

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

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

At surface

1840' FNL & 1050' FWL (SW NW)

At proposed prod. zone

same

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

6.1 miles North of La Plata, New Mexico

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1050'

16. NO. OF ACRES IN LEASE

2510.69

17. NO. OF ACRES ASSIGNED
TO THIS WELL

326.05

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

19. PROPOSED DEPTH

7000'

20. ROTARY OR CABLE TOOLS

Rotary

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

5976' GR

22. APPROX. DATE WORK WILL START*

April 15, 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.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

This action is subject to administrative appeal pursuant to 30 CFR 290.

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 location and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Manager Exploration & Production DATE 14 November 1980

PERMIT NO. **APPROVED**
AS AMENDED
APPROVED BY [Signature]
CONDITIONS OF APPROVAL, IF ANY:
DEC 23 1980
JAMES F. SIMS
DISTRICT ENGINEER

APPROVAL DATE

TITLE

DATE

*See Instructions On Reverse Side

write new's for both zones

ok 3

OIL CONSERVATION DIVISION Location and Elevation Plat

CAPIDIT A

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-79

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

Owner Supron Energy			Lease USA/SF-078818A			Well No. USA #2M		
Letter E	Section 24	Township 32 North	Range 13 West	County San Juan				

Well Footage Location of Well:

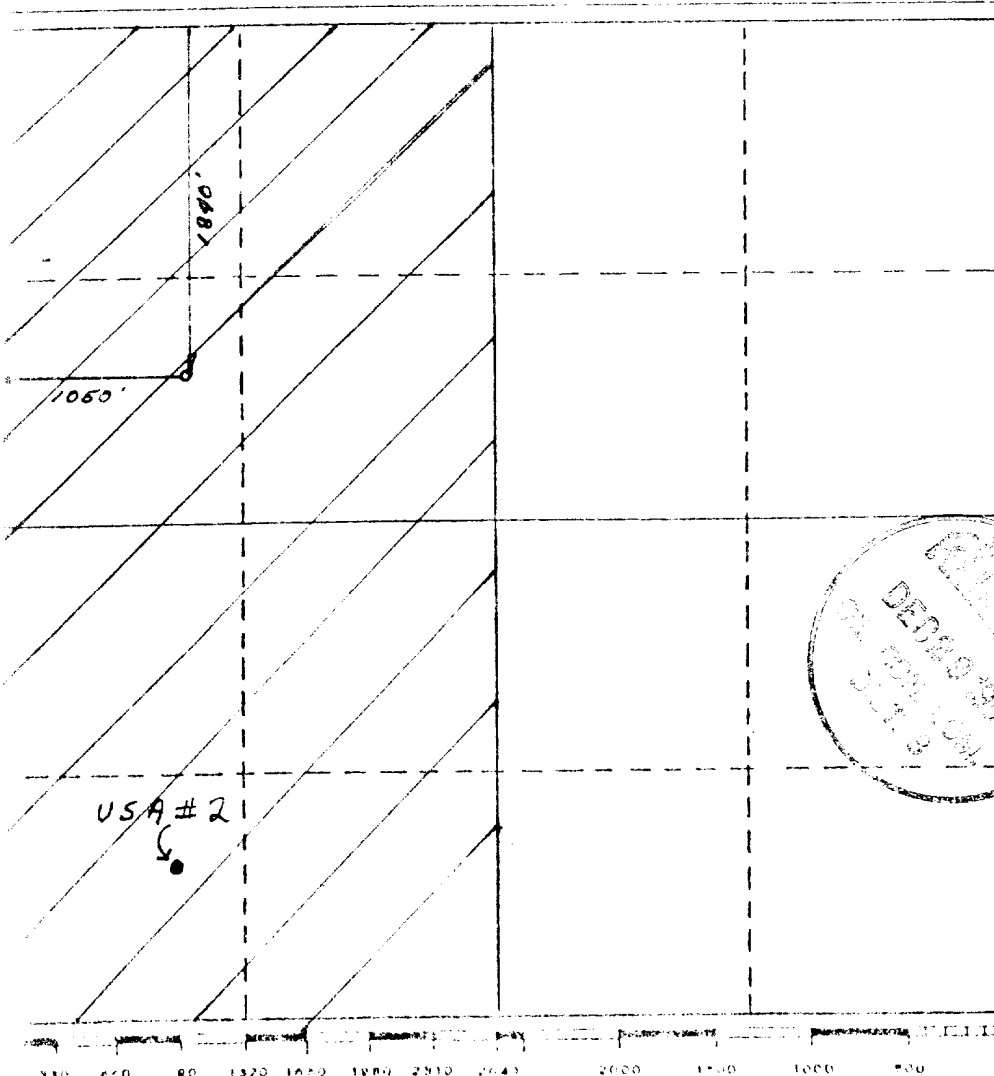
Line and Level Elev. 1840	feet from the North	Line and 1050	feet from the West	Line
and Level Elev. 5976'	Producing Formation Mesa Verde - Dakota	Pool Basin Dakota		Dedicated Acreage: 326.05 Acres

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**
 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.

8
 Date Surveyed
December 1980
 Registered Professional Engineer and/or Land Surveyor
6844
 REGISTERED LAND SURVEYOR
 Certificate No. _____

EXHIBIT "B"

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

Attached to Form 9-331C
Supron Energy Corporation
USA #2-M
SW NW Sec. 24 T32N R13W
1840' FNL & 1050' FWL
San Juan County, New Mexico

1. The Geologic Surface Formation

The geologic formation is the Kirtland.

2. Estimated Tops of Important Geologic Markers

Fruitland	1669'
Pictured Cliffs	2140'
Lewis	2342'
Chacra	2961'
Cliffhouse	3865'
Menefe	4110'
Point Lookout	4625'
Mancos	4885'
Gallup	5860'
Greenhorn	6635'
Graneros	6700'
Dakota	6810'
Morrison	6980'

Total Depth 7000'

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

Fruitland	1669'	Coal
Pictured Cliffs	2140'	Gas
Lewis	2342'	Shale
Chacra	2961'	Shale
Cliffhouse	3865'	Gas
Menefe	4110'	Gas
Point Lookout	4625'	Gas
Mancos	4885'	Sandy Shale
Gallup	5860'	Shale
Greenhorn	6635'	Sand
Graneros	6700'	Shale
Dakota	6810'	Gas
Morrison	6980'	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 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

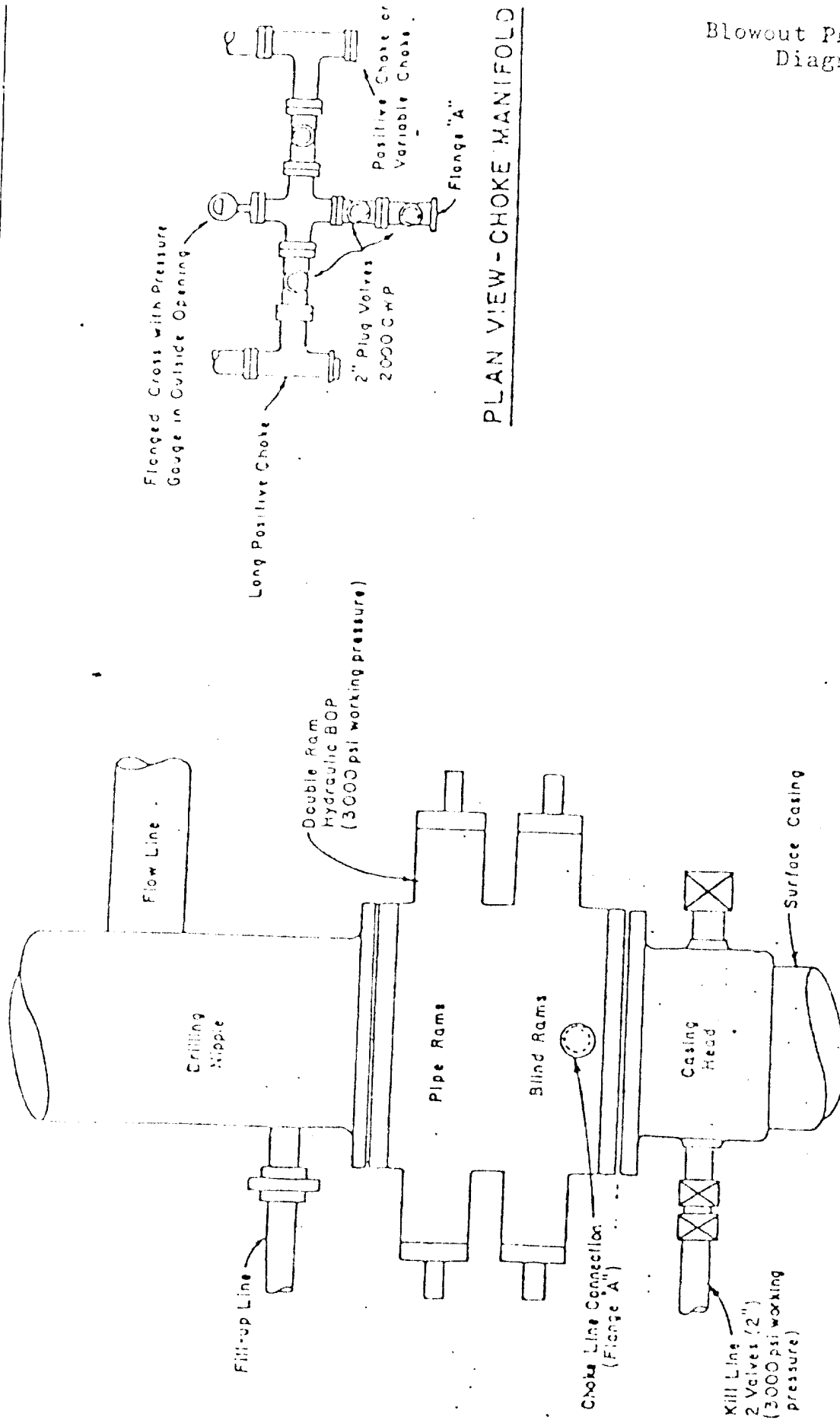
- No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

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 April 15, 1981 or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 30 days after spudding the well and drilling to casing point.

Blowout Preventer Diagram



PLAN VIEW - CHOKE MANIFOLD

EXHIBIT "D"

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

Attached to Form 9-331C
Supron Energy Corporation
USA #2-M
SW NW Sec. 24 T32N R13W
1840' FNL & 1050' 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 La Plata, Colorado, is 6.1 miles. Proceed East 0.8 mile on State Highway 173; thence North 2.4 miles on bladed field road; thence East 0.5 mile on bladed field road; thence North 2 miles on bladed field road; thence South 0.4 mile 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 0.4 mile 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 0.7 mile of access road as you leave the existing bladed field road will be 18'. If well is a producer, total disturbed area will be 25'.
- (2) The grade will be 1-2%.
- (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 are three 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 Energy Corporation has producing wells in the area.
 - (2) Production Facilities: Same as (1).
 - (3) Oil Gathering Lines: None
 - (4) Gas Gathering Lines: 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 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. 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 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 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 cactus, sagebrush, juniper, and native grasses. There are deer, rabbits and reptiles in the area. The location is in gently rolling hills and plains. The immediate terrain is relatively flat and situated above a drainage and below a small hill. Drainage is to the South-Southeast.

- (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, as shown on EXHIBIT "E".

The closest occupied dwelling is 6 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 April 15, 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

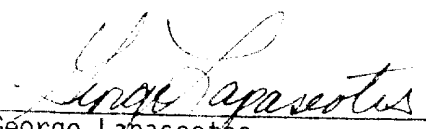

George Lapaseotes
Agent Consultant for
Supron Energy Corporation

EXHIBIT "E" - Access Roads to Location

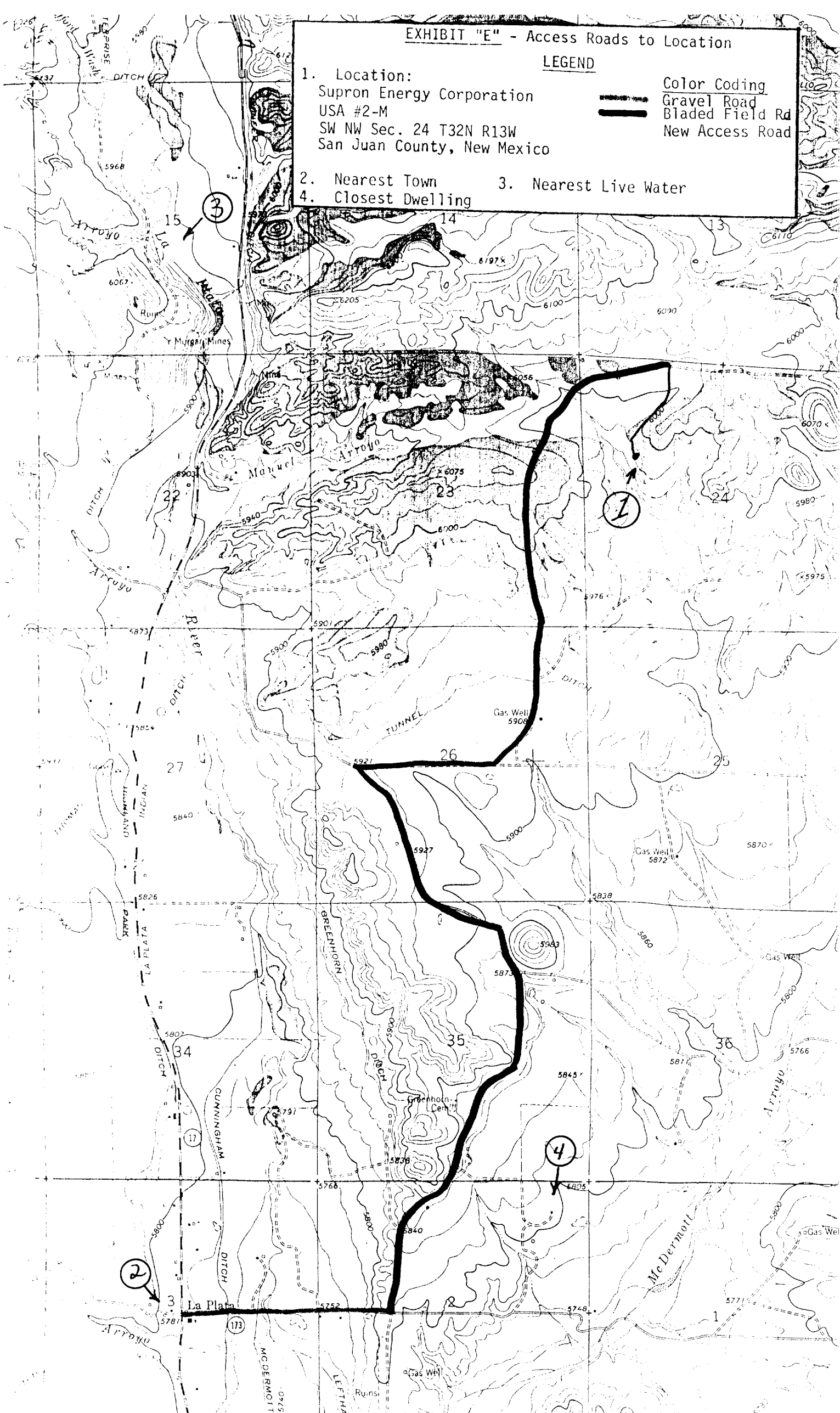
LEGEND

1. Location:
Supron Energy Corporation
USA #2-M
SW NW Sec. 24 T32N R13W
San Juan County, New Mexico

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

Color Coding

Gravel Road
Bladed Field Rd
New Access Road



SAN JUAN

CO.

EXHIBIT "F"
Radius Map of Field

One-mile Radius

USA #2-M

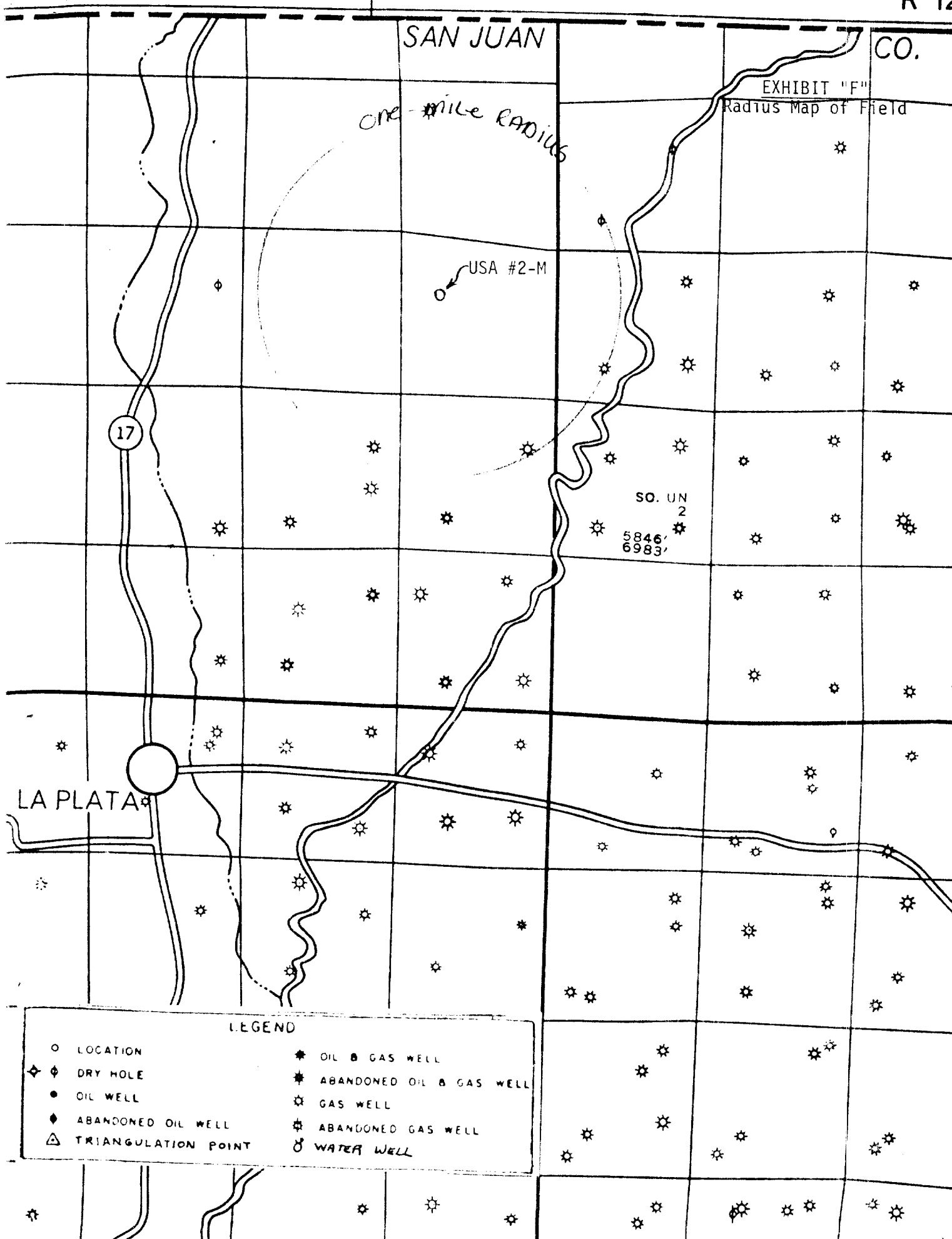
SO. UN
2
5846'
6983'

17

LA PLATA

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 |



USA - 211

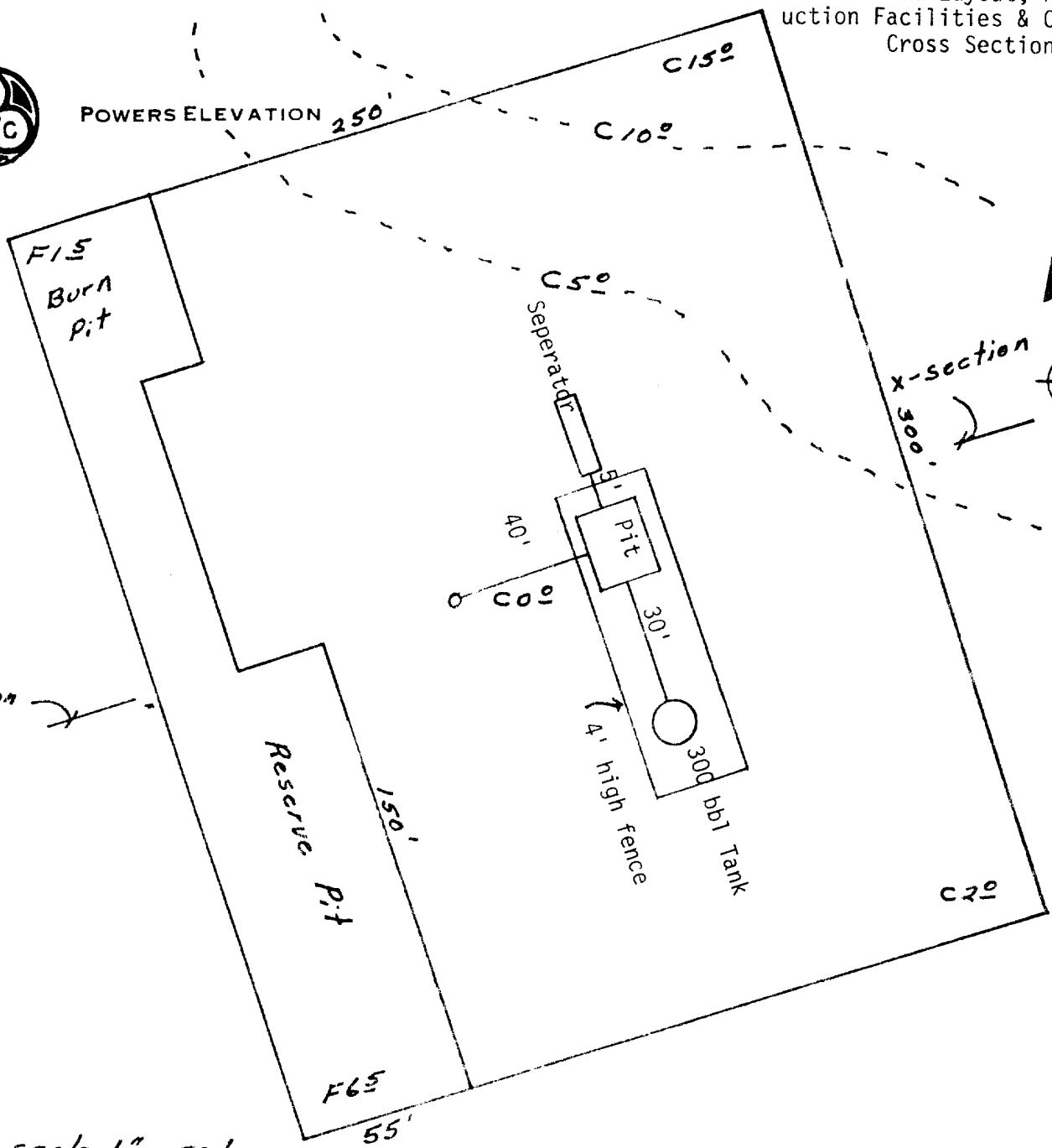
EXHIBIT "G"
Drill Pad Layout, Production Facilities & Cut-Fill Cross Section



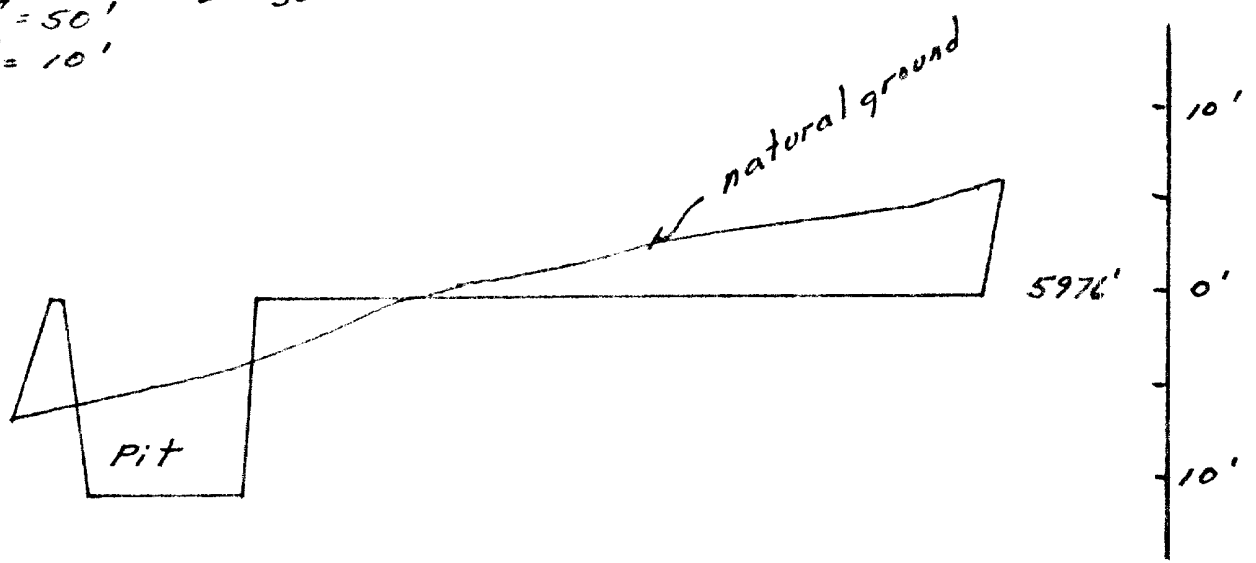
POWERS ELEVATION 250'



section

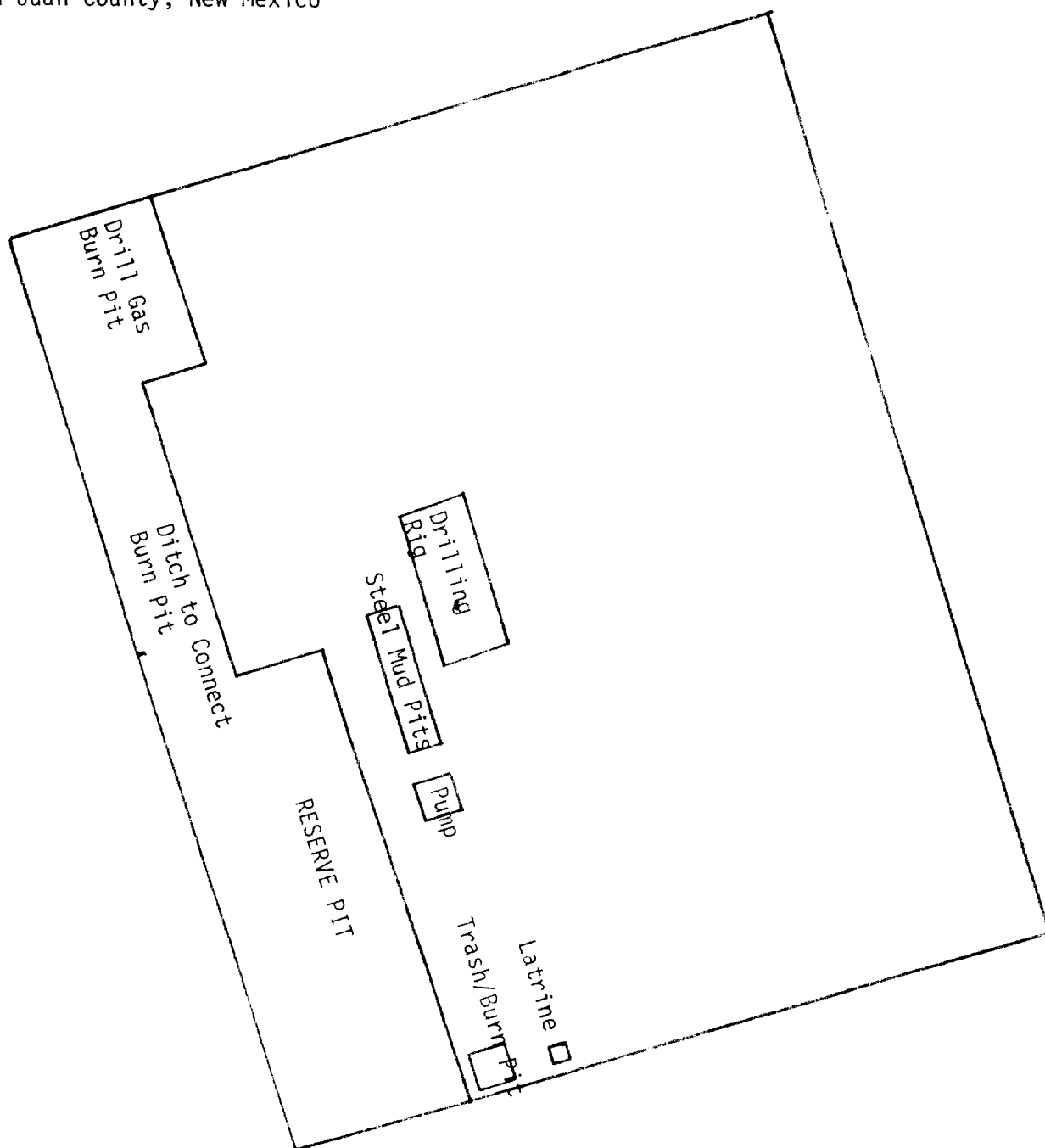


horz scale 1" = 50'
vert scale 1" = 10'



Supron Energy Corporation
USA #2M
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

25 November 1980

U.S. Geological Survey
John Sims, District Oil and Gas Supervisor
P.O. Box 959
Farmington, New Mexico 87401

RE: Filing A.P.D. Form 9-331C for the following Supron Energy Corporation wells:
USA #1-M USA #2-M USA #3-M
SW NE Sec. 24 T32N R13W SW NW Sec. 24 T32N R13W SE NE Sec. 23 T32N R13W
1730' FWL & 1520' FEL 1840' FNL & 1050' FWL 1530' FNL & 1050' FEL
San Juan County, New Mexico San Juan County, New Mexico San Juan County,
New Mexico

Dear Mr. Sims,

Enclosed for each of the above-referenced locations are six copies of A.P.D. Form 9-331C.

Please return the approved copies to:

Supron Energy Corporation
c/o John H. Hill et al
Suite 020 Kysar Building
300 West Arrington
Farmington, New Mexico 87401

ATTN: Lura Wallis

The archaeological report is also included with the NTL-6.

Respectfully,

POWERS ELEVATION

Connie L. Frailey
Manager, Environmental Services

CLF:sb
Enclosure

cc: Lura Wallis
Steve Conner
Gerald Huddleston
Rudy Motto
Haskell Fleetwood



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, U.S.A. #2-M, 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: La Plata, 7.5', 1963.

PROPOSED ACTION: The completed well pad will measure approximately 300 feet by 250 feet. The access is a 50 foot wide corridor, approximately 1900 feet long, from an existing bladed road.

LOCATION: 1840 ft. FNL, 1050 ft. FWL; NE/SW/NW, Section 24, 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 in a small glen at the toe of a southwest/northeast trending ridge. This area is located along the eastern side of an unnamed intermittent tributary to McDermott Arroyo. The exposure is southwesterly. The elevation is approximately 5980 feet.

The drainage pattern and type are dendritic/intermittent. The nearest water is an unnamed intermittent tributary to McDermott Arroyo, approximately 300 feet southwest. The other available water is the La Plata River, approximately 1 and 3/4 miles west.

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

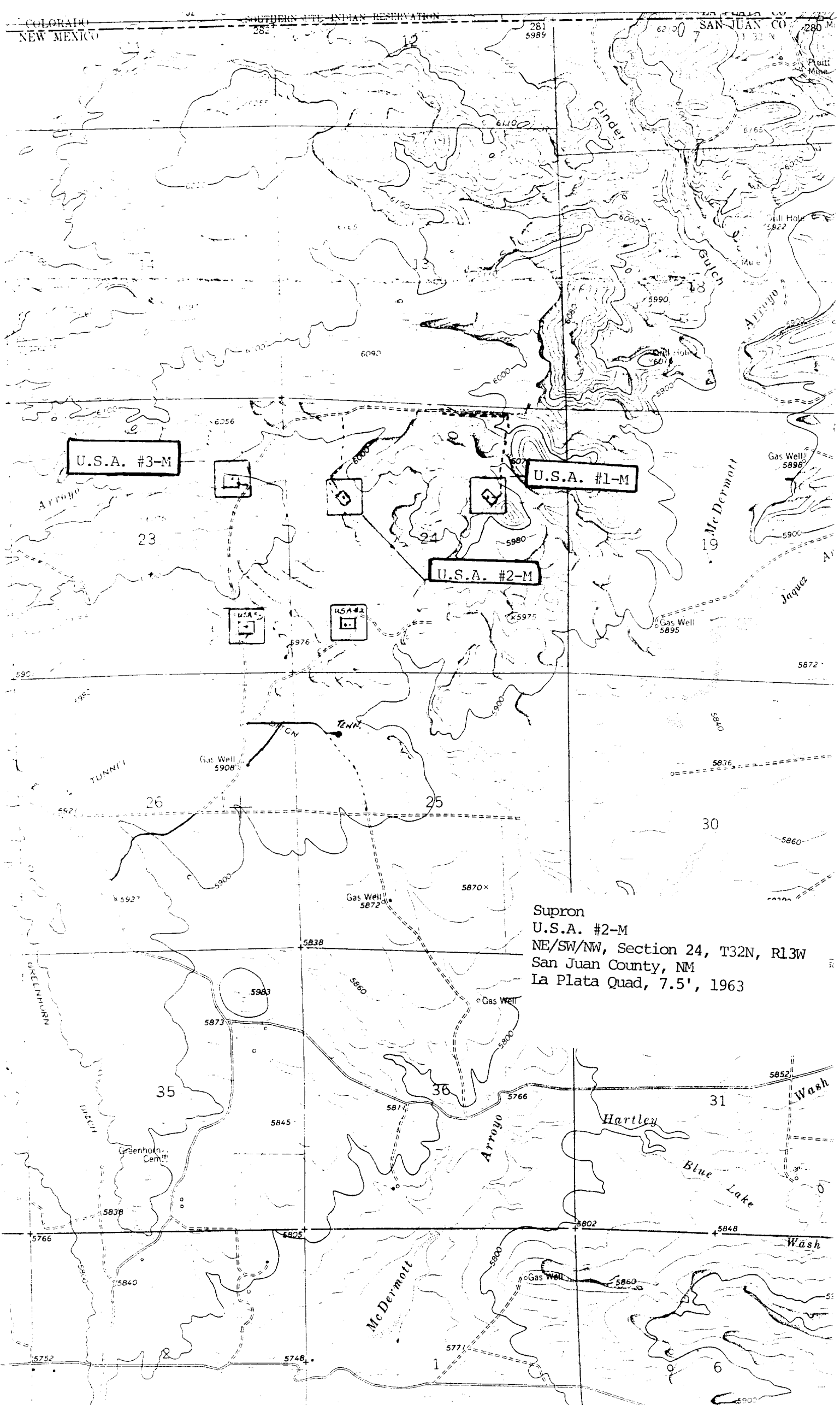
The soil is light brown/tan, fine, sandy loam mixed with sandstone talus. The depth is 10 meters plus. There is a moderate potential for buried deposits.

FIELD METHODS: A 10 acre area surrounding the well pad center stake was surveyed in parallel east/west transects at intervals of 20 meters. In addition, nearby arroyo cuts were examined for evidence of buried cultural materials. The access road was surveyed 25 feet on each side of the center flags, for a distance of approximately 1900 feet from its take-off point at an existing bladed road to the north.

RESULTS: No cultural resources were observed.

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

MJT:dc



Supron
U.S.A. #2-M
NE/SW/NW, Section 24, T32N, R13W
San Juan County, NM
La Plata Quad, 7.5', 1963