

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

OIL CONSERVATION DIVISION

2040 South Pacheco Street

Santa Fe, New Mexico 87505

(505) 8827-7131

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

II. Name of Well: NEW MEXICO COM M 1 API# 3004510173
Location of Well: Unit Letter: A 1190 Feet from the NORTH line and 1190 feet from the EAST line
Section 36 Township T31N Range R12W NMPM SAN JUAN County

III. Date Workover Procedures Commenced: 2/20/98
Date Workover Procedures were Completed: 3/23/98

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 DAKOTA (PRORATED GAS)

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 inn this Application for Qualificationn of a Production Restoration Project.
3. The data utilized to prepare this application is complete and correct.

Rached Hindi

(Name)

Senior Engineer

(Title)

RECEIVED
APR 13 1998

OIL CON. DIV.
DIST. 3

SUBSCRIBED AND SWORN TO before me this 9 day of April, 19 98.
Sandy Denard
Notary Public

My commission expires: 9/25/2000

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 3/23, 19 97.

SSS
District Supervisor, District
Oil Conservation Division 3

Date: 5/4/98

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

DATE: _____

Production Projection

Well Name & #:

New Mexico Com M #1

Current Oil Prod. Rate (BOPD):

0.78

Producing Formation:

Basin Dakota and Blanco Mesa Verde (Dual Completion)

Oil Decline Factor:

0.995734681

Oil Decline Rate (%):

5

Current Gas Prod. Rate (MCFGD):

117

Gas Decline Rate (%):

5

Completion Date (m/yr):

Feb-98

Gas Decline Factor:

0.995734681

Month	Projected Oil Production	Projected Gas Production	Projected Cumulative Oil Production	Projected Cumulative Gas Production
Feb-98	24	3557	24	3557
Mar-98	24	3542	47	7098
Apr-98	24	3527	71	10625
May-98	23	3511	94	14136
Jun-98	23	3497	118	17633
Jul-98	23	3482	141	21115
Aug-98	23	3467	164	24581
Sep-98	23	3452	187	28033
Oct-98	23	3437	210	31470
Nov-98	23	3423	233	34893
Dec-98	23	3408	255	38301
Jan-99	23	3393	278	41694
Feb-99	23	3379	300	45073
Mar-99	22	3365	323	48438
Apr-99	22	3350	345	51788
May-99	22	3336	367	55124
Jun-99	22	3322	390	58446
Jul-99	22	3308	412	61753
Aug-99	22	3293	434	65047
Sep-99	22	3279	456	68326
Oct-99	22	3265	477	71591
Nov-99	22	3251	499	74843
Dec-99	22	3238	521	78080
Jan-00	21	3224	542	81304
Feb-00	21	3210	563	84514
Mar-00	21	3196	585	87710
Apr-00	21	3183	606	90893
May-00	21	3169	627	94062
Jun-00	21	3156	648	97218
Jul-00	21	3142	669	100360
Aug-00	21	3129	690	103489
Sep-00	21	3115	711	106604
Oct-00	21	3102	731	109706
Nov-00	21	3089	752	112795
Dec-00	21	3076	772	115871

Production Projection

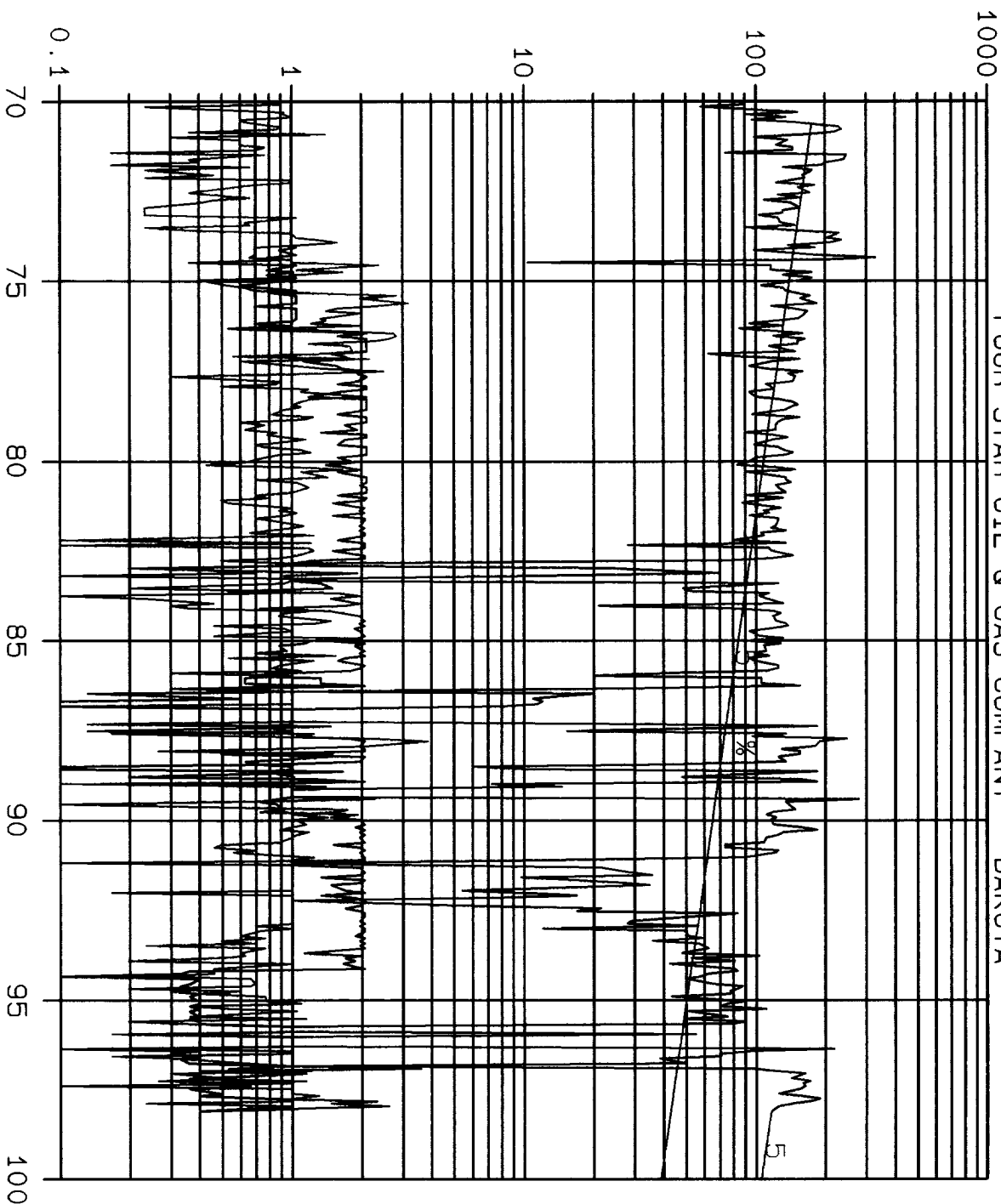
Jan-01	20	3063	793	118933
Mar-01	20	3050	813	121983
Apr-01	20	3037	833	125019
Apr-01	20	3037	833	125019
May-01	20	3024	854	128043
Jun-01	20	3011	874	131054
Jul-01	20	2998	894	134051
Aug-01	20	2985	914	137036
Sep-01	20	2972	933	140009
Oct-01	20	2960	953	142968
Nov-01	20	2947	973	145915
Dec-01	20	2934	992	148850
Jan-02	19	2922	1012	151772
Mar-02	19	2909	1031	154681
Apr-02	19	2897	1051	157578
Apr-02	19	2897	1051	157578
May-02	19	2885	1070	160463
Jun-02	19	2872	1089	163335
Jul-02	19	2860	1108	166195
Aug-02	19	2848	1127	169043
Sep-02	19	2836	1146	171879
Oct-02	19	2824	1165	174703
Nov-02	19	2812	1183	177514
Dec-02	19	2800	1202	180314
Jan-03	19	2788	1221	183102
Mar-03	19	2776	1239	185877
Apr-03	18	2764	1258	188641
Apr-03	18	2764	1258	188641
May-03	18	2752	1276	191394
Jun-03	18	2740	1294	194134
Jul-03	18	2729	1312	196863
Aug-03	18	2717	1331	199580
Sep-03	18	2706	1349	202285
Oct-03	18	2694	1367	204979
Nov-03	18	2682	1384	207662
Dec-03	18	2671	1402	210333
Jan-04	18	2660	1420	212993
Mar-04	18	2648	1438	215641
Apr-04	18	2637	1455	218278
Apr-04	18	2626	1473	220904
May-04	17	2615	1490	223518
Jun-04	17	2603	1507	226122
Jul-04	17	2592	1525	228714
Aug-04	17	2581	1542	231295
Sep-04	17	2570	1559	233866
Oct-04	17	2559	1576	236425
Nov-04	17	2548	1593	238973
Dec-04	17	2538	1610	241511

Production Projection

Jan-05	17	2527	1627	244037
Mar-05	17	2516	1644	246553
Apr-05	17	2505	1660	249059
Apr-05	17	2494	1677	251553
May-05	17	2484	1694	254037
Jun-05	16	2473	1710	256510
Jul-05	16	2463	1726	258973
Aug-05	16	2452	1743	261425
Sep-05	16	2442	1759	263867
Oct-05	16	2431	1775	266298
Nov-05	16	2421	1791	268719
Dec-05	16	2411	1808	271130
Jan-06	16	2400	1824	273530
Mar-06	16	2390	1839	275920
Apr-06	16	2380	1855	278300
Apr-06	16	2370	1871	280670
May-06	16	2360	1887	283029
Jun-06	16	2350	1903	285379
Jul-06	16	2340	1918	287719
Aug-06	16	2330	1934	290048
Sep-06	15	2320	1949	292368
Oct-06	15	2310	1965	294678
Nov-06	15	2300	1980	296978
Dec-06	15	2290	1995	299268
Jan-07	15	2280	2010	301548
Mar-07	15	2271	2025	303819
Apr-07	15	2261	2041	306079
Apr-07	15	2251	2056	308331
May-07	15	2242	2070	310572
Jun-07	15	2232	2085	312805
Jul-07	15	2223	2100	315027
Aug-07	15	2213	2115	317240
Sep-07	15	2204	2130	319444
Oct-07	15	2194	2144	321638
Nov-07	15	2185	2159	323823
Dec-07	15	2176	2173	325999
Jan-08	14	2166	2188	328165
Mar-08	14	2157	2202	330322

NEW MEXICO COM M 1 BASIN

FOUR STAR OIL & GAS COMPANY DAKOTA



LEASE DATA
 LSE 017721
 FLD 4100
 OPER 72673
 ZONE 604
 31N-12W-36
 COUNTY 45
 STATE 30
 30045101730000
 STATUS 1-98
 CO 9 MBO
 CG 1347 MMCF
 CW 12 MBW
 BOPD 0
 BWPD 0
 MCFPD 117
 WELLS 1
 CI 0 MBWI
 BWIPD 0

YEARS

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

WELL API NO.	3004510173
5. Indicate Type of Lease	STATE ☒ FEE ☐
6. State Oil / Gas Lease No.	B-11479
7. Lease Name or Unit Agreement Name	NEW MEXICO COM M
8. Well No.	1
9. Pool Name or Wildcat	BLANCO MESA VERDE
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5882'	

SUNDRY NOTICES AND REPORTS ON WELL
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator
FOUR STAR OIL AND GAS COMPANY

3. Address of Operator
3300 N. Butler Ave., Suite 100 Farmington NM 87401

4. Well Location
Unit Letter A : 1190 Feet From The NORTH Line and 1190 Feet From The EAST Line
Section 36 Township T31N Range R12W NMPM SAN JUAN COUNTY

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☒ ADD MESA VERDE COMPLETION

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

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

2/20/98 - MIRU SERVICE UNIT. ND WELLHEAD, NU BOP. RIH W/ RBP AND SET AT 4780'. DUMPED 2 SX SAND ON RBP. RAN GR-CCL-CBL FROM 2600' - 4760'. PERFORATE MESA VERDE (PT. LOOKOUT) INTERVAL FROM 4640' - 4660' W/ 4 SPF, DEEP CHARGES. RIH W/ PACKER, SET AT 4747'. SPOT 500 GAL. 15% HCL ACROSS NEW PERFS. PULL PACKER UP HOLE TO 4556'. FRAC WELL WITH 1653 BBL. GEL, 114,180# 20/40 SAND. RIH W/ TBG TO 4560'. SWAB WELL.

3/09/98 - RIH TO LOCATE LEAK. SET RBP AT 4529'. ISOLATE HOLE AT 2261' - 2387'. SPOT 23 SX CLASS 'G' CEMENT AT 2400'. PRESSURE CASING TO 500 PSI. RIH W/ 4-3/4" BIT. TAG CEMENT AT 2123'. DRILL THRU CEMENT AT 2412'. TEST CASING TO 500 PSI. SLIGHT LEAK-OFF. RIH TO 2516'. SPOT 105 SX 'G' CEMENT. PRESSURE CASING TO 500 PSI. TAG CEMENT AT 1690'. DRILL CEMENT TO 2228'. TEST TO 500 PSI, HELD OK. DRILL OUT OF CEMENT AT 2540'. TEST TO 500 PSI, HELD OK. RIH W/ 5-1/2" SCRAPPER TO 4500'. TESTED OK. PULL RBP AT 4529'. PULL RBP AT 4780'. CLEAN OUT TO 6930'. SPOT 1000 GAL. 15% HCL ACROSS DAKOTA PERFS. RIH W/ PRODUCTION TUBING AS FOLLOWS, 2-1/16" TUBING TO 6820', 5-1/2" PACKER SET AT 4744', 2-1/16" TUBING TO 4643'. ND BOP. NU WELLHEAD. SWAB WELL.

3/20/98 - HOOK WELL INTO SALES LINE.

3/23/98 - RIG DOWN, RELEASE RIG.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Operating Unit Manager DATE 4/1/98

TYPE OR PRINT NAME Allen Davis Telephone No. 325-4397

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: