

(Title)

SUBSCRIBED AND SWORN TO before me this 22nd day of October, 1997



Maggie M. Bermea
Notary Public

My Commission expires: July 30, 2001

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 12-2-96, 1996.

Paul G. King
District Supervisor, District 1
Oil Conservation Division

Date: 10/23/97

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

DATE: _____

Arrowhead Grayburg Unit 211
Arrowhead Grayburg Field
Lea County, New Mexico

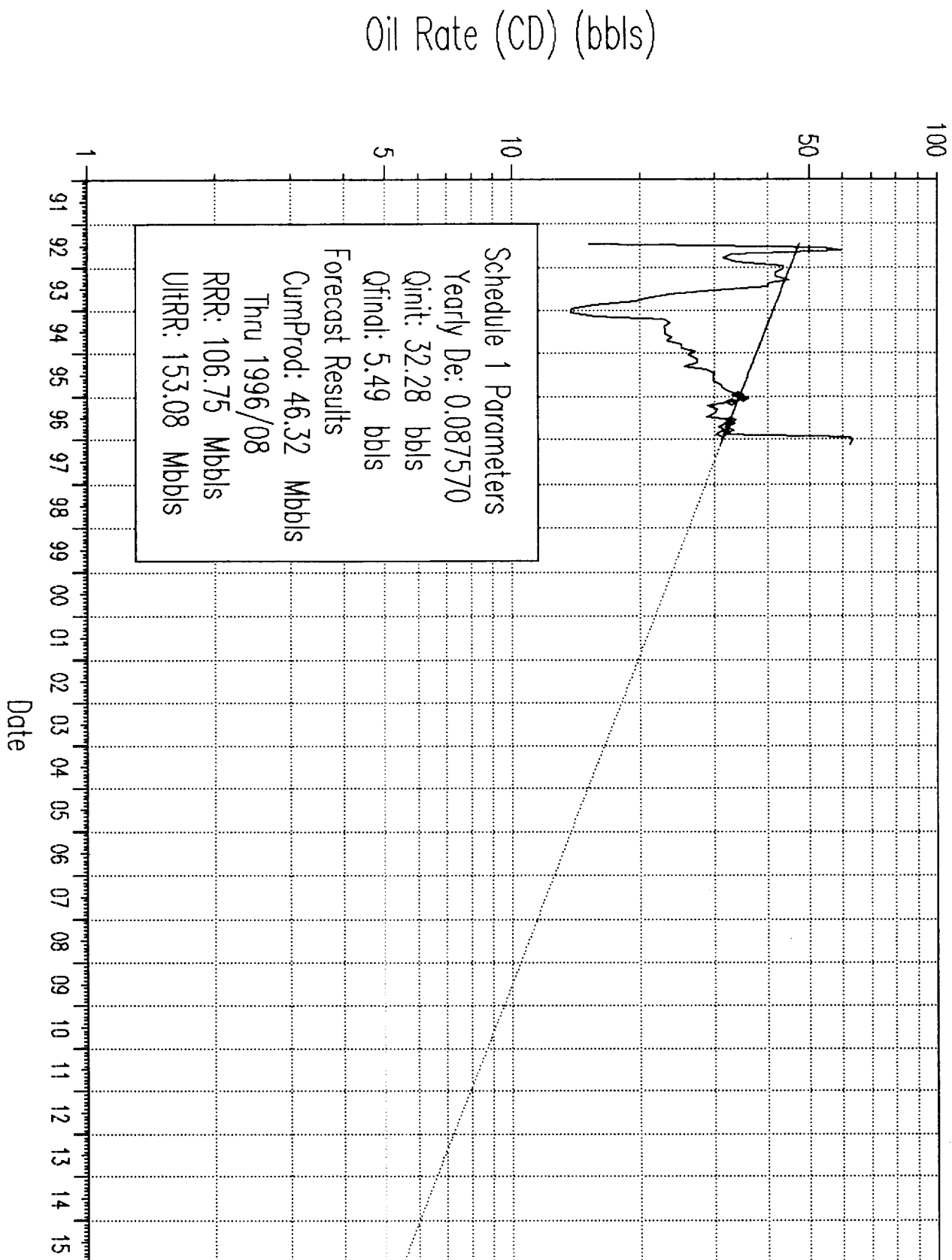
October 3, 1996

PROCEDURE TO CLEAN OUT AND ACIDIZE:

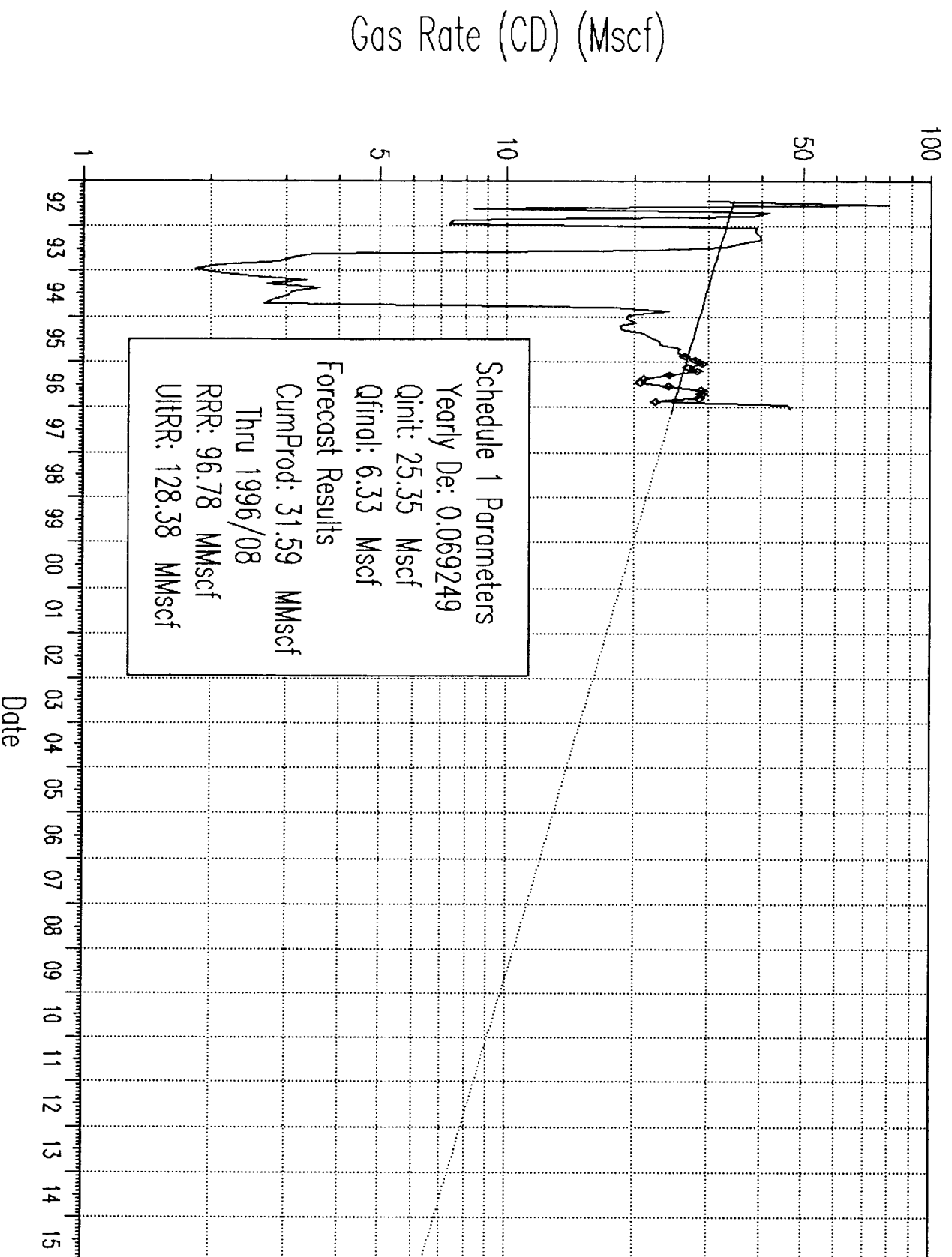
1. MIRU PU. RU BOPE.
 2. Tag bottom for fill. POOH w/ prod equipment.
 3. If fill is above 3795' or if scale is found on the pump or tubing then clean out w/ a 4 3/4" bit to TD @ 3805'.
 4. RIH w/ 5 1/2" treating packer and set @ +/-3550'. Drop standing valve, open bypass, and pickle tubing with 500 gal 15% HCl* by pumping down @ 1/2 bpm displace out of tubing and reverse out @ 1/2 bpm. The slower the better. Record iron ppm at first middle and end of pickle acid.
 5. Acidize perfs w/ 5000 gals 15% Resisol II Plus** vicosified acid containing 20% toluene. Use the following pumping schedule @ 2-4 bpm max treating pressure of 1500 psi:
 - A. Drop 250# Trimix salt in 10 bbls gelled brine water***
 - B. Pump 500 gals Resisol II Plus**
 - C. Drop 500# Trimix salt in 10 bbls gelled brine water***
 - D. Repeat step B and C adjusting block as necessary.
 - E. Pump 1000 gals Resisol II Plus**
 - F. Drop 500# Trimix salt in 10 bbls gelled brine water***
 - G. Repeat step E and F adjusting block as necessary.
 - H. Pump 2000 gals Resisol II Plus**
 - I. Flush to top perf
 6. SI for 3 hrs and then swab until returns clean up. POOH. If there is time to get the well on pump today then skip swabbing.
 7. Run production equipment per field operations design. Hang well on.
 8. Clean and Clear location. Turn well over to Production.
- * Pickle acid to contain 1 gal/1000 CI-23
- ** Resisol II Plus -- Iron control system to follow tapered concentration as follows:
Lead 2000 gal = 3 gal/1000 FE270 & 1 gal/1000 FE271
Mid 1500 gal = 1.5 gal/1000 FE270 & 1 gal/1000 FE271
Tail 2500 gal = 0.5 gal/1000 FE270 & 1 gal/1000 FE271
- *** All flush water and diverter GBW stages to contain appropriate de-emulsifiers (NE agents = 1 gal/1000 NE-13)

Andrew McCarty 687-7702

LEASE : ARROWHEAD GRAYBURG UNIT 211
BEATAREA : GREG BURT



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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
9401	425	0.00	64	0.00
9402	441	0.00	70	0.00
9403	708	0.00	104	0.00
9404	708	0.00	81	0.00
9405	707	0.00	112	0.00
9406	687	0.00	93	0.00
9407	712	0.00	94	0.00
9408	737	0.00	87	0.00
9409	696	0.00	80	0.00
9410	779	0.00	552	0.00
9411	751	0.00	727	0.00
9412	839	0.00	601	0.00
9501	807	0.00	597	0.00
9502	765	0.00	567	0.00
9503	846	0.00	573	0.00
9504	763	0.00	560	0.00
9505	886	0.00	654	0.00
9506	898	0.00	652	0.00
9507	924	0.00	712	0.00
9508	927	0.00	714	0.00
9509	931	0.00	773	0.00
9510	969	0.00	786	0.00
9511	969	0.00	795	0.00
9512	1061	0.00	870	0.00
9601	1092	0.00	903	0.00
9602	959	0.00	783	0.00
9603	897	0.00	878	0.00
9604	916	0.00	731	0.00
9605	933	0.00	658	0.00
9606	864	0.00	625	0.00
9607	1020	0.00	753	0.00
9608	1013	0.00	900	0.00
9609	954	964.71	873	758.23
9610	1006	989.29	889	778.83
9611	941	950.09	679	749.22
9612	1939	974.29	1431	769.57
9701	1955	966.88	1452	764.99
9702	1752	866.66	0	686.83
9703	0	952.22	0	755.89
9704	0	914.49	0	727.15
9705	0	937.79	0	746.91
9706	0	900.63	0	718.50
9707	0	923.57	0	738.02
9708	0	916.54	0	733.63
9709	0	880.23	0	705.72
9710	0	902.65	0	724.91
9711	0	866.89	0	697.33
9712	0	888.97	0	716.27
9801	0	882.21	0	712.01
9802	0	790.77	0	639.27

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9803	0	868.84	0	703.55
9804	0	834.41	0	676.79
9805	0	855.67	0	695.19
9806	0	821.76	0	668.74
9807	0	842.69	0	686.92
9808	0	836.29	0	682.82
9809	0	803.15	0	656.86
9810	0	823.61	0	674.70
9811	0	790.98	0	649.04
9812	0	811.12	0	666.68
9901	0	804.95	0	662.71
9902	0	721.52	0	595.00
9903	0	792.75	0	654.83
9904	0	761.34	0	629.92
9905	0	780.73	0	647.04
9906	0	749.80	0	622.43
9907	0	768.90	0	639.35
9908	0	763.05	0	635.53
9909	0	732.82	0	611.37
9910	0	751.49	0	627.98
9911	0	721.71	0	604.10
9912	0	740.09	0	620.51
10001	0	734.46	0	616.82
10002	0	681.85	0	573.58
10003	0	723.34	0	609.48
10004	0	694.67	0	586.30
10005	0	712.36	0	602.23
10006	0	684.14	0	579.34
10007	0	701.56	0	595.08
10008	0	696.23	0	591.52
10009	0	668.65	0	569.03
10010	0	685.67	0	584.50
10011	0	658.51	0	562.26
10012	0	675.29	0	577.55
10101	0	670.15	0	574.10
10102	0	600.69	0	515.45
10103	0	659.99	0	567.28
10104	0	633.84	0	545.70
10105	0	649.98	0	560.53
10106	0	624.23	0	539.21
10107	0	640.13	0	553.87
10108	0	635.26	0	550.57
10109	0	610.09	0	529.62
10110	0	625.63	0	544.02
10111	0	600.85	0	523.33
10112	0	616.14	0	537.54
10201	0	611.46	0	534.34
10202	0	548.08	0	479.76
10203	0	602.19	0	527.99
10204	0	578.33	0	507.92

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10205	0	593.06	0	521.71
10206	0	569.57	0	501.88
10207	0	584.08	0	515.51
10208	0	579.63	0	512.44
10209	0	556.66	0	492.94
10210	0	570.84	0	506.35
10211	0	548.23	0	487.09
10212	0	562.19	0	500.32
10301	0	557.91	0	497.34
10302	0	500.09	0	446.53
10303	0	549.46	0	491.43
10304	0	527.68	0	472.74
10305	0	541.13	0	485.59
10306	0	519.69	0	467.12
10307	0	532.93	0	479.81
10308	0	528.87	0	476.95
10309	0	507.92	0	458.81
10310	0	520.85	0	471.28
10311	0	500.22	0	453.36
10312	0	512.96	0	465.68
10401	0	509.06	0	462.90
10402	0	472.59	0	430.46
10403	0	501.34	0	457.40
10404	0	481.48	0	440.00
10405	0	493.74	0	451.96
10406	0	474.18	0	434.77
10407	0	486.26	0	446.58
10408	0	482.56	0	443.92
10409	0	463.44	0	427.04
10410	0	475.25	0	438.64
10411	0	456.41	0	421.97
10412	0	468.04	0	433.43
10501	0	464.48	0	430.85
10502	0	416.34	0	386.83
10503	0	457.44	0	425.72
10504	0	439.32	0	409.53
10505	0	450.50	0	420.66
10506	0	432.65	0	404.66
10507	0	443.68	0	415.66
10508	0	440.30	0	413.18
10509	0	422.86	0	397.47
10510	0	433.62	0	408.27
10511	0	416.44	0	392.75
10512	0	427.06	0	403.42
10601	0	423.80	0	401.01
10602	0	379.88	0	360.04
10603	0	417.38	0	396.24
10604	0	400.85	0	381.17
10605	0	411.05	0	391.53
10606	0	394.77	0	376.64

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10607	0	404.82	0	386.88
10608	0	401.74	0	384.57
10609	0	385.83	0	369.95
10610	0	395.65	0	380.00
10611	0	379.98	0	365.55
10612	0	389.66	0	375.48
10701	0	386.69	0	373.24
10702	0	346.61	0	335.11
10703	0	380.83	0	368.81
10704	0	365.74	0	354.78
10705	0	375.06	0	364.42
10706	0	360.20	0	350.56
10707	0	369.37	0	360.09
10708	0	366.56	0	357.94
10709	0	352.04	0	344.33
10710	0	361.01	0	353.68
10711	0	346.70	0	340.24
10712	0	355.53	0	349.48
10801	0	352.83	0	347.40
10802	0	327.55	0	323.04
10803	0	347.48	0	343.26
10804	0	333.71	0	330.21
10805	0	342.21	0	339.18
10806	0	328.65	0	326.28
10807	0	337.03	0	335.15
10808	0	334.46	0	333.15
10809	0	321.21	0	320.48
10810	0	329.39	0	329.19
10811	0	316.34	0	316.67
10812	0	324.40	0	325.28
10901	0	321.93	0	323.34
10902	0	288.56	0	290.30
10903	0	317.05	0	319.49
10904	0	304.49	0	307.35
10905	0	312.25	0	315.70
10906	0	299.87	0	303.69
10907	0	307.51	0	311.94
10908	0	305.17	0	310.08
10909	0	293.08	0	298.29
10910	0	300.55	0	306.40
10911	0	288.64	0	294.74
10912	0	295.99	0	302.75
11001	0	293.74	0	300.95
11002	0	263.29	0	270.20
11003	0	289.29	0	297.37
11004	0	277.83	0	286.06
11005	0	284.90	0	293.83
11006	0	273.61	0	282.66
11007	0	280.59	0	290.34
11008	0	278.45	0	288.61

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11009	0	267.42	0	277.63
11010	0	274.23	0	285.18
11011	0	263.37	0	274.33
11012	0	270.07	0	281.79
11101	0	268.02	0	280.11
11102	0	240.24	0	251.49
11103	0	263.96	0	276.78
11104	0	253.49	0	266.25
11105	0	259.95	0	273.48
11106	0	249.65	0	263.09
11107	0	256.01	0	270.24
11108	0	254.07	0	268.62
11109	0	244.00	0	258.41
11110	0	250.21	0	265.43
11111	0	240.30	0	255.34
11112	0	246.42	0	262.27
11201	0	244.55	0	260.71
11202	0	227.03	0	242.44
11203	0	240.84	0	257.61
11204	0	231.30	0	247.82
11205	0	237.19	0	254.54
11206	0	227.79	0	244.87
11207	0	233.60	0	251.52
11208	0	231.82	0	250.02
11209	0	222.63	0	240.51
11210	0	228.30	0	247.05
11211	0	219.26	0	237.66
11212	0	224.84	0	244.11
11301	0	223.13	0	242.66
11302	0	200.01	0	217.87
11303	0	219.75	0	239.77
11304	0	211.04	0	230.65
11305	0	216.42	0	236.92
11306	0	207.84	0	227.91
11307	0	213.14	0	234.10
11308	0	211.52	0	232.71
11309	0	203.14	0	223.86
11310	0	208.31	0	229.94
11311	0	200.06	0	221.20
11312	0	205.15	0	227.21
11401	0	203.59	0	225.85
11402	0	182.49	0	202.78
11403	0	200.51	0	223.17
11404	0	192.56	0	214.68
11405	0	197.47	0	220.52
11406	0	189.64	0	212.13
11407	0	194.47	0	217.89
11408	0	192.99	0	216.59
11409	0	185.35	0	208.36
11410	0	190.07	0	214.02

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DATE	Oil Vol Prod bbls	FORECASTED OIL VOLUME bbls	Gas Vol Prod Mscf	FORECASTED GAS VOLUME Mscf
11411	0	182.54	0	205.88
11412	0	187.19	0	211.47
11501	0	185.76	0	210.21
11502	0	166.51	0	188.74
11503	0	182.95	0	207.71
11504	0	175.70	0	199.82
11505	0	180.17	0	205.24
11506	0	173.04	0	197.44
11507	0	177.44	0	202.80
11508	0	176.09	0	201.59
11509	0	169.12	0	193.93
11510	0	173.42	0	199.20
11511	0	166.55	0	191.62
11512	0	170.80	0	196.83