

~~District I~~ - (505) 393-6161
P. O. 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 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., Suite 1225, Denver, CO 80222
Contact Party: Gary J. Johnson Phone: 303-321-2111
- II. Name of Well: Carracas Unit FR 105 (22B-9) API #: 30-039-24725
Location of Well: Unit Letter I, 1830 Feet from the South line and 880 feet from the East line,
Section 22, Township 32N, Range 04W, NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: 10-19-1995
Date Workover Procedures were Completed: 11-04-1995
- IV. Attach a description of the Workover Procedures undertaken to increase the projection 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)

RECEIVED
NOV 29 1995
OIL CON. DIV.
DIST. 3

SUBSCRIBED AND SWORN TO before me this 27th day of NOVEMBER, 1995

Diane J. O'Lea

Notary Public

My Commission expires: 10-10-97

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 11/4, 1995.

[Signature]

District Supervisor, District 3
Oil Conservation Division

Date: 1/27/96

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

DATE: _____

Application for Qualification of Well Workover Project
and Certification of Approval

Attachment 1 Workover Procedure Description

Carracas Unit FR 105 (Formerly 22B-9)
API No. 30-039-24725
I 22 T32N R04W
Rio Arriba County, New Mexico

Workover undertaken to increase production 10-19-1995

1. Move in and rig up BJ Services Company.
2. Pump in 3000 gallons EZ Clean G.
3. Displace with 120,000 SCF Nitrogen.
4. Shut-in well to allow EZ Clean to dissolve frac gel residues.
Shut-in time 2 weeks.
5. Blow well to release Nitrogen.
6. Return well to production.

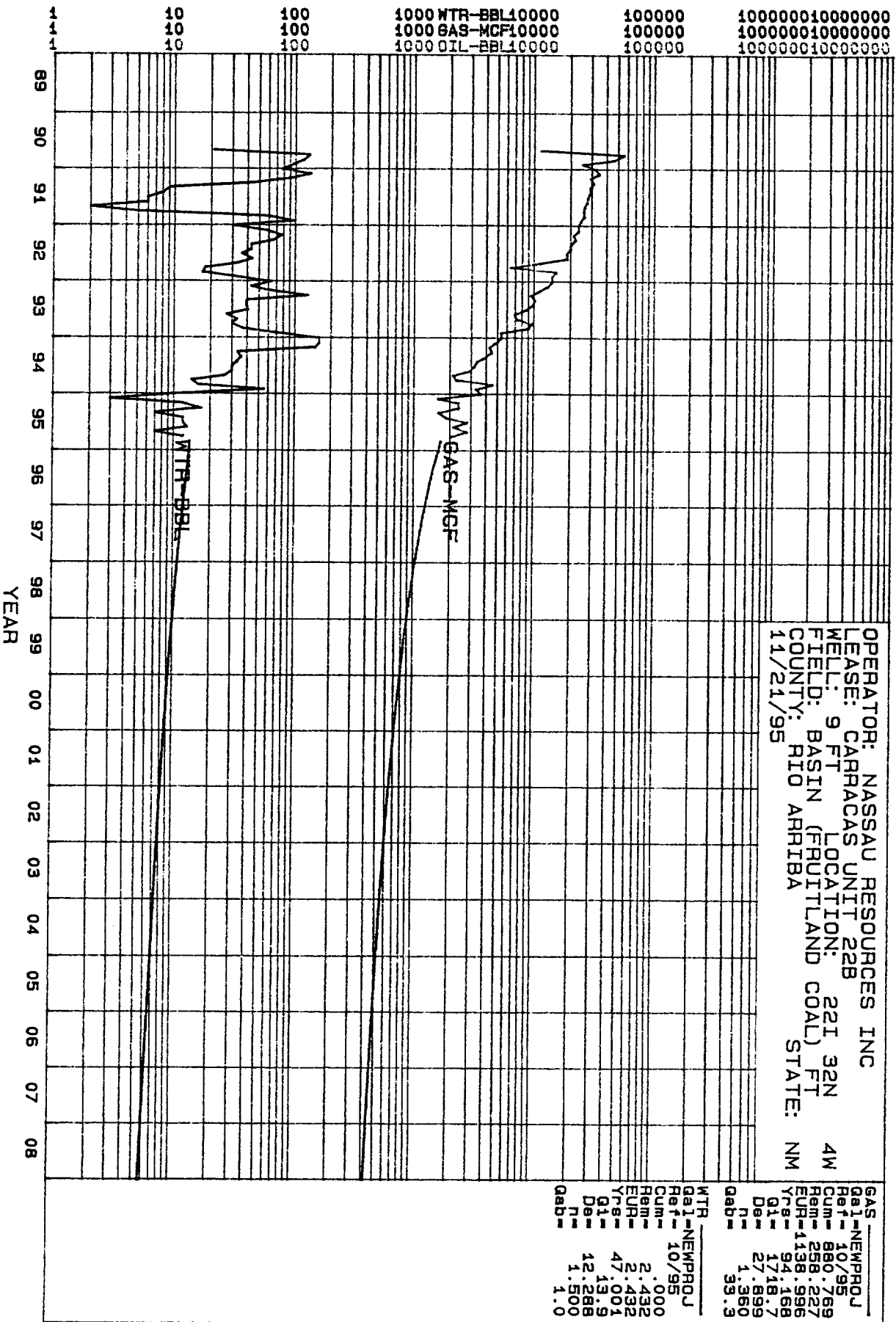
Application for Qualification of Well Workover Project
and Certification of Approval

Attachment 2 Estimate of Production Rate of Well

Carracas Unit FR 105 (formerly 22B-9)
API No. 30-039-24725
I 22 T32N R04W
Rio Arriba County, New Mexico

Data analyzed to establish pre-treatment production rate and trend.

1. Attached tabular data shows well production by month since First Delivery.
2. Attached decline curve shows established trend of production data and forecast of future production based on well performance prior to performing workover. Forecast of future production was developed from historical data using curve fitting feature of ARIES engineering and economics program.



Page No.: 1

Print Time: Tue Nov 21 15:33:10 1995

Property ID: 39

Property Name: CARRACAS UNIT 22B | 9 FT | NASSAU RESOURCES INC

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

<u>---DATE---</u>	<u>----OIL---</u> Bbl	<u>----GAS---</u> Mcf	<u>---WATER---</u> Bbl	<u>-----GOR-----</u> Scf/Bbl	<u>----YIELD---</u>	<u>---WTRCUT---</u>
08/31/90	0	11592	21	0.000	0.000	100.000
09/30/90	0	57012	134	0.000	0.000	100.000
10/31/90	0	46135	118	0.000	0.000	100.000
11/30/90	0	25041	97	0.000	0.000	100.000
12/31/90	0	32342	77	0.000	0.000	100.000
01/31/91	0	35070	135	0.000	0.000	100.000
02/28/91	0	29403	93	0.000	0.000	100.000
03/31/91	0	31403	45	0.000	0.000	100.000
04/30/91	0	29016	9	0.000	0.000	100.000
05/31/91	0	29327	8	0.000	0.000	100.000
06/30/91	0	27788	6	0.000	0.000	100.000
07/31/91	0	27428	6	0.000	0.000	100.000
08/31/91	0	25976	2	0.000	0.000	100.000
09/30/91	0	25695	5	0.000	0.000	100.000
10/31/91	0	26196	60	0.000	0.000	100.000
11/30/91	0	24293	99	0.000	0.000	100.000
12/31/91	0	23090	30	0.000	0.000	100.000
01/31/92	0	23668	58	0.000	0.000	100.000
02/29/92	0	21320	78	0.000	0.000	100.000
03/31/92	0	22199	66	0.000	0.000	100.000
04/30/92	0	20083	43	0.000	0.000	100.000
05/31/92	0	20088	43	0.000	0.000	100.000
06/30/92	0	18553	36	0.000	0.000	100.000
07/31/92	0	18882	44	0.000	0.000	100.000
08/31/92	0	11299	33	0.000	0.000	100.000
09/30/92	0	6387	18	0.000	0.000	100.000
10/31/92	0	15534	17	0.000	0.000	100.000
11/30/92	0	14139	32	0.000	0.000	100.000
12/31/92	0	14367	64	0.000	0.000	100.000
01/31/93	0	13064	43	0.000	0.000	100.000
02/28/93	0	11231	63	0.000	0.000	100.000
03/31/93	0	9461	129	0.000	0.000	100.000
04/30/93	0	10320	40	0.000	0.000	100.000
05/31/93	0	9777	39	0.000	0.000	100.000
06/30/93	0	8613	41	0.000	0.000	100.000
07/31/93	0	6927	27	0.000	0.000	100.000
08/31/93	0	7265	33	0.000	0.000	100.000
09/30/93	0	9741	30	0.000	0.000	100.000
10/31/93	0	9035	37	0.000	0.000	100.000
11/30/93	0	5358	69	0.000	0.000	100.000
12/31/93	0	5430 ^o	161	0.000	0.000	100.000
01/31/94	0	4759	161	0.000	0.000	100.000
02/28/94	0	4261	148	0.000	0.000	100.000
03/31/94	0	4496	33	0.000	0.000	100.000
04/30/94	0	3971	36	0.000	0.000	100.000
05/31/94	0	3371	33	0.000	0.000	100.000
06/30/94	0	3168	30	0.000	0.000	100.000
07/31/94	0	2936	30	0.000	0.000	100.000

Page No.: 2

Print Time: Tue Nov 21 15:33:12 1995

Property ID: 39

Property Name: CARRACAS UNIT 22B | 9 FT | NASSAU RESOURCES INC

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

<u>--DATE--</u>	<u>----OIL----</u> Bbl	<u>----GAS----</u> Mcf	<u>---WATER---</u> Bbl	<u>-----GOR-----</u> Scf/Bbl	<u>-----YIELD----</u>	<u>---WTRCUT---</u>
08/31/94	0	2115	26	0.000	0.000	100.000
09/30/94	0	2273	14	0.000	0.000	100.000
10/31/94	0	4591	16	0.000	0.000	100.000
11/30/94	0	3291	56	0.000	0.000	100.000
12/31/94	0	3661	10	0.000	0.000	100.000
01/31/95	0	1596	3	0.000	0.000	100.000
02/28/95	0	2394	12	0.000	0.000	100.000
03/31/95	0	2369	17	0.000	0.000	100.000
04/30/95	0	1608	7	0.000	0.000	100.000
05/31/95	0	1874	12	0.000	0.000	100.000
06/30/95	0	2799	12	0.000	0.000	100.000
07/31/95	0	2144	13	0.000	0.000	100.000
08/31/95	0	2792	7	0.000	0.000	100.000
09/30/95	0	2055	12	0.000	0.000	100.000

NASSAU

Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222-1894
(303) 321-2111 FAX (303) 321-1563

RECEIVED
JAN - 5 1996

OIL CON. DIV.
DIST. 3

January 2, 1996

Mr. Frank T. Chavez
District Supervisor
New Mexico Energy, Minerals & Natural Resources Department
Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: C-140 Application 140-3-1

Dear Mr. Chavez:

Attached for your information and use are tabulations of the projected production from Carracas Unit FR #105, API # 30-039-24725, I-22-32N-04W. This data is an addition to the Application which has previously submitted.

The production projection from this well was made for four years, even though the well was not producing economically when the workover was performed. The projection is based on historic data and follows the decline curve previously submitted.

If you have further questions concerning this well or this projection, please advise.

Sincerely,



Gary J. Johnson
Engineering Manager

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 140-3-1							
Carracas Unit FR 105							
API # 30-039-24725 I-22-32N-04W							
	Projected		Projected		Projected		Projected
DATE	Production	DATE	Production	DATE	Production	DATE	Production
	MCFM		MCFM		MCFM		MCFM
11-95	1629						
12-95	1640						
01-96	1596	01-99	902	01-02	656		
02-96	1458	02-99	806	02-02	589		
03-96	1524	03-99	883	03-02	647		
04-96	1442	04-99	846	04-02	622		
05-96	1459	05-99	865	05-02	938		
06-96	1382	06-99	828	06-02	613		
07-96	1399	07-99	847	07-02	630		
08-96	1371	08-99	838	08-02	625		
09-96	1302	09-99	803	09-02	601		
10-96	1320	10-99	822	10-02	617		
11-96	1254	11-99	788	11-02	593		
12-96	1273	12-99	806	12-02	609		
01-97	1254	01-00	796				
02-97	1114	02-00	738				
03-97	1213	03-00	782				
04-97	1155	04-00	750				
05-97	1175	05-00	768				
06-97	1119	06-00	737				
07-97	1139	07-00	755				
08-97	1121	08-00	748				
09-97	1069	09-00	718				
10-97	1089	10-00	735				
11-97	1039	11-00	706				
12-97	1059	12-00	723				
01-98	1044	01-01	719				
02-98	931	02-01	645				
03-98	1018	03-01	708				
04-98	972	04-01	680				
05-98	992	05-01	697				
06-98	948	06-01	669				
07-98	968	07-01	686				
08-98	956	08-01	681				
09-98	914	09-01	654				
10-98	934	10-01	671				
11-98	893	11-01	644				
12-98	912	12-01	661				

NASSAU

Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222-1894
(303) 321-2111 FAX (303) 321-1563

January 18, 1996

Mr. Frank T. Chavez
District Supervisor
New Mexico Energy, Minerals & Natural Resources Department
Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: C-140 Application 140-3-1

Dear Mr. Chavez:

In reply to your letter of January 10, 1996 concerning the estimated production projection made for our well Carracas Unit FR #105, API 30-039-24725, I-22-32N-04W, the following is offered.

First, I appreciate the problem you will have in projecting production for wells which will be covered by these applications you will receive. I am sure that each of the applications you receive will be an ongoing struggle to interpret.

The projection I made is based on historic well data for the period September, 1993 through October, 1995, a two year period. I used this period as being more representative of the wells past performance as it smoothed out some of the more recent production fluctuations caused by line pressure changes due to curtailments. As you can see, the past twelve months production has been very erratic. This is due to line pressure fluctuations and compressor problems that you could not possibly know about.

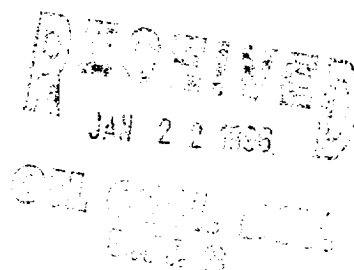
I also looked at several different historic periods and chose the one presented as a middle ground. I have attached several curves for your information which will illustrate how a minor change in the historic period used changes the projection.

I chose the two year historical period because I felt it was the most representative of the wells recent and historic performance. If you cannot use this period, or have another reason to want a different projection, please advise and I will submit a revised projection.

Sincerely,



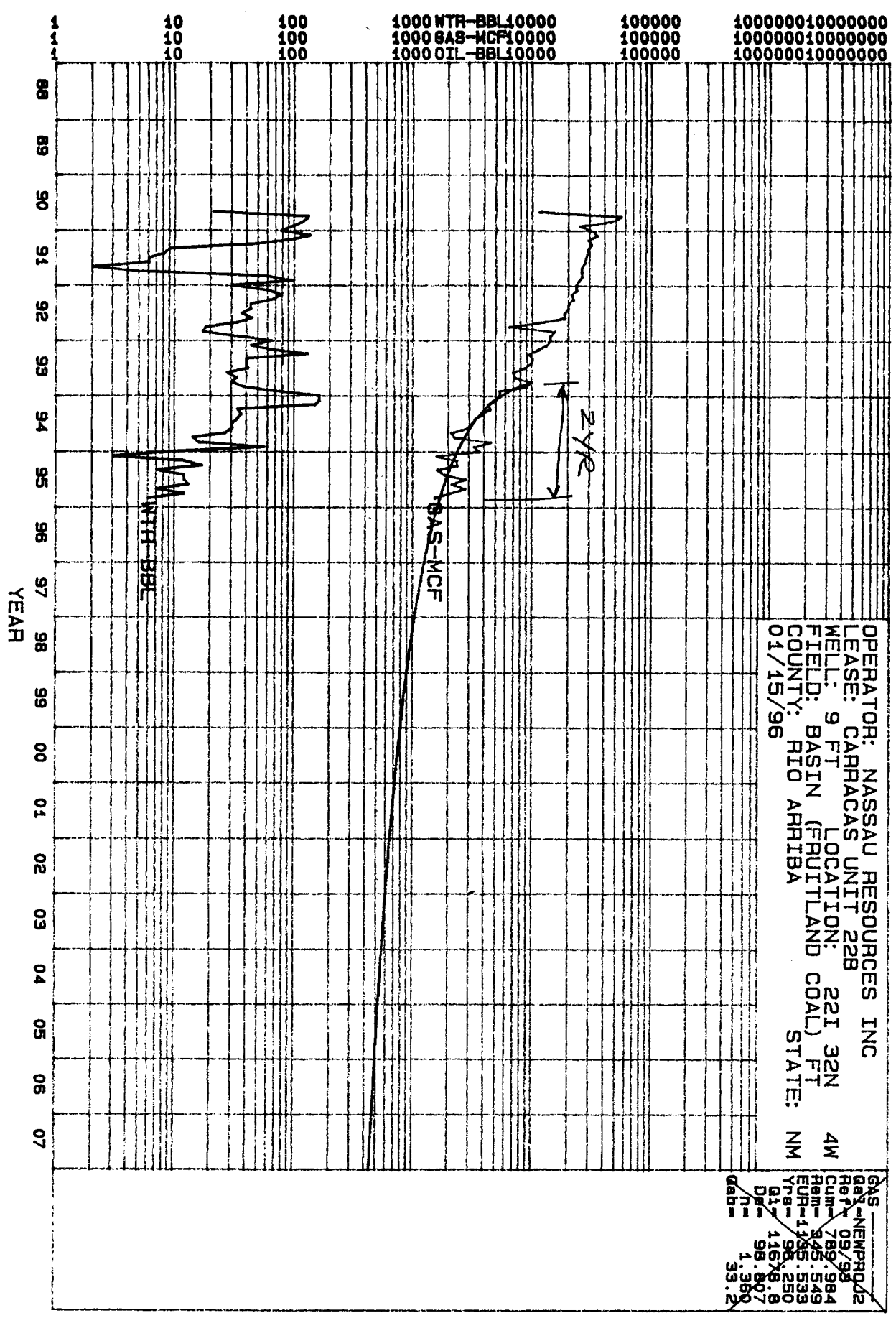
Gary J. Johnson
Engineering Manager



This is the projection I used

As of 11-1-95

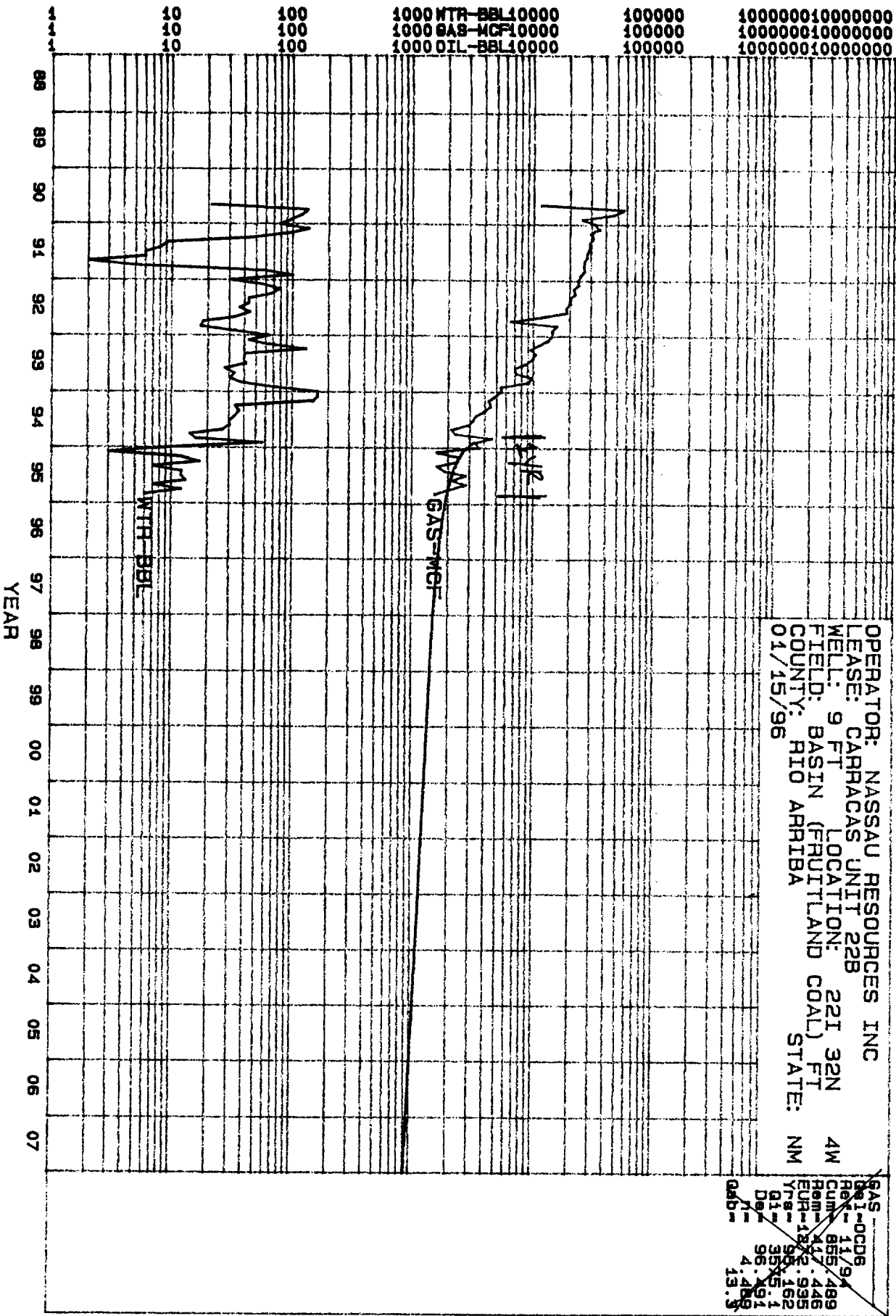
Remaining = 256,531 MCF
EUR = 1,140,142 MCF



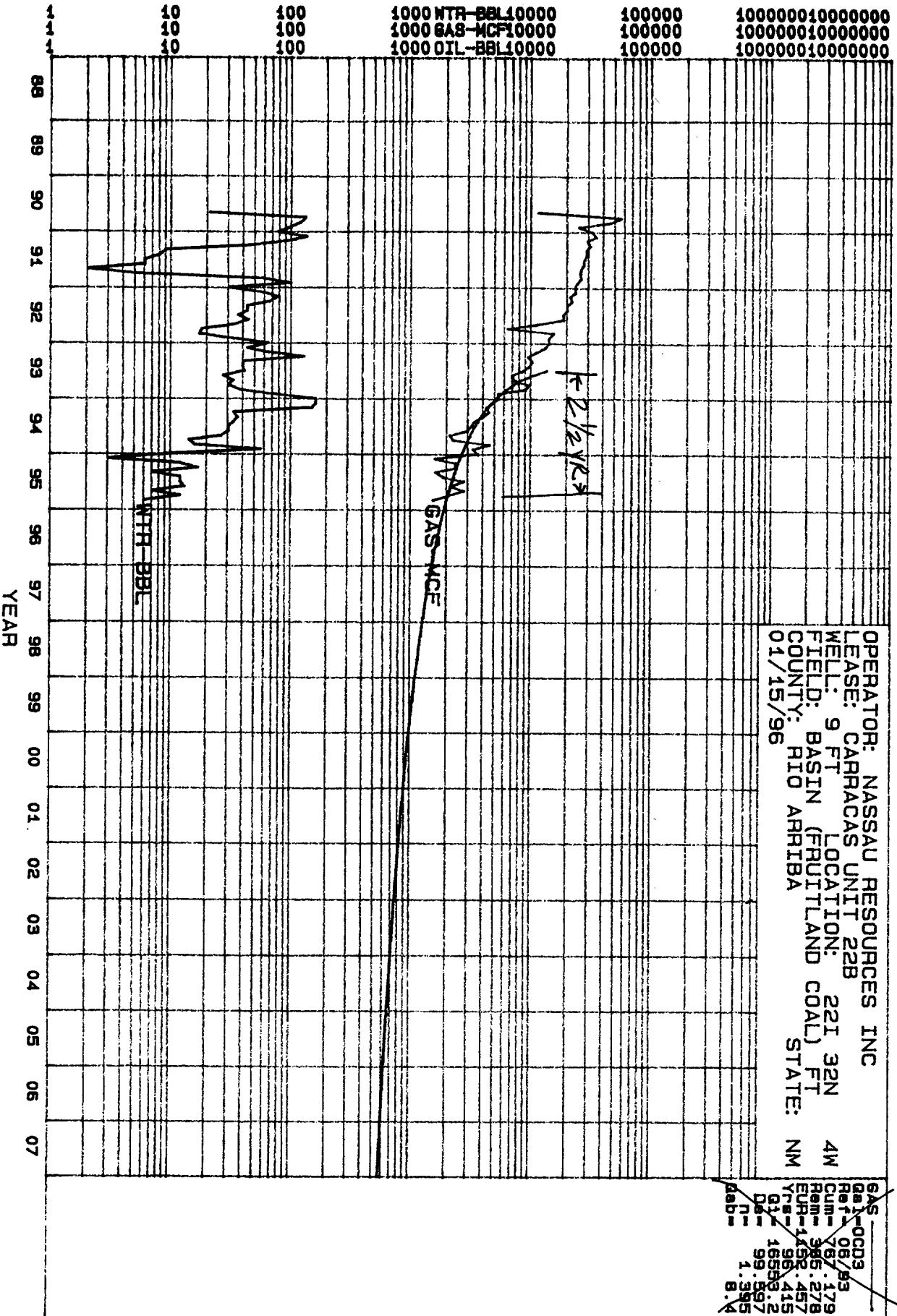
Remaining = 389,391 MCF
EUR = 1,273,000 MCF

OPERATOR: NASSAU RESOURCES INC
LEASE: CARRACAS UNIT 22B
WELL: 9 FT LOCATION: 221 32N
FIELD: BASIN (FRUITLAND COAL) FT
COUNTY: RIO ARRIBA STATE: NM
01/15/96

GAS
01-0CDB
Ret- 11/94
Cum- 855/489
Rem- 407.448
EUR-1273.935
Yrs- 96.162
Q1- 35.151
Q2- 96.162
Q3- 4.489
Q4- 13.3
Qab-



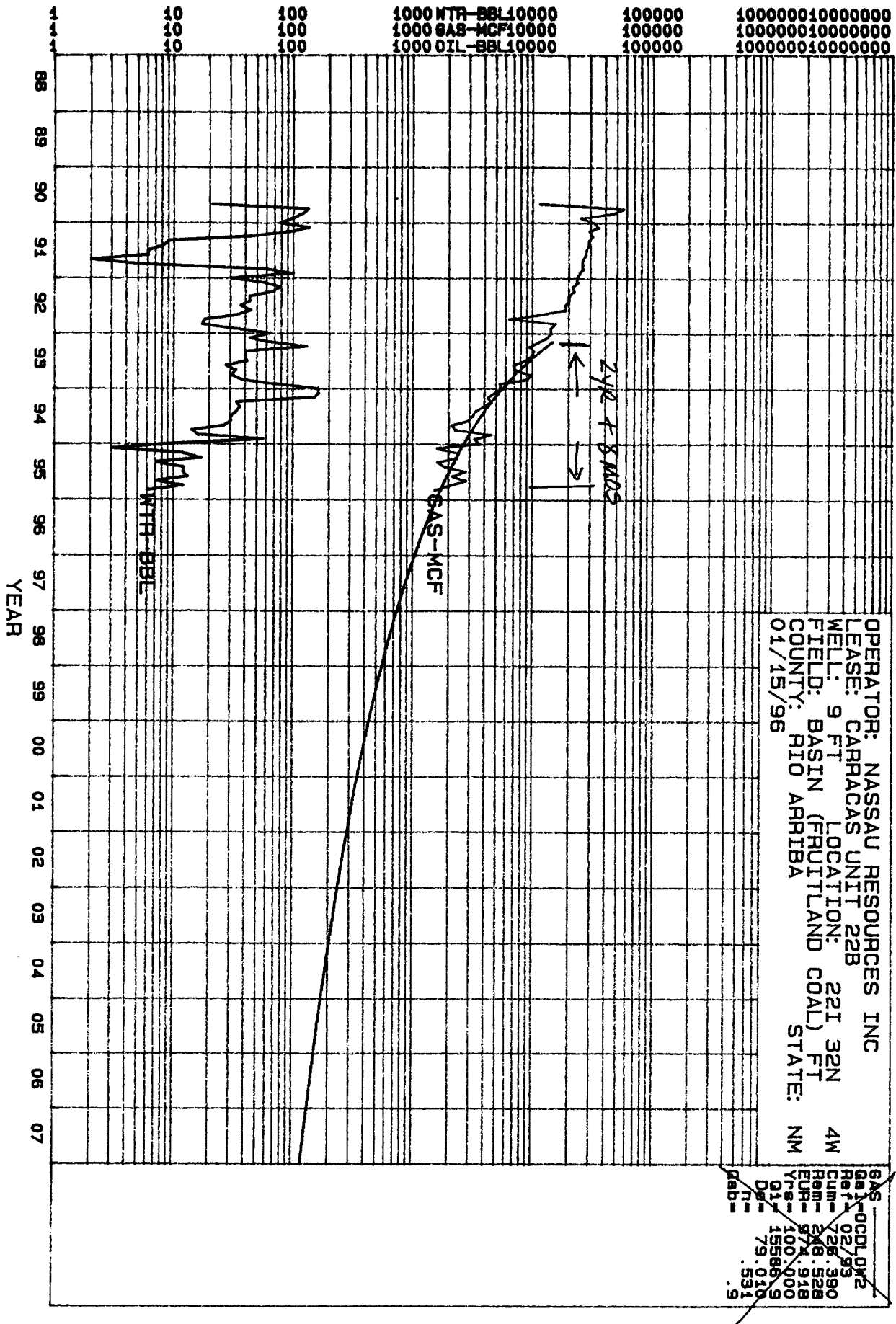
Remaining = 260,872 MCF
EUR = 1,148,327 MCF



OPERATOR: NASSAU RESOURCES INC
LEASE: CARRACAS UNIT 22B
WELL: 9 FT LOCATION: 221 32N 4W
FIELD: BASIN (FRUITLAND COAL) FT
COUNTY: RIO ARRIBA STATE: NM
01/15/96

GAS	1000000
Ref	08/93
Cum	787.179
Rem	386.278
EUR	1452.457
Yrs	96.415
Q1	16558.2
D1	99.897
N	1.395
deb	8.4

Remaining = 82,561 MCF
EUR = 966,172 MCF



Remaining = 35,162 MCF
EUR = 918,773 MCF

