

District I - (305) 393-6161  
PO 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 & 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 MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

- I. Operator: Amoco Production Company OGRID #: 000778  
Address: P.O. Box 800, Denver, Colorado 80201  
Contact Party: Nancy I. Whitaker Phone: (303) 830-5039
- II. Name of Well: GALLEGOS CANYON UNIT # 1 API #: 3004507999  
Location of Well: Unit Letter K, 1650 Feet from the SOUTH line and 1650 Feet from the WEST line, Section 19, Township 29N, Range 12W, NMPM, SAN JUAN County.
- III. Date Workover Procedures Commenced: 8/12/96  
Date Workover Procedures were Completed: 8/12/96
- 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:

FRUITLAND COAL

- VII. AFFIDAVIT:

State of Colorado )  
 ) ss.  
County of Denver )

RECEIVED  
SEP - 3 1997  
OIL CON. DIV.  
DIST. 3

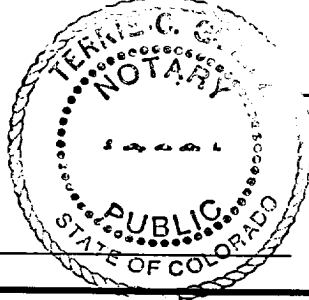
RECEIVED  
JUL 21 1997  
OIL CON. DIV.  
DIST. 3

Nancy I. Whitaker, 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.

Nancy I. Whitaker  
(Name)  
Staff Assistant  
(Title)

SUBSCRIBED AND SWORN TO before me this 18th day of July, 1997.



Terrill C. Henry  
Notary Public

My Commission expires: 10/31/99

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 8/12, 1996.

[Signature]  
District Supervisor, District 3  
Oil Conservation Division

Date: 1/29/98

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

DATE: \_\_\_\_\_

THIS WELL HAS BEEN EQUIPPED WITH AMOCO'S ELECTRONIC CONTROL/MONITOR SYSTEM. THE FOLLOWING EQUIPMENT HAS BEEN ADDED AT A COST OF \$ 10,000. PRESSURE TRANSDUCERS, MICRO PROCESSOR, 900 MEGAHERTZ RADIO, SOLAR POWER, ELECTRONIC FLOW, CHOKE CONTROL, VENT CONTROL, TANK AND PIT MONITORING, PLUNGER LIFT CONTROL AND MONITORING, AND COMPRESSOR AND PUMPING UNIT RUNTIME.

THE ADDITION OF THIS EQUIPMENT INCREASES THE CONTROL THAT AMOCO HAS OVER THE OPERATIONS OF THE WELL AND WILL LIKELY SHOW CONTINUAL INCREASES IN PRODUCTION THROUGH THE FOLLOWING ACTIONS.

THE SYSTEM ALLOWS A FIELD TECHNICIAN TO NOT ONLY MONITOR THE OPERATION OF THE WELL, WHILE NOT PHYSICALLY BEING AT THE WELL SITE, BUT TO CHANGE THE OPERATING CRITERIA FOR OPERATION OF THAT WELL TO ENSURE THAT IT IS OPERATING AT MAXIMUM EFFICIENCY. IT ALSO ALLOWS THAT TECHNICIAN TO BRING A WELL WHICH HAS LOGGED OFF BACK ON PRODUCTION MORE RAPIDLY.

OUR BASE PRODUCTION FOR THIS WELL IS 1,222 MCF.

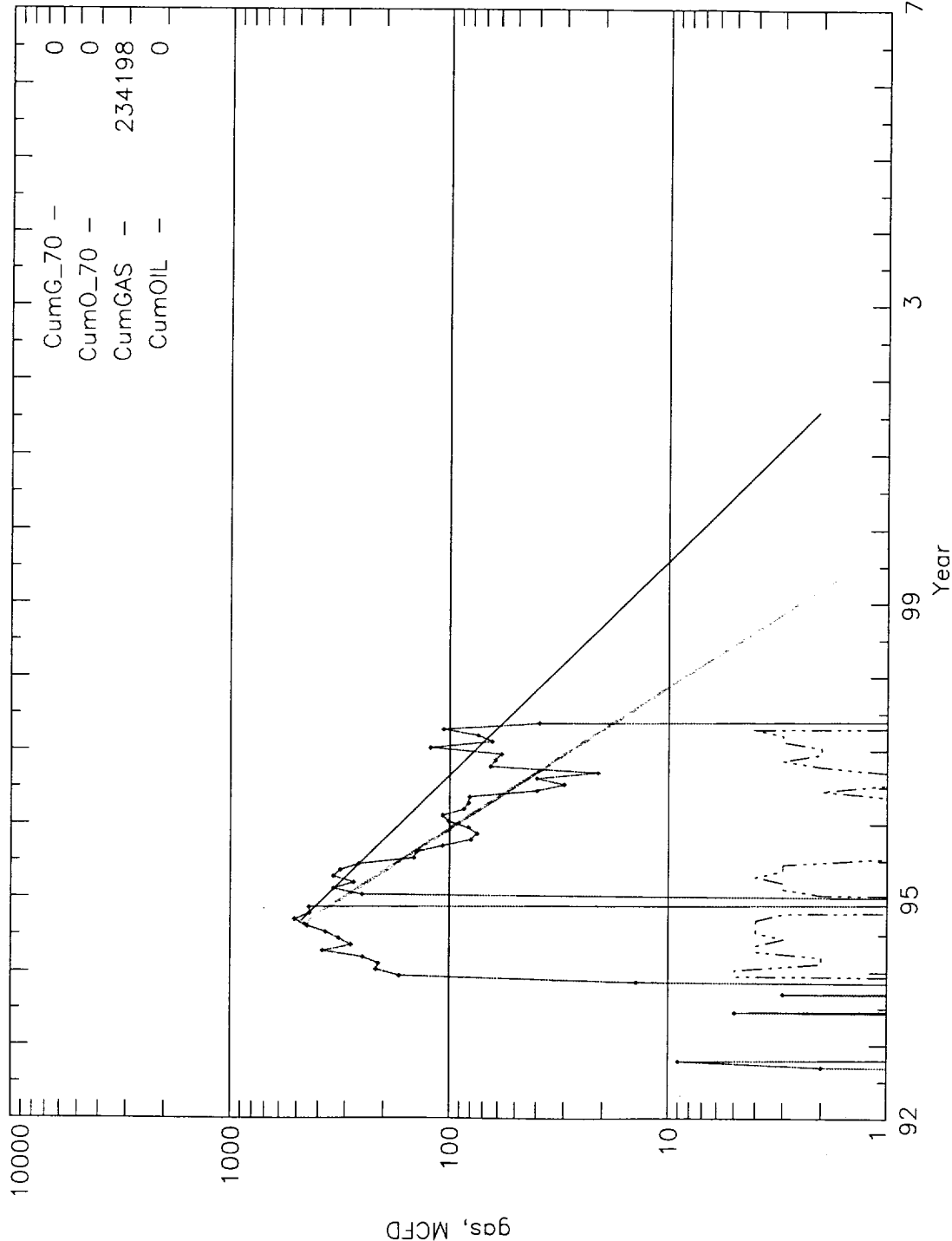
zvqp01

Engr: zvqp01

GALLEGOS CANYON UNIT /FT COAL/ 001K19

Operator- AMOCO PRODUCTION COMPANY

300450799900 604FRLDC 29N 12W 19 APC\_WI - 0.54240000



Last Op. Forecast by zmhy01 in 07/1996

<b>WELL DECLINE TABLE TO SEND TO TULSA TAX GROUP</b>		
<b>WELLNAME</b>	<b>GALLEGOS CANYON UNIT</b>	
<b>WELLNO</b>	<b># 1</b>	
<b>POOL</b>	<b>FRUITLAND COAL</b>	
<b>FLAC</b>	<b>88647102</b>	
<b>API</b>	<b>3004507999</b>	
<b>LOCATION</b>	<b>K 19 29N 12W</b>	
<b>MONTH FINALED</b>	<b>8/96</b>	
<b>DECLINE RATE</b>	<b>0.7891</b>	<b>0.7891</b>
<b>Production Months - (Begin with the Month following the Month Finaled)</b>	<b>GAS</b>	<b>OIL</b>
	<b>' Prod. MCF/Month</b>	<b>' Prod. BBL/Month</b>
09/1996	664.0	0.0
10/1996	621.7	0.0
11/1996	582.2	0.0
12/1996	545.1	0.0
01/1997	510.4	0.0
02/1997	477.9	0.0
03/1997	447.5	0.0
04/1997	419.0	0.0
05/1997	392.4	0.0
06/1997	367.4	0.0
07/1997	344.0	0.0
08/1997	322.1	0.0
09/1997	301.6	0.0
10/1997	282.4	0.0
11/1997	264.5	0.0
12/1997	247.6	0.0
01/1998	231.9	0.0
02/1998	217.1	0.0
03/1998	203.3	0.0
04/1998	190.4	0.0
05/1998	178.2	0.0
06/1998	166.9	0.0
07/1998	156.3	0.0
08/1998	146.3	0.0
09/1998	137.0	0.0
10/1998	128.3	0.0
11/1998	120.1	0.0
12/1998	112.5	0.0
01/1999	105.3	0.0
02/1999	98.6	0.0
03/1999	92.3	0.0
04/1999	86.5	0.0

WELLNAME	GALLEGOS CANYON UNIT	
WELLNO	# 1	
05/1999	81.0	0.0
06/1999	75.8	0.0
07/1999	71.0	0.0
08/1999	66.5	0.0
09/1999	62.2	0.0
10/1999	58.3	0.0
11/1999	54.6	0.0
12/1999	51.1	0.0
01/2000	47.8	0.0
02/2000	44.8	0.0
03/2000	41.9	0.0
04/2000	39.3	0.0
05/2000	36.8	0.0
06/2000	34.4	0.0
07/2000	32.2	0.0
08/2000	30.2	0.0
09/2000	28.3	0.0
10/2000	26.5	0.0
11/2000	24.8	0.0
12/2000	23.2	0.0
01/2001	21.7	0.0
02/2001	20.4	0.0
03/2001	19.1	0.0
04/2001	17.8	0.0
05/2001	16.7	0.0
06/2001	15.6	0.0
07/2001	14.6	0.0
08/2001	13.7	0.0
09/2001	12.8	0.0
10/2001	12.0	0.0
11/2001	11.3	0.0
12/2001	10.5	0.0
01/2002	9.9	0.0
02/2002	9.2	0.0
03/2002	8.7	0.0
04/2002	8.1	0.0
05/2002	7.6	0.0
06/2002	7.1	0.0
07/2002	6.7	0.0
08/2002	6.2	0.0
09/2002	5.8	0.0
10/2002	5.5	0.0
11/2002	5.1	0.0
12/2002	4.8	0.0
01/2003	4.5	0.0
02/2003	4.2	0.0
03/2003	3.9	0.0
04/2003	3.7	0.0
05/2003	3.4	0.0
06/2003	3.2	0.0
07/2003	3.0	0.0
08/2003	2.8	0.0

WELLNAME	GALLEGOS CANYON UNIT		
WELLNO	# 1		
09/2003	2.7	0.0	
10/2003	2.5	0.0	
11/2003	2.3	0.0	
12/2003	2.2	0.0	
01/2004	2.0	0.0	
02/2004	1.9	0.0	
03/2004	1.8	0.0	
04/2004	1.7	0.0	
05/2004	1.6	0.0	
06/2004	1.5	0.0	
07/2004	1.4	0.0	
08/2004	1.3	0.0	
09/2004	1.2	0.0	
10/2004	1.1	0.0	
11/2004	1.1	0.0	
12/2004	1.0	0.0	