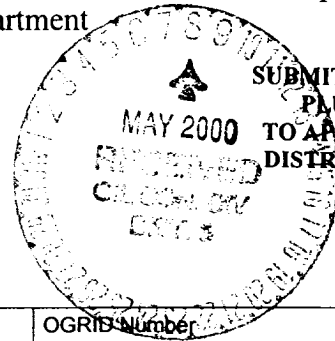


District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
 District II - (505) 748-1283
 811 S. First
 Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Road
 Aztec, NM 87410
 District IV - (505) 827-7131

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-139
 Revised 06/99



APPLICATION FOR
 PRODUCTION RESTORATION PROJECT

I. Operator and Well:

Operator name & address Mary Corley P.O. Box 3092 Houston, TX 77253						OGRIS Number 000778		
Contact Party Mary Corley						Phone 281-366-4491		
Property Name Kernaghan B				Well Number 4A		API Number 30-045-22422		
UL P	Section 30	Township 31N	Range 8W	Feet From The 830'	North/South Line South	Feet From The 890'	East/West Line East	County San Juan

II. Pool and Production Restoration:

Previous Producing Pool(s) (If change in Pools):

Date Production Restoration started:
October 16 1998

Date Well Returned to Production:
October 16 1998

Describe the process used to return the well to production (attach additional information if necessary):
Connected well to Amoco's electronic control/monitor system - compressor station

III. Identify the period and Division records which show the Well had thirty (30) days or less production for the twenty-four consecutive months prior to restoring production:

Records Showing Well produced less than 30 days during 24 month period:	Month/Year (Beginning of 24 month period):
<input type="checkbox"/> Well file record showing that well was plugged	September 1996
<input type="checkbox"/> ONGARD production data	
<input checked="" type="checkbox"/> OCD Form C-115 (Operator's Monthly Report)	Month/Year (End of 24 month period):
	October 1998

IV. Affidavit:

State of Texas)
) ss.
 County of Harris)

Mary Corley, being first duly sworn, upon oath states:

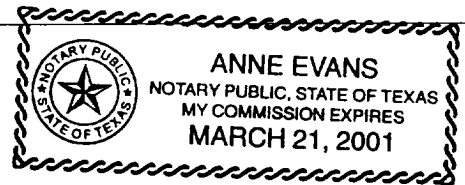
- I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
- I have personal knowledge of the facts contained in this Application.
- To the best of my knowledge, this application is complete and correct.

Signature Mary Corley Title Sr. Business Analyst Date September 29 1999

SUBSCRIBED AND SWORN TO before me this 29 day of September, 1999.

Anne Evans
 Notary Public

My Commission expires: March 21 2001



FOR OIL CONSERVATION DIVISION USE ONLY:

V. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Production Restoration Project. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that production was restored on: 10/16/98.

Signature District Supervisor <u>[Signature]</u>	OCD District <u>3</u>	Date <u>5/11/00</u>
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VI. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

**Kernaghan B4A
BLANCO MESAVERDE**

API 30-045-22422

FLAC # 979347-01

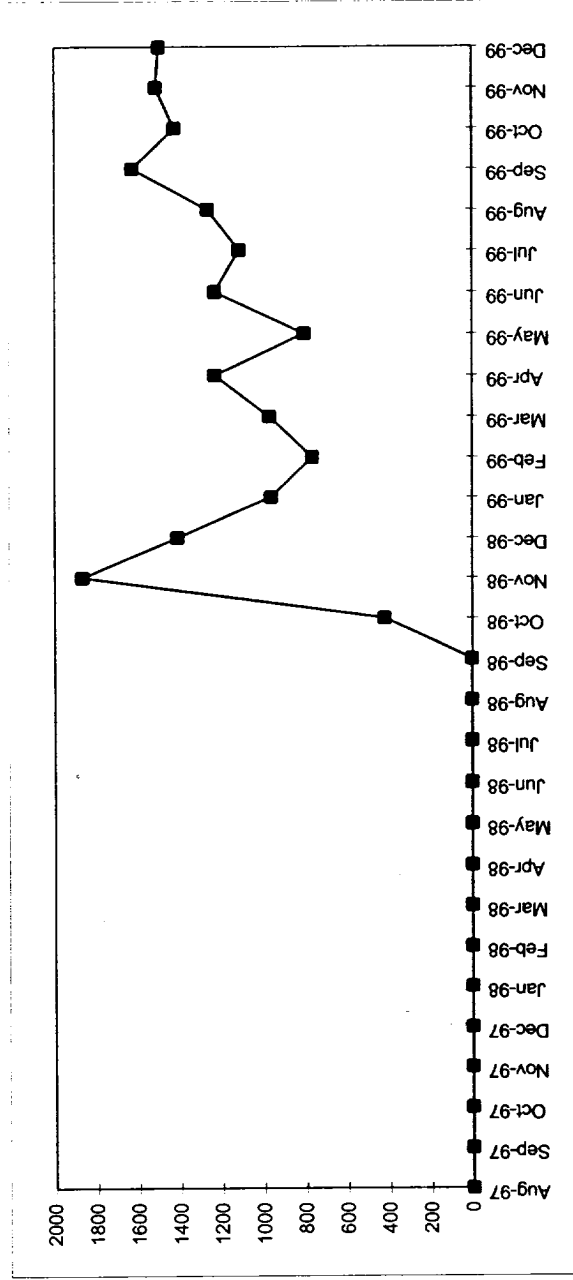
LOCATION S30 T31N R08W

WELL RESTORED TO PRODUCTION - CONNECTED TO COMPRESSOR STATION

Production Curve

PRODUCTION TABLE

Aug-97	0
Sep-97	0
Oct-97	0
Nov-97	0
Dec-97	0
Jan-98	0
Feb-98	0
Mar-98	0
Apr-98	0
May-98	0
Jun-98	0
Jul-98	0
Aug-98	0
Sep-98	0
Oct-98	419
Nov-98	1865
Dec-98	1409
Jan-99	961
Feb-99	764
Mar-99	970
Apr-99	1229
May-99	802
Jun-99	1230
Jul-99	1112
Aug-99	1263
Sep-99	1625
Oct-99	1421
Nov-99	1512
Dec-99	1496



**Kernaghan B4A
BLANCO MESAVERDE**

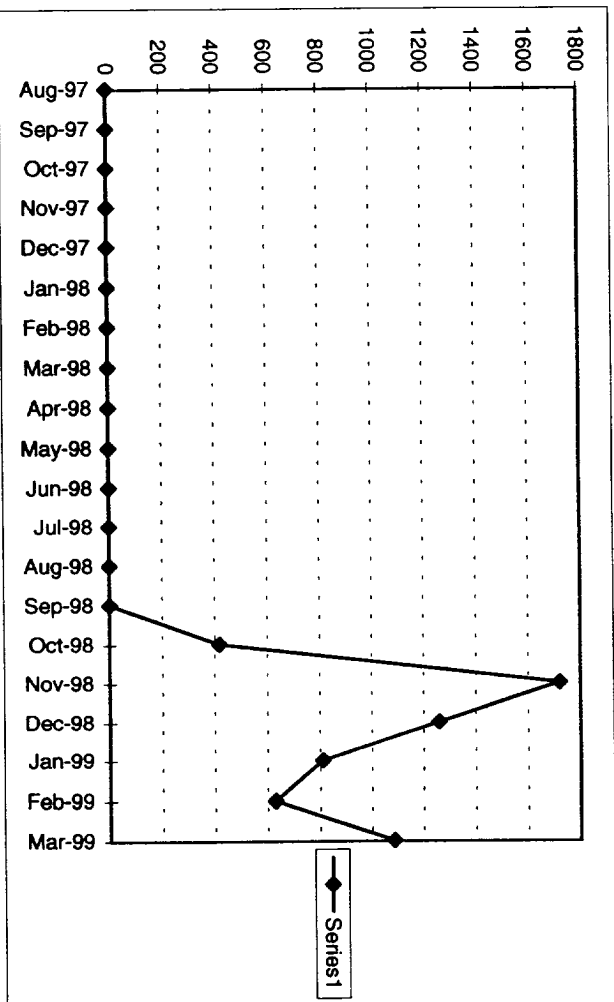
API 30-045-22422
FLAC # 979347-01

**LOCATION S30 T31N R08W
WELL RESTORED TO PRODUCTION - CONNECTED TO COMPRESSOR STATION
COMPLETED 10/16/98**

PRODUCTION TABLE

Aug-97	0
Sep-97	0
Oct-97	0
Nov-97	0
Dec-97	0
Jan-98	0
Feb-98	0
Mar-98	0
Apr-98	0
May-98	0
Jun-98	0
Jul-98	0
Aug-98	0
Sep-98	0
Oct-98	419
Nov-98	1721
Dec-98	1260
Jan-99	812
Feb-99	630
Mar-99	1085

DECLINE CURVE



WELL RESTORED TO PRODUCTION - ZERO PRODUCTION FROM 10/94 TO 10/98. WELL EQUIPPED WITH AMOCO'S ELECTRONIC CONTROL/MONITOR SYSTEM. EQUIPMENT ADDED - 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.

Year	Oil Prod BBLs	Gas Prod MCF	Water BBLs	# of Wells	Days On	Allowables
1978	140	29,155		1		
1979	243	27,729		1		
1980	315	21,253		1		
1981	984	49,428		1		
1982	1,263	59,757		1	259	
1983	1,198	67,859		1	226	
1984	989	77,680		1	159	
1985	862	91,004		1	295	
1986	981	69,507		1	260	
1987	763	64,381		1	290	
1989	55	10,469		1	37	
1990	87	33,726		1	258	
1991	3	3,293		1	202	
1992	1	25,386		1	207	
1993		12,921		2	116	
1994		66		1	34	
1998		3,693		1	66	
1999		3,924		1	120	