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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 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

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District Office

OIL CON. DIV.
DIST. 3

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: Nassau Resources, Inc. OGRID #: 015515
Address: 650 S. Cherry St., Suite 1225, Denver, CO 80246-1894
Contact Party: Gary J. Johnson Phone: 303-321-2111
- II. Name of Well: Carracas Unit 24A-7 API #: 30-039-24286
Location of Well: Unit Letter G, 1615 Feet from the North line and 1820 feet from the East line,
Section 24, Township 32N, Range 05W, NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: August 7, 1998
Date Workover Procedures were Completed: August 20, 1998
- IV. Attach a description of the Workover Procedures undertaken to increase the projection from the Well.
See attached workover report for details of fracturing, etc.
- 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.
See attached decline curve and tabulation
- VI. Pool(s) on which Production Projection is based: Basin Fruitland Coal

VII. AFFIDAVIT:

State of Colorado)
County of Denver) ss.

Gary J. Johnson 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.

Gary J. Johnson
(Name)

Engineering Manager
(Title)

SUBSCRIBED AND SWORN TO before me this 20th day of November, 1998

Sue Thompson

Notary Public

My Commission expires: My Commission Expires January 20, 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 8/20, 1998.

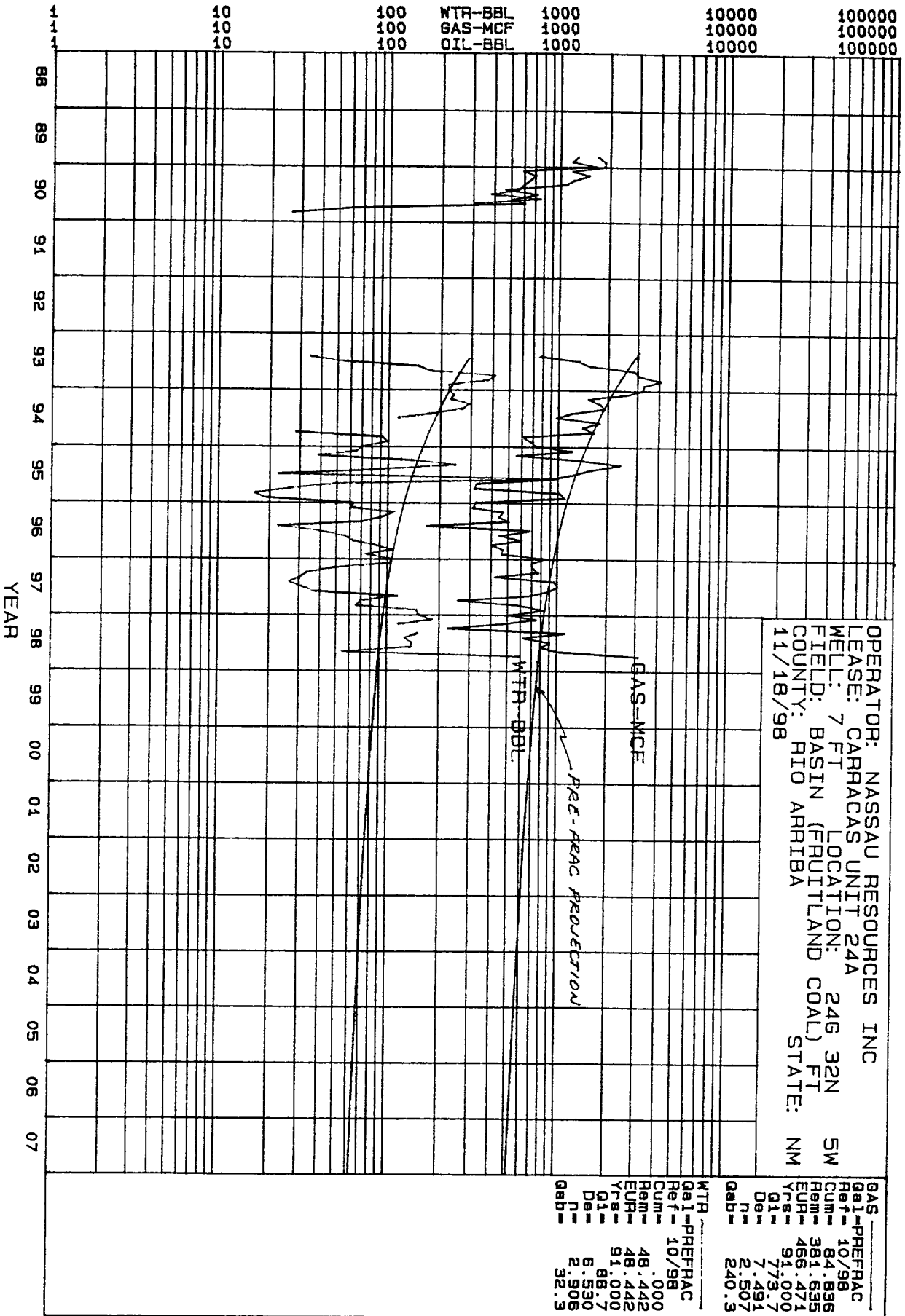
SS. J

District Supervisor, District 3
Oil Conservation Division

Date: 12/31/98

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

DATE: _____

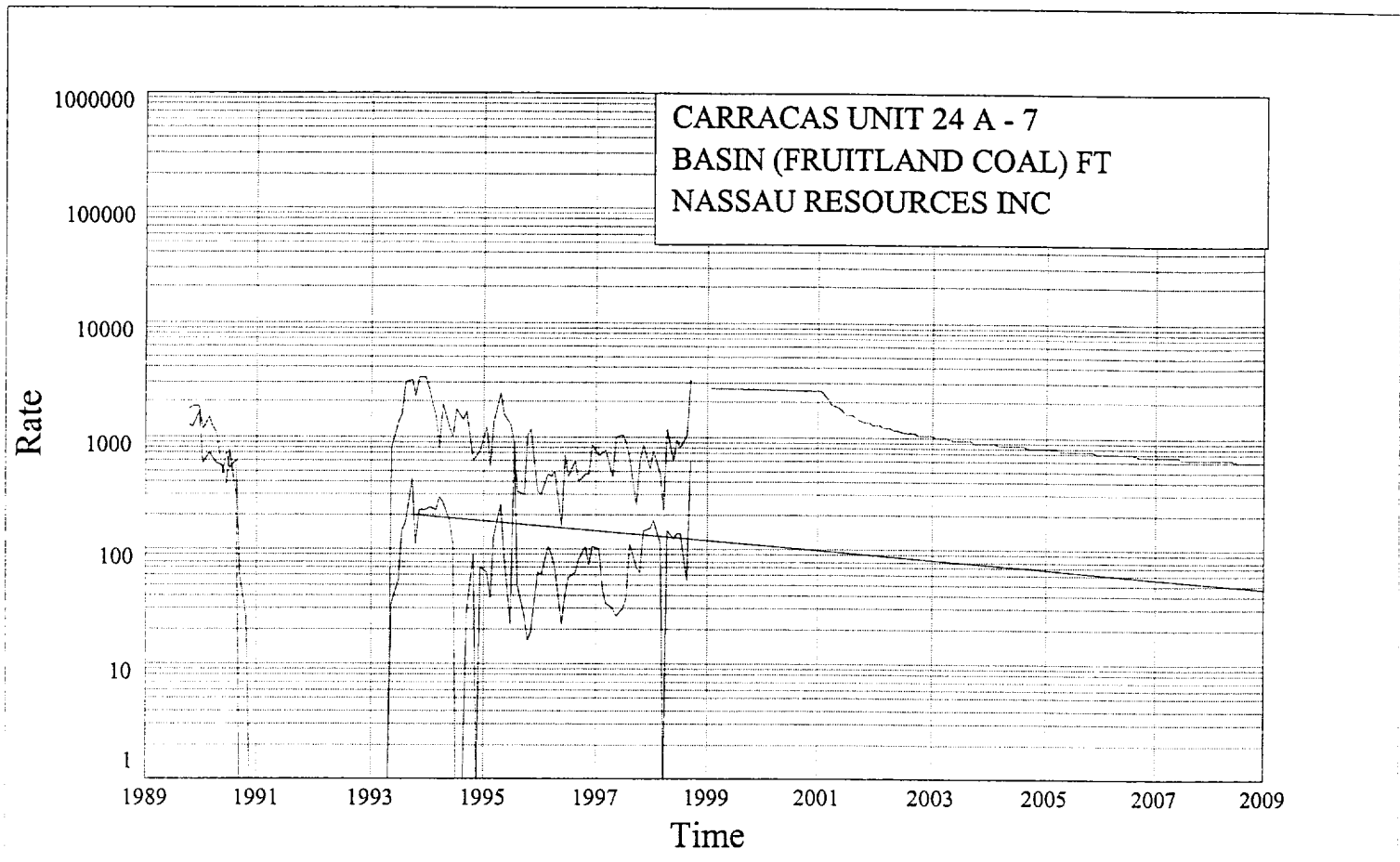


Historic Production and Well Count Detail Report

Project: C:\DWIGHTS\PTOOLS25\CARRCOAL.MDB

Lease Name: CARRACAS UNIT 24 A (7)
 County, ST: RIO ARriba, NM
 Location: 32N-5W-24

Field Name: BASIN (FRUITLAND COAL) FT
 Operator: NASSAU RESOURCES INC



Date	Oil (bbl)	Gas (mcf)	Water (bbl)	Well Count	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
01/1989	0	0	0	0	0	0	0
02/1989	0	0	0	0	0	0	0
03/1989	0	0	0	0	0	0	0
04/1989	0	0	0	0	0	0	0
05/1989	0	0	0	0	0	0	0
06/1989	0	0	0	0	0	0	0
07/1989	0	0	0	0	0	0	0
08/1989	0	0	0	0	0	0	0
09/1989	0	0	0	0	0	0	0
10/1989	0	1,696	1,280	1	0	1,696	1,280
11/1989	0	1,853	1,175	1	0	3,549	2,455
12/1989	0	1,867	1,652	1	0	5,416	4,107
01/1990	0	1,168	579	1	0	6,584	4,686
02/1990	0	1,493	700	1	0	8,077	5,386
03/1990	0	1,203	646	1	0	9,280	6,032
04/1990	0	1,066	591	1	0	10,346	6,623
05/1990	0	457	548	1	0	10,803	7,171
06/1990	0	720	376	1	0	11,523	7,547
07/1990	0	513	755	1	0	12,036	8,302
08/1990	0	603	306	1	0	12,639	8,608
09/1990	0	59	0	1	0	12,698	8,608
10/1990	0	26	0	1	0	12,724	8,608
11/1990	0	0	0	0	0	12,724	8,608

Historic Production and Well Count Detail Report

Project: C:\DWIGHTS\PTOOLS25\CARRCOAL.MDB

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	Well Count	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
12/1990	0	0	0	0	0	12,724	8,608
01/1991	0	0	0	0	0	12,724	8,608
02/1991	0	0	0	0	0	12,724	8,608
03/1991	0	0	0	0	0	12,724	8,608
04/1991	0	0	0	0	0	12,724	8,608
05/1991	0	0	0	0	0	12,724	8,608
06/1991	0	0	0	0	0	12,724	8,608
07/1991	0	0	0	0	0	12,724	8,608
08/1991	0	0	0	0	0	12,724	8,608
09/1991	0	0	0	0	0	12,724	8,608
10/1991	0	0	0	0	0	12,724	8,608
11/1991	0	0	0	0	0	12,724	8,608
12/1991	0	0	0	0	0	12,724	8,608
01/1992	0	0	0	0	0	12,724	8,608
02/1992	0	0	0	0	0	12,724	8,608
03/1992	0	0	0	0	0	12,724	8,608
04/1992	0	0	0	0	0	12,724	8,608
05/1992	0	0	0	0	0	12,724	8,608
06/1992	0	0	0	0	0	12,724	8,608
07/1992	0	0	0	0	0	12,724	8,608
08/1992	0	0	0	0	0	12,724	8,608
09/1992	0	0	0	0	0	12,724	8,608
10/1992	0	0	0	0	0	12,724	8,608
11/1992	0	0	0	0	0	12,724	8,608
12/1992	0	0	0	0	0	12,724	8,608
01/1993	0	0	0	0	0	12,724	8,608
02/1993	0	0	0	0	0	12,724	8,608
03/1993	0	0	0	0	0	12,724	8,608
04/1993	0	0	0	0	0	12,724	8,608
05/1993	0	773	34	1	0	13,497	8,642
06/1993	0	1,331	54	1	0	14,828	8,696
07/1993	0	1,552	148	1	0	16,380	8,844
08/1993	0	2,861	173	1	0	19,241	9,017
09/1993	0	3,053	415	1	0	22,294	9,432
10/1993	0	2,211	115	1	0	24,505	9,547
11/1993	0	3,263	220	1	0	27,768	9,767
12/1993	0	3,190	222	1	0	30,958	9,989
01/1994	0	2,498	238	1	0	33,456	10,227
02/1994	0	1,502	225	1	0	34,958	10,452
03/1994	0	775	292	1	0	35,733	10,744
04/1994	0	1,899	267	1	0	37,632	11,011
05/1994	0	1,179	179	1	0	38,811	11,190
06/1994	0	964	113	1	0	39,775	11,303
07/1994	0	1,771	0	1	0	41,546	11,303
08/1994	0	1,390	0	1	0	42,936	11,303
09/1994	0	1,643	28	1	0	44,579	11,331
10/1994	0	602	93	1	0	45,181	11,424
11/1994	0	674	0	1	0	45,855	11,424
12/1994	0	745	69	1	0	46,600	11,493
01/1995	0	1,181	64	1	0	47,781	11,557
02/1995	0	550	38	1	0	48,331	11,595
03/1995	0	1,350	135	1	0	49,681	11,730
04/1995	0	2,366	244	1	0	52,047	11,974
05/1995	0	1,580	90	1	0	53,627	12,064
06/1995	0	1,246	22	1	0	54,873	12,086
07/1995	0	900	896	1	0	55,773	12,982
08/1995	0	320	50	1	0	56,093	13,032
09/1995	0	313	26	1	0	56,406	13,058

Historic Production and Well Count Detail Report

Project: C:\DWIGHTS\PTOOLS25\CARRCOAL.MDB

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	Well Count	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
10/1995	0	1,024	16	1	0	57,430	13,074
11/1995	0	1,111	19	1	0	58,541	13,093
12/1995	0	319	63	1	0	58,860	13,156
01/1996	0	307	60	1	0	59,167	13,216
02/1996	0	466	107	1	0	59,633	13,323
03/1996	0	437	92	1	0	60,070	13,415
04/1996	0	503	70	1	0	60,573	13,485
05/1996	0	165	22	1	0	60,738	13,507
06/1996	0	676	39	1	0	61,414	13,546
07/1996	0	440	56	1	0	61,854	13,602
08/1996	0	603	62	1	0	62,457	13,664
09/1996	0	394	83	1	0	62,851	13,747
10/1996	0	468	107	1	0	63,319	13,854
11/1996	0	479	74	1	0	63,798	13,928
12/1996	0	830	106	1	0	64,628	14,034
01/1997	0	691	102	1	0	65,319	14,136
02/1997	0	706	47	1	0	66,025	14,183
03/1997	0	765	33	1	0	66,790	14,216
04/1997	0	439	30	1	0	67,229	14,246
05/1997	0	959	26	1	0	68,188	14,272
06/1997	0	1,011	31	1	0	69,199	14,303
07/1997	0	878	37	1	0	70,077	14,340
08/1997	0	644	115	1	0	70,721	14,455
09/1997	0	255	69	1	0	70,976	14,524
10/1997	0	594	65	1	0	71,570	14,589
11/1997	0	832	147	1	0	72,402	14,736
12/1997	0	511	152	1	0	72,913	14,888
01/1998	0	746	181	1	0	73,659	15,069
02/1998	0	463	116	1	0	74,122	15,185
03/1998	0	222	0	1	0	74,344	15,185
04/1998	0	1,130	149	1	0	75,474	15,334
05/1998	0	619	126	1	0	76,093	15,460
06/1998	0	908	138	1	0	77,001	15,598
07/1998	0	794	138	1	0	77,795	15,736
08/1998	0	1,048	54	1	0	78,843	15,790
09/1998	0	3,123	592	1	0	81,966	16,382
10/1998	0	0	0	0	0	81,966	16,382
11/1998	0	0	0	0	0	81,966	16,382
12/1998	0	0	0	0	0	81,966	16,382
Total:	0	81,966	16,382				

Form C-140 Application for Qualification of Well Workover Project
and Certification of Approval

Attachment 1 Tabulation of Estimated Well Production

Nassau Resources, Inc.
OGRID # 015515

C-140 Application
Carracas Unit 24A-7
API # 30-039-24286 G-24-32N-05W Rio Ariba County, NM

DATE	Projected Production MCFM	DATE	Projected Production MCFM	DATE	Projected Production MCFM	DATE	Projected Production MCFM
Jan-98		Jan-01	680	Jan-04	592	Jan-07	537
Feb-98		Feb-01	612	Feb-04	553	Feb-07	484
Mar-98		Mar-01	674	Mar-04	589	Mar-07	534
Apr-98		Apr-01	650	Apr-04	568	Apr-07	516
May-98		May-01	669	May-04	585	May-07	532
Jun-98		Jun-01	644	Jun-04	565	Jun-07	513
Jul-98		Jul-01	663	Jul-04	582	Jul-07	529
Aug-98		Aug-01	660	Aug-04	580	Aug-07	528
Sep-98	766	Sep-01	636	Sep-04	559	Sep-07	510
Oct-98	786	Oct-01	655	Oct-04	576	Oct-07	526
Nov-98	756	Nov-01	631	Nov-04	556	Nov-07	507
Dec-98	776	Dec-01	649	Dec-04	573	Dec-07	523
Jan-99	771	Jan-02	647	Jan-05	573	Jan-08	520
Feb-99	692	Feb-02	582	Feb-05	516	Feb-08	486
Mar-99	762	Mar-02	642	Mar-05	570	Mar-08	518
Apr-99	733	Apr-02	619	Apr-05	550	Apr-08	500
May-99	753	May-02	637	May-05	566	May-08	516
Jun-99	725	Jun-02	614	Jun-05	546	Jun-08	498
Jul-99	745	Jul-02	632	Jul-05	563	Jul-08	513
Aug-99	740	Aug-02	630	Aug-05	562	Aug-08	512
Sep-99	713	Sep-02	607	Sep-05	542	Sep-08	495
Oct-99	732	Oct-02	625	Oct-05	558	Oct-08	510
Nov-99	705	Nov-02	603	Nov-05	539	Nov-08	492
Dec-99	725	Dec-02	621	Dec-05	555	Dec-08	508
Jan-00	719	Jan-03	618	Jan-06	554	Jan-09	508
Feb-00	669	Feb-03	557	Feb-06	499	Feb-09	458
Mar-00	712	Mar-03	614	Mar-06	551	Mar-09	506
Apr-00	685	Apr-03	592	Apr-06	532	Apr-09	489
May-00	705	May-03	610	May-06	548	May-09	504
Jun-00	678	Jun-03	588	Jun-06	529	Jun-09	487
Jul-00	698	Jul-03	606	Jul-06	545	Jul-09	502
Aug-00	694	Aug-03	604	Aug-06	544	Aug-09	501
Sep-00	669	Sep-03	582	Sep-06	525	Sep-09	483
Oct-00	688	Oct-03	600	Oct-06	541	Oct-09	499
Nov-00	663	Nov-03	579	Nov-06	522	Nov-09	481
Dec-00	682	Dec-03	596	Dec-06	538	Dec-09	497

NASSAU RESOURCES, INC.
CARRACAS UNIT 24 A #7

- 12-1-95 2:30 PM Rigged up Tripple P Rig #6 over well & installed BOP.
Tagged fill 50 ft. below bottom perf.
SI over night.
- 12-2-95 TOH & laid down 125 jts. 2-7/8" tubing.
Picked up notch collar, 1 joint 2-3/8" tubing, seating nipple followed by 125 jts. 2-3/8" tubing. (126 total jts. tubing. Landed at 3965.42' KB with SN at 3933.63' KB.
SI over night.
Well came in with 100 jts. on trip in hole.
Killed well with 25 bbls. produced water.
- 12-3-95 Replaced rams & packing that retain tubing hanger in wellhead.
Rigged up & swabbed well.
Recovered 80 bbls. water in 14 runs.
SI over night.
- 12-4-95 Tubing pressure 200 psi; casing 460 psi.
Made 2 swab runs. Well came in.
Blew 40 min.
Casing pressure dropped to 220 psi; made 12 bbls. N₂.
Let well set 1 hr. Casing built up to 420 psi.
Made one swab run.
Well came in & blew to dry gas in 14 min.
Rigged down Triple P & released rig.

- 8-7-98 Moved from CU FR 103 onto location.
Bled off well, nipped down well head, nipped up BOP.
Unseated tubing hanger. Laid down 126 jts. 2-3/8" tbg.
Shut down for day.
- 8-10-98 Rigged up Black Warrior Wireline.
Reperforated csg., 4 SPF, 3962'-3982'.
Rigged up flow lines.
SI over night.
- 8-11-98 Fraced well according to Halliburton schedule.
Spear head 1000 gal. 7-1/2% HCl acid.
Broke down at 2530 psi.
Fraced as follows:
- | | Pressure
at End of Stage |
|--|-----------------------------|
| 14,000 gal. 20# Delta frac fluid pad | 2684 psi |
| 3,500 gal. 20# Delta frac fluid w/ 1# sand | 2587 |
| 4,000 gal. 20# Delta frac fluid w/ 2# sand | 2438 |
| 4,500 gal. 20# Delta frac fluid w/ 3# sand | 2386 |

NASSAU RESOURCES, INC.
CARRACAS UNIT 24 A #7

8-11-98 5,000 gal. 20# Delta frac fluid w/ 4# sand 2342
(cont.) 6,000 gal. 20# Delta frac fluid w/ 5# sand 2404
3,200 gal. 10# gel

2170 psi ISIP; 1815 psi 5 min. SI; 1548 psi 10 min. SI;
1370 psi 15 min. SI.

Treating pressures: avg. 2501 psi; max. 2666 psi.
Rate: 39.8 BPM

SI over night.

8-12-98 Blew down slight amount of pressure on well.
Picked up sand bailer. TIH with 60 stands.
Tagged sand at 3840'.
Cleaned 30' of rubber-like material.
TOH with dump bailer.
TIH & cleaned out 2' of same material.
TOH. SI over night.

8-13-98 Picked up bit & sub.
TIH with 60-1/2 stands tubing.
Tagged fill at 3871'. Could not wash sand.
PU power swivel drill & cleaned out fill to 90'.
Washed to PBTD. TOH.
TIH with notched collar, seating nipple & 121 jts.
2-7/8" tbg.
Rigged up to swab. Made seven runs & recovered 30 bbls.
SI over night.

8-14-98 Landed 122 jts. 2-7/8" tbg. at 3978.22' with SN at
3945.69'.
Rigged down BOP, rigged up well head, rigged up to swab.
Made 12 runs; well flowed intermittently. Csg.
pressure built to 280 psi. Recovered 120 bbls.
water for a total of 150 bbls.
SI over night.

8-17-98 Csg. pressure 800 psi, tbg. 200 psi.
Made two swab runs & well kicked off & flowed 20 min. to
300 psi on csg.
Rebuild well head.
Made a swab run at 1 PM with 700 psi on csg. & 200 psi on
tbg. Well flowed intermittently after 3 swab runs.
Recovered 70 bbls. water for a total of 220 bbls.
SI over night with 300 psi on csg. & tbg. dead.

8-18-98 Csg. pressure 800 psi, tbg. 220 psi.
Blew well down. Made 2 swab runs & well kicked off,
flowing until pressure dropped to 300 psi.

NASSAU RESOURCES, INC.
CARRACAS UNIT 24 A #7

- 8-18-98 SI to build pressure.
(cont.) Made 2 swab runs at 600 psi & well kicked off.
Choked well with valve left flowing to tank with 60 psi
on tbq. & 160 psi on csg.
Recovered 60 bbls. for a total of 280 bbls.
- 8-19-98 Csg. pressure 180 psi, tbq. 80 psi.
Flowed 90 bbls. over night for a total of 370 bbls.
Continued flowing well.
- 8-20-98 Csg. pressure 840 psi; tbq. zero.
Well had made 7.75 bbls. water over night.
Opened to tank thru 1/2" choke.
Made 3 swab runs. Well came in on 3rd run.
Flowed to production tank thru 2" line.
Csg. pressure dropped to 360 psi.
Rigged up thru 1/4" choke & left flowing to tank.
Rigged down & moved to Carracas Unit 14 B #10.