

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

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: Roddy Production Company, Inc. OGRID #: 36845
Address: P.O. Box 2221, Farmington, NM 87499
Contact Party: Ken Roddy Phone: (505) 325-5866
- II. Name of Well: Zachry Federal #1 API #: 30-045-07657
Location of Well: Unit Letter L, 1850 Feet from the S line and 890 feet from the W line,
Section 34, Township 29N, Range 10W, NMPM, San Juan County
- III. Date Workover Procedures Commenced: May 21, 1997
Date Workover Procedures were Completed: May 21, 1997
- 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:
Basin Dakota
- VII. AFFIDAVIT:
State of New Mexico)
County of San Juan) ss.

RECEIVED
JUN 25 1997
OIL CON. DIV.
DIST. 3

Kenneth E. Roddy, 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.

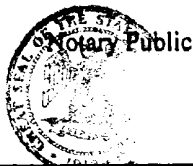
Kenneth E. Roddy
(Name)

President

(Title)

SUBSCRIBED AND SWORN TO before me this 23rd day of June, 1997.

Norma Jean Schlueter



OFFICIAL SEAL

Norma Jean Schlueter

NOTARY PUBLIC - NEW MEXICO

Notary Bond Filed with Secretary of State

My Commission Expires 10/29/97

My Commission expires: October 29, 1997

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 5/21, 1997

358
District Supervisor, District 3
Oil Conservation Division

Date: 7/2/97

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

DATE: _____

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

Zachry Federal #1
SW/4 Section 34, T29N-R10W
San Juan County, New Mexico
Basin Dakota Field

Part IV - Description of workover process.

Roddy Production Company, Inc and it's partners recently purchased 100 % of the working interest in the subject well. According to the information that we have, the well has always flowed up the tubing without the aid of artificial lift equipment. RPC decided to install a plunger in the subject well to see if production could be increased. The plunger was installed May 21, 1997 and is currently in operation.

Part V - Production Rates

The Zachry Federal #1 well was drilled and completed in 1960. A production curve from 1984 through April 1997 is included as attachment #1. Also included is a tabulation of gas and oil production from 1990 through April 1997 (Attachment #2).

An annual decline rate of 7% was used to estimate future production. This rate was determined based upon the well's performance from 1993 to 1997. This decline rate has been super-imposed upon the curve (Attachment #1). A tabulation of the projected oil and gas volumes is included as Attachment #3.

It should be noted that the estimated ultimate recovery (EUR) of the well would have been 4,467 MMCF based on our projection. We feel that this is a reasonable volume based on the April 1997 cumulative production of 4,268 MMCF and the low production rate. If the plunger helps to unload the liquids we expect that the EUR of the well will significantly exceed the current EUR.

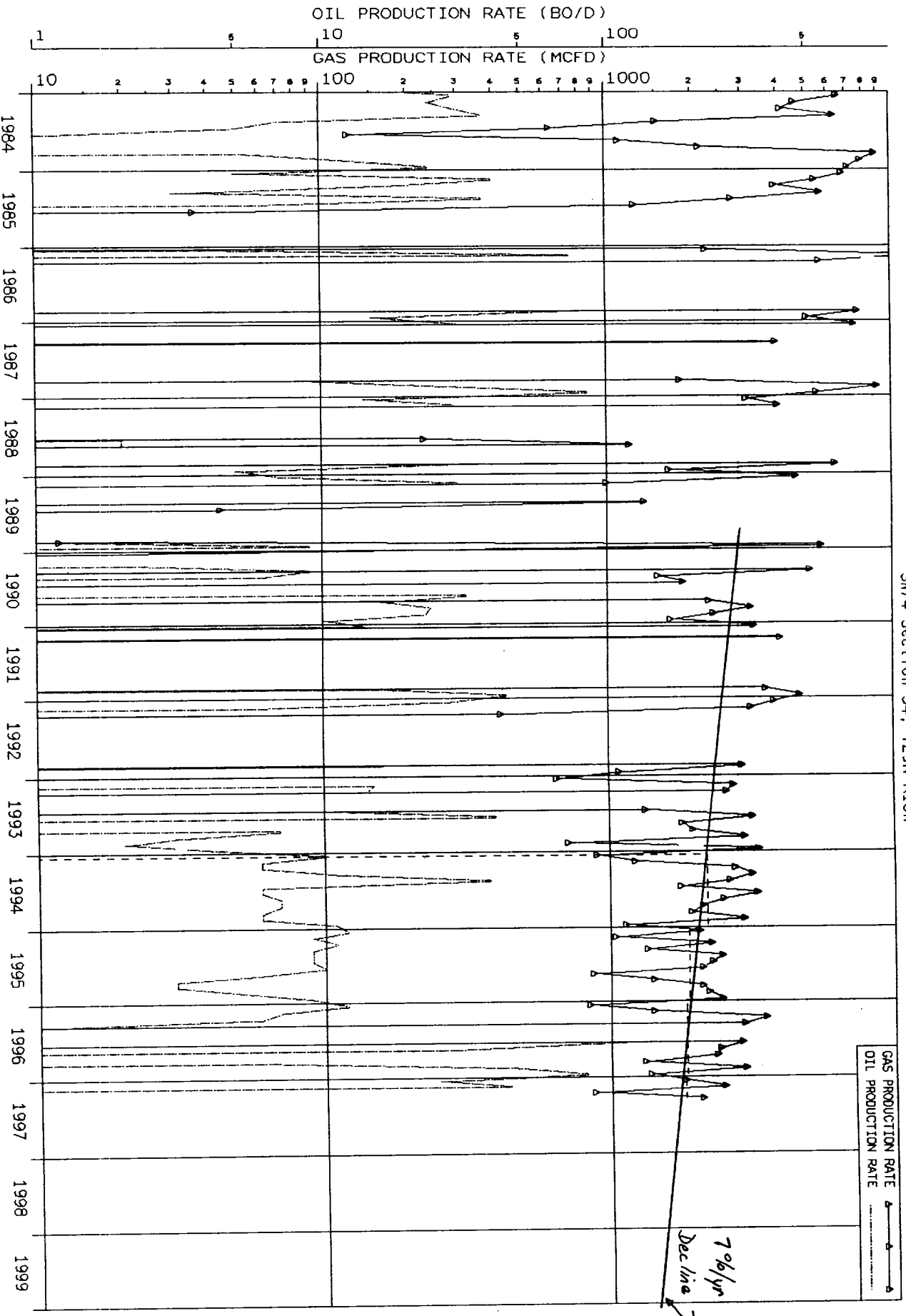
Zachry Federal #1
Basin Dakota Field
Sw/4 Section 34, T29N-R10W
San Juan County, New Mexico

Attachment #1

Historical Production

Mo	Yr	MCF	BO	Avg MCF	Avg BO	Mo	Yr	MCF	BO	Avg MCF	Avg BO
1	90	9	0			1	94	901	10		
2	90	0	0			2	94	1,230	6		
3	90	0	2			3	94	2,768	6		
4	90	5,146	9			4	94	3,161	11		
5	90	1,505	6			5	94	2,638	38		
6	90	1,847	0			6	94	1,777	6		
7	90	0	0			7	94	3,311	6		
8	90	0	32			8	94	2,509	7		
9	90	2,273	16			9	94	2,127	7		
10	90	3,177	24			10	94	1,943	6		
11	90	2,352	23			11	94	2,965	6		
12	90	1,665	10	1,498	10	12	94	1,133	11	2,205	10
1	91	3,262	14			1	95	2,074	12		
2	91	0	0			2	95	1,044	9		
3	91	4,014	16			3	95	2,275	11		
4	91	0	0			4	95	1,347	9		
5	91	0	0			5	95	2,470	9		
6	91	0	0			6	95	2,280	9		
7	91	0	0			7	95	2,109	10		
8	91	0	0			8	95	869	6		
9	91	0	0			9	95	1,422	3		
10	91	0	0			10	95	2,115	3		
11	91	3,578	15			11	95	2,219	5		
12	91	4,718	44	1,298	7	12	95	2,482	9	1,892	8
1	92	3,810	28			1	96	843	12		
2	92	3,161	5			2	96	1,420	7		
3	92	420	0			3	96	3,522	6		
4	92	0	0			4	96	2,956	1		
5	92	0	0			5	96	0	0		
6	92	0	0			6	96	0	0		
7	92	0	0			7	96	2,909	113		
8	92	0	0			8	96	2,434	31		
9	92	0	0			9	96	2,375	0		
10	92	0	0			10	96	1,319	7		
11	92	2,938	16			11	96	2,980	47		
12	92	1,093	0	952	4	12	96	1,382	82	1,845	26
1	93	654	0			1	97	1,826	25		
2	93	2,734	15			2	97	2,513	45		
3	93	2,591	14			3	97	876	0		
4	93	0	0			4	97	2,090	0		
5	93	0	0			5	97				
6	93	1,336	10			6	97				
7	93	3,196	40			7	97				
8	93	1,804	0			8	97				
9	93	1,960	7			9	97				
10	93	2,985	3			10	97				
11	93	717				11	97				
12	93	3,352	4	1,777	8	12	97			1,826	18

Zachry Federal #1
SM/4 Section 34, T29N-R10W



Roddy Production Company, Inc.

Zachry Federal #1
Basin Dakota Field
SW/4 Section 34, T29N-R10W
San Juan County, New Mexico

Attachment #3

Base Case Projection

Mo	Yr	MCFM	BOPM	:	Mo	Yr	MCFM	BOPM	:	Mo	Yr	MCFM	BOPM	:	Mo	Yr	MCFM	BOPM	:	Mo	Yr	MCFM	BOPM	:	Mo	Yr	MCFM	BOPM	:	Mo	Yr	MCFM	BOPM
5	1997	1,826	8	:	1	2000	1,506	7	:	1	2003	1,213	5	:	1	2006	977	4	:	1	2009	786	3	:	1	2012	633	3	:	1	2015	510	2
6	1997	1,815	8	:	2	2000	1,497	7	:	2	2003	1,205	5	:	2	2006	971	4	:	2	2009	782	3	:	2	2012	629	3	:	2	2015	507	2
7	1997	1,804	8	:	3	2000	1,488	7	:	3	2003	1,198	5	:	3	2006	965	4	:	3	2009	777	3	:	3	2012	626	3	:	3	2015	504	2
8	1997	1,793	8	:	4	2000	1,479	6	:	4	2003	1,191	5	:	4	2006	959	4	:	4	2009	772	3	:	4	2012	622	3	:	4	2015	501	2
9	1997	1,783	8	:	5	2000	1,470	6	:	5	2003	1,184	5	:	5	2006	953	4	:	5	2009	768	3	:	5	2012	618	3	:	5	2015	498	2
10	1997	1,772	8	:	6	2000	1,461	6	:	6	2003	1,177	5	:	6	2006	948	4	:	6	2009	763	3	:	6	2012	614	3	:	6	2015	495	2
11	1997	1,761	8	:	7	2000	1,453	6	:	7	2003	1,170	5	:	7	2006	942	4	:	7	2009	758	3	:	7	2012	611	3	:	7	2015	492	2
12	1997	1,751	8	:	8	2000	1,444	6	:	8	2003	1,163	5	:	8	2006	936	4	:	8	2009	754	3	:	8	2012	607	3	:	8	2015	489	2
1	1998	1,740	8	:	9	2000	1,435	6	:	9	2003	1,156	5	:	9	2006	931	4	:	9	2009	749	3	:	9	2012	603	3	:	9	2015	486	2
2	1998	1,730	8	:	10	2000	1,427	6	:	10	2003	1,149	5	:	10	2006	925	4	:	10	2009	745	3	:	10	2012	600	3	:	10	2015	483	2
3	1998	1,719	8	:	11	2000	1,418	6	:	11	2003	1,142	5	:	11	2006	919	4	:	11	2009	740	3	:	11	2012	596	3	:	11	2015	480	2
4	1998	1,709	7	:	12	2000	1,410	6	:	12	2003	1,135	5	:	12	2006	914	4	:	12	2009	736	3	:	12	2012	593	3	:	12	2015	477	2
5	1998	1,699	7	:	1	2001	1,401	6	:	1	2004	1,128	5	:	1	2007	908	4	:	1	2010	732	3	:	1	2013	589	3	:	1	2016	474	2
6	1998	1,689	7	:	2	2001	1,393	6	:	2	2004	1,121	5	:	2	2007	903	4	:	2	2010	727	3	:	2	2013	586	3	:	2	2016	471	2
7	1998	1,678	7	:	3	2001	1,384	6	:	3	2004	1,115	5	:	3	2007	898	4	:	3	2010	723	3	:	3	2013	582	3	:	3	2016	469	2
8	1998	1,668	7	:	4	2001	1,376	6	:	4	2004	1,108	5	:	4	2007	892	4	:	4	2010	718	3	:	4	2013	578	3	:	4	2016	466	2
9	1998	1,658	7	:	5	2001	1,368	6	:	5	2004	1,101	5	:	5	2007	887	4	:	5	2010	714	3	:	5	2013	575	3	:	5	2016	463	2
10	1998	1,648	7	:	6	2001	1,360	6	:	6	2004	1,095	5	:	6	2007	882	4	:	6	2010	710	3	:	6	2013	572	3	:	6	2016	460	2
11	1998	1,639	7	:	7	2001	1,352	6	:	7	2004	1,088	5	:	7	2007	876	4	:	7	2010	706	3	:	7	2013	568	3	:	7	2016	457	2
12	1998	1,629	7	:	8	2001	1,343	6	:	8	2004	1,082	5	:	8	2007	871	4	:	8	2010	701	3	:	8	2013	565	3	:	8	2016	455	2
1	1999	1,619	7	:	9	2001	1,335	6	:	9	2004	1,075	5	:	9	2007	866	4	:	9	2010	697	3	:	9	2013	561	3	:	9	2016	452	2
2	1999	1,609	7	:	10	2001	1,327	6	:	10	2004	1,069	5	:	10	2007	861	4	:	10	2010	693	3	:	10	2013	558	3	:	10	2016	449	2
3	1999	1,600	7	:	11	2001	1,319	6	:	11	2004	1,062	5	:	11	2007	855	4	:	11	2010	689	3	:	11	2013	555	3	:	11	2016	447	2
4	1999	1,590	7	:	12	2001	1,311	6	:	12	2004	1,056	5	:	12	2007	850	4	:	12	2010	685	3	:	12	2013	551	3	:	12	2016	444	2
5	1999	1,580	7	:	1	2002	1,304	6	:	1	2005	1,050	5	:	1	2008	845	4	:	1	2011	681	3	:	1	2014	548	3	:	1	2017	441	2
6	1999	1,571	7	:	2	2002	1,296	6	:	2	2005	1,043	5	:	2	2008	840	4	:	2	2011	676	3	:	2	2014	545	3	:	2	2017	439	2
7	1999	1,562	7	:	3	2002	1,288	6	:	3	2005	1,037	5	:	3	2008	835	4	:	3	2011	672	3	:	3	2014	541	3	:	3	2017	436	2
8	1999	1,552	7	:	4	2002	1,280	6	:	4	2005	1,031	5	:	4	2008	830	4	:	4	2011	668	3	:	4	2014	538	3	:	4	2017	433	2
9	1999	1,543	7	:	5	2002	1,273	6	:	5	2005	1,025	4	:	5	2008	825	4	:	5	2011	664	3	:	5	2014	535	3	:	5	2017	431	2
10	1999	1,534	7	:	6	2002	1,265	6	:	6	2005	1,019	4	:	6	2008	820	4	:	6	2011	660	3	:	6	2014	532	3	:	6	2017	428	2
11	1999	1,524	7	:	7	2002	1,257	6	:	7	2005	1,012	4	:	7	2008	815	4	:	7	2011	656	3	:	7	2014	529	3	:	7	2017	426	2
12	1999	1,515	7	:	8	2002	1,250	5	:	8	2005	1,006	4	:	8	2008	810	4	:	8	2011	652	3	:	8	2014	525	3	:	8	2017	423	2
					9	2002	1,242	5	:	9	2005	1,000	4	:	9	2008	805	4	:	9	2011	649	3	:	9	2014	522	3	:	9	2017	421	2
					10	2002	1,235	5	:	10	2005	994	4	:	10	2008	801	4	:	10	2011	645	3	:	10	2014	519	3	:	10	2017	418	2
					11	2002	1,227	5	:	11	2005	988	4	:	11	2008	796	4	:	11	2011	641	3	:	11	2014	516	3	:	11	2017	415	2
					12	2002	1,220	5	:	12	2005	982	4	:	12	2008	791	3	:	12	2011	637	3	:	12	2014	513	3	:	12	2017	413	2

Cumulative Gas Production 4-97 4,268,378
Base Case Production 199,088
4,467,466