

District I - (505) 393-6161
1625 N. French Dr, Hobbs, NM 88240
District II - (505) 748-1283
1301 W. Grand Avenue, Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road, Aztec, NM 87410
District IV - (505) 476-3440
1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy Minerals and Natural Resources Department

Form C-140

Revised 06/99

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
(505) 476-3440

SUBMIT ORIGINAL
PLUS 2 COPIES
TO APPROPRIATE
DISTRICT OFFICE

APPLICATION FOR
WELL WORKOVER PROJECT

I. Operator and Well

Operator name & address Rio Chama Petroleum 462 Lewis St. PO Box 3027 Pagosa Springs, CO						OGRID Number 160560		
Contact Party Craig Creel						Phone 970-264-0170		
Property Name Melik Federal				Well Number 2		API Number 30039052320000		
UL K	Section 36	Township 24N	Range 02W	Feet From The 1750	North/South Line South	Feet From The 1850	East/West Line West	County Rio Arriba

II. Workover

Date Workover Commenced: 9/13/01	Previous Producing Pool(s) (Prior to Workover): Blanco Pictured Cliffs, South
Date Workover Completed: 10/3/01	

III. Attach a description of the Workover Procedures performed to increase production.

IV. Attach a production decline curve or table showing at least twelve months of production prior to the workover and at least three months of production following the workover reflecting a positive production increase.

V. AFFIDAVIT:

State of Colorado)
County of Archuleta) ss.
J. Craig Creel, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
- I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.
- To the best of my knowledge, this application and the data used to prepare the production curve and/or table for this Well are complete and accurate.

Signature J. S. Creel Title President Date 4/19/02
SUBSCRIBED AND SWORN TO before me this 30th day of April, 2002.

Anita C. Kizer
Notary Public

My Commission expires: 08/07/05

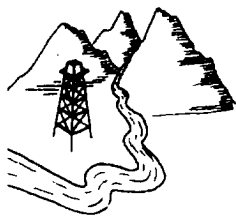
FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Well Workover Project and the Division hereby verifies the data shows a positive production increase. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project was completed on 10-03-2001.

Signature District Supervisor <u>Charles T. L.</u>	OCD District <u>Aztec III</u>	Date <u>06-03-2002</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____



Rio Chama Petroleum, Inc.

April 17, 2002

Re: Workover Procedure for Melik #2

On September 13, 2001 we commenced to re-fracture the Pictured Cliffs completion in the Melik #2 well. We finished the completion on October 3, 2001. Attached, please find the graphical illustration of the historical production and a table with historical production from January 2000 through March 2002. The well cleaned up during the month of October and November where production was 142 and 671 Mscf, respectively. Production for the 12 months prior to the fracture treatment (September 2000 through August 2001) averaged 652 Mscf/month. Post clean-up production for the last 4 months (December 2001 through March 2002) averaged 971 Mscf/month, which is a +300 Mscf increase compared to pre stimulation production.

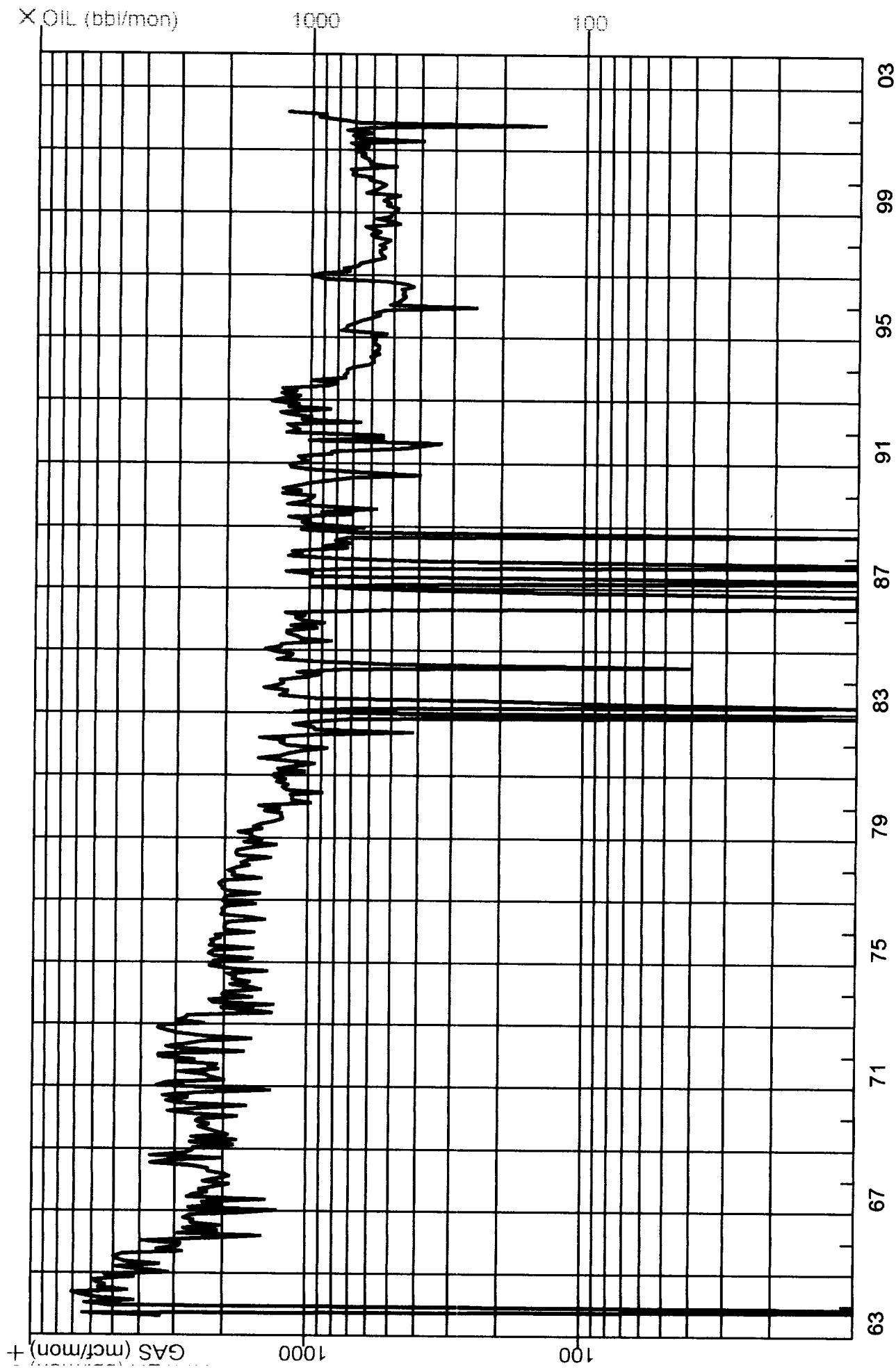
Phone: 970-264-0170 P.O. Box 3027 Fax: 970-264-0171
Pagosa Springs, CO 81147

Daily Workover Report
Melik Fed #2
Add Perfs and Refrac PC

09/13/01	MIRU Phoenix #1. Blow down well. POOH w/ 1" tbg. RU BWWC. Tagged fill @ 3170'. Perf PC from 3158'-3170'.
09/14/01	TIH w/ 2 7/8" tbg. and packer. Set packer @ 3000'. Drop standing valve. RU Dowell and pressure test tbg. and connections to 5000#. Tighten connections three times before getting successful test.
09/15/01	Acidize well with 100 gals HCL. Frac well w/25,836 lbs. 16/30 Brady sd., 5950 gals 2% KCL, and 69.8 MCF N2. ISIP 2898, 5 min SIP 1643, 10 min SIP 1556, 15 min SIP 1529 psi. RD Dowell. SI well 2 hrs. Flow well back to frac tank. Well died in 2 hrs.
09/18/01	Work to unseat packer. Packer won't release. Made several swab runs. Recovered water. Fill tbg. with wtr. And unseat packer. POOH laying down 2 7/8" tbg. and packer.
09/19/01	Load 2 3/8" tbg. and take to location
09/20/01	TIH w/ bulldog bailer and 2 3/8" tbg. Work bailer. POOH w/ 2 3/8" tbg.
09/21/01	Make two roundtrip bulldog bailer runs. Unable to recover anything of last run.
09/22/01	TIH w/ 3 7/8" mill on tbg. to 2771'. RU power swivel and pump. Start pump and break circulation. Swivel leaking.
09/23/01	Chg out power swivel. Clean out / mill on sand fill.
09/24/01	Mill on junk and sand in hole
09/25/01	Mill on sand. Swivel and hose leaking.
09/26/01	Mill on packed sand. Hydraulic system heating up. Alternately mill 2 hr. SD 45 min.
09/27/01	Mill on sand. Clean out to 3198' POOH w/ mill and tbg. TIH w/ 2 3/8" tbg w/ seat nipple and notched collar.
09/28/01	Swab well. Rec 10.2 BW
10/01/01	Swab well
10/02/01	Swab swell. Rec 10.8 BW
10/03/01	POOH laying down 2 3/8" tbg. TIH w/ 1" tbg. Nipple up wellhead and flowlines
10/04/01	RDMO

Rio Chama Petroleum, Inc.
BLANCO P. C. SOUTH (PRORATED G

MELIK FEDERAL 002 (Mtr# 73599 ,
RIO ARRIBA,NM
Major Phase: GAS



Proj GAS Cum: 961.55 mmcf
RCP Owned

Proj OIL Cum: 0.00 mbbl

Monthly Production

(Simple)

Lease : MELIK FEDERAL 002 (Mtr# 73599)
 Operator : Rio Chama Petroleum, Inc.

Field :BLANCO P. C. SOUTH (PRORAT
 Zone :
 County, St.:RIO ARRIBA, NM

	Gas (Mscf)	Oil (Bbls)	Water (Bbls)	Well Count	Days On
10/1/1999	566.00	0.00	0.00	0.00	0.00
11/1/1999	541.00	0.00	0.00	0.00	0.00
12/1/1999	571.00	0.00	0.00	0.00	0.00
Annual Total:	1,678.00	0.00	0.00		0.00
1/1/2000	622.00	0.00	0.00	0.00	0.00
2/1/2000	610.00	0.00	0.00	0.00	0.00
3/1/2000	717.00	0.00	0.00	0.00	0.00
4/1/2000	698.00	0.00	0.00	0.00	0.00
5/1/2000	725.00	0.00	0.00	0.00	0.00
6/1/2000	495.00	0.00	0.00	0.00	0.00
7/1/2000	616.00	0.00	0.00	0.00	0.00
8/1/2000	618.00	0.00	0.00	0.00	0.00
9/1/2000	632.00	0.00	0.00	0.00	0.00
10/1/2000	665.00	0.00	0.00	0.00	0.00
11/1/2000	644.00	0.00	0.00	0.00	0.00
12/1/2000	695.00	0.00	0.00	0.00	0.00
Annual Total:	7,737.00	0.00	0.00		0.00
1/1/2001	689.00	0.00	0.00	0.00	0.00
2/1/2001	629.00	0.00	0.00	0.00	0.00
3/1/2001	727.00	0.00	0.00	0.00	0.00
4/1/2001	394.00	0.00	0.00	0.00	0.00
5/1/2001	679.00	0.00	0.00	0.00	0.00
6/1/2001	714.00	0.00	0.00	0.00	0.00
7/1/2001	606.00	0.00	0.00	0.00	0.00
8/1/2001	752.00	0.00	0.00	0.00	0.00
9/1/2001	617.00	0.00	0.00	0.00	0.00
10/1/2001	142.00	0.00	0.00	0.00	0.00
11/1/2001	671.00	0.00	0.00	0.00	0.00
12/1/2001	814.00	0.00	0.00	0.00	0.00
Annual Total:	7,434.00	0.00	0.00		0.00
1/1/2002	946.00	0.00	0.00	0.00	0.00
2/1/2002	896.00	0.00	0.00	0.00	0.00
3/1/2002	1,226.00	0.00	0.00	0.00	0.00
Annual Total:	3,068.00	0.00	0.00		0.00
Lease Total:	19,917.00	0.00	0.00		0.00