SURFACE USE AND OPERATION PLAN FOR SAN JOSE #1 SW4 Section 14 T22N R2W SANDOVAL COUNTY, NEW MEXICO

Enclosed is a copy of the U.S.G.S. Topographic map covering the area of the captioned well. Existing roads are shown on this map. The acreage dedicated to this well is shown in yellow while the location and proposed access roads are colored red.

Water for drilling will be obtained from a local rancher North of the location approximately 10 miles.

Waste disposal will be either burned in the burn pit, latrine or reserve pit as applicable.

There will be no air strip or camp associated with the drilling of this test.

Enclosed is a map of the rig and well site layout,

Upon completion or abandonment of the well, the location will be cleaned, leveled and restored and a dry hole marker placed if applicable.

Surface ownership is the Jicarilla-Apache Indians. The terraine at the well site is nearly flat with only minor relief. Vegetation consists of mainly sage brush and sparce range grass.

Other BLM stipulations will be followed.

Lynco's Field Representative is:

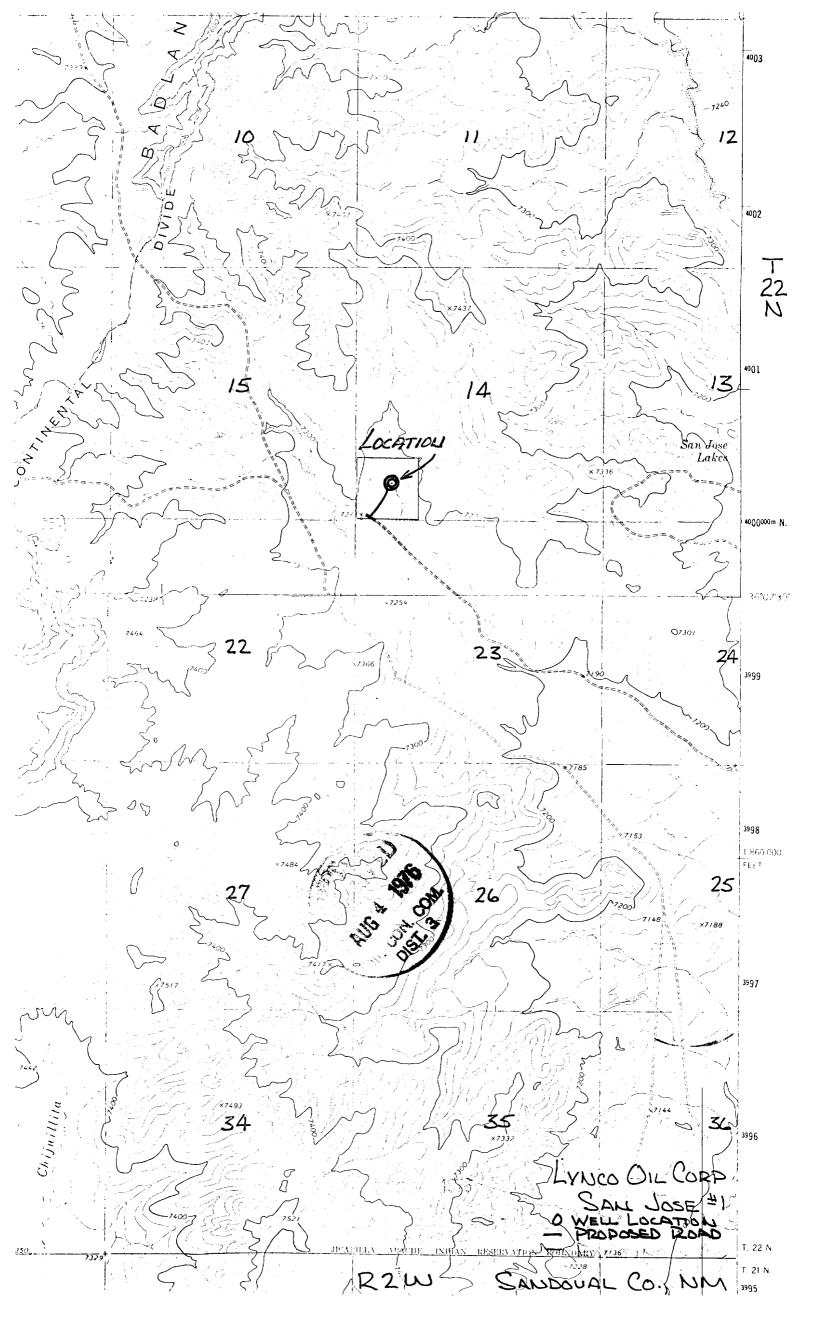
James M. Ray 2001 Western Avenue Farmington, New Mexico 87401 PHONE (505) 325-8083

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site 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 are true and correct; and that the work associated with the operations proposed herein will be performed by Lynco Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

August 3, 1976

James M. Ray - Field Manager



Propose TANK phrine 6 MUD WELL SITE LAYOUT В Reserve Pit 1400 Tank House Circulating SAN JOSE # 1 4-1801-