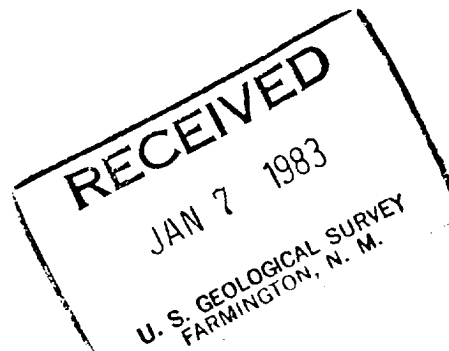


PETRO LEWIS CORPORATION

Oil and Gas Producers

P.O. Box 16200
Lubbock, Texas 79490
806/894-8589

December 31, 1982



James F. Sims
Oil and Gas Supervisor
Minerals Management Service
P. O. Drawer 600
Farmington, New Mexico 87401

Re: Federal 27-43

Dear Sir:

Petro-Lewis Corporation recently acquired the Federal 27-43 from KENAI Corporation. The well is located in Section 27, Township 24 North, Range 9 West. The well was completed on April 1, 1982.

This is an application for a Special Well Test of the Federal 27-43. The application is being made to establish the production of the subject well. The production data obtained during the Special Well Test will be used to either justify the economics of a gas sales system or to apply for venting according to NTL-4A Section 4B #1. Petro-Lewis Corporation does not feel that the 30 day test conducted on this well is sufficient to establish production of the Federal 27-43.

The subject well is not under a gas contract at the present time. Two gas pipelines exist in the area of the Federal 27-43. The first is an El Paso Natural Gas low-pressure line located to the north of the subject well. A sales line of approximately 10,000' would be needed to tie into this line. El Paso Natural Gas is not accepting new gas contracts of any type at the present time. The second gas pipeline is a Gas Company of New Mexico high-pressure line located to the southwest of the subject well. A sales line of approximately 7500' and a gas compressor would be needed to tie into this line.

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**OIL CON. DIV.
DIST. 3**

MACP

James F. Sims
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The Federal 27-43 is presently completed in the Gallup formation. The Gallup formation often declines rapidly immediately after completion. Specific examples of the rapid decline are as follows:

South Blanco Federal 26 #9 Sec 26, 24N, 8W Mesa Petroleum Co.	Federal 6 #22 Sec 6, 23N, 7W Dietrich Resource Corp.	State H #4 Sec 2, 23N, 7W BCO Inc.	
(First Production) 9/1/81	(First Production) 1/1/81	(First Production) 8/1/81	
(MCF/Month)	(MCF/Month)	(MCF/Month)	
9/81	None	8/81	None
10/81	2539	9/81	5407
11/81	2147	10/81	4990
12/81	1991	11/81	3734
1/82	1689	12/81	3744
2/82	1374	1/82	3374

Given the above data Petro-Lewis Corporation requests that the application for a Special Well Test of the Federal 27-43 be approved for a period of 6 months. Petro-Lewis Corporation feels that this is the minimum amount of time required to establish the production of the subject well. The Special Well Test will provide the data necessary to either justify the economics of a gas sales system or to apply for venting according to NTL-4A Section 4B #1.

Your prompt attention of this matter will assist Petro-Lewis Corporation in its effort to prevent waste and protect correlative rights. Your assistance in this matter will be greatly appreciated.

I can be contacted at (806) 793-7573 if you have any questions regarding this application.

Sincerely,

Steven M. King

Steven M. King
Petroleum Engineer

SMK/tm

*Approved until 10 June 1983
Not to exceed 10 mcf/month*

