

IN CONSIDERATION of the sum of \$2,562.00 Dollars (\$2,562.00) paid by PETRO-LEWIS CORPORATION, A Colorado corporation, the receipt whereof is hereby acknowledged, the undersigned hereby releases and forever discharges said corporation and its employees, agents, associates, affiliated companies, successors, and assigns of and from any and all claims, demands, liabilities, and causes of action whatsoever on account of any and all loss, cost, damage, expense, and injury whatsoever to the undersigned, to the property, real, personal and mixed, of the undersigned, and to the following described premises in the County of Rio Arriba, State of New Mexico.

to-wit:

A drilling site to be located 2170' FNL & 1000' FWL, NW/4, Sec.3, T25N, R3W; said owner being Mr. Tony Schmitz, said well name being Ruddock #7.

which directly or indirectly results from, is caused by, or arises out of or in connection with, all acts and operations conducted on the above described lands, including specifically, but without limitation, the following:

3 acres of land for use as a drilling site and access road. 600' of road from the site (as staked and approved) to the existing lease road. The site being 2170' FNL & 1000' FWL of the NW/4, Sec. 3, T25N, R3W.

At conclusion of drilling, the drilling site will be reduced to a production site. All surface not used will be restored to land owners specifications. To include attachment "A".

This release shall constitute a covenant running with the land and shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

IN WITNESS WHEREOF, this instrument is executed this 2 day of Feb,

1978.

Tony Schmitz
Mr. Tony Schmitz

(04-02-76)
WY060-3109-3

REHABILITATION PLAN

(FOR LEE SURFACE)

Lease No.: _____; Well Name and No.: Ruddock 7;
Location: 2170' FNL & 1000' FWL, Sec. 3, T. 25 N., R. 3 W.Petro-Lewis Corporation Oil Company intends to drill a well on surface owned by Tony Schmitz. The operator agrees to complete the following rehabilitation work if the well is a producer:☒ Yes ☐ No Maintain access road and provide adequate drainage to road.☒ Yes ☐ No Reshape and reseed any area not needed for maintenance of the pump and support facilities.Other requirements: Maintain Surface Area.

The following work will be completed when the well is abandoned:

☒ Yes ☐ No Pit will be fenced until dry, then filled to conform to surrounding topography.☒ Yes ☐ No Water bars will be constructed as deemed necessary.☒ Yes ☐ No Site will require reshaping to conform to surrounding topography.☒ Yes ☐ No Entire disturbed area will be reseeded. If yes, the following seed mixture will be used:Land owners specifications at time of reseeding☒ Yes ☐ No Access road will be closed, rehabilitated and reseeded using the same seed mixture as above.☐ Yes ☐ No Access road will remain for surface owner's use.☒ Yes ☐ No Water bars will be constructed on the access road as deemed necessary.

Other requirements: _____

FEB 21 1978
GEOLOGICAL SURVEY
DALLAS, TEXAS

Surface Owner:

Name: Tony Schmitz
Address: Lindrith Gen. Del
City: Lindrith
State: New Mexico
Telephone: 505-774-6663
Date: _____

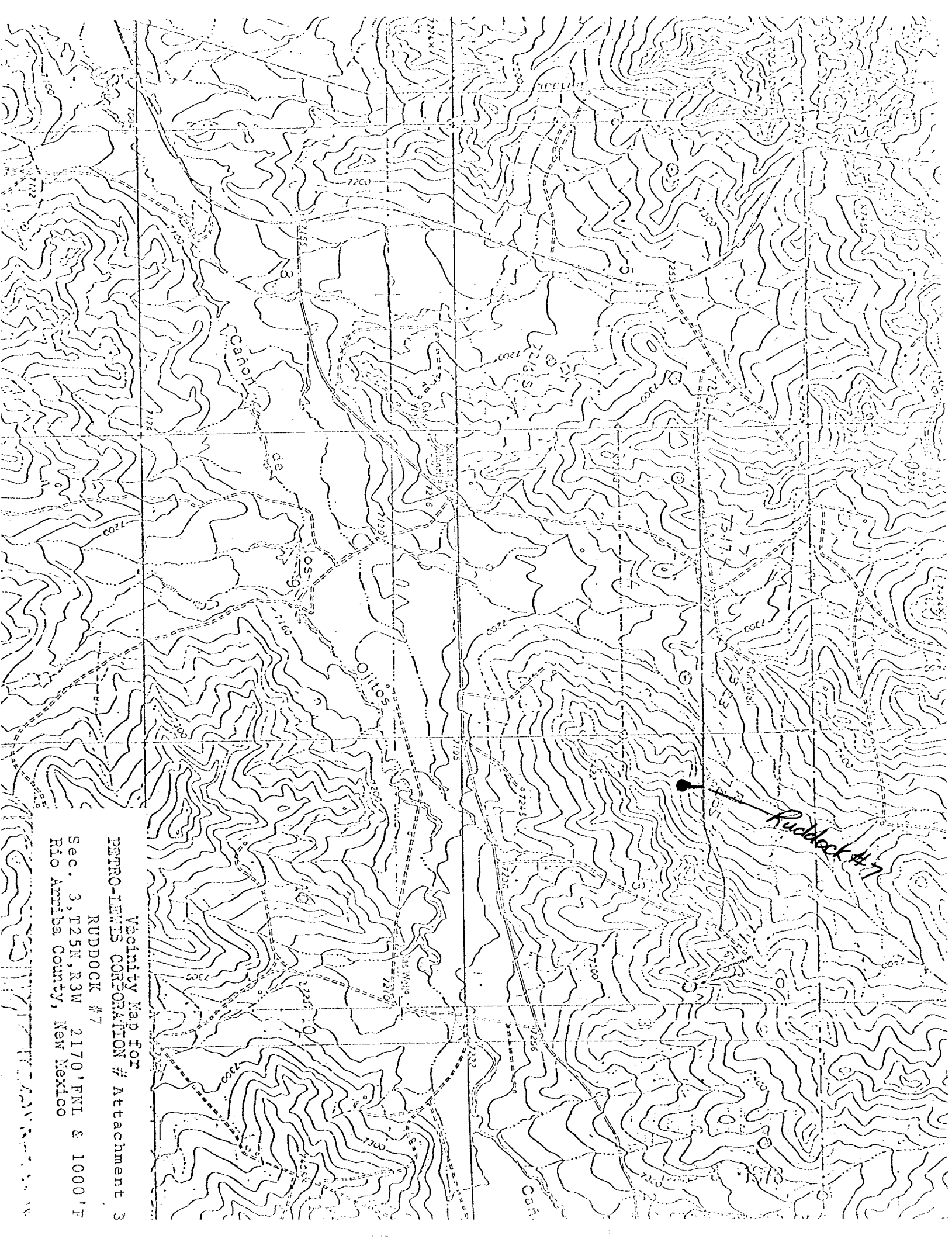
Operator/Lessee

Name: Petro-Lewis Corporation
Address: P.O. Box 509
City: Levelland
State: Texas
Telephone: 806-894-7376
Date: February 15, 1978

I CERTIFY rehabilitation has been discussed with me, the operator:

2/22/78 Ron Murphy and Mr. Schmitz
discussed this w/ surface ownerRon Murphy
(Operator's signature)

This plan covers rehabilitation requirements only and does not affect any other agreements between the lessee/operator and surface owner.



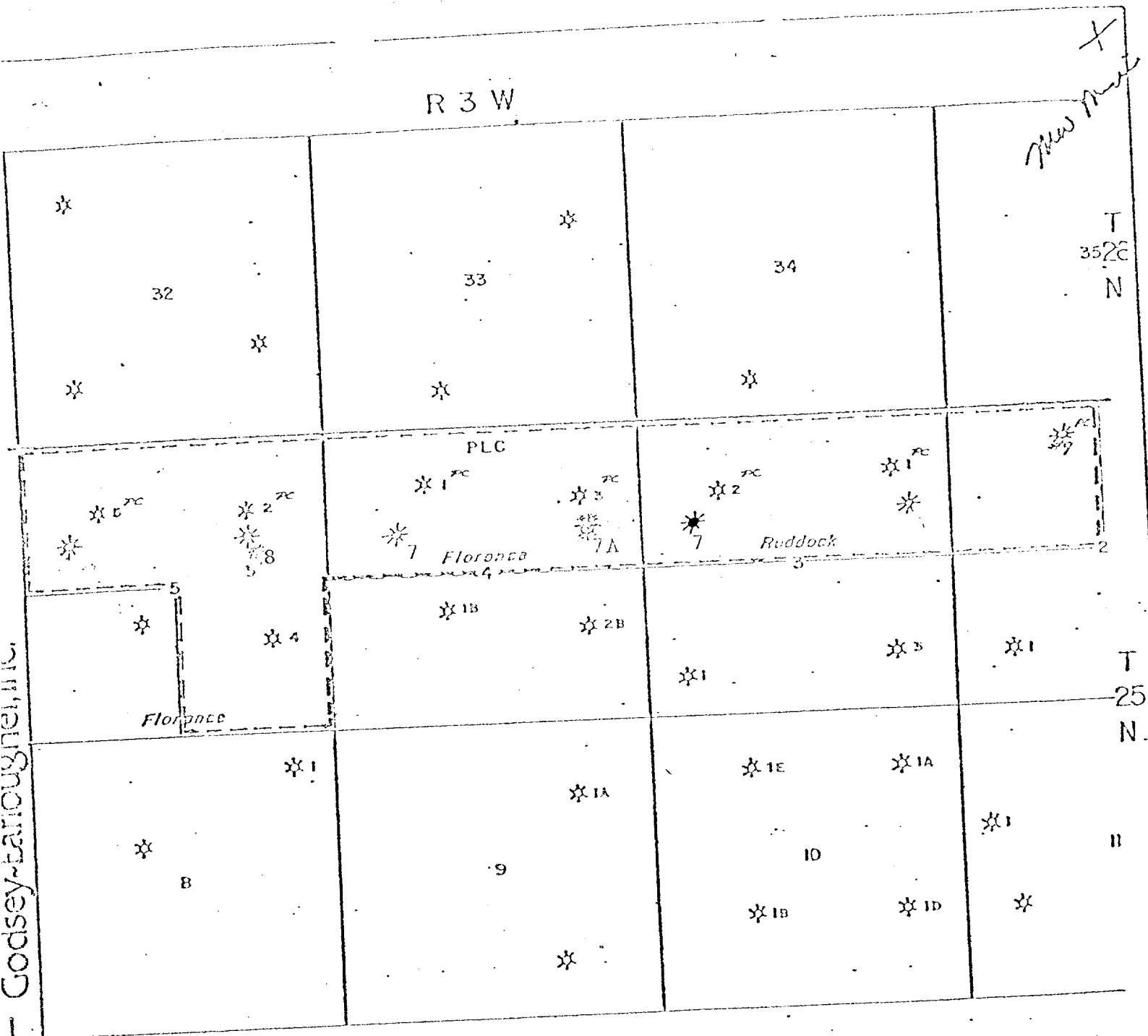
Locality Map for

PETRO-LIMITS CORPORATION # Attachment 3

RUDDOCK #7

Sec. 3, T25N, R3W 2170' FNL & 1000' F
Rio Arriba County, New Mexico

Godsey-Larougne, Inc.



PETRO-LEWIS CORPORATION
BOX 937
LEVELLAND TEXAS
79336
ATTACHMENT# 4

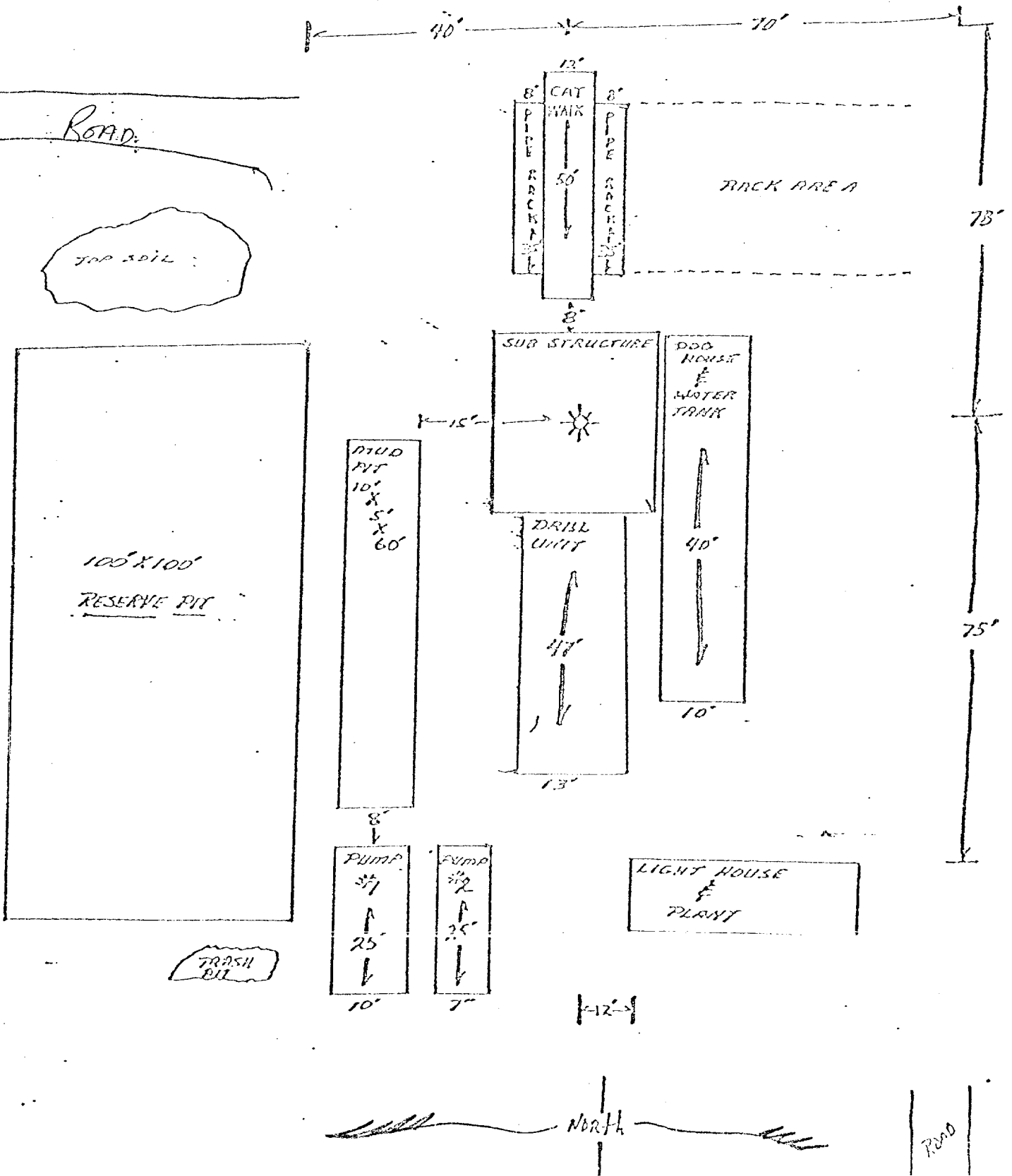
LEGEND

- LOCATION
- OIL WELL
- ★ GAS WELL
- ⊕ DRY HOLE

RUDDOCK #7
2170' FWL & 1000' FWL
Sec. 3 T25N, R3W

TAPACITO FIELD
RIO ARriba COUNTY, NEW MEXICO

PETRO-LIUIS CORPORATION
BOX 937
LEVELLAND, TEXAS, 79336
WELL SITE LAYOUT PLAN
RUDDOCK #7
ATTACHMENT 5



Petro-Lewis Corporation
Surface Use And Operations Plan
San Juan Basin, Tapacito Field
Southern Rocky Mountain Area

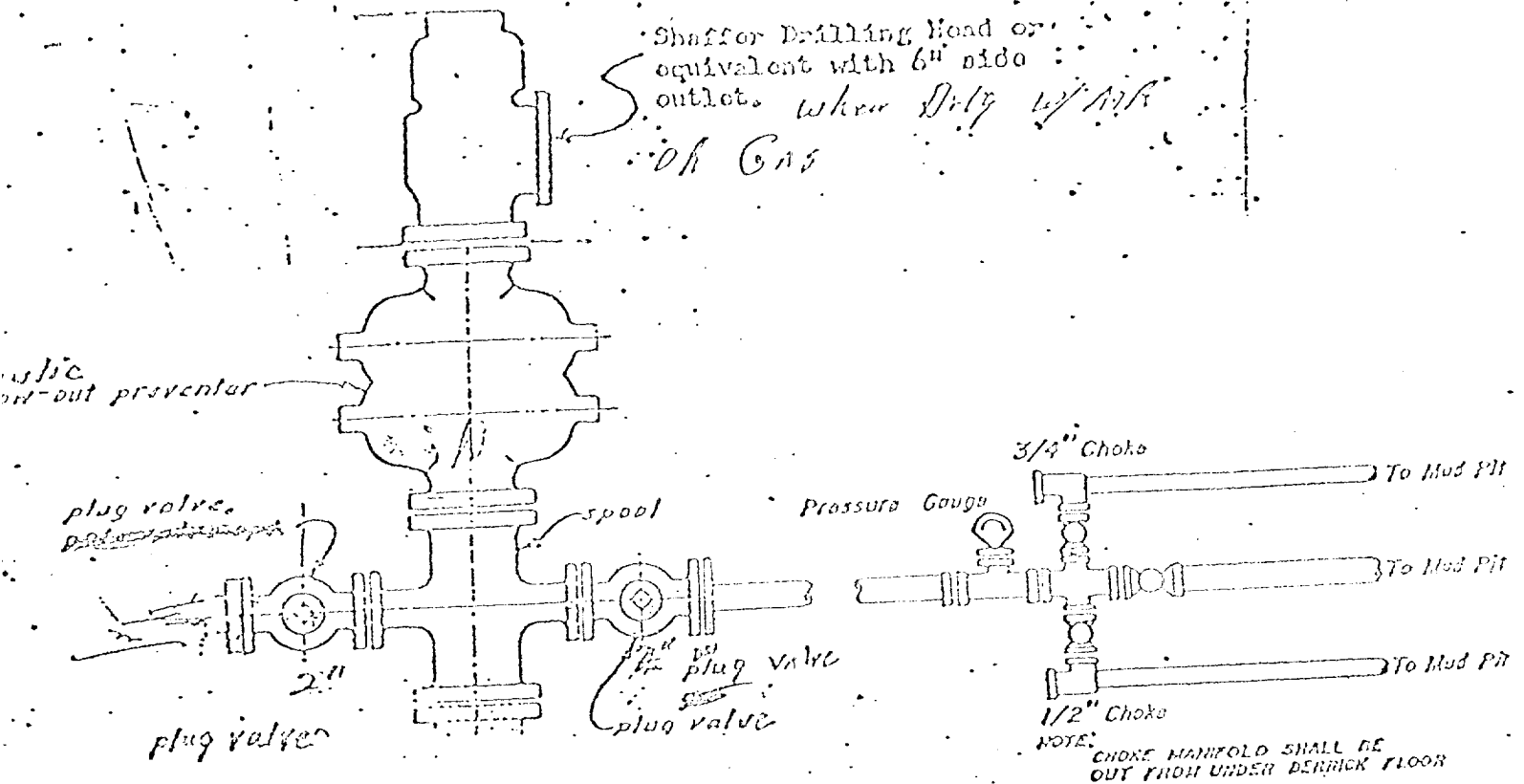
RUDDOCK #7
Rio Arriba County, New Mexico

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, true and correct; and that the work associated with the operations proposed here-in, will be performed by Petro-Lewis Corporation and its contractors, and subcontractors, in conformity with this plan and the terms and conditions under which it is approved.

7-19-79

DATE


RON TARDLEY
DISTRICT FOREMAN



PETRO-LEWIS CORPORATION
 BOX 937
 LEVELLAND TEXAS
 79336

ATTACHMENT# 7

RUDDOCK #7

Ron Tinsley

FOUR CORNERS DRILLING CO.

P.O. BOX 1067
657 WILD HORSE DRIVE
FARMINGTON, NEW MEXICO 87401

TELEPHONE: (505) 327-1122

DRILLING RIG INVENTORY

RIG NO. #3

ATTACHMENT # 8

DERRICK: CARDWELL 108' 270,000 HOOK LOAD CAPACITY
SUBSTRUCTURE: CARDWELL 9'6" X 12'6" TELESCOPING 440,000 GROSS
DRAWWORKS: CARDWELL KB-500 SELF PROPELLED BACK IN 600 HP.
AUXILIARY BRAKE: PARKERSBURG 22" SINGLE
ENGINES: 2 GENERAL MOTORS 8V71N DIESEL 318 HP EACH.
MUD PUMPS: EMSCO D-500 16 POWERED BY 2 GM 8V71NT ENGINES 350 HP EACH
AUXILIARY MUD PUMP: NATIONAL C-250 POWERED BY 2 GM 671 ENGINES 160 HP EACH
DESILTER: PIONEER 8 CONE W/THOMPSON 5" X 6" PUMP WITH ELECTRIC MOTOR
MUD TANK: 1 5' X 10' X 50' 450 BBL. WITH 4 COMPARTMENTS
WATER STORAGE: 1 10' X 10' X 30' 520 BARREL TANK
GENERATORS: 1 EACH 100 KW AC
ROTARY TABLE: OIL WELL 20½"
TRAVELING BLOCK: IDECO UTB 160-430 SHORTY 160 TON
SWIVEL: NATIONAL TYPE F 150 TON
BLOWOUT PREVENTOR: 10" 3000 HYDRAULIC
SPECIAL TOOLS:
TONG TORQUE INDICATOR
RATE OF PENETRATION RECORDER
SHALE SHAKER
TRAILOR HOUSE
TWO WAY RADIO
NECESSARY DRILL PIPE AND DRILL COLLARS TO MEET BID SPECIFICATIONS

PETRO-LEWIS CORPORATION
BOX 937
LEVELLAND TEXAS
79336

RUDDOCK #7