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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: Nassau Resources, Inc. OGRID #: 015515

Address: 650 S. Cherry St., Ste 1225, Denver, CO 80222

Contact Party: Gary J. Johnson Phone: 303-321-2111

II. Name of Well: Carracas Canyon Unit 31B #5 API #: 30-039-24417
Location of Well: Unit Letter E, 1770 Feet from the North line and 830 feet from the West line,
Section 31, Township 32N, Range 04W, NMPM, Rio Arriba County

III. Date Workover Procedures Commenced: 09/04/1996
Date Workover Procedures were Completed: 09/16/1996

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: Basin Fruitland Coal

VII. AFFIDAVIT:

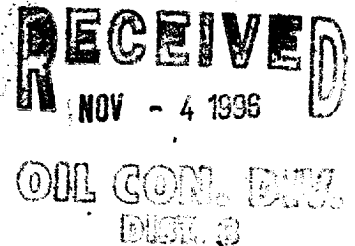
State of Colorado)
) ss.
County of Denver)

Gary J. Johnson, being first duly sworn, upon oath states:

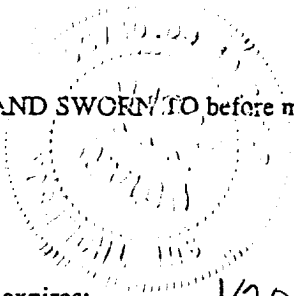
1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my 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 11 day of 1, 1996



Sue Thompson
Notary Public

My Commission expires: 1/20/99

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 9/16, 1996.

[Signature]
District Supervisor, District 3
Oil Conservation Division

Date: 11/7/96

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

DATE: _____

Carracas Canyon Unit
Well No. 31B-5
E-31-T32N-R04W
Rio Arriba County, NM

Attachment 2

Description of workover procedures undertaken to increase production from the well.

- 09-04-96 Moved in and rigged up workover rig. Blew well down.
- 09-05-96 Finished blowing well down. Installed BOP. TOH & tally pipe (3745' KB with SN at 3714'). SI overnight.
- 09-06-96 Tested lines. OK. Broke down formation as follows:
Pumped 25 bbls. water followed by 1000 gal 7-1/2 % HCl acid. Pumped acid away with 26 bbl water. Formation broke down at 2600 psi. ISIP 2200 psi. TOH with tubing. Rigged up BJ Services & fraced with slick water & 12/20 sand as follows:

Fluid vol bbls	Pressure	Sand	at BPM
1429	3700	Pad	55
390	3800	1/2#/gal	55
572	4000	1#/gal	54
221	4000	1-1/2#	51
364	4300	2#	51
15	4800	Flush	40

Well screened off 15 bbls into flush.
Avg treating pressure 4000 psi. ISIP 3800 psi
5 min SIP 2800 psi 10 min SIP 2600 psi
15 min SIP 2300 psi. SI overnight.

- 09-10-96 Bled off pressure (1400 psi). TIH with tubing. Hit sand at 1200'. Circulated sand from hole 7 jts.
- 09-11-96 Circulated 78 stands (1116'), cleaning hole to 2564' SI overnight.
- 09-12-96 Circulated well clean to 3750'. Set 119 joints of 2-7/8" tubing at 3686' with SN at 3654' & notched collar at 3686'. Replaced bad joint of tubing 3 jts above SN. Rigged up to swab.

Carracas Canyon Unit
Well No. 31B-5
E-31-T32N-R04W
Rio Arriba County, NM

Attachment 2

Description of workover procedures undertaken to increase production from the well.

Page 2

- 09-13-96 Swabbed 8:30 AM to 2:00 PM. No pressure, 230 bbl recovered. 2:30 PM 25 psi; 3:30 PM 100psi; 5:00 PM 320 psi. Shut-in overnight.
- 09-14-96 Swabbed 8:00 AM to 1:00 PM. Recovered 150 bbls. 8:00 AM 460 psi; 9:00 AM 520 psi; 11:00 AM 530 psi 1:00 PM 576 psi. Shut-in overnight.
- 09-16-96 Rigged down Workover Unit. Pressure on casing 800 psi. Rebuilt wellhead. Equalized tubing and casing pressure.

Page No.: 1

Print Time: Thu Oct 31 16:15:04 1996

Property ID: 58

Property Name: CARRACAS UNIT 31B | 5 FT | NASSAU RESOURCES INC

Table Name: C:\ARIES\CARRACAS\PRODUCT.DBF

--DATE--	-----OIL----- Bbl	-----GAS----- Mcf	---WATER--- Bbl	-----GOR----- Scf/Bbl	-----YIELD-----	---WTRCUT---
06/30/91	0	6274	2243	0.000	0.000	100.000
07/31/91	0	2487	1724	0.000	0.000	100.000
08/31/91	0	2192	0	0.000	0.000	0.000
09/30/91	0	1626	0	0.000	0.000	0.000
10/31/91	0	1227	0	0.000	0.000	0.000
11/30/91	0	961	0	0.000	0.000	0.000
12/31/91	0	682	0	0.000	0.000	0.000
01/31/92	0	665	2	0.000	0.000	100.000
02/29/92	0	2	0	0.000	0.000	0.000
10/31/92	0	434	1150	0.000	0.000	100.000
11/30/92	0	817	1162	0.000	0.000	100.000
12/31/92	0	640	451	0.000	0.000	100.000
01/31/93	0	377	64	0.000	0.000	100.000
08/31/93	0	88	0	0.000	0.000	0.000
09/30/93	0	1904	111	0.000	0.000	100.000
10/31/93	0	1355	109	0.000	0.000	100.000
11/30/93	0	780	81	0.000	0.000	100.000
12/31/93	0	776	203	0.000	0.000	100.000
01/31/94	0	281	85	0.000	0.000	100.000
11/30/94	0	1233	123	0.000	0.000	100.000
12/31/94	0	898	104	0.000	0.000	100.000
01/31/95	0	1395	111	0.000	0.000	100.000
02/28/95	0	473	131	0.000	0.000	100.000
03/31/95	0	976	71	0.000	0.000	100.000
04/30/95	0	1803	150	0.000	0.000	100.000
05/31/95	0	1607	198	0.000	0.000	100.000
06/30/95	0	973	222	0.000	0.000	100.000
07/31/95	0	1633	228	0.000	0.000	100.000
08/31/95	0	217	976	0.000	0.000	100.000
09/30/95	0	928	226	0.000	0.000	100.000
10/31/95	0	1044	229	0.000	0.000	100.000
11/30/95	0	865	237	0.000	0.000	100.000
12/31/95	0	874	228	0.000	0.000	100.000
01/31/96	0	1339	254	0.000	0.000	100.000
02/29/96	0	1070	301	0.000	0.000	100.000
03/31/96	0	1241	301	0.000	0.000	100.000
04/30/96	0	1161	273	0.000	0.000	100.000
05/31/96	0	2007	379	0.000	0.000	100.000
06/30/96	0	1142	351	0.000	0.000	100.000
07/31/96	0	1004	363	0.000	0.000	100.000
08/31/96	0	1341	432	0.000	0.000	100.000
09/30/96	0	232	31	0.000	0.000	100.000

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 31B-5							
API # 30-039-24417 E-31-32N-04W	Rio Arriba County, NM						
	Projected		Projected		Projected		Projected
DATE	Production	DATE	Production	DATE	Production	DATE	Production
	MCFM		MCFM		MCFM		MCFM
10-96	1110						
11-96	1068						
12-96	1098						
01-97	1095	01-00	901	01-03	746	01-06	616
02-97	984	02-00	839	02-03	670	02-06	553
03-97	1084	03-00	892	03-03	738	03-06	610
04-97	1043	04-00	859	04-03	711	04-06	587
05-97	1072	05-00	882	05-03	731	05-06	603
06-97	1032	06-00	849	06-03	703	06-06	580
07-97	1061	07-00	873	07-03	723	07-06	597
08-97	1055	08-00	868	08-03	719	08-06	593
09-97	1016	09-00	836	09-03	692	09-06	571
10-97	1044	10-00	859	10-03	711	10-06	587
11-97	1005	11-00	827	11-03	685	11-06	565
12-97	1033	12-00	850	12-03	704	12-06	581
01-98	1027	01-01	848	01-04	698	01-07	578
02-98	923	02-01	762	02-04	650	02-07	519
03-98	1017	03-01	839	03-04	691	03-07	572
04-98	978	04-01	808	04-04	665	04-07	550
05-98	1006	05-01	830	05-04	683	05-07	566
06-98	968	06-01	799	06-04	658	06-07	545
07-98	995	07-01	821	07-04	676	07-07	560
08-98	990	08-01	817	08-04	672	08-07	557
09-98	953	09-01	786	09-04	647	09-07	536
10-98	979	10-01	808	10-04	665	10-07	551
11-98	942	11-01	778	11-04	640	11-07	530
12-98	969	12-01	800	12-04	658	12-07	545
01-99	963	01-02	795	01-05	657	01-08	540
02-99	866	02-02	715	02-05	590	02-08	503
03-99	954	03-02	787	03-05	650	03-08	535
04-99	918	04-02	758	04-05	625	04-08	515
05-99	943	05-02	779	05-05	643	05-08	529
06-99	908	06-02	750	06-05	619	06-08	509
07-99	933	07-02	771	07-05	636	07-08	524
08-99	928	08-02	766	08-05	633	08-08	521
09-99	894	09-02	738	09-05	609	09-08	501
10-99	918	10-02	758	10-05	626	10-08	515
11-99	884	11-02	730	11-05	602	11-08	496
12-99	909	12-02	750	12-05	619	12-08	510

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Carracas Unit 31B-5							
API # 30-039-24417 E-31-32N-04W	Rio Ariba County, NM						
	Projected		Projected		Projected		Projected
DATE	Production	DATE	Production	DATE	Production	DATE	Production
	MCFM		MCFM		MCFM		MCFM
01-09	508	01-12	419	01-15	346	01-18	
02-09	457	02-12	389	02-15	311	02-18	
03-09	503	03-12	414	03-15	343	03-18	
04-09	484	04-12	399	04-15	330	04-18	
05-09	498	05-12	410	05-15	339	05-18	
06-09	479	06-12	394	06-15	327	06-18	
07-09	493	07-12	405	07-15	336	07-18	
08-09	490	08-12	403	08-15	334	08-18	
09-09	472	09-12	388	09-15	321	09-18	
10-09	485	10-12	399	10-15	330	10-18	
11-09	467	11-12	384	11-15	318	11-18	
12-09	479	12-12	395	12-15	327	12-18	
01-10	477	01-13	394	01-16	324	01-19	
02-10	429	02-13	354	02-16	302	02-19	
03-10	472	03-13	390	03-16	321	03-19	
04-10	454	04-13	375	04-16	309	04-19	
05-10	467	05-13	385	05-16	317	05-19	
06-10	450	06-13	371	06-16	305	06-19	
07-10	462	07-13	381	07-16	314	07-19	
08-10	460	08-13	379	08-16	312	08-19	
09-10	442	09-13	365	09-16	301	09-19	
10-10	455	10-13	375	10-16	309	10-19	
11-10	438	11-13	361	11-16	297	11-19	
12-10	450	12-13	371	12-16	306	12-19	
01-11	447	01-14	369	01-17		01-20	
02-11	402	02-14	332	02-17		02-20	
03-11	443	03-14	365	03-17		03-20	
04-11	426	04-14	352	04-17		04-20	
05-11	438	05-14	362	05-17		05-20	
06-11	422	06-14	348	06-17		06-20	
07-11	433	07-14	358	07-17		07-20	
08-11	431	08-14	356	08-17		08-20	
09-11	415	09-14	343	09-17		09-20	
10-11	426	10-14	352	10-17		10-20	
11-11	411	11-14	339	11-17		11-20	
12-11	422	12-14	348	12-17		12-20	