

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Aztec, 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: BONNEVILLE FUELS CORPORATION OGRID #: 02678
Address: 1660 Lincoln Street, Suite 2200, Denver, CO 80264

Contact Party: Alan L. Merrill Phone: 303 863-1555 x 225

II. Name of Well: Scott E Federal #9 API #: 3004506382
Location of Well: Unit Letter E, 1850 Feet from the North line and 790 feet from the West line,
Section 23, Township 27N, Range 11W NMPM; San Juan County

III. Date Workover Procedures Commenced: 11/22/97
Date Workover Procedures Were Completed: 12/16/97

IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.

see Exhibit A

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 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:

Gallegos Fruitland Sand

VII. AFFIDAVIT:

State of Colorado

County of Denver

ss:

Alan L. Merrill, 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.

(Name)

Alan L. Merrill

(Title)

Operations Engineer

RECEIVED
APR 1 1998
OIL CONSERVATION DIV.
DISTRICT OFFICE

SUBSCRIBED AND SWORN TO before me this 13th day of April, 1998.

[Signature]
Notary Public

My Commission expires: 8-30-2008

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 12/16, 1997.

[Signature]
District Supervisor, District 7
Oil Conservation Division

Date: 5/5/98

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

DATE: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EXHIBIT A

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Bonneville Fuels Corporation

3. Address and Telephone No.

1660 Lincoln, Suite 1800, Denver, CO 80264 (303) 863-1555

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1850' FNL, 790' FWL Sec 23 T27N R11W

5. Lease Designation and Serial No.

SF078089

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Scott E. Federal #9

9. API Well No.

3004506382

10. Field and Pool, or Exploratory Area

West Kutz Pictured Cliffs

11. County or Parish, State

San Juan, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form 1)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

11/22/97 MIRU Basin Well Service. NUBOP & test. TOOH w/2 3/8" tubing. Clean out to CIBP @ 1854'. Drill out CIBP and cmt plug to 2199'. Ran GR/CCL log. Set CIBP @ 2200'. Perforated Pictured Cliffs 2000'-2120 (total of 55 .34" holes). Set packer @ 1891'. Acidize perms w/ 1000 gal 7.5% HCL acid plus additives. SI.
12/6/97 Frac down 2 3/8" tubing w/ 27,000 gal 70 quality foam and 81,580 # 20/40 sand. Flow well to clean up.
12/9/97 Kill well w/10 bbls 3% KCL water. Release pkr and POOH w/ 2 3/8" tubing & LD packer. GIH & set straddle packer at 1746' and acidize Fruitland sand perms 1744-1728' w/ 700 gal 10% HCL acid plus additives. Clean out sand fill to CIBP @ 2200'. Ran production tubing of 66 jts 2 3/8" 4.7# J-55 landed @ 2065'. Swab & flow to clean up.
12/16/97 Returned well to production. Commingled Pictured Cliffs & Fruitland sand.

14. I hereby certify that the foregoing is true and correct

Signed

Title

Operations Manager

Date

12/24/97

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

Rate/Time Graph

Lease Name: E SCOTT FEDERAL (9)
County, ST: SAN JUAN, NM
Location: 27N-11W-1

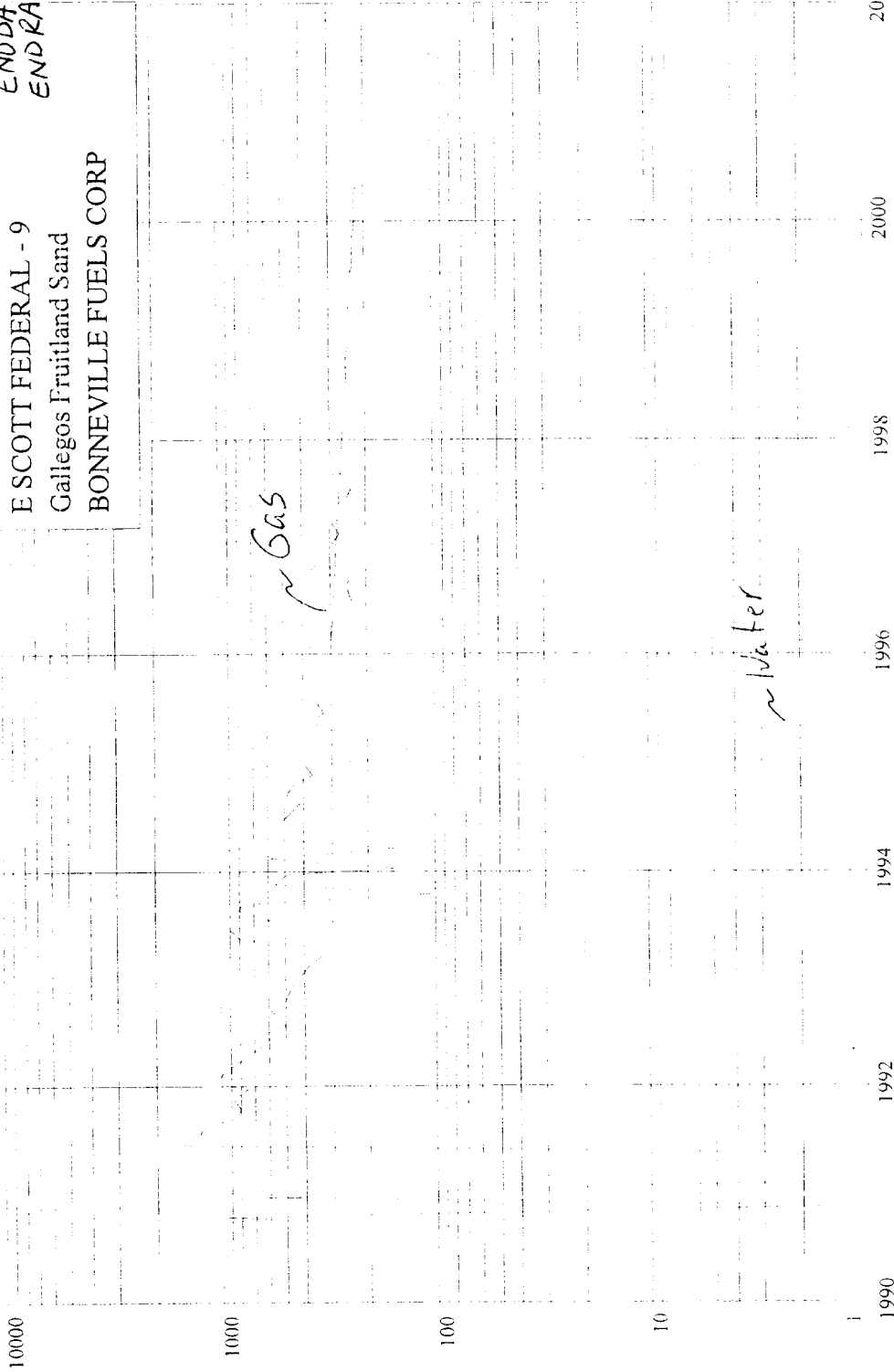
Project: C:\DWIGHTS\PTOOLS\25\KUTZ.MDB

Date: 4/13/1998
Time: 8:57 AM

Field Name: Gallegos Fruitland Sand
Operator: BONNEVILLE FUELS CORP

E SCOTT FEDERAL - 9
Gallegos Fruitland Sand
BONNEVILLE FUELS CORP

Exp. Decline: 6.6914%
IP DATE: 1/96
IP RATE: 298
END DATE: 4/98
END RATE: 255



V Decline Curve

Date: 4/13/1998

V Projected Economic Limit

Time: 8:57 AM

Annual CashFlow Report

Project: CADWIGHTS\PTOOLS25\KUTZ.MDB

Lease Name: E SCOTT FEDERAL (9)
 County, ST: SAN JUAN, NM
 Location: 27N-11W-1

Field Name: Gallegos Fruitland Sand
 Operator: BONNEVILLE FULLS CORP

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/97	1	0	260	0	225	0.00	2.00	450
12/98	1	0	3,008	0	2,602	0.00	2.00	5,204
12/99	1	0	2,807	0	2,428	0.00	2.00	4,856
05/00	1	0	1,113	0	963	0.00	2.00	1,926
Grand Total:		0	7,188	0	6,218	0.00	2.00	12,436

Date	Operating Expenses	Taxes	Operating Income	Other Costs	Periodic Cash Flow	Cumulative Cash Flow	10.00 % Cash Flow
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
12/97	350	36	64	0	64	64	64
12/98	4,200	416	588	0	588	652	556
12/99	4,200	388	267	0	267	919	231
05/00	1,750	154	22	0	22	941	18
Grand Total:	10,500	995	941	0	941	941	869

Discount Present Worth:**Economic Dates:****Economics Summary:**

8.00 %	882	Effective Date	12/1997		Bbl Oil	Mcf Gas
10.00 %	869	Calculated Limit	05/2000	Ultimate Gross	4	44,704
20.00 %	810	Economic Life	30 Months	Cumulative Gross	4	37,516
30.00 %	761		2 Years 6 Months	Remaining Gross	0	7,188
40.00 %	719			Remaining Net	0	6,218
50.00 %	683	Economics Information:				
60.00 %	652	Payout:	12/1997			
70.00 %	625	Rate of Return:	>100 %			
80.00 %	601	Return on Investment:	0.00			
90.00 %	580	Initial Division of Interest:				
100.00 %	561					
		WI:	100.000000	Oil:	86.500000	0.000000
				Gas:	86.500000	0.000000
		Reversion Date:	None	Use:	86.000000	0.000000

V Projected Production Table

Scott E. Federal #9 - Gallegos ~~Fruitland~~ Sand
PROJECTED PRODUCTION RATES

Date	Gas	Oil
(MM/YR)	(mscf/mo)	(bo/mo)
Jan-98	258	0.0
Feb-98	256	0.0
Mar-98	255	0.0
Apr-98	254	0.0
May-98	252	0.0
Jun-98	251	0.0
Jul-98	249	0.0
Aug-98	248	0.0
Sep-98	246	0.0
Oct-98	245	0.0
Nov-98	243	0.0
Dec-98	242	0.0
Jan-99	241	0.0
Feb-99	239	0.0
Mar-99	238	0.0
Apr-99	237	0.0
May-99	235	0.0
Jun-99	234	0.0
Jul-99	233	0.0
Aug-99	231	0.0
Sep-99	230	0.0
Oct-99	229	0.0
Nov-99	227	0.0
Dec-99	226	0.0
Jan-2000	225	0.0
Feb-2000	223	0.0
Mar-2000	222	0.0
Apr-2000	221	0.0
May-2000	219	0.0
Jun-2000	0	0.0

Economic Limit Reached