

DISTRICT I - (505) 393-6101  
P.O. Box 1980  
Hobbs, NM 88241-1980  
District II - (505) 748-1283  
811 South First  
Artesia, NM 88210  
District III - (505) 334-617  
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

H-0415

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: Santa Fe Energy Resources, Inc OGRID #: \_\_\_\_\_  
Address: 550 W. Texas, Suite 1330, Midland TX 79701  
Contact Party: Gary Travis Phone: 915/687-3551
- II. Name of Well: Max State Well No. 1 API #: 30-025-26754  
Location of Well: Unit Letter G, 1980 Feet from the North line and 1780 feet from the East line,  
Section 32, Township 18S, Range 32E, NMPM, Lea County
- III. Date Workover Procedures Commenced: 5/14/97  
Date Workover Procedures were Completed: 5/30/97
- IV. Attach a description of the Workover Procedures undertaken to increase the production for 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:  
North Lusk Bone Spring
- VII. AFFIDAVIT:

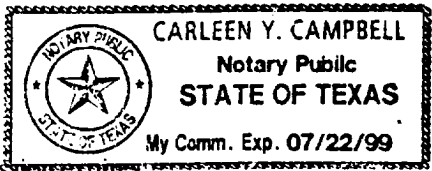
State of Texas )  
County of Midland ) ss.

Gary Travis, 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 Travis  
(Name)  
Sr. Reservoir/Evaluations Engineer  
(Title)

MP

SUBSCRIBED AND SWORN TO before me this 30 day of Jan., 1998  
  
Carleen Y. Campbell  
Notary Public

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 5-30, 1997

District Supervisor, District 1  
Oil Conservation Division

Date: 2/9/98

Orig. Signed by  
Paul Kautz  
Geologist

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

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

Approved  
1/10/98  
000