

Petro-Lewis Corporation
Surface Use And Operations Plan
San Juan Basin, Tapacito Field
Southern Rocky Mountain Area
Ruddock #7
Rio Arriba County, New Mexico

Present Operation

Petro-Lewis Corporation is presently operating four Pictured Cliff Gas Wells in the Tapacito Field, Florance Lease, and two Pictured Cliff Gas Wells in the Tapacito Field, Ruddock Lease. These wells are located north and in a line, across Sections 5, 4, 3, of Township 25 north, Range 3 west, of the Blanco Mesa Verde prospects.

Proposed Operations

We propose to drill, evaluate, and complete three Mesa Verde gas producers, (Florance 7A, Florance 8, and Ruddock 7). All flow lines will be installed parallel along the lease roads to the designated well site battery. El Paso Natural Gas will establish and settle sales line right away agreements and route to designated locations.

Existing Roads

Attachment #3 is a scaled map showing the existing wells, roads, and location of the above. The approved stake being 2170' FNL and 1000' FWL of Section 3, T25N, R3W. 500' south of the existing lease road running east and west. The location is located two miles east of Hwy. 537. All flow lines will be layed parallel to the lease roads. The existing lease road is in very good condition. At conclusion of drilling, lease road will be repaired of any damage, due to excessive use.

Planned Access Road

As indicated on Attachment #3, 500' of road, 20' wide, will run south from the existing lease road, to the location. Four or five pinon trees will be removed while building road, no turn-out will be constructed due to road length.

Location Of Existing Wells

Attachment #4 is a scaled map showing all existing wells, to include the Blanco Mesa Verde prospects.

Location Of Existing And/Or Proposed Facilities

The gas sales line runs south from the Ruddock #2, parallel to the lease road and ties into the main trunk line. We propose to run a flow line north, est. 550', and ties into the main trunk line. This flow line will be buried as per regulations and the surface restored to its natural condition.

Location And Type Of Water Supply

A reliable contractor will transport water from the township of Lindrith, New Mexico, or from two ponds on the property of Mr. Tony Schmitz. Lease roads will be utilized. A five hundred barrel water storage tank will be on location.

Methods For Hauling Waste Disposal

The reserve pit will be fenced until exposed fluid is dried out, at such time the pit will be covered, leveled, and reshaped to its natural condition. A trash pit (as indicated on Attachment #5), will be dug out next to the reserve pit approximately 48" deep and completely fenced with small mesh wire. Top soil will be stored on the east side of the reserve pit for respreading.

Ancillary Facilities

Not applicable, with exception of rig trailer on Attachment #5.

Well Site Layout

Attachment #5 is a scaled map showing the rig layout. The reserve pit will be double lined by a reliable contractor. Eight feet of cut, in sandstone, will be on the southeast side of the location with the reserve pit on the north side. A water contour the width of the location will be constructed on the southeast side 30' to the south 24" deep to aid in water drainage, and prevent erosion. Approximately ten to fifteen small pinon and cedar trees will be removed to clear the location. These trees lie on the southern border of the location.

Plans For Restoration Of Surface

As indicated, the reserve pit will be fenced until dried out to level and cover. The area will be reshaped, leveled and top soil respread. Reseeding will be dependent on land owner and trees will be replaced as to owner specifications. Commencement of rehabilitation estimated April 27, 1980, and completion of rehabilitation estimated June 27, 1980.

Operations Representative

The Petro-Lewis Corporation Representative, his address, and phone numbers, are as follows:

Ron Tarpley
Sr. Drilling Foreman
304 Birch
Levelland, Texas 79336
806-894-7376 - Office
806-894-4149 - Home

His certification statement is Attachment #6. Please contact Mr. Tarpley so that he can arrange to be present when an on-site inspection is to be made.

List Of Attachments

1. Permit to Drill - Form 9-331C
2. Survey Plat - Form C-102
3. Vicinity Map
4. Existing Wells
5. Well Site Layout
6. Certification Statement
7. Safety Equipment