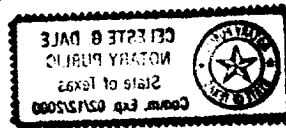


District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV

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-0532

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: Phillips Petroleum Company OGRID #: 017643
Address: 4001 Penbrook St., Odessa, TX 79762

Contact Party: Larry M. Sanders Phone: (915) 368-1488

II. Name of Well: Hat Mesa #1 API #: 30-025-22131
Location of Well: Unit Letter G, 1980 Feet from the North line and 1979 feet from the East line,
Section 11, Township 21-S, Range 32-E, NMPM, Lea County

III. Date Workover Procedures Commenced: 02/14/98
Date Workover Procedures were Completed: 08/08/98

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:

Hat Mesa-Morrow

VII. AFFIDAVIT:

State of Texas)
) ss.
County of Ector)

Larry M. Sanders, being first duly sworn, upon oath states:

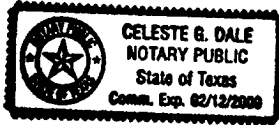
1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my 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.

Larry M. Sanders
(Name) Larry M. Sanders

Supervisor, Regulation/Proration
(Title)

MP

SUBSCRIBED AND SWORN TO before me this 3rd day of February, 1999



Celeste G. Dale
Celeste G. Dale
Notary Public

My Commission expires: 02/02/2000

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-, 1998

[Signature]
District Supervisor, District 1
Oil Conservation Division

Date: 2/10/99

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

DATE: _____

RECEIVED
FEB 11 1999
OIL CONSERVATION DIVISION