

District I - (505) 393-6161
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District II - (505) 748-1283
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Artesia, NM 88210
District III - (505) 334-6178
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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-1-
Originated 11/1

Submit Orig:
Plus 2 Cop:
to approp:
District Off

H-0045

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: Primero Operating, Inc. OGRID #: 018100
Address: P.O. Box 1433
Contact Party: Phelps White Phone: 505/622-1001
- II. Name of Well: Shoe Bar State Com. #1 API #: 30-025-29992
Location of Well: Unit Letter N 660 Feet from the South line and 2030 feet from the West line.
Section 15, Township 17S, Range 35E, NMPM, Lea County
- III. Date Workover Procedures Commenced: 6/18/96
Date Workover Procedures were Completed: 6/21/96
- 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:

Original production from the Shoe Bar South Atoka Gas Field
New Production is from a Wildcat Penn - Oil Field

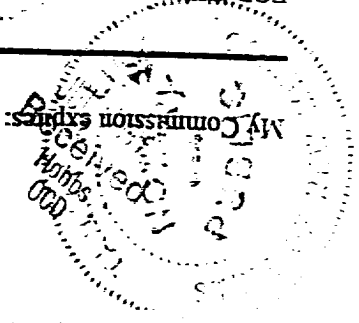
VII. AFFIDAVIT:

State of New Mexico)
County of CHAVEZ) ss.

I, Phelps White 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.

[Signature]
(Name) PHELPS WHITE
PRESIDENT



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 6-21, 1996

[Signature]
District Supervisor, District 1 Geologist
Oil Conservation Division

Date:

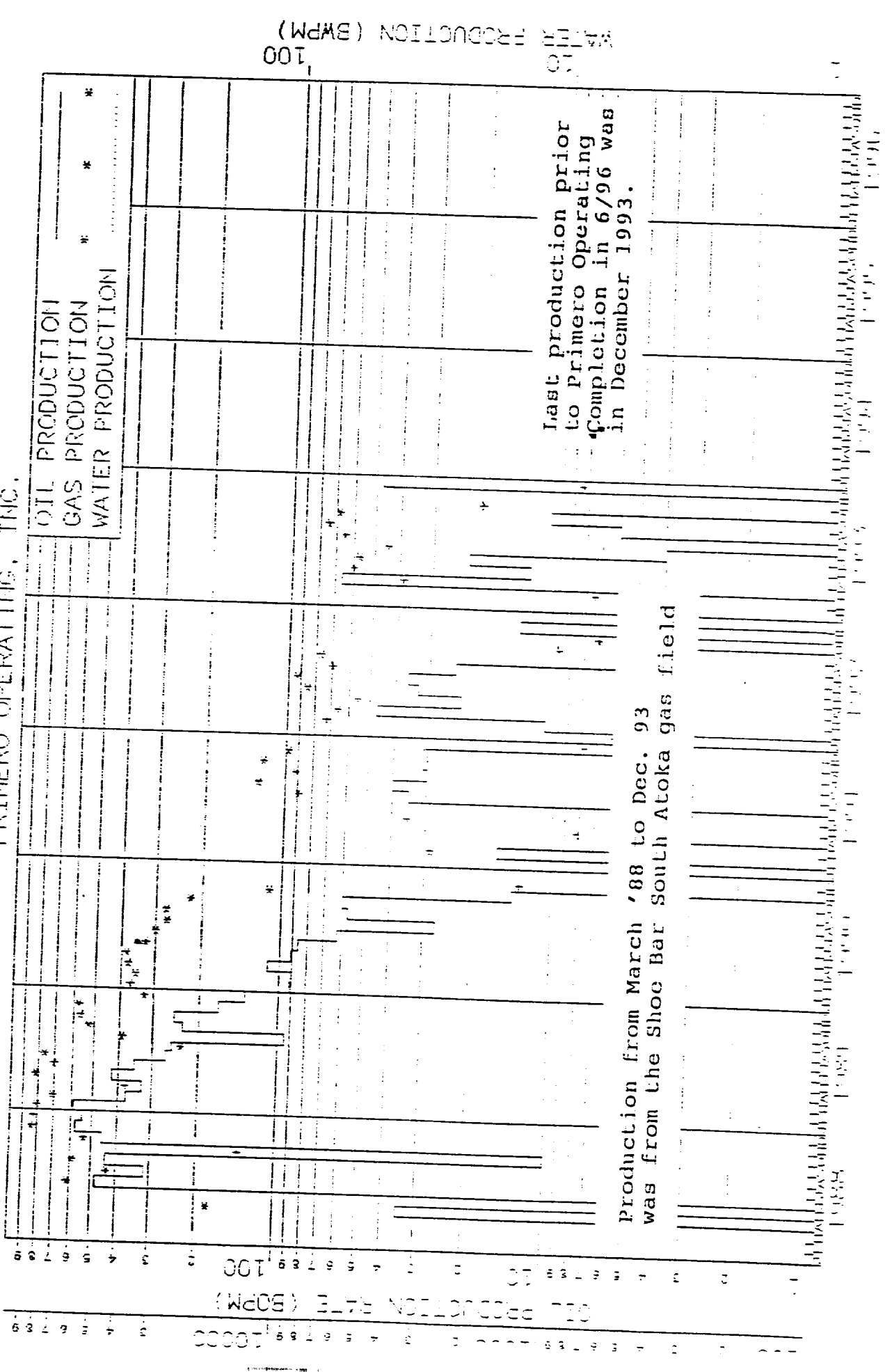
7/28/96

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

DATE:

SHOE BAR STATE COM. #1

PRIMERO OPERATING, INC.



PRIMERO
OPERATING, INC.

POST OFFICE BOX 1433
ROSWELL, NEW MEXICO 88202
505. 622-1001 FAX (505) 625-0227

Attachment to C-140

SHOE BAR STATE COM. #1
Section 15, T17S, R35E
Lea County, New Mexico

6/20/96: Perforate 10,989'-10,992', 10,995', 10,999'-
11,035', 1 spf, 42 holes. RIH w/ packer and
tubing. Circulate hole w/ 2% KCl water and spot 3
bbls 15% NEFE acid. Set packer @ 10,766.

6/21/96: Swab tubing. Well started flowing oil and gas @
9:30 am at a rate of 243 bopd. Choke well down to
12/64" choke, well flowed w/ FTP of 500 psi and
rate of 141 bopd. Subsequent tests show a GOR of
approximately 2600.

Last production prior to 6/21/96 was from
perforations in the Atoka at 12,035'-12,070' in
December 1993.

Shoe Bar State #1
 Attachment to 2-145

Actual Production, Actual Production Increase
 And Forecast Production from Workover

Wt No	Actual and Forecast production				Increase	
	Before Work		After Work		Oil	Gas
	Oil	Gas	Oil	Gas		
3301	0	0				
3302	0	797				
3303	66	3333				
3304	13	3333				
3305	22	3724				
3306	4	44333				
3307	1	3473				
3308	6	3423				
3309	11	3724				
3310	0	3333				
3311	0	0				
3312	47	342				
3401	0	.				
3402	0	.				
3403	0	.				
3404	0	.				
3405	0	.				
3406	0	.				
3407	0	.				
3408	0	.				
3409	0	.				
3410	0	.				
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3688	0	.</				

Shoe Bar State #1
Attachment to C-142

Actual Production, Actual Production Increase
And Forecast Production from Workover:

YR/NO	Actual and forecast production					
	Before Work		After Work		Increase	
	Oil	Gas	Oil	Gas	Oil	Gas
Annual Decline Test:						
					0.25	
YR/NO	Estimated Future Production		After Work		Estimate Production Increase	
	Before Work					
9607	.	.	2129.2	3520	2129.2	3520 (----- Workover
9608	.	.	2129.2	3520	2129.2	3520
9609	.	.	2129.2	3520	2129.2	3520
9610	.	.	2129.2	3520	2129.2	3520
9611	.	.	2129.2	3520	2129.2	3520
9612	.	.	2129.2	3520	2129.2	3520
9701	.	.	2129.2	3520	2129.2	3520
9702	.	.	1863.0	3167	1863.0	3167
9703	.	.	1863.0	3167	1863.0	3167
9704	.	.	1863.0	3167	1863.0	3167
9705	.	.	1863.0	3167	1863.0	3167
9706	37	.	1863.0	3167	1863.0	3167
9707	.	.	1863.0	3167	1863.0	3167
9708	.	.	1863.0	3167	1863.0	3167
9709	.	.	1863.0	3167	1863.0	3167
9710	.	.	1863.0	3167	1863.0	3167
9711	.	.	1863.0	3167	1863.0	3167
9712	.	.	1863.0	3167	1863.0	3167
9801	.	.	1397.3	2375	1397.3	2375
9802	.	.	1397.3	2375	1397.3	2375
9803	.	.	1397.3	2375	1397.3	2375
9804	.	.	1397.3	2375	1397.3	2375
9805	.	.	1397.3	2375	1397.3	2375
9806	38	.	1397.3	2375	1397.3	2375
9807	.	.	1397.3	2375	1397.3	2375
9808	.	.	1397.3	2375	1397.3	2375
9809	.	.	1397.3	2375	1397.3	2375
9810	.	.	1397.3	2375	1397.3	2375
9811	.	.	1397.3	2375	1397.3	2375
9812	.	.	1397.3	2375	1397.3	2375
9901	.	.	1047.9	1731	1047.9	1731
9902	.	.	1047.9	1731	1047.9	1731
9903	.	.	1047.9	1731	1047.9	1731
9904	.	.	1047.9	1731	1047.9	1731
9905	.	.	1047.9	1731	1047.9	1731
9906	39	.	1047.9	1731	1047.9	1731
9907	.	.	1047.9	1731	1047.9	1731
9908	.	.	1047.9	1731	1047.9	1731

Actual Production, Actual Production Increase and Forecast Production from Workover

WT NO	Actual and forecast production					
	Before Work		After Work		Increase	
	Oil	Gas	Oil	Gas	Oil	Gas
9816	0	0	1047.9	1781	1047.9	1781
9817	0	0	1047.9	1781	1047.9	1781
9818	0	0	1047.9	1781	1047.9	1781
9819	0	0	1047.9	1781	1047.9	1781
9820	0	0	1047.9	1781	1047.9	1781
9821	0	0	786.0	1336	786.0	1336
9822	0	0	786.0	1336	786.0	1336
9823	0	0	786.0	1336	786.0	1336
9824	0	0	786.0	1336	786.0	1336
9825	0	0	786.0	1336	786.0	1336
9826	0	0	786.0	1336	786.0	1336
9827	0	0	786.0	1336	786.0	1336
9828	0	0	786.0	1336	786.0	1336
9829	0	0	786.0	1336	786.0	1336
9830	0	0	786.0	1336	786.0	1336
9831	0	0	786.0	1336	786.0	1336
9832	0	0	786.0	1336	786.0	1336
9833	0	0	786.0	1336	786.0	1336
9834	0	0	786.0	1336	786.0	1336
9835	0	0	786.0	1336	786.0	1336
9836	0	0	786.0	1336	786.0	1336
9837	0	0	786.0	1336	786.0	1336
9838	0	0	786.0	1336	786.0	1336
9839	0	0	786.0	1336	786.0	1336
9840	0	0	786.0	1336	786.0	1336
9841	0	0	786.0	1336	786.0	1336
9842	0	0	786.0	1336	786.0	1336
9843	0	0	786.0	1336	786.0	1336
9844	0	0	786.0	1336	786.0	1336
9845	0	0	786.0	1336	786.0	1336
9846	0	0	786.0	1336	786.0	1336
9847	0	0	786.0	1336	786.0	1336
9848	0	0	786.0	1336	786.0	1336
9849	0	0	786.0	1336	786.0	1336
9850	0	0	786.0	1336	786.0	1336
9851	0	0	786.0	1336	786.0	1336
9852	0	0	786.0	1336	786.0	1336
9853	0	0	786.0	1336	786.0	1336
9854	0	0	786.0	1336	786.0	1336
9855	0	0	786.0	1336	786.0	1336
9856	0	0	786.0	1336	786.0	1336
9857	0	0	786.0	1336	786.0	1336
9858	0	0	786.0	1336	786.0	1336
9859	0	0	786.0	1336	786.0	1336
9860	0	0	786.0	1336	786.0	1336
9861	0	0	786.0	1336	786.0	1336
9862	0	0	786.0	1336	786.0	1336
9863	0	0	786.0	1336	786.0	1336
9864	0	0	786.0	1336	786.0	1336
9865	0	0	786.0	1336	786.0	1336
9866	0	0	786.0	1336	786.0	1336
9867	0	0	786.0	1336	786.0	1336
9868	0	0	786.0	1336	786.0	1336
9869	0	0	786.0	1336	786.0	1336
9870	0	0	786.0	1336	786.0	1336
9871	0	0	786.0	1336	786.0	1336
9872	0	0	786.0	1336	786.0	1336
9873	0	0	786.0	1336	786.0	1336
9874	0	0	786.0	1336	786.0	1336
9875	0	0	786.0	1336	786.0	1336
9876	0	0	786.0	1336	786.0	1336
9877	0	0	786.0	1336	786.0	1336
9878	0	0	786.0	1336	786.0	1336
9879	0	0	786.0	1336	786.0	1336
9880	0	0	786.0	1336	786.0	1336
9881	0	0	786.0	1336	786.0	1336
9882	0	0	786.0	1336	786.0	1336
9883	0	0	786.0	1336	786.0	1336
9884	0	0	786.0	1336	786.0	1336
9885	0	0	786.0	1336	786.0	1336
9886	0	0	786.0	1336	786.0	1336
9887	0	0	786.0	1336	786.0	1336
9888	0	0	786.0	1336	786.0	1336
9889	0	0	786.0	1336	786.0	1336
9890	0	0	786.0	1336	786.0	1336
9891	0	0	786.0	1336	786.0	1336
9892	0	0	786.0	1336	786.0	1336
9893	0	0	786.0	1336	786.0	1336
9894	0	0	786.0	1336	786.0	1336
9895	0	0	786.0	1336	786.0	1336
9896	0	0	786.0	1336	786.0	1336
9897	0	0	786.0	1336	786.0	1336
9898	0	0	786.0	1336	786.0	1336
9899	0	0	786.0	1336	786.0	1336
9900	0	0	786.0	1336	786.0	1336
9901	0	0	786.0	1336	786.0	1336
9902	0	0	786.0	1336	786.0	1336
9903	0	0	786.0	1336	786.0	1336
9904	0	0	786.0	1336	786.0	1336
9905	0	0	786.0	1336	786.0	1336
9906	0	0	786.0	1336	786.0	1336
9907	0	0	786.0	1336	786.0	1336
9908	0	0	786.0	1336	786.0	1336
9909	0	0	786.0	1336	786.0	1336
9910	0	0	786.0	1336	786.0	1336
9911	0	0	786.0	1336	786.0	1336
9912	0	0	786.0	1336	786.0	1336
9913	0	0	786.0	1336	786.0	1336
9914	0	0	786.0	1336	786.0	1336
9915	0	0	786.0	1336	786.0	1336
9916	0	0	786.0	1336	786.0	1336
9917	0	0	786.0	1336	786.0	1336
9918	0	0	786.0	1336	786.0	1336
9919	0	0	786.0	1336	786.0	1336
9920	0	0	786.0	1336	786.0	1336
9921	0	0	786.0	1336	786.0	1336
9922	0	0	786.0	1336	786.0	1336
9923	0	0	786.0	1336	786.0	1336
9924	0	0	786.0	1336	786.0	1336
9925	0	0	786.0	1336	786.0	1336
9926	0	0	786.0	1336	786.0	1336
9927	0	0	786.0	1336	786.0	1336
9928	0	0	786.0	1336	786.0	1336
9929	0	0	786.0	1336	786.0	1336
9930	0	0	786.0	1336	786.0	1336
9931	0	0	786.0	1336	786.0	1336
9932	0	0	786.0	1336	786.0	1336
9933	0	0	786.0	1336	786.0	1336
9934	0	0	786.0	1336	786.0	1336
9935	0	0	786.0	1336	786.0	1336
9936	0	0	786.0	1336	786.0	1336
9937	0	0	786.0	1336	786.0	1336
9938	0	0	786.0	1336	786.0	1336
9939	0	0	786.0	1336	786.0	1336
9940	0	0	786.0	1336	786.0	1336
9941	0	0	786.0	1336	786.0	1336
9942	0	0	786.0	1336	786.0	1336
9943	0	0	786.0	1336	786.0	1336
9944	0	0	786.0	1336	786.0	1336
9945	0	0	786.0	1336	786.0	1336
9946	0	0	786.0	1336	786.0	1336
9947	0	0	786.0	1336	786.0	1336
9948	0	0	786.0	1336	786.0	1336
9949	0	0	786.0	1336	786.0	1336
9950	0	0	786.0	1336	786.0	1336
9951	0	0	786.0	1336	786.0	1336
9952	0	0	786.0	1336	786.0	1336
9953	0	0	786.0	1336	786.0	1336
9954	0	0	786.0	1336	786.0	1336
9955	0	0	786.0	1336	786.0	1336
9956	0	0	786.0	1336	786.0	1336
9957	0	0	786.0	1336	786.0	1336
9958	0	0	786.0	1336	786.0	1336
9959	0	0	786.0	1336	786.0	1336
9960	0	0	786.0	1336	786.0	1336
9961	0	0	786.0	1336	786.0	1336
9962	0	0	786.0	1336	786.0	1336
9963	0	0	786.0	1336	786.0	1336
9964	0	0	786.0	1336	786.0	1336
9965	0	0	786.0	1336	786.0	1336
9966	0	0	786.0	1336	786.0	1336
9967	0	0	786.0	1336	786.0	1336
9968	0	0	786.0	1336	786.0	1336
9969	0	0	786.0	1336	786.0	1336
9970	0	0	786.0	1336	786.0	1336
9971	0	0	786.0	1336	786.0	1336
9972	0	0	786.0	1336	786.0	1336
9973	0	0	786.0	1336	786.0	1336
9974	0	0	786.0	1336	786.0	1336
9975	0	0	786.0	1336	786.0	1336
9976	0	0	786.0	1336	786.0	1336
9977	0	0	786.0	1336	786.0	1336
9978	0	0	786.0	1336	786.0	1336
9979	0	0	786.0	1336	786.0	1336
9980	0	0	786.0	1336	786.0	1336
9981	0	0	786.0	1336	786.0	1336
9982	0	0	786.0	1336	786.0	1336
9983	0	0	786.0	1336	786.0	1336
9984	0	0	786.0	1336	786.0	1336
9985	0	0	786.0	1336	786.0	1336
9986	0	0	786.0	1336	786.0	1336
9987	0	0	786.0	1336	786.0	1336
9988	0	0	786.0	1336	786.0	1336
9989	0	0	786.0	1336	786.0	1336
9990	0	0	786.0	1336	786.0	1336
9991	0	0	786.0	1336	786.0	1336
9992	0	0	786.0	1336	786.0	1336
9993	0	0	786.0	1336	786.0	1336
9994	0	0	786.0	1336	786.0	1336
9995	0	0	786.0	1336	786.0	1336
9996	0	0	786.0	1336	786.0	1336
9997	0	0	786.0	1336	786.0	1336
9998	0	0	786.0	1336	786.0	1336
9999	0	0	786.0	1336	786.0	1336
10000	0	0	786.0	1336	786.0	1336

Shoe Bar State #1
Attachment to 0-145

Actual Production, Actual Production Increase
and Forecast Production from Workover

72/10	Actual and forecast production					
	Before Work		After Work		Increase	
	Oil	Gas	Oil	Gas	Oil	Gas
309	0	0	331.6	554	331.6	554
310	0	0	331.6	554	331.6	554
311	0	0	331.6	554	331.6	554
312	0	0	331.6	554	331.6	554
401	0	0	248.7	423	248.7	423
402	0	0	248.7	423	248.7	423
403	0	0	248.7	423	248.7	423
404	0	0	248.7	423	248.7	423
405	0	0	248.7	423	248.7	423
406	4	0	248.7	423	248.7	423
407	0	0	248.7	423	248.7	423
408	0	0	248.7	423	248.7	423
409	0	0	248.7	423	248.7	423
410	0	0	248.7	423	248.7	423
411	0	0	248.7	423	248.7	423
412	0	0	248.7	423	248.7	423
501	0	0	188.8	317	188.8	317
502	0	0	188.8	317	188.8	317
503	0	0	188.8	317	188.8	317
504	0	0	188.8	317	188.8	317
505	0	0	188.8	317	188.8	317
506	5	0	188.8	317	188.8	317
507	0	0	188.8	317	188.8	317
508	0	0	188.8	317	188.8	317
509	0	0	188.8	317	188.8	317
510	0	0	188.8	317	188.8	317
511	0	0	188.8	317	188.8	317
512	0	0	188.8	317	188.8	317
601	0	0	139.9	233	139.9	233
602	0	0	139.9	233	139.9	233
603	0	0	139.9	233	139.9	233
604	0	0	139.9	233	139.9	233
605	0	0	139.9	233	139.9	233
606	5	0	139.9	233	139.9	233
607	0	0	139.9	233	139.9	233
608	0	0	139.9	233	139.9	233
609	0	0	139.9	233	139.9	233
610	0	0	139.9	233	139.9	233
611	0	0	139.9	233	139.9	233
612	0	0	139.9	233	139.9	233
Total	170.0	34145.0	97663.0	165177.8	97493.0	165177.8