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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
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District Office

H-0341

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: ALTURA ENERGY LTD. OGRID #: 157984
Address: 1017 W. STANOLIND RD.
Contact Party: DAVID NELSON Phone: 505-397-8211
- II. Name of Well: N. HOBBS (G/SA) UNIT # 33-331 API #: 30-025-07546
Location of Well: Unit Letter J, 1920 Feet from the SOUTH line and 1780 feet from the EAST line,
Section 33, Township 18-S, Range 38-E, NMPM, LEA County
- III. Date Workover Procedures Commenced: 4/11/96
Date Workover Procedures were Completed: 4/11/96
- 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: HOBBS (G/SA)

VII. AFFIDAVIT:

State of New Mexico)
County of Lea) ss.

_____, 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)

(Title)

[Signature]
PRODUCTION ENGINEER

JUL 15 1997

mp

SUBSCRIBED AND SWORN TO before me this 8 day of April, 1997

Jo Ann King
Notary Public

My Commission expires: 2/17/2000

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 4-11-96, 1996.

Paul J. King
District Supervisor, District 4
Oil Conservation Division

Date: 7/15/97

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

DATE: _____





**WELL WORKOVER TAX RELIEF
C-140 APPLICATION**

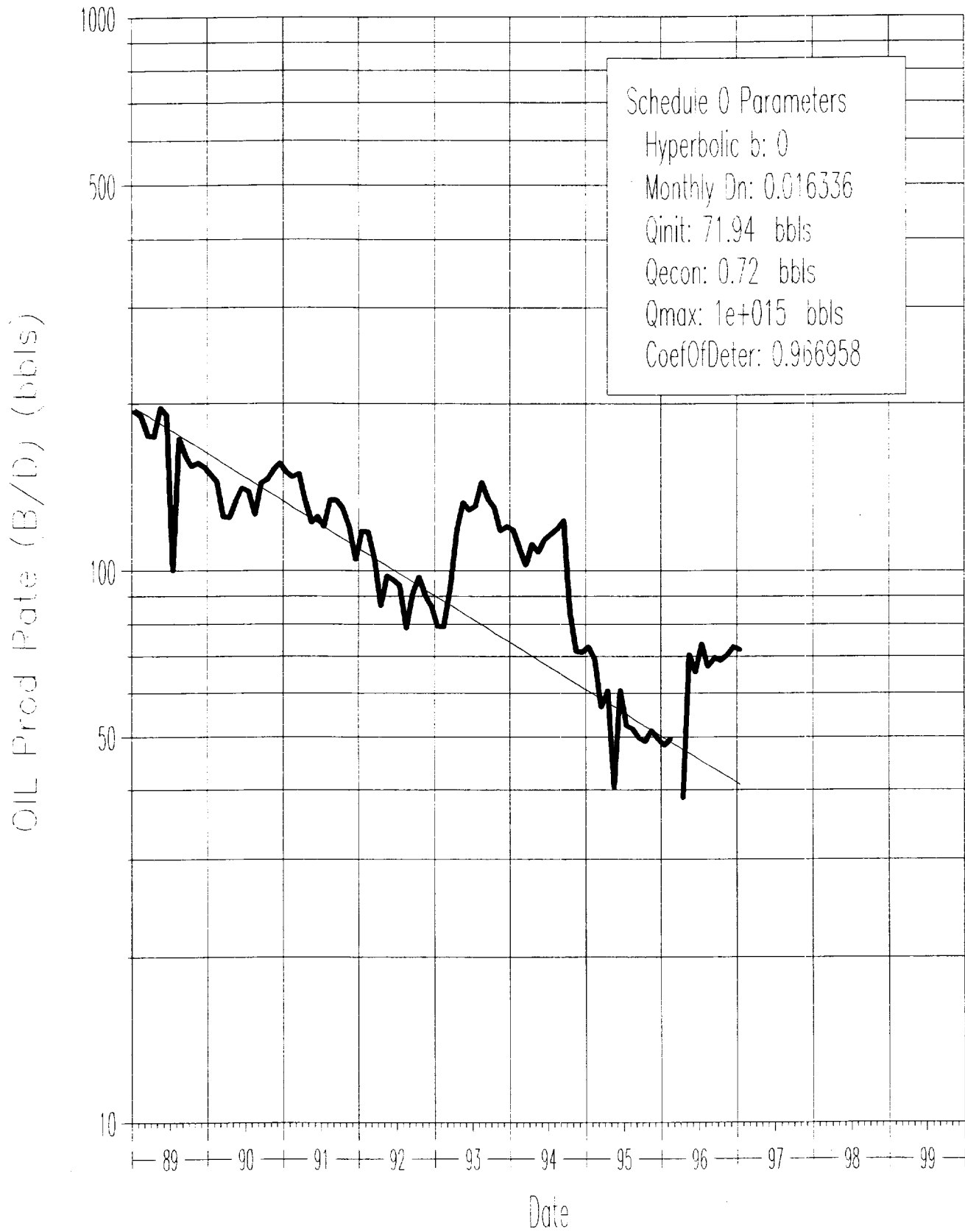
**OPERATOR: ALTURA ENERGY LTD.
FIELD NAME: NORTH HOBBS (G/SA) UNIT
POOL NAME: HOBBS (G/SA)
WELL NO.: 33-331
COUNTY: LEA**

As part of our surveillance of this project we monitor casing fluid levels above pump intakes with periodic sonic fluid level measurements. This well was identified in late 1995 as a candidate for increased lift by having a fluid level at approximately 839 feet above pump intake and lift equipment running 24 hours per day. The existing submersible pump failed in early 1996 and on April 11, 1996 we pulled the failed equipment and elected to invest in larger lift equipment to reduce back pressure on the reservoir and increase production by reducing the casing fluid level.

Attachment 1 shows the historical oil decline of 1.633%/month which was used to develop the baseline forecast shown graphically in attachment 2. Attachment 3 is tabular data that produced the production history graph. Attachment 4 is the tabular baseline (without workover) production forecast data for both oil and gas by month. An average gas-oil ratio of 0.347 MCF/bbl for the last three years of historical data prior to the workover was used to forecast gas volumes shown on attachment 4.

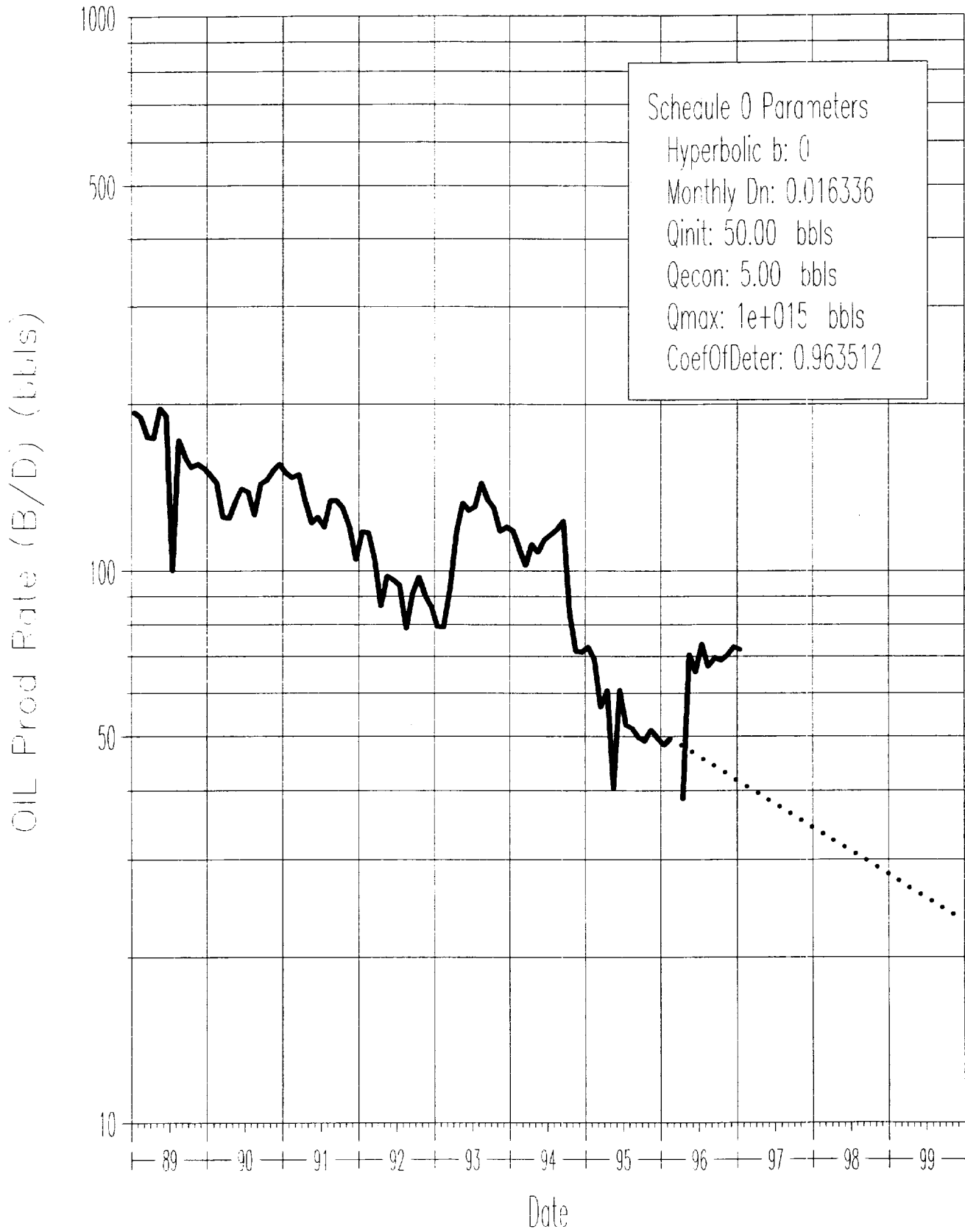
NORTH HOBBS UNIT

33-331



NORTH HOBBS UNIT

33-331



ATTACHMENT 3

NORTH HOBBS (G/SA) UNIT WELL #33-331 PRODUCTION HISTORY

DATE	OIL Per Month (BBLs)	OIL RATE (B/D)	GAS Per Month (MCF)	GAS RATE (MCFPD)	GAS/OIL RATIO (MCF/B)
8701	2945	95	1488	48	0.505
8702	1064	38	756	27	0.711
8703	0	0	0	0	
8704	0	0	0	0	
8705	930	30	1023	33	1.100
8706	2790	93	2520	84	0.903
8707	2015	65	248	8	0.123
8708	1891	61	62	2	0.033
8709	2130	71	180	6	0.085
8710	4123	133	744	24	0.180
8711	3840	128	900	30	0.234
8712	3999	129	1085	35	0.271
8801	4061	131	961	31	0.237
8802	3828	132	1073	37	0.280
8803	3751	121	775	25	0.207
8804	3630	121	690	23	0.190
8805	4495	145	713	23	0.159
8806	4440	148	1260	42	0.284
8807	4526	146	1581	51	0.349
8808	4588	148	806	26	0.176
8809	4350	145	270	9	0.062
8810	4836	156	248	8	0.051
8811	4620	154	240	8	0.052
8812	4557	147	620	20	0.136
8901	6014	194	992	32	0.165
8902	5292	189	1064	38	0.201
8903	5425	175	1116	36	0.206
8904	5220	174	1170	39	0.224
8905	6076	196	961	31	0.158
8906	5700	190	810	27	0.142
8907	3100	100	465	15	0.150
8908	5363	173	930	30	0.173
8909	4830	161	780	26	0.161
8910	4774	154	899	29	0.188
8911	4680	156	930	31	0.199
8912	4743	153	899	29	0.190
9001	4619	149	806	26	0.174
9002	4060	145	504	18	0.124
9003	3875	125	1271	41	0.328
9004	3750	125	840	28	0.224
9005	4154	134	899	29	0.216
9006	4230	141	1470	49	0.348
9007	4309	139	744	24	0.173

ATTACHMENT 3

DATE	OIL Per Month (BBLs)	OIL RATE (B/D)	GAS Per Month (MCF)	GAS RATE (MCFPD)	GAS/OIL RATIO (MCF/B)
9008	3906	126	744	24	0.190
9009	4320	144	810	27	0.188
9010	4526	146	806	26	0.178
9011	4560	152	540	18	0.118
9012	4836	156	837	27	0.173
9101	4681	151	806	26	0.172
9102	4144	148	1036	37	0.250
9103	4650	150	1333	43	0.287
9104	4020	134	1350	45	0.336
9105	3813	123	1116	36	0.293
9106	3750	125	960	32	0.256
9107	3720	120	1023	33	0.275
9108	4154	134	1054	34	0.254
9109	4020	134	1020	34	0.254
9110	4030	130	1023	33	0.254
9111	3600	120	900	30	0.250
9112	3255	105	961	31	0.295
9201	3658	118	992	32	0.271
9202	3422	118	2088	72	0.610
9203	3255	105	2263	73	0.695
9204	2580	86	1950	65	0.756
9205	3038	98	1922	62	0.633
9206	2880	96	2400	80	0.833
9207	2914	94	2201	71	0.755
9208	2449	79	1023	33	0.418
9209	2730	91	1200	40	0.440
9210	3038	98	1209	39	0.398
9211	2730	91	1020	34	0.374
9212	2666	86	1178	38	0.442
9301	2449	79	1147	37	0.468
9302	2212	79	1008	36	0.456
9303	2914	94	1302	42	0.447
9304	3540	118	1020	34	0.288
9305	4123	133	961	31	0.233
9306	3870	129	1020	34	0.264
9307	4061	131	1612	52	0.397
9308	4495	145	1767	57	0.393
9309	4050	135	1320	44	0.326
9310	4030	130	1054	34	0.262
9311	3540	118	1080	36	0.305
9312	3751	121	1023	33	0.273
9401	3689	119	1085	35	0.294
9402	3080	110	1008	36	0.327
9403	3162	102	961	31	0.304
9404	3360	112	870	29	0.259
9405	3348	108	930	30	0.278
9406	3420	114	990	33	0.289

ATTACHMENT 3

DATE	OIL Per Month (BBLs)	OIL RATE (B/D)	GAS Per Month (MCF)	GAS RATE (MCFPD)	GAS/OIL RATIO (MCF/B)
9407	3596	116	1023	33	0.284
9408	3689	119	1116	36	0.303
9409	3690	123	1110	37	0.301
9410	2604	84	868	28	0.333
9411	2160	72	780	26	0.361
9412	2201	71	992	32	0.451
9501	2263	73	1147	37	0.507
9502	1932	69	728	26	0.377
9503	1767	57	589	19	0.333
9504	1830	61	540	18	0.295
9505	1240	40	372	12	0.300
9506	1830	61	480	16	0.262
9507	1612	52	558	18	0.346
9508	1612	52	589	19	0.365
9509	1500	50	540	18	0.360
9510	1519	49	496	16	0.327
9511	1530	51	480	16	0.314
9512	1550	50	589	19	0.380
9601	1488	48	620	20	0.417
9602	1450	50	551	19	0.380
9603	62	2	62	2	1.000
9604	1170	39	570	19	0.487
9605	2201	71	961	31	0.437
9606	1980	66	510	17	0.258
9607	2294	74	651	21	0.284
9608	2077	67	775	25	0.373
9609	2100	70	870	29	0.414
9610	2139	69	775	25	0.362
9611	2100	70	750	25	0.357
9612	2263	73	744	24	0.329

Last 3 year average GOR, (Prior to 4/96 workover) = 0.347

ATTACHMENT 4

NORTH HOBBS (G/SA) UNIT
WELL # 33-331
BASELINE PRODUCTION FORECAST
WITHOUT WORKOVER

	DATE	Oil Per Month (BBLs)	Gas Per Month (MCF)	Oil RATE (B/D)	Gas RATE MCF/D	Days
Actual	Jan-96	1488	620	48	20	31
	Feb-96	1450	551	50	19	29
Forecast	Mar-96	1534	532	49	17	31
	Apr-96	1468	510	49	17	30
	May-96	1501	521	48	17	31
	Jun-96	1438	499	48	17	30
	Jul-96	1470	510	47	16	31
	Aug-96	1454	505	47	16	31
	Sep-96	1392	483	46	16	30
	Oct-96	1424	494	46	16	31
	Nov-96	1363	473	45	16	30
	Dec-96	1394	484	45	16	31
	Jan-97	1379	479	44	15	31
	Feb-97	1232	428	44	15	28
	Mar-97	1350	468	44	15	31
	Apr-97	1293	449	43	15	30
	May-97	1322	459	43	15	31
	Jun-97	1265	439	42	15	30
	Jul-97	1294	449	42	14	31
	Aug-97	1280	444	41	14	31
	Sep-97	1226	425	41	14	30
	Oct-97	1253	435	40	14	31
	Nov-97	1200	416	40	14	30
	Dec-97	1227	426	40	14	31
	Jan-98	1214	421	39	14	31
	Feb-98	1085	376	39	13	28
	Mar-98	1188	412	38	13	31
	Apr-98	1138	395	38	13	30
	May-98	1163	404	38	13	31
	Jun-98	1114	387	37	13	30
	Jul-98	1139	395	37	13	31
	Aug-98	1127	391	36	13	31
	Sep-98	1079	374	36	12	30
	Oct-98	1103	383	36	12	31
	Nov-98	1056	367	35	12	30
	Dec-98	1080	375	35	12	31
	Jan-99	1069	371	34	12	31
	Feb-99	955	331	34	12	28
	Mar-99	1046	363	34	12	31
	Apr-99	1002	348	33	12	30
	May-99	1024	355	33	11	31

ATTACHMENT 4

DATE	Oil Per Month (BBLs)	Gas Per Month (MCF)	Oil RATE (B/D)	Gas RATE MCFPD	Days
Jun-99	981	340	33	11	30
Jul-99	1003	348	32	11	31
Aug-99	992	344	32	11	31
Sep-99	950	330	32	11	30
Oct-99	971	337	31	11	31
Nov-99	930	323	31	11	30
Dec-99	951	330	31	11	31
Jan-00	941	326	30	11	31
Feb-00	871	302	30	10	29
Mar-00	921	320	30	10	31
Apr-00	882	306	29	10	30
May-00	902	313	29	10	31
Jun-00	863	300	29	10	30
Jul-00	883	306	28	10	31
Aug-00	873	303	28	10	31
Sep-00	836	290	28	10	30
Oct-00	855	297	28	10	31
Nov-00	819	284	27	9	30
Dec-00	837	290	27	9	31
Jan-01	828	287	27	9	31
Feb-01	740	257	26	9	28
Mar-01	811	281	26	9	31
Apr-01	776	269	26	9	30
May-01	794	275	26	9	31
Jun-01	760	264	25	9	30
Jul-01	777	270	25	9	31
Aug-01	769	267	25	9	31
Sep-01	736	255	25	9	30
Oct-01	753	261	24	8	31
Nov-01	721	250	24	8	30
Dec-01	737	256	24	8	31
Jan-02	729	253	24	8	31
Feb-02	651	226	23	8	28
Mar-02	714	248	23	8	31
Apr-02	683	237	23	8	30
May-02	699	242	23	8	31
Jun-02	669	232	22	8	30
Jul-02	684	237	22	8	31
Aug-02	677	235	22	8	31
Sep-02	648	225	22	7	30
Oct-02	662	230	21	7	31
Nov-02	634	220	21	7	30
Dec-02	648	225	21	7	31
Jan-03	642	223	21	7	31
Feb-03	573	199	20	7	28
Mar-03	628	218	20	7	31
Apr-03	601	209	20	7	30

ATTACHMENT 4

DATE	Oil Per Month (BBLs)	Gas Per Month (MCF)	Oil RATE (B/D)	Gas RATE MCFPD	Days
May-03	615	213	20	7	31
Jun-03	589	204	20	7	30
Jul-03	602	209	19	7	31
Aug-03	596	207	19	7	31
Sep-03	570	198	19	7	30
Oct-03	583	202	19	7	31
Nov-03	558	194	19	6	30
Dec-03	571	198	18	6	31
Jan-04	565	196	18	6	31
Feb-04	523	181	18	6	29
Mar-04	553	192	18	6	31
Apr-04	529	184	18	6	30
May-04	541	188	17	6	31
Jun-04	518	180	17	6	30
Jul-04	530	184	17	6	31
Aug-04	524	182	17	6	31
Sep-04	502	174	17	6	30
Oct-04	513	178	17	6	31
Nov-04	492	171	16	6	30
Dec-04	503	174	16	6	31
Jan-05	497	173	16	6	31
Feb-05	444	154	16	6	28
Mar-05	487	169	16	5	31
Apr-05	466	162	16	5	30
May-05	477	165	15	5	31
Jun-05	456	158	15	5	30
Jul-05	466	162	15	5	31
Aug-05	462	160	15	5	31
Sep-05	442	153	15	5	30
Oct-05	452	157	15	5	31
Nov-05	433	150	14	5	30
Dec-05	442	153	14	5	31
Jan-06	438	152	14	5	31
Feb-06	391	136	14	5	28
Mar-06	428	149	14	5	31
Apr-06	410	142	14	5	30
May-06	419	146	14	5	31
Jun-06	402	139	13	5	30
Jul-06	411	142	13	5	31
Aug-06	406	141	13	5	31
Sep-06	389	135	13	4	30
Oct-06	398	138	13	4	31
Nov-06	381	132	13	4	30
Dec-06	389	135	13	4	31