P.O. Box 1980
Hobbs, NM 88240
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-140
Originated 11/1/95

Submit Original
Plus 2 Copies
to appropriate
District Office

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

I. Operator: Redwolf Production, Inc. OGRID #: 018973

Address: P. O. Box 5382 Farmington, NM 87499

Contact Party: Dana L. Delventhal Phone: (505) 326-4125

II. Name of Well: Frew Federal No. 14 API #: 30-045-22652
Location of Well: Unit Letter J, 1687 Feet from the South line and 1850 feet from the East line,
Section 29, Township 26N, Range 12W, NMPM, San Juan County

III. Date Workover Procedures Commenced: December 6, 1996
Date Workover Procedures were Completed: December 6, 1996

IV. Attach a description of the Workover Procedures undertaken to increase the projection from the Well.

V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.

VI. Pool(s) on which Production Projection is based: Bisti Farmington (72130)

VII. AFFIDAVIT:

State of New Mexico)
) ss.
County of San Juan)

RECEIVED
MAY - 7 1997
OIL CON. DIV.
DIST. 3

Dana L. Delventhal, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.

2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.

3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

Dana L. Delventhal
(Name)

Vice President
(Title)

SUBSCRIBED AND SWORN TO before me this 5th day of May, 1997.

Notary Public

My Commission expires: June 21, 1998

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 12/6, 1996

District Supervisor, District 3
Oil Conservation Division

Date: 6/3/97

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

FREW FEDERAL NO. 14

WORKOVER DESCRIPTION

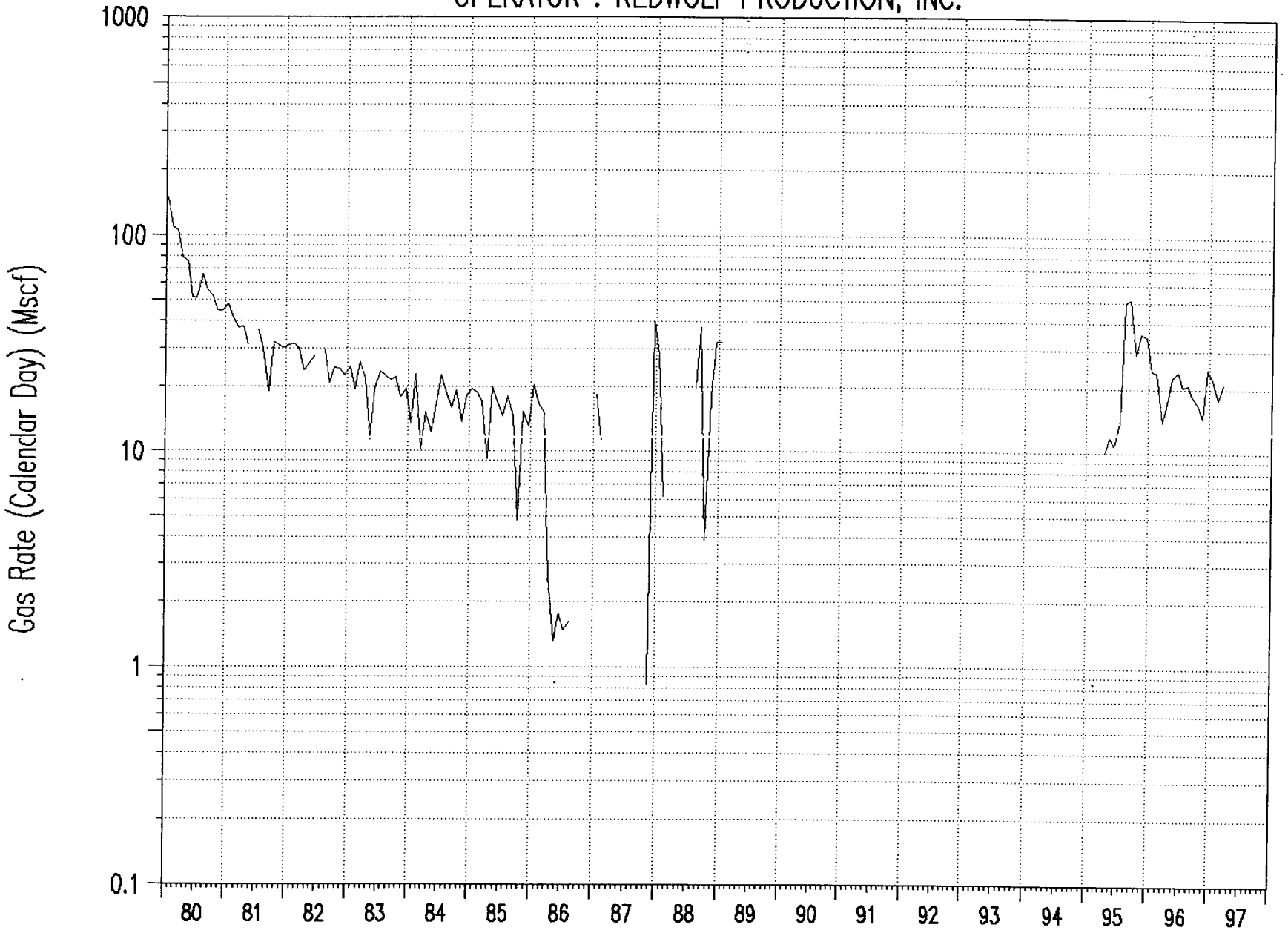
On December 6, 1996, Redwolf Production, Inc. installed an Ingersoll-Rand 42FG wellhead natural gas compressor on the Frew Federal No. 14 well. This work was completed on December 6, 1996.

The installation of this wellhead compressor has reduced the effective back pressure on this well and minimizes the fluctuations in production due to changes in line pressure. Prior to the installation of this wellhead compressor, the Frew Federal No. 14 was producing approximately 15 MCFD and was declining at an annual exponential decline rate of 57%. Current production has stabilized at approximately 20 MCFD at a 10% annual exponential decline rate.

WELL: FREW FEDERAL NO. 14

LOCATION : 29J 26N 12W RESERVOI : FARMINGTON

OPERATOR : REDWOLF PRODUCTION, INC.



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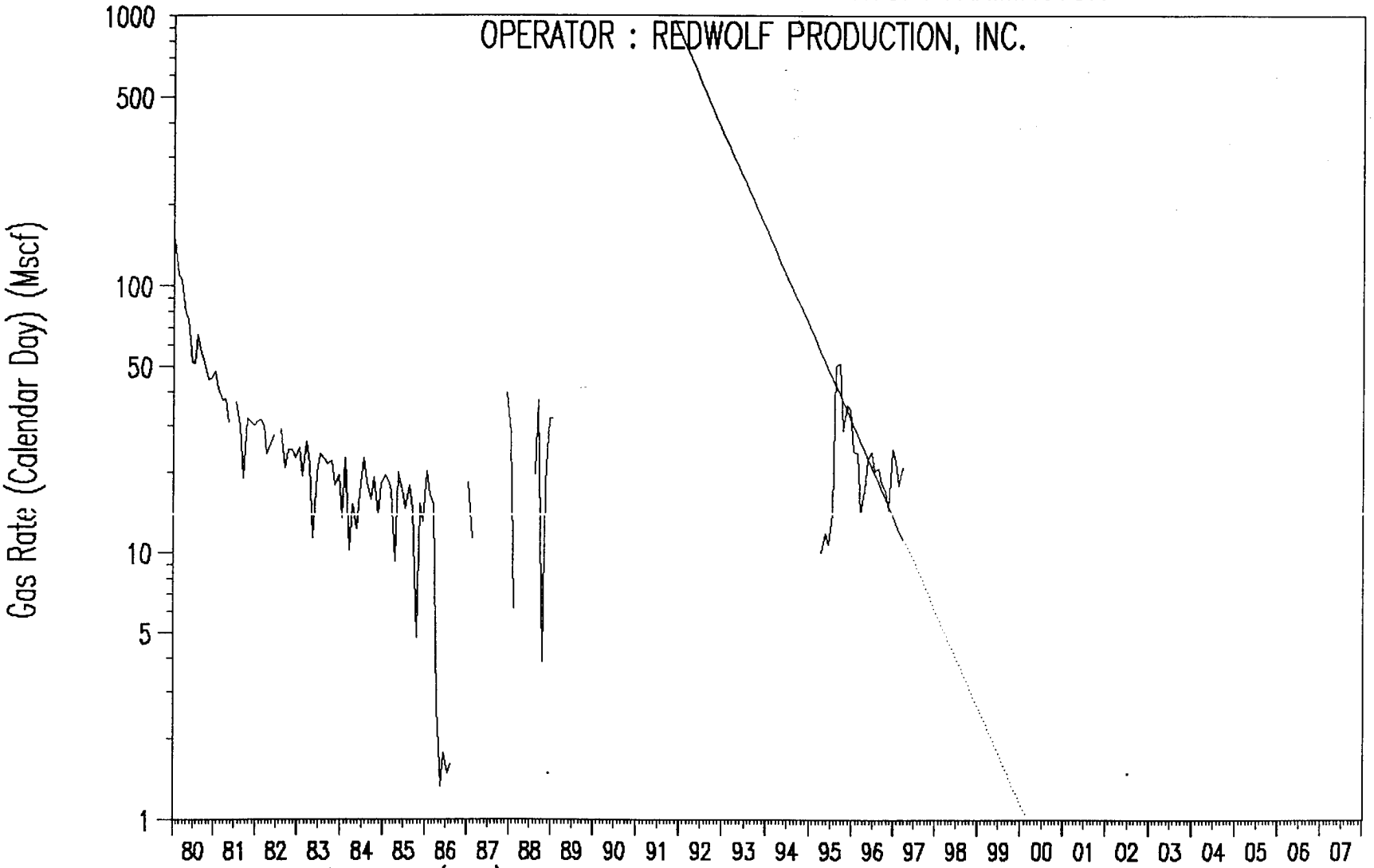

Decline Rate (frac) Nominal: 0.069416 Effective: 0.067061 Annual: 0.565252

Current Gas rate: 11.26 Mscf/d

Economic Limit: 0.145 Mscf/d

Cumulative Gas Produced: 92.46 MMscf

Remaining Reserves: 4.9 MMscf

Total Reserves: 97.3 MMscf – At the Economic Limit

Exponential Decline Analysis

FREW-FED

Equation: Qoi * exp(-Di * t) t= Elapsed Months from 8001
Qoi= 18270391.23 Di= 0.069416

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Current Gas rate: 11.26 Mscf/d
Economic Limit: 0.145 Mscf/d
Cumulative Gas Produced: 92.46 MMscf
Remaining Reserves: 4.9 MMscf
Total Reserves: 97.3 MMscf - At the Economic Limit

Date	Gas Mscf/d	Remaining Reserves MMscf	Cumulative Production MMscf
4/1997	10.88	-92.788	92.788
5/1997	10.15	-93.096	93.096
6/1997	9.47	-93.384	93.384
7/1997	8.83	-93.653	93.653
8/1997	8.24	-93.904	93.904
9/1997	7.69	-94.138	94.138
10/1997	7.17	-94.356	94.356
11/1997	6.69	-94.559	94.559
12/1997	6.24	-94.749	94.749
1/1998	5.82	-94.926	94.926
2/1998	5.43	-95.091	95.091
3/1998	5.07	-95.246	95.246
4/1998	4.73	-95.389	95.389
5/1998	4.41	-95.524	95.524
6/1998	4.12	-95.649	95.649
7/1998	3.84	-95.766	95.766
8/1998	3.58	-95.875	95.875
9/1998	3.34	-95.976	95.976
10/1998	3.12	-96.071	96.071
11/1998	2.91	-96.160	96.160
12/1998	2.71	-96.242	96.242
1/1999	2.53	-96.319	96.319
2/1999	2.36	-96.391	96.391
3/1999	2.20	-96.458	96.458
4/1999	2.06	-96.520	96.520
5/1999	1.92	-96.579	96.579
6/1999	1.79	-96.633	96.633
7/1999	1.67	-96.684	96.684
8/1999	1.56	-96.731	96.731
9/1999	1.45	-96.776	96.776
10/1999	1.36	-96.817	96.817
11/1999	1.26	-96.855	96.855
12/1999	1.18	-96.891	96.891
1/2000	1.10	-96.925	96.925
2/2000	1.03	-96.956	96.956
3/2000	0.96	-96.985	96.985

Date	Gas Mscf/d	Remaining Reserves MMscf	Cumulative Production MMscf
4/2000	0.89	-97.012	97.012
5/2000	0.83	-97.038	97.038
6/2000	0.78	-97.061	97.061
7/2000	0.73	-97.083	97.083
8/2000	0.68	-97.104	97.104
9/2000	0.63	-97.123	97.123
10/2000	0.59	-97.141	97.141
11/2000	0.55	-97.158	97.158
12/2000	0.51	-97.173	97.173
1/2001	0.48	-97.188	97.188
2/2001	0.45	-97.201	97.201
3/2001	0.42	-97.214	97.214
4/2001	0.39	-97.226	97.226
5/2001	0.36	-97.237	97.237
6/2001	0.34	-97.247	97.247
7/2001	0.32	-97.257	97.257
8/2001	0.29	-97.266	97.266
9/2001	0.27	-97.274	97.274
10/2001	0.26	-97.282	97.282
11/2001	0.24	-97.289	97.289
12/2001	0.22	-97.296	97.296
1/2002	0.21	-97.302	97.302
2/2002	0.19	-97.308	97.308
3/2002	0.18	-97.314	97.314
4/2002	0.17	-97.319	97.319
5/2002	0.16	-97.324	97.324
6/2002	0.00	-97.324	97.324