

DISTRICT I - (505) 393-6161

P.O. Box 1980

Hobbs, NM 88241-1980

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 - (505) 827-7131

New Mexico

Energy, Minerals and Natural Resources Department

Form C-140

Originated 11/1/95

OIL CONSERVATION DIVISION

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 8827-7131

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: FOUR STAR OIL AND GAS COMPANY OGRID #: 131994
Address: 3300 N. Butler Ave., Suite 100 Farmington NM 87401
Contact Party: Operating Unit Manager Phone: 325-4397

II. Name of Well: MEXICO FEDERAL B 1 API# 3004507575
Location of Well: Unit Letter: N 1190 Feet from the SOUTH line and 1840 feet from the WEST line
Section 09 Township T28N Range R10W NMPM SAN JUAN County

III. Date Workover Procedures Commenced: 1/13/98
Date Workover Procedures were Completed: 1/22/98

IV. Attach a description of the Workover Procedures undertaken to increase the production 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 (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:

BASIN FRUITLAND COAL

VII. AFFIDAVIT:

State of NEW MEXICO)
County of SAN JUAN) ss.

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 personal knowledge of the facts contained in this Application for Qualification of a Production Restoration Project.
3. The data utilized to prepare this application is complete and correct.

Allen Davis

(Name)

Operating Unit Manager

(Title)

SUBSCRIBED AND SWORN TO before me this 30 day of march, 19 98.

Bell W. W. W. W.
Notary Public

My commission expires: 12-10-2001

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 1/22, 19 98.

358
District Supervisor, District
Oil Conservation Division 3

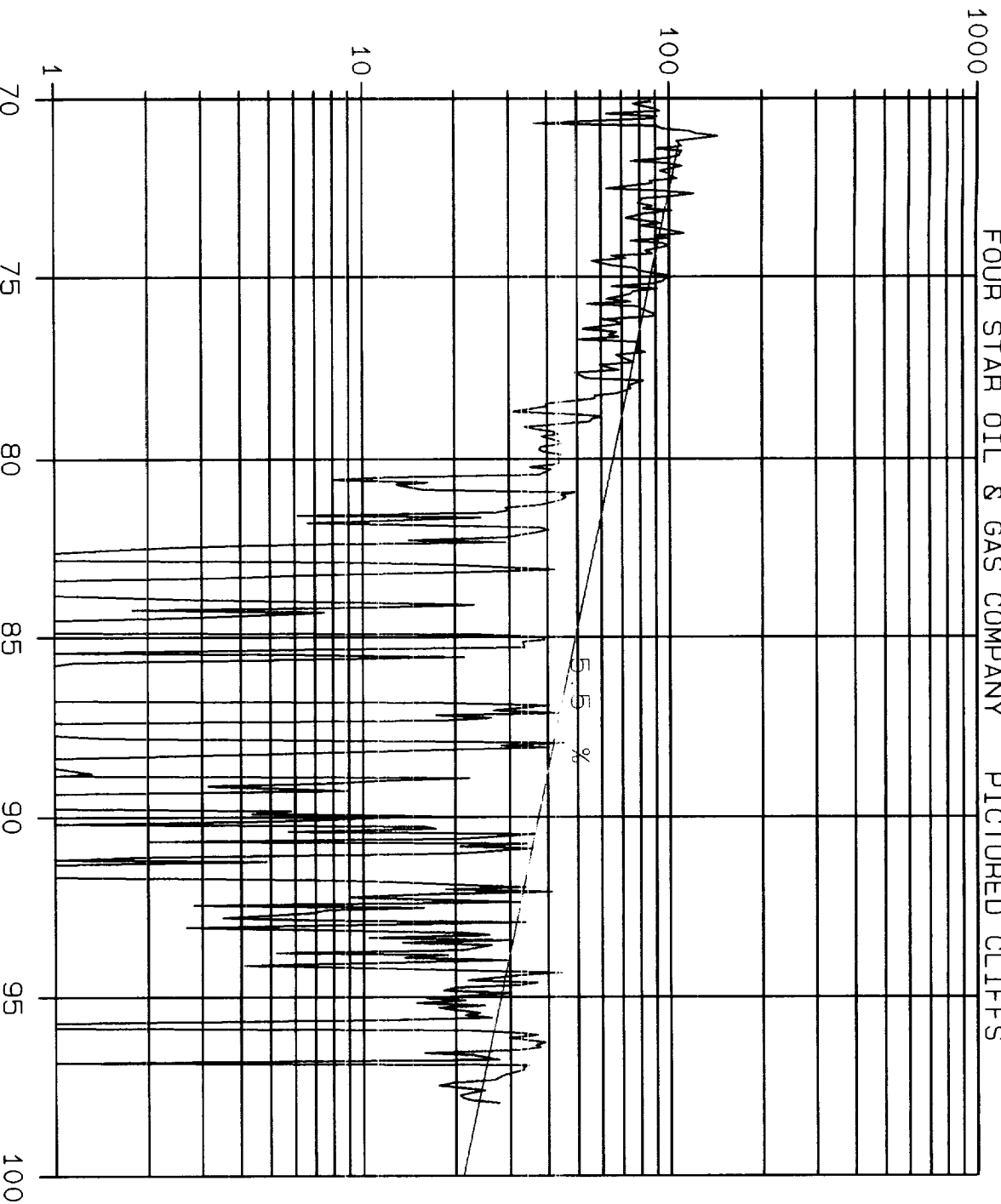
Date: 4/8/98

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

DATE: _____

MEXICO FEDERAL B 1 AZTEC

FOUR STAR OIL & GAS COMPANY PICTURED CLIFFS



LEASE DATA
 LSE 017699
 FLD 3100
 OPER 72673
 ZONE 631
 28N-10W-9
 COUNTY 45
 STATE 30
 30045075750000
 STATUS 12-97
 CO 0 MBO
 CG 895 MMCF
 CW 0 MRW
 BOPD 0
 BWPD 0
 MCFPD 27
 WELLS 1
 CI 0 MBWI
 BWIPD 0

YEARS

Production Projection

Well Name & #:	Mexico Federal B # 1		Current Oil Prod. Rate (BOPD):	0
Producing Formation:	Aztec Pictured Cliffs		Oil Decline Factor:	1
Oil Decline Rate (%):	0		Current Gas Prod. Rate (MCFGD):	27
Gas Decline Rate (%):	5.5			
Completion Date (m/yr):	Jan-97		Gas Decline Factor:	0.995296899
Month	Projected Oil Production	Projected Gas Production	Projected Cumulative Oil Production	Projected Cumulative Gas Production
Jan-97	0	821	0	821
Feb-97	0	817	0	1638
Mar-97	0	813	0	2451
Apr-97	0	809	0	3260
May-97	0	805	0	4066
Jun-97	0	802	0	4867
Jul-97	0	798	0	5665
Aug-97	0	794	0	6459
Sep-97	0	790	0	7250
Oct-97	0	787	0	8036
Nov-97	0	783	0	8819
Dec-97	0	779	0	9599
Jan-98	0	776	0	10374
Feb-98	0	772	0	11146
Mar-98	0	768	0	11915
Apr-98	0	765	0	12690
May-98	0	761	0	13441
Jun-98	0	758	0	14198
Jul-98	0	754	0	14952
Aug-98	0	750	0	15703
Sep-98	0	747	0	16450
Oct-98	0	743	0	17193
Nov-98	0	740	0	17933
Dec-98	0	736	0	18670
Jan-99	0	733	0	19403
Feb-99	0	730	0	20132
Mar-99	0	726	0	20858
Apr-99	0	723	0	21581
May-99	0	719	0	22300
Jun-99	0	716	0	23016
Jul-99	0	713	0	23729
Aug-99	0	709	0	24438
Sep-99	0	706	0	25144
Oct-99	0	703	0	25846
Nov-99	0	699	0	26546

Production Projection

Dec-99	0	696	0	27242
Feb-00	0	693	0	27934
Mar-00	0	689	0	28624
Mar-00	0	689	0	28624
Apr-00	0	686	0	29310
May-00	0	683	0	29993
Jun-00	0	680	0	30673
Jul-00	0	677	0	31349
Aug-00	0	673	0	32022
Sep-00	0	670	0	32693
Oct-00	0	667	0	33360
Nov-00	0	664	0	34024
Dec-00	0	661	0	34684
Jan-01	0	658	0	35342
Mar-01	0	655	0	35997
Apr-01	0	655	0	35997
May-01	0	652	0	36648
Jun-01	0	648	0	37297
Jul-01	0	645	0	37942
Aug-01	0	642	0	38584
Sep-01	0	639	0	39224
Oct-01	0	636	0	39860
Nov-01	0	633	0	40493
Dec-01	0	630	0	41124
Jan-02	0	627	0	41751
Mar-02	0	624	0	42375
Apr-02	0	622	0	42997
May-02	0	619	0	42997
Jun-02	0	616	0	43616
Jul-02	0	613	0	44231
Aug-02	0	610	0	44844
Sep-02	0	607	0	45454
Oct-02	0	604	0	46061
Nov-02	0	601	0	46665
Dec-02	0	599	0	47266
Jan-03	0	596	0	47865
Mar-03	0	593	0	48461
Apr-03	0	590	0	49054
May-03	0	587	0	49644
Jun-03	0	585	0	50231
Jul-03	0	582	0	50815
Aug-03	0	579	0	51397
Sep-03	0	576	0	51976
Oct-03	0	574	0	52553
Nov-03	0	571	0	53126
	0	568	0	53697
	0	566	0	54266
			0	54831

Production Projection

Dec-03	0	563	0	55394
Jan-04	0	560	0	55954
Mar-04	0	558	0	56512
Mar-04	0	555	0	57067
Apr-04	0	552	0	57619
May-04	0	550	0	58169
Jun-04	0	547	0	58716
Jul-04	0	545	0	59261
Aug-04	0	542	0	59803
Sep-04	0	540	0	60343
Oct-04	0	537	0	60880
Nov-04	0	534	0	61414
Dec-04	0	532	0	61946
Jan-05	0	529	0	62476
Mar-05	0	527	0	63003
Mar-05	0	524	0	63527
Apr-05	0	522	0	64049
May-05	0	520	0	64569
Jun-05	0	517	0	65086
Jul-05	0	515	0	65601
Aug-05	0	512	0	66113
Sep-05	0	510	0	66623
Oct-05	0	507	0	67130
Nov-05	0	505	0	67635
Dec-05	0	503	0	68138
Jan-06	0	500	0	68638
Mar-06	0	498	0	69136
Mar-06	0	496	0	69632
Apr-06	0	493	0	70125
May-06	0	491	0	70616
Jun-06	0	489	0	71105
Jul-06	0	486	0	71551
Aug-06	0	484	0	72075
Sep-06	0	482	0	72557
Oct-06	0	480	0	73037
Nov-06	0	477	0	73514
Dec-06	0	475	0	73989
Jan-07	0	473	0	74462

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: ☐ OIL WELL ☒ GAS WELL ☐ OTHER COAL-BED METHANE

2. Name of Operator
FOUR STAR OIL AND GAS COMPANY

3. Address and Telephone No.
3300 N. Butler Ave., Suite 100 Farmington NM 87401 325-4397

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter N : 1190 Feet From The SOUTH Line and 1840 Feet From The

WEST Line Section 09 Township T28N Range R10W

5. Lease Designation and Serial No.

NM-048569

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number

MEXICO FEDERAL B

1

9. API Well No.

3004507575

10. Field and Pool, Exploratory Area
BASIN FRUITLAND COAL

11. County or Parish, State

SAN JUAN, NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☒ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ OTHER: _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

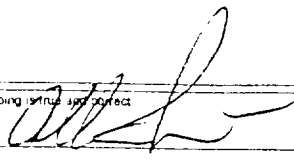
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

FOUR STAR OIL & GAS HAS COMPLETED THE FOLLOWING ON THE SUBJECT WELL:

1/13/98 - MIRU. ND WELLHEAD, NU BOP. PULL TUBING. RIH TO PBTD @ 2029'. RUN GAMMA/CCL LOG. RIH W/ CIBP, SET AT 1940'. TEST CASING TO 2000 PSI, OK. PERFORATE F 1916'-1926' W/ 2 JSPF. FRAC DOWN CASING W/ 15,960 GAL. 70 QUAL. NITROGEN FOAM GEL AND 6200# 20/40 SAND. SCREENED OUT. TIH W/ TBG. TAG SAND @ 1933'. CIRCULATE HOLE CLEAN TO TOP OF CIBP @ 1940'. PERFORATE 1795'-1800', 1810'-1814', 1820'-1826', 1832'-1838', 1846'-1850' W/ 2 JSPF. SPOT 756 GAL 15% HCL. LET ACID WORK ACROSS PERFS FOR 1 HR. FRAC DOWN CASING W/ 468,000 SCF 65/70 QUAL NITROGEN FOAM GEL, 106,000# 20/40 SAND. FLUSH W/ 1176 GAL. KCL WATER. FLOW WELL BACK. KILL WELL W/ 60 BBL. 2% KCL WATER. TIH W/ TBG. TAG FILL AT 1821'. CLEAN OUT TO TOP OF CIBP (1940'). RIH W/ 2-3/8" PRODUCTION TUBING. SET AT 1835'. ND BOP. NU WELLHEAD. SWAB WELL. TURN TO SALES LINE.

14. I hereby certify that the foregoing is true and correct.

SIGNATURE



Operating Unit Manager

DATE

1/28/98

TYPE OR PRINT NAME

Allen Davis

(This space for Federal or State office use)

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
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SIGNATURE Allen Davis TITLE Operating Unit Manager

DATE 1/28/98

TYPE OR PRINT NAME Allen Davis

(This space for Federal or State office use)

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