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Tobbs, NM 88241-1980
District II - (505) 748-1283
311 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

H-0237

**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: Collins & Ware, Inc. OGRID #: 004874
Address: 508 W. Wall, Suite 1200, Midland, Texas 79701
Contact Party: Chuck Sledge Phone: (915) 687-3435
- II. Name of Well: State DA No. 3 API #: 30-025-06618
Location of Well: Unit Letter J, 1980 Feet from the South line and 1980 feet from the East line,
Section 16, Township 21S, Range 37E, NMPM, Lea County
- III. Date Workover Procedures Commenced: 8/2/96
Date Workover Procedures were Completed: 8/8/96
- 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:
19190 Drinkard
60240 Tubbs Oil & Gas

VII. AFFIDAVIT:

State of Texas)
County of Midland) ss.

Chuck Sledge, 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)

Chuck Sledge

Operations Engineer

(Title)

JAN 10 1997

JAN 10 1997

amp

SUBSCRIBED AND SWORN TO before me this 19th day of December, 19 96

Holly U. Winchester

Notary Public

My Commission expires: 11-25-2000



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 8-8, 1996

Paul G. Hunt

District Supervisor, District + Geologist
Oil Conservation Division

JAN 21 1997

Date: _____

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

DATE: _____



**ATTACHMENT TO FORM C-140
COLLINS & WARE, INC.
STATE DA No. 3**

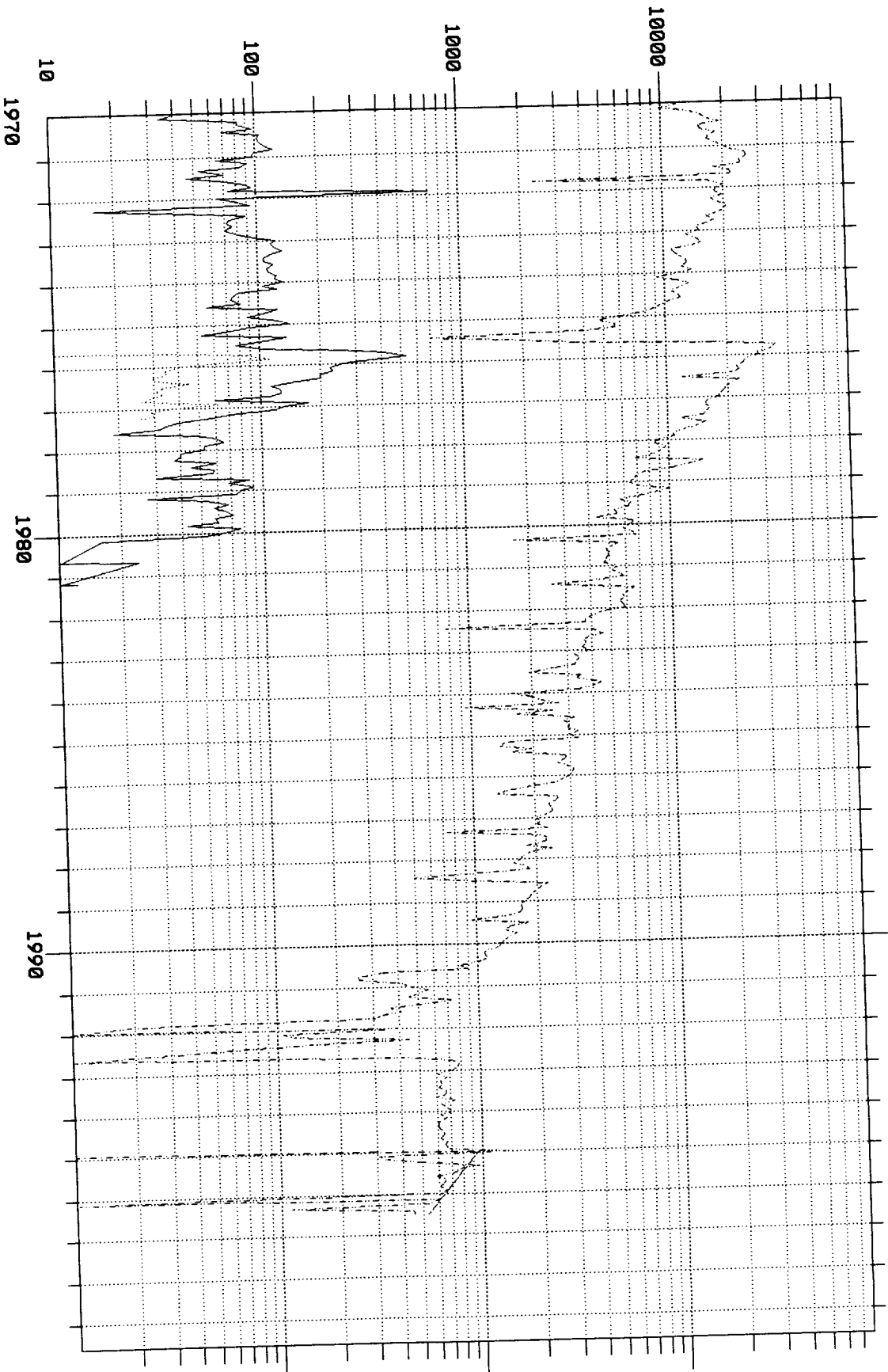
- IV.** Workover procedure performed to abandon Drinkard perms 6180' - 6290' and the Tubb perms 6391' - 6470' and re-complete in the Blinebry.
- 1.) Set CIBP at 6366' plus 35' of cement.
 - 2.) Perforated Blinebry 5565' - 5975'.
 - 3.) Ran frac tubing and packer, acidized with 15% HCL and frac with 61,500 gals and 175,000# sand.
 - 4.) Pulled frac tubing and packer, ran production packer and tubing and put on production.

Calculated
Oil
Gas
Water

STATE DA NO. 3
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
COMINGLED TUBB/DRINKARD
01/70 TO 12/2000

60240 Tubb - 19190 Drinkard

Production
Oil
Gas
Water



Reported Oil Production = 171114 Bbl's
Reported Gas Production = 5368190 Mcf
Reported Water Production = 968 Bbl's

PRODUCTION DATA REPORT
 Calculated Monthly Production Totals
 Combined Data

Month	Liquid (Bbls)	YEAR 1996 Gas (Mcf)	Water (Bbls)
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Sep	0	0	0
Oct	0	0	0
Nov	0	0	0
Dec	0	0	0
TOTAL	0	0	0

No remaining economical reserves.

STATE DA NO.3 - COLLINS & WARE, INC.

PRODUCTION DATA REPORT
Forecast Information

	Curve Fit	Projection
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Product Type	: GAS	--
Decline Curve Type	: EXPONENTIAL	--
Hyperbolic Exponent	: 0.000000	--
Initial Decline (%/Yr)	: 32.058496 %	--
Start Date	: 01/1995	
End Date	: 07/1996	
Correlation Coefficient	: 0.338100	--
Economic Limit (Mcf/Mo)	: 532	
Initial Prod. Rate (Mcf/Mo)	: 950	
Final Prod. Rate (Mcf/Mo)	: 532	
Cum. Reported Production (Mcf)	: 5367727	--
Projected Life (Years)	: --	
Projected Production (Mcf)	: --	
Ultimate Recovery (Mcf)	: --	