

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

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

H-0459

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.

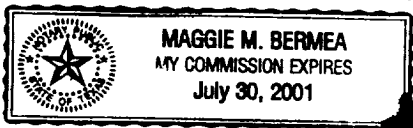
- I. ✓ Operator: CHEVRON U.S.A., INC. OGRID #: 4323
Address: P.O. BOX 1150 MIDLAND, TX 79702
Contact Party: MICHAEL VILLALVA Phone: (915) 687-7262
- II. ✓ Name of Well: ARROWHEAD GRAYBURG UNIT #216 API #: 30-025-10351
Location of Well: Unit Letter A, 660 Feet from the North line and 660 feet from the East line,
Section 18, Township 22S, Range 37E, NMPM, Lea County
- III. ✓ Date Workover Procedures Commenced: 3/26/97
Date Workover Procedures were Completed: 3/27/97
- 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 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:
ARROWHEAD
EUNICE MONUMENT GRAYBURG SAN ANDRES
- VII. AFFIDAVIT:
State of TEXAS)
County of MIDLAND) ss.
J.K. RIPLEY, 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.

J.K. Ripley
(Name)
T.A.
(Title)

mt

SUBSCRIBED AND SWORN TO before me this 16 day of March, 1998



Maggie M. Bermea
Notary Public for State of Texas

My Commission expires: July 30, 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 3-27-97, 1997.

Paul E. Kuntz
District Supervisor, District +
Oil Conservation Division **Geologist**
Date: 3/19/97

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

DATE: _____

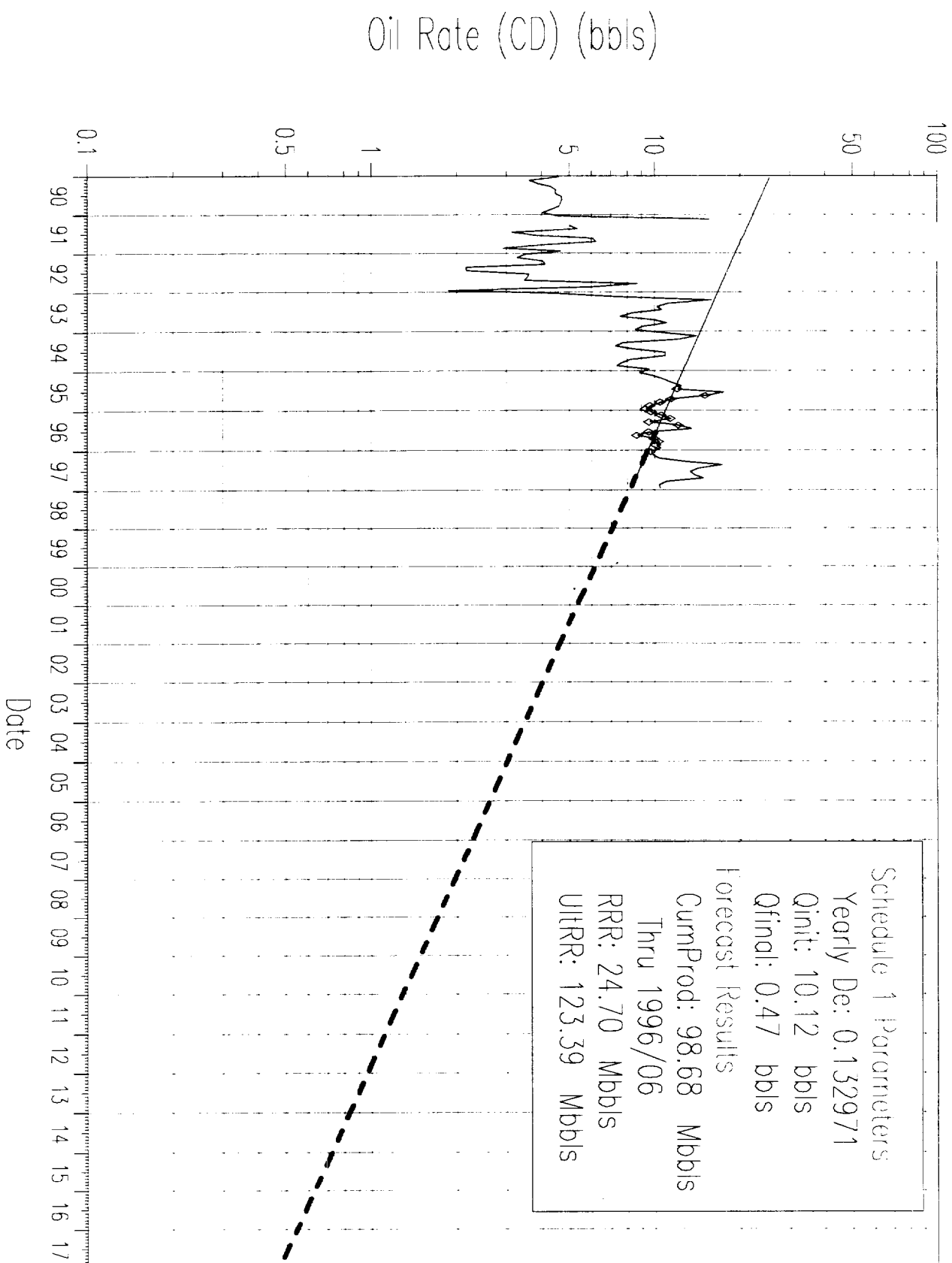
Arrowhead Grayburg Unit 216
Arrowhead Grayburg Field
Lea County, New Mexico

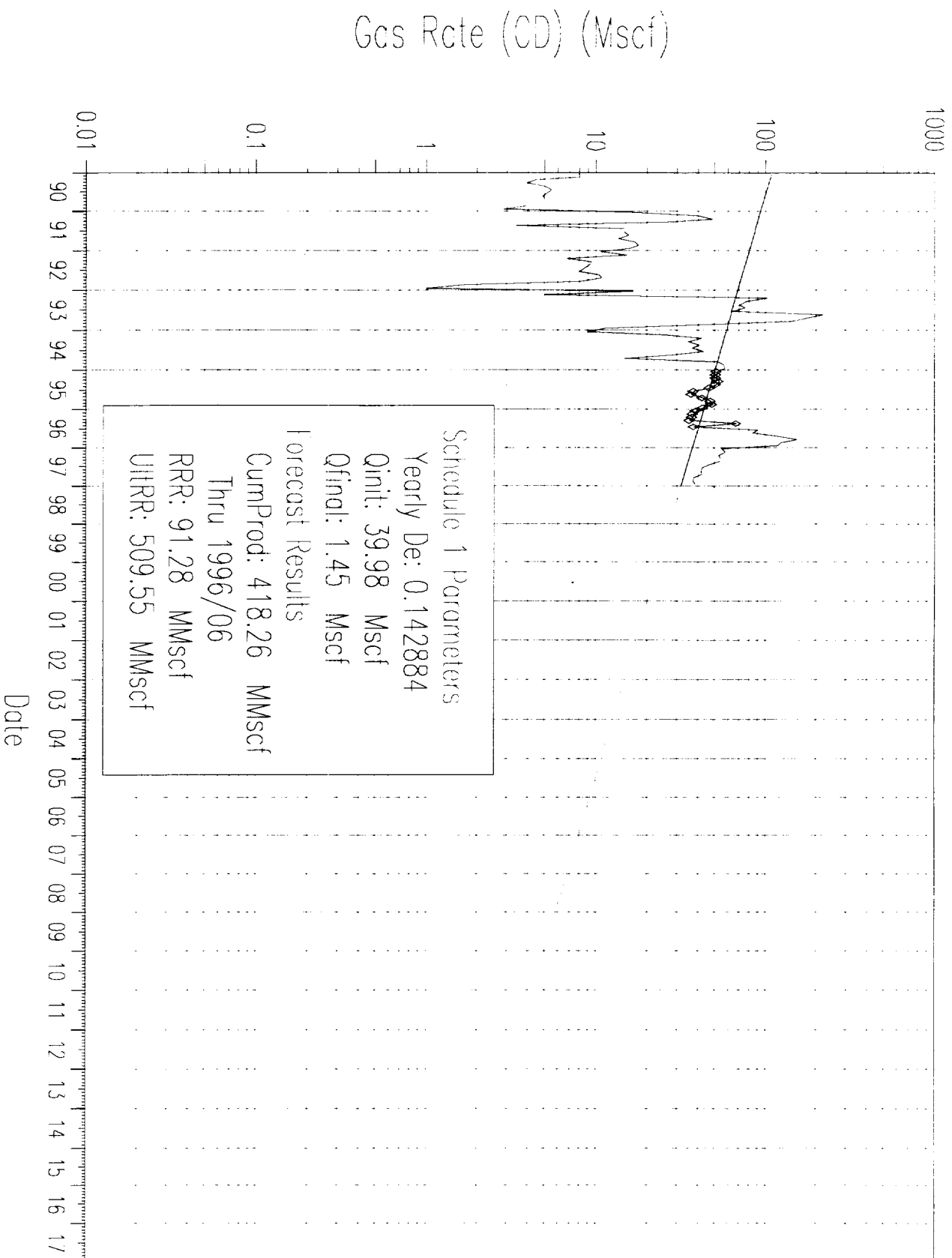
January 2, 1997

PROCEDURE TO CLEAN OUT AND ACIDIZE:

1. MIRU PU. RU BOPE.
 2. Tag bottom for fill. POOH w/ prod equipment.
 3. If fill is above 3840' or if scale is found on the pump or tubing, then clean out w/ bit to TD @ 3850' and send sample to Unichem for analysis.
 4. Acidize open hole w/ 5000 gals 15% Resisol II Plus** viscosified acid containing 10% toluene. Use the following pumping schedule @ 2-4 bpm max treating pressure of 1500 psi:
 - A. Drop 500# Trimix salt in 10 bbls gelled brine water***
 - B. Pump 1000 gals Resisol II Plus**
 - C. Drop 1000# Trimix salt in 10 bbls gelled brine water***
 - D. Repeat step B and C three times, adjusting block as necessary
 - E. Pump 1000 gals Resisol II Plus**
 - F. Overflush TD w/ 25 bbls water.
 6. SI for 3 hrs and then swab until returns clean up. POOH. If there is time to get the well on pump today, then skip swabbing. Do not run a chrome pump if swabbing is skipped.
 7. Run production equipment per field operations design. Hang well on.
 8. Clean and clear location. Turn well over to production.
 9. Report results to Midland office.
- * Pickle acid to contain 1 gal/1000 CI-23
- ** Resisol II Plus to contain the following:
- 900 gpt 15% HCl
 - 100 gpt Aromatic Solvent (toluene)
 - 20 gpt Emulsifier
 - 3 gpt FERROTROL-270 (anti-sludge iron control)
 - 1 gpt FERROTROL-271 (iron control activator)
 - 0.5 gpt Inflo-150 (surface tension reducer)
 - 1 gpt CI-23 (corrosion inhibitor)
- ***All flush water and diverter GBW stages to contain appropriate de-emulsifiers (NE agents = 1 gal/1000 NE-13)

Michael Villalva
Petroleum Engineer
687-7262





LEASE : ARROWHEAD GRAYBURG UNIT 216
WELL: FB1344:01 CDATE: 910601

DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
9001	142	0.00	245	0.00
9002	101	0.00	225	0.00
9003	119	0.00	137	0.00
9004	129	0.00	118	0.00
9005	139	0.00	156	0.00
9006	134	0.00	164	0.00
9007	145	0.00	161	0.00
9008	146	0.00	151	0.00
9009	140	0.00	150	0.00
9010	143	0.00	0	0.00
9011	130	0.00	118	0.00
9012	125	0.00	89	0.00
9101	141	0.00	506	0.00
9102	438	0.00	1122	0.00
9103	0	0.00	1509	0.00
9104	150	0.00	794	0.00
9105	166	0.00	106	0.00
9106	94	0.00	445	0.00
9107	119	0.00	455	0.00
9108	188	0.00	482	0.00
9109	186	0.00	407	0.00
9110	123	0.00	528	0.00
9111	88	0.00	534	0.00
9112	145	0.00	488	0.00
9201	108	0.00	333	0.00
9202	95	0.00	444	0.00
9203	125	0.00	210	0.00
9204	124	0.00	285	0.00
9205	67	0.00	283	0.00
9206	65	0.00	256	0.00
9207	112	0.00	248	0.00
9208	110	0.00	325	0.00
9209	104	0.00	324	0.00
9210	270	0.00	251	0.00
9211	178	0.00	50	0.00
9212	58	0.00	31	0.00
9301	138	0.00	513	0.00
9302	205	0.00	140	0.00
9303	493	0.00	3238	0.00
9304	334	0.00	2319	0.00
9305	316	0.00	2174	0.00
9306	318	0.00	2281	0.00
9307	256	0.00	1989	0.00
9308	234	0.00	6930	0.00
9309	301	0.00	5260	0.00
9310	341	0.00	4479	0.00
9311	273	0.00	1220	0.00
9312	265	0.00	351	0.00
9401	341	0.00	277	0.00
9402	393	0.00	684	0.00

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
9403	377	0.00	1816	0.00
9404	232	0.00	1056	0.00
9405	226	0.00	1264	0.00
9406	253	0.00	1105	0.00
9407	337	0.00	1348	0.00
9408	338	0.00	877	0.00
9409	248	0.00	445	0.00
9410	237	0.00	1639	0.00
9411	221	0.00	1696	0.00
9412	296	0.00	1793	0.00
9501	274	0.00	1613	0.00
9502	279	0.00	1444	0.00
9503	332	0.00	1598	0.00
9504	343	0.00	1605	0.00
9505	384	0.00	1591	0.00
9506	362	0.00	1417	0.00
9507	546	0.00	1177	0.00
9508	469	0.00	1143	0.00
9509	345	0.00	1284	0.00
9510	326	0.00	1484	0.00
9511	290	0.00	1472	0.00
9512	290	0.00	1343	0.00
9601	303	0.00	1216	0.00
9602	307	0.00	1088	0.00
9603	353	0.00	1153	0.00
9604	288	0.00	1076	0.00
9605	377	0.00	2101	0.00
9606	406	0.00	1140	0.00
9607	297	311.86	2774	1230.84
9608	270	308.18	2615	1215.12
9609	300	294.71	3570	1160.91
9610	321	300.93	4788	1184.30
9611	304	287.78	3710	1131.46
9612	326	293.86	3660	1154.25
9701	301	290.39	1716	1139.51
9702	275	259.19	1625	1016.10
9703	321	283.56	1649	1110.61
9704	388	271.17	1629	1061.06
9705	536	276.90	1681	1082.43
9706	427	264.80	1410	1034.14
9707	412	270.39	1307	1054.97
9708	429	267.20	1295	1041.50
9709	445	255.52	1267	995.04
9710	342	260.92	1169	1015.08
9711	310	249.52	1117	969.79
9712	323	254.79	1194	989.33
9801	0	251.78	0	976.70
9802	0	224.72	0	870.92
9803	0	245.86	0	951.92
9804	0	235.12	0	909.45

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
9805	0	240.08	0	927.77
9806	0	229.59	0	886.38
9807	0	234.44	0	904.23
9808	0	231.67	0	892.69
9809	0	221.54	0	852.86
9810	0	226.22	0	870.04
9811	0	216.34	0	831.23
9812	0	220.91	0	847.97
9901	0	218.30	0	837.14
9902	0	194.84	0	746.48
9903	0	213.17	0	815.90
9904	0	203.85	0	779.50
9905	0	208.16	0	795.20
9906	0	199.06	0	759.73
9907	0	203.27	0	775.03
9908	0	200.86	0	765.14
9909	0	192.09	0	731.00
9910	0	196.14	0	745.73
9911	0	187.57	0	712.46
9912	0	191.53	0	726.81
10001	0	189.27	0	717.53
10002	0	174.97	0	662.67
10003	0	184.82	0	699.32
10004	0	176.75	0	668.13
10005	0	180.48	0	681.58
10006	0	172.59	0	651.18
10007	0	176.24	0	664.29
10008	0	174.15	0	655.81
10009	0	166.54	0	626.55
10010	0	170.06	0	639.17
10011	0	162.63	0	610.66
10012	0	166.06	0	622.96
10101	0	164.10	0	615.00
10102	0	146.47	0	548.40
10103	0	160.25	0	599.40
10104	0	153.24	0	572.66
10105	0	156.48	0	584.20
10106	0	149.64	0	558.13
10107	0	152.80	0	569.37
10108	0	151.00	0	562.11
10109	0	144.40	0	537.03
10110	0	147.45	0	547.85
10111	0	141.00	0	523.40
10112	0	143.98	0	533.95
10201	0	142.28	0	527.13
10202	0	126.99	0	470.04
10203	0	138.94	0	513.76
10204	0	132.87	0	490.84
10205	0	135.67	0	500.72
10206	0	129.74	0	478.38

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
10207	0	132.48	0	488.02
10208	0	130.92	0	481.79
10209	0	125.20	0	460.30
10210	0	127.84	0	469.57
10211	0	122.26	0	448.62
10212	0	124.84	0	457.65
10301	0	123.36	0	451.81
10302	0	110.11	0	402.88
10303	0	120.46	0	440.35
10304	0	115.20	0	420.70
10305	0	117.63	0	429.18
10306	0	112.49	0	410.03
10307	0	114.87	0	418.29
10308	0	113.51	0	412.95
10309	0	108.55	0	394.53
10310	0	110.84	0	402.47
10311	0	106.00	0	384.52
10312	0	108.24	0	392.26
10401	0	106.96	0	387.26
10402	0	98.87	0	357.65
10403	0	104.44	0	377.43
10404	0	99.88	0	360.59
10405	0	101.99	0	367.86
10406	0	97.53	0	351.44
10407	0	99.59	0	358.52
10408	0	98.42	0	353.95
10409	0	94.12	0	338.16
10410	0	96.10	0	344.97
10411	0	91.90	0	329.58
10412	0	93.84	0	336.21
10501	0	92.74	0	331.92
10502	0	82.77	0	295.97
10503	0	90.56	0	323.50
10504	0	86.60	0	309.07
10505	0	88.43	0	315.29
10506	0	84.56	0	301.23
10507	0	86.35	0	307.30
10508	0	85.33	0	303.37
10509	0	81.60	0	289.84
10510	0	83.32	0	295.68
10511	0	79.68	0	282.49
10512	0	81.37	0	288.18
10601	0	80.40	0	284.50
10602	0	71.76	0	253.68
10603	0	78.51	0	277.28
10604	0	75.08	0	264.91
10605	0	76.67	0	270.24
10606	0	73.32	0	258.19
10607	0	74.87	0	263.39
10608	0	73.98	0	260.03

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
10609	0	70.75	0	248.43
10610	0	72.24	0	253.43
10611	0	69.09	0	242.12
10612	0	70.55	0	247.00
10701	0	69.71	0	243.85
10702	0	62.22	0	217.44
10703	0	68.07	0	237.66
10704	0	65.10	0	227.06
10705	0	66.47	0	231.63
10706	0	63.57	0	221.30
10707	0	64.91	0	225.75
10708	0	64.15	0	222.87
10709	0	61.34	0	212.93
10710	0	62.64	0	217.22
10711	0	59.90	0	207.53
10712	0	61.17	0	211.71
10801	0	60.44	0	209.00
10802	0	55.88	0	193.02
10803	0	59.02	0	203.70
10804	0	56.44	0	194.61
10805	0	57.64	0	198.53
10806	0	55.12	0	189.68
10807	0	56.28	0	193.50
10808	0	55.62	0	191.03
10809	0	53.19	0	182.51
10810	0	54.31	0	186.18
10811	0	51.94	0	177.88
10812	0	53.03	0	181.46
10901	0	52.41	0	179.14
10902	0	46.77	0	159.74
10903	0	51.17	0	174.60
10904	0	48.94	0	166.81
10905	0	49.97	0	170.17
10906	0	47.79	0	162.58
10907	0	48.80	0	165.85
10908	0	48.22	0	163.73
10909	0	46.11	0	156.43
10910	0	47.09	0	159.58
10911	0	45.03	0	152.46
10912	0	45.98	0	155.53
11001	0	45.44	0	153.54
11002	0	40.56	0	136.92
11003	0	44.37	0	149.65
11004	0	42.43	0	142.97
11005	0	43.33	0	145.85
11006	0	41.43	0	139.35
11007	0	42.31	0	142.15
11008	0	41.81	0	140.34
11009	0	39.98	0	134.08
11010	0	40.83	0	136.78

LEASE : ARROWHEAD GRAYBURG UNIT 216

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
11011	0	39.04	0	130.68
11012	0	39.87	0	133.31
11101	0	39.40	0	131.61
11102	0	35.16	0	117.35
11103	0	38.47	0	128.27
11104	0	36.79	0	122.54
11105	0	37.57	0	125.01
11106	0	35.92	0	119.44
11107	0	36.68	0	121.84
11108	0	36.25	0	120.29
11109	0	34.67	0	114.92
11110	0	35.40	0	117.23
11111	0	33.85	0	112.00
11112	0	34.57	0	114.26
11201	0	34.16	0	112.80
11202	0	31.58	0	104.18
11203	0	33.35	0	109.94
11204	0	31.90	0	105.03
11205	0	32.57	0	107.15
11206	0	31.15	0	102.37
11207	0	31.81	0	104.43
11208	0	31.43	0	103.10
11209	0	30.06	0	98.50
11210	0	30.69	0	100.48
11211	0	29.35	0	96.00
11212	0	29.97	0	97.93
11301	0	29.62	0	96.68
11302	0	26.43	0	86.21
11303	0	28.92	0	94.23
11304	0	27.66	0	90.03
11305	0	28.24	0	91.84
11306	0	27.01	0	87.74
11307	0	27.58	0	89.51
11308	0	27.25	0	88.37
11309	0	26.06	0	84.43
11310	0	26.61	0	86.13
11311	0	25.45	0	82.28
11312	0	25.98	0	83.94
11401	0	25.68	0	82.87
11402	0	22.92	0	73.89
11403	0	25.07	0	80.77
11404	0	23.98	0	77.16
11405	0	24.48	0	78.72
11406	0	23.41	0	75.21
11407	0	23.91	0	76.72
11408	0	23.63	0	75.74
11409	0	22.59	0	72.36
11410	0	23.07	0	73.82
11411	0	22.06	0	70.53
11412	0	22.53	0	71.95

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
11501	0	22.26	0	71.03
11502	0	19.87	0	63.34
11503	0	21.74	0	69.23
11504	0	20.79	0	66.14
11505	0	21.23	0	67.47
11506	0	20.30	0	64.46
11507	0	20.73	0	65.76
11508	0	20.48	0	64.92
11509	0	19.59	0	62.02
11510	0	20.00	0	63.27
11511	0	19.13	0	60.45
11512	0	19.53	0	61.67
11601	0	19.30	0	60.88
11602	0	17.84	0	56.22
11603	0	18.85	0	59.34
11604	0	18.03	0	56.69
11605	0	18.41	0	57.83
11606	0	17.60	0	55.25
11607	0	17.97	0	56.36
11608	0	17.76	0	55.64
11609	0	16.98	0	53.16
11610	0	17.34	0	54.23
11611	0	16.59	0	51.81
11612	0	16.94	0	52.86
11701	0	16.74	0	52.18
11702	0	14.94	0	46.53
11703	0	16.34	0	50.86
11704	0	15.63	0	48.59
11705	0	15.96	0	49.57
11706	0	15.26	0	47.36
11707	0	15.58	0	48.31
11708	0	15.40	0	47.69
11709	0	14.73	0	45.57
11710	0	15.04	0	46.48
11711	0	14.38	0	44.41
11712	0	14.68	0	45.30