

District I - (505) 393-6161
1625 N. French Dr
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 - (505) 827-7131

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
Revised 06/99

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DISTRICT OFFICE

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OIL CON. DIV.

DIST. 3

APPLICATION FOR
WELL WORKOVER PROJECT

I. Operator and Well

| | | | | | | | | | |
|---|---|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------------|------------------------|--------------------|
| Operator name & address San Juan Resources of Colorado, Inc. One Broadway #330A, Denver, CO 80203 | | | | | | | OGRID Number 020208 | | |
| Contact Party Jerry McHugh, Jr. President | | | | | | | Phone 303-733-5800 | | |
| Property Name Apperson | | | | | Well Number 1 | | API Number 30-045-21674 | | |
| UL | K | Section 30 | Township 30N | Range 11W | Feet From The 1850 | North/South Line south | Feet From The 1850 | East/West Line west | County San Juan |

II. Workover

| | |
|--|--|
| Date Workover Commenced: Feb 11, 1999 | Previous Producing Pool(s) (Prior to Workover): |
| Date Workover Completed: Feb 12, 1999 | This well has ONLY produced from the Basin Dakota pool (71599) |

III. Attach a description of the Workover Procedures performed to increase production.

IV. Attach a production decline curve or table showing at least twelve months of production prior to the workover and at least three months of production following the workover reflecting a positive production increase.

V. AFFIDAVIT:

State of Colorado)
County of Anapahoe) ss.
Jerry McHugh Jr., being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
- I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.
- To the best of my knowledge, this application and the data used to prepare the production curve and/or table for this Well are complete and accurate.

Signature Jerry McHugh Jr. Title President Date 8/18/99
SUBSCRIBED AND SWORN TO before me this 18 day of August, 1999.
Teresa Mouldy
Notary Public
My Commission expires 5-19-2002

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Well Workover Project and the Division hereby verifies the data shows a positive production increase. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project was completed on 2/12/99.

| | | |
|---|--------------------------|-------------------------|
| Signature District Supervisor <u>SSS</u> | OCD District <u>3</u> | Date <u>10/15/99</u> |
|---|--------------------------|-------------------------|

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

SAN JUAN RESOURCES, INC.

JERRY McHUGH JR.

MEMO TO WELL FILE:

RE: Apperson #1 Rework

DATE: August 18, 1999

DESCRIPTION OF WORK OVER PROCEEDURES

The Apperson #1 well, Basin Dakota Formation, was reworked in February 1999. Well had not been producing as well as expected and the operator, San Juan Resources of Colorado decided to perform said work on wellbore.

The following is what work San Juan Resources did on the subject well:

February 11, 1999 Triple P Well Service rigged up on the subject well. Well did not need to be killed, it blew down the previous night. Installed BOP, and nipple down wellhead. Tubing was set at 6439', tagged bottom at 6676'. Picked up tubing and tallied down. Check tubing and pulled entire string, (106 jts) from hole. Ran back in hole, rabbiting 76 stands. Shut down for night.

February 12, 1999 Ran back in hole, finished rabbiting remaining stands. Added 5 additional joints since tubing was not reaching the entire Dakota Formation. Rig up lubricator and swabbed nine times. Dropped spring and added plunger to hole. Initial fluid level @ 4500', final fluid level @ 5800'—well kicked off. Tubing pressure 140, casing pressure 340 psi, laydown lubricator. Two hours later the tubing was 260 and casing 480 psi. Left well shut in and equalized. Well shut in for February 13-14.

February 15, 1999 Turned well back on

Respectfully submitted, Jerry McHugh Jr.

One Broadway, Suite 330A
Denver, CO 80203 U.S.A.

Tel: 303.733.5800
Fax: 303.733.5840

Apperson #1 Basin Dakota Well, T30N, R11W, Section 30 S/2

production history from C-115's filed with OCD

| | 1997 | | 1998 | | 1999 | |
|-----|------|-------|------|-------|------|-------|
| | gas | oil | gas | oil | gas | oil |
| ja | 1209 | | 1314 | 23.17 | 1169 | 11.58 |
| feb | 979 | | 1412 | 40.55 | 1061 | 0 |
| mar | 1028 | | 994 | 57.92 | 2452 | 100.8 |
| apr | 1103 | | 758 | 0 | 2120 | 33.6 |
| may | 958 | | 1033 | 17.38 | 1977 | 26.18 |
| jun | 590 | | 885 | 23.17 | 1962 | 56.77 |
| jul | 671 | 0 | 788 | 7.9 | 1396 | 42.86 |
| aug | 900 | 0 | 985 | 13.91 | | |
| sep | 1407 | 0 | 701 | 33.6 | | |
| oct | 1187 | 35.92 | 703 | 34.76 | | |
| nov | 1154 | 0 | 1180 | 15.06 | | |
| dec | 1216 | 0 | 523 | 5.79 | | |

← Rework
procedure
2/99

-SI 10 days
plant closure