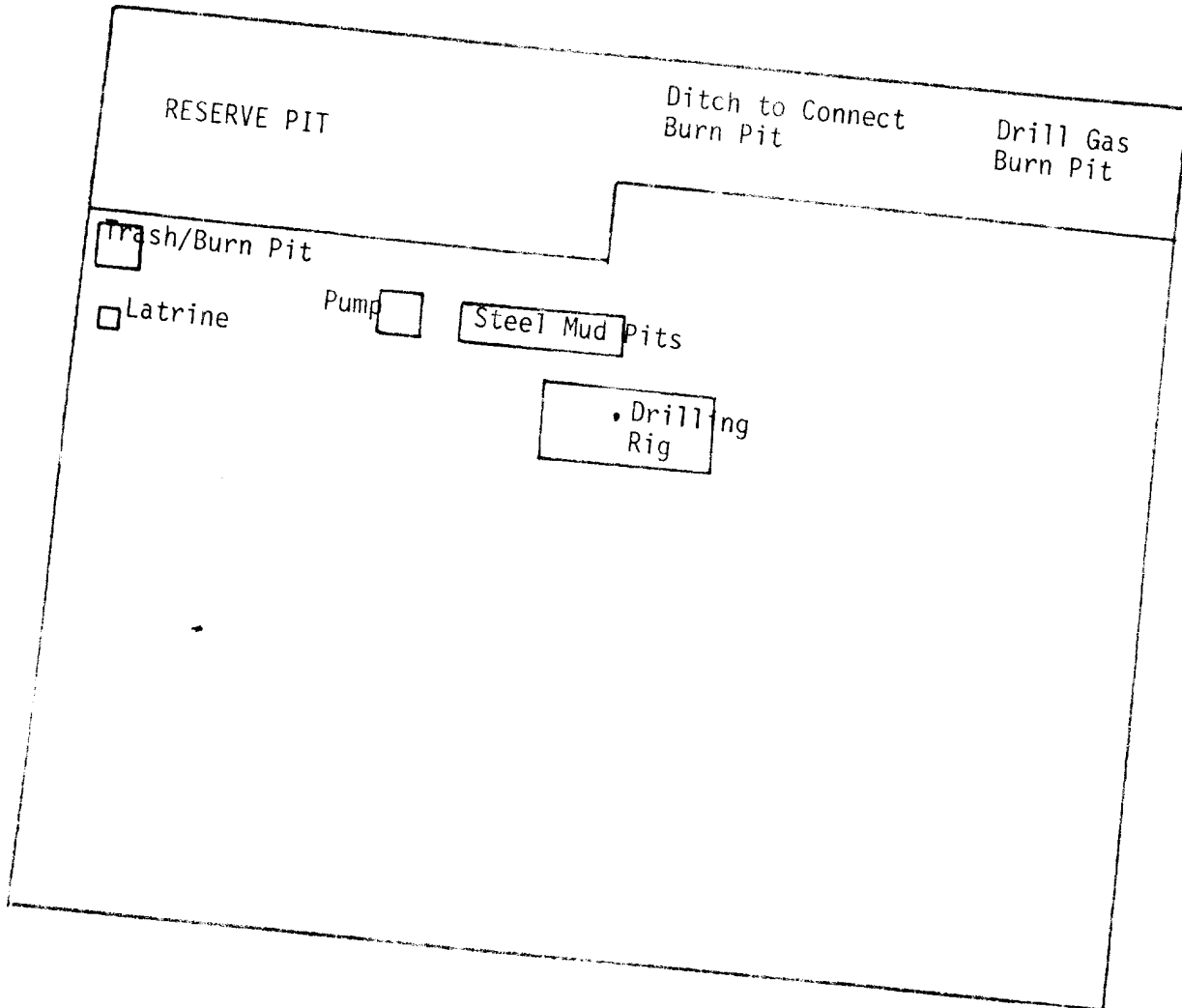


Horz scale 1" = 50'
 Vert scale 1" = 10'



Supron Energy Corporation
USA #3-M
San Juan County, 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

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
600 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

PROJECT IDENTIFICATION: A cultural resource survey for Supron, U.S.A. #3-M, well pad and access, San Juan County, New Mexico.

ANTIQUITIES PERMIT NO: 79-NM-111

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

MAP REFERENCE: La Plata 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 200 feet long, from an existing bladed road.

LOCATION: 1530 ft. FNL, 1050 ft. FEL; NW/SE/NE, Section 23, T32N, R13W

DATE OF INVESTIGATION: November 4, 1980

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

ENVIRONMENT: The general physiography is rolling hills and ridges on the first terrace above the La Plata River.

The well pad is situated on the northern side of a small hill, overlooking an open swale on the eastern side of a low divide, which forms the head of Manuel Arroyo. The exposure is northern. The elevation is approximately 6000 feet.

The drainage pattern and type are dendritic/intermittent. The nearest water is an unnamed, intermittent tributary to McDermott Arroyo, approximately 1200 feet northeast. Other available water is the La Plata River, approximately 1½ miles west.

Vegetation cover is 10 to 60% with fair to excellent visibility. The plant community consists of pinon-juniper, sagebrush, mountain mahogany, winterfat, cheat grass, prickly pear cactus and Russian thistle.

The soil is light brown to tan, fine, sandy loam mixed with small amounts of sandstone talus. The depth is 30 meters plus. There is a moderate potential for buried deposits.

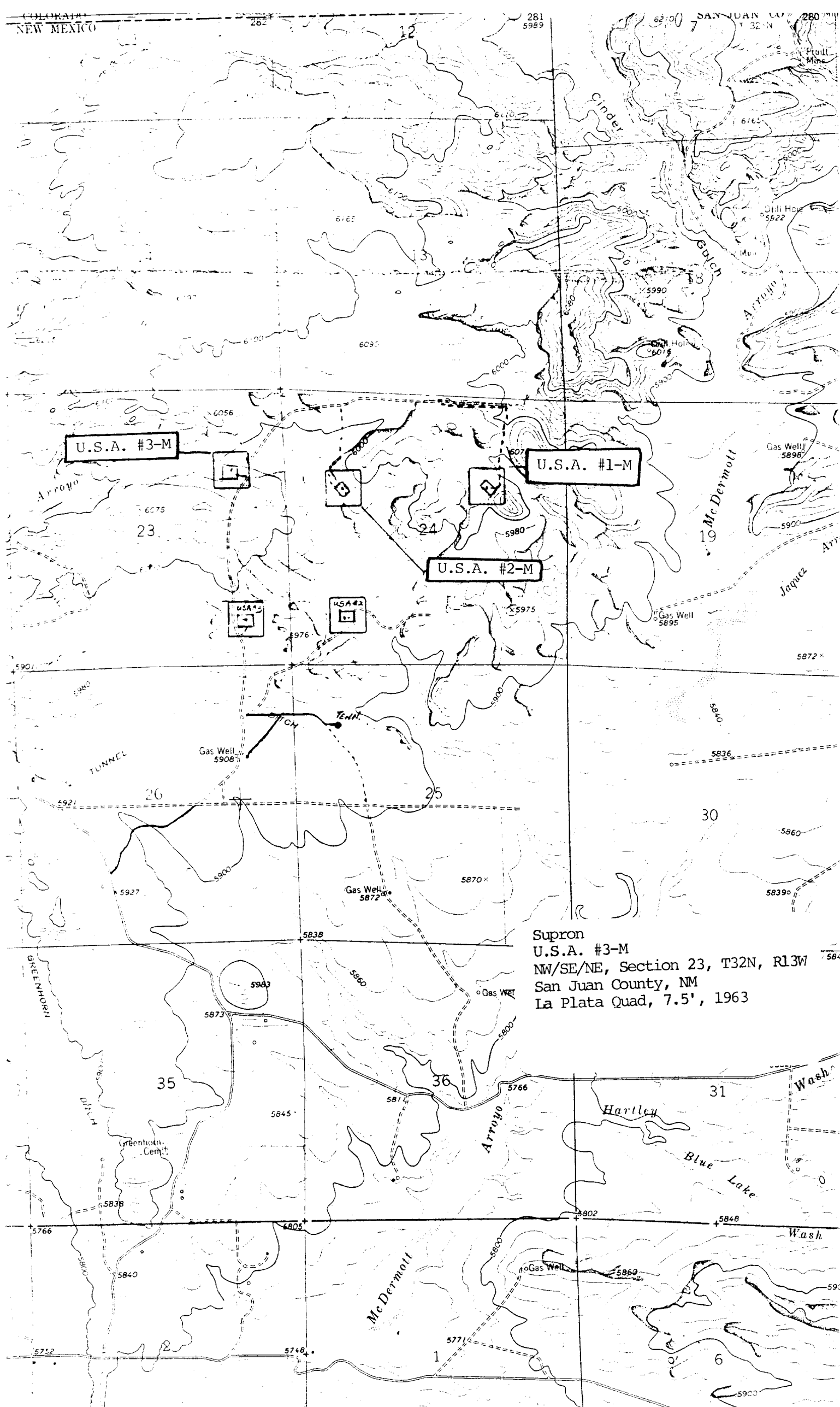
FIELD METHODS: A 10 acre area surrounding the well pad center stake was surveyed in parallel east/west transects at intervals of 20 meters. The access road was included within the 10 acre survey area.

RESULTS: No cultural resources were observed.

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

MJT:dc

A DIVISION OF PETROLEUM INFORMATION CORPORATION/A SUBSIDIARY OF A.C. NIELSEN COMPANY



Supron
U.S.A. #3-M
NW/SE/NE, Sec 23, T32N, R13W
San Juan County, NM



Looking south at center stake