

Petro-Lewis Corporation
Sufacace Use And Operations Plan
San Juan Basin Tapacito Field
Southern Rocky Mountain Area
Florance #6
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 Gallup and Dakota prospects.

Proposed Operations

We propose to drill, evaluate, and complete three Dakota gas producers (Florance #6, Florance #8, and Ruddock #7A) and three Gallup gas producers, (Florance #8A, Florance #6A and Ruddock #7), and one pictured Cliff producer (Ruddock #9). A Central Battery for the Ruddock wells (three) will be located at the Ruddock #7A location, and a Central Battery for the Florance wells (four) will be constructed at the Florance #6A location. All flow lines will be installed parallel along the lease roads to the designated Central Battery. A complete description of the Central Battery is attached to the Florance #6A and Ruddock #7A.

Existing Roads

Attachment #1 is a scaled map showing the existing wells, roads, and location of the above. The approved stake being 2130' FNL and 960' FEL of Sec. 4, T25N, R3W. 500' south of the existing lease road running east and west. The stake is located 1.5 miles east of Hwy. 537. All flow lines will be layed parallel to 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 #1, 500' of road 10' wide will run south to the location. The area of intent is reasonably level with no major cuts or fills anticipated. Due to the length of the road, no turn-out will be constructed.

Location Of Existing Wells

Attachment #2 is a scaled map showing all existing wells.

Location Of Existing And/Or Proposed Facilities

The gas sales line runs parallel to the existing lease road, from the Florance #3, the flow line runs south to the trunk line. We propose to run the flow line north 500' to the existing lease road and parallel west to the Central Battery located at the Florance #6A. Construction of flow lines will be parallel to lease roads buried approximately 24" deep.

Location And Type Of Water Supply

A reliable contractor will transport water from the township of Lindrith, N.M. or from two ponds on the property of Mr. Tony Schmitz. Lease roads will be utilized.