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Hobbs, NM 88241-1980
District II - (505) 748-1283
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Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV

New Mexico
Energy, Minerals & 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 MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

I. Operator: Amoco Production Company OGRID #: 000778
Address: P.O. Box 800, Denver, Colorado 80201
Contact Party: Nancy I. Whitaker Phone: (303) 830-5039

II. Name of Well: GALLEGOS CANYON UNIT # 39 API #: 3004507415
Location of Well: Unit Letter M, 990 Feet from the SOUTH line and 990 Feet from the WEST line, Section 16, Township 28N, Range 12W, NMPM, SAN JUAN County.

III. Date Workover Procedures Commenced: 6/24/96
Date Workover Procedures were Completed: 6/24/96

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:

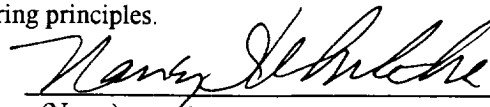
FRUITLAND COAL

VII. AFFIDAVIT:

State of Colorado)
) ss.
County of Denver)

Nancy I. Whitaker, 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.

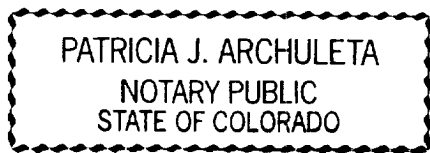


(Name)

Staff Assistant

(Title)

SUBSCRIBED AND SWORN TO before me this 19th day of May, 1997.



Patricia J. Archuleta
Notary Public

My Commission expires: Aug 12, 1999

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 6/24, 1997.

[Signature]
District Supervisor, District 3
Oil Conservation Division

Date: 6/23/97

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

DATE: _____

zrar06

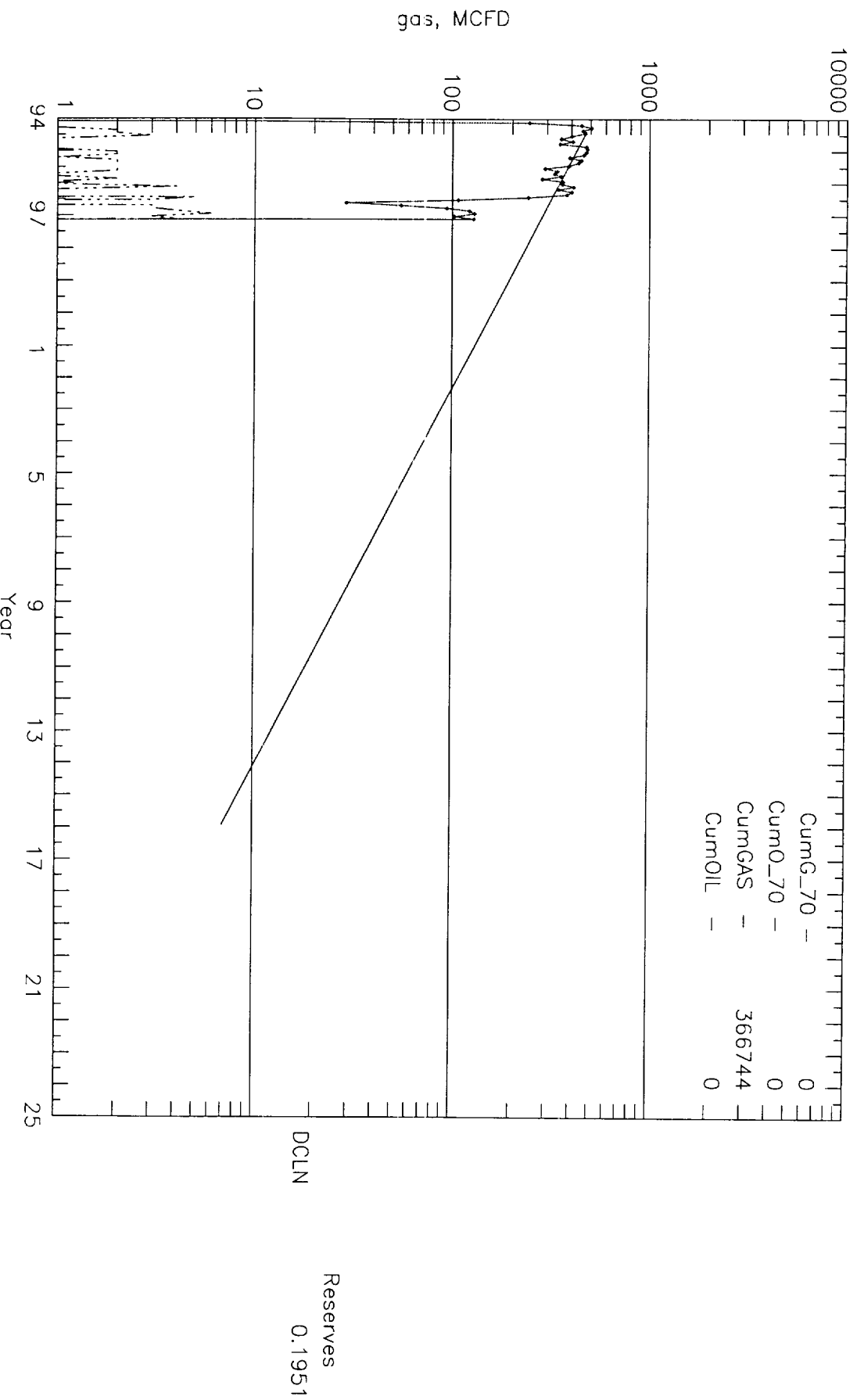
Engr: zrar06

GALLEGOS CANYON UNIT /FT COAL/ 039M16

Operator- AMOCO PRODUCTION COMPANY

300450741500 604FRLDC 28N 12W 16

APC_WI - 0.54240000



Last Op. Forecast by zmhy01 in 07/1996

THIS WELL HAS BEEN EQUIPPED WITH AMOCO'S ELECTRONIC CONTROL/MONITOR SYSTEM. THE FOLLOWING EQUIPMENT HAS BEEN ADDED AT A COST OF \$ 10,000. PRESSURE TRANSDUCERS, MICRO PROCESSOR, 900 MEGAHERTZ RADIO, SOLAR POWER, ELECTRONIC FLOW, CHOKE CONTROL, VENT CONTROL, TANK AND PIT MONITORING, PLUNGER LIFT CONTROL AND MONITORING, AND COMPRESSOR AND PUMPING UNIT RUNTIME.

THE ADDITION OF THIS EQUIPMENT INCREASES THE CONTROL THAT AMOCO HAS OVER THE OPERATIONS OF THE WELL AND WILL LIKELY SHOW CONTINUAL INCREASES IN PRODUCTION THROUGH THE FOLLOWING ACTIONS.

THE SYSTEM ALLOWS A FIELD TECHNICIAN TO NOT ONLY MONITOR THE OPERATION OF THE WELL, WHILE NOT PHYSICALLY BEING AT THE WELL SITE, BUT TO CHANGE THE OPERATING CRITERIA FOR OPERATION OF THAT WELL TO ENSURE THAT IT IS OPERATING AT MAXIMUM EFFICIENCY. IT ALSO ALLOWS THAT TECHNICIAN TO BRING A WELL WHICH HAS LOGGED OFF BACK ON PRODUCTION MORE RAPIDLY.

OUR BASE PRODUCTION FOR THIS WELL IS 7298 MCF.

WELL DECLINE TABLE TO SEND TO TULSA TAX GROUP			
WELLNAME	GALLEGOS CANYON UNIT		
WELLNO	# 39		
POOL	FRUITLAND COAL		
FLAC	88660802		
API	3004507415		
LOCATION	M 16 28N 12W		
MONTH FINALED	06/1996		
DECLINE RATE	0.1951	0.1951	
Production Months - (Begin with the Month following the Month Finaled)	GAS	OIL	
	' Prod. MCF/Month	' Prod. BBL/Month	
07/1996	7298	0	
08/1996	6004	0	
09/1996	4940	0	
10/1996	4065	0	
11/1996	3344	0	
12/1996	2751	0	
01/1997	2264	0	
02/1997	1862	0	
03/1997	1532	0	
04/1997	1261	0	
05/1997	1037	0	
06/1997	853	0	
07/1997	702	0	
08/1997	578	0	
09/1997	475	0	
10/1997	391	0	
11/1997	322	0	
12/1997	265	0	
01/1998	218	0	
02/1998	179	0	
03/1998	147	0	
04/1998	121	0	
05/1998	100	0	
06/1998	82	0	
07/1998	68	0	
08/1998	56	0	
09/1998	46	0	
10/1998	38	0	
11/1998	31	0	
12/1998	25	0	
01/1999	21	0	
02/1999	17	0	

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JUN - 9 1997

OIL CON. DIV.
DIST. 3

WELLNAME	GALLEGOS CANYON UNIT		
WELLNO	# 39		
03/1999	14	0	
04/1999	12	0	
05/1999	10	0	
06/1999	8	0	
07/1999	6	0	
08/1999	5	0	
09/1999	4	0	
10/1999	4	0	
11/1999	3	0	
12/1999	2	0	
01/2000	2	0	
02/2000	2	0	
03/2000	1	0	
04/2000	1	0	
05/2000	1	0	
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12/2002	0	0	
01/2003	0	0	
02/2003	0	0	
03/2003	0	0	
04/2003	0	0	
05/2003	0	0	
06/2003	0	0	