

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
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Submit Origin:
Plus 2 Copies
to appropriate
District Office

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: Redwolf Production, Inc. OGRID #: 018973

Address: P. O. Box 5382 Farmington, NM 87499

Contact Party: Dana L. Delventhal Phone: (505) 326-4125

II. Name of Well: Windfall No. 10 API #: 30-045-21359
Location of Well: Unit Letter F, 1600 Feet from the North line and 1600 feet from the West line,
Section 31, Township 26N, Range 11W, NMPM, San Juan County

III. Date Workover Procedures Commenced: April 9, 1996
Date Workover Procedures were Completed: April 18, 1996

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: Gallegos Gallup Assoc. Ext.
Basin Dakota
(Commingled)

VII. AFFIDAVIT:

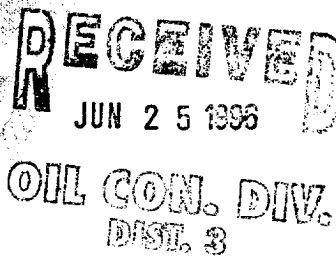
State of New Mexico)
County of San Juan) ss.

Dana L. Delventhal, 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.

Dana L. Delventhal
(Name)

Vice President
(Title)



SUBSCRIBED AND SWORN TO before me this 25th day of June, 1996.

Dolly Fos
Notary Public

My Commission expires: June 21, 1998

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 4/28, 1996

31.8
District Supervisor, District 3
Oil Conservation Division

Date: 7/18/96

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

DATE: _____

WINDFALL NO. 10

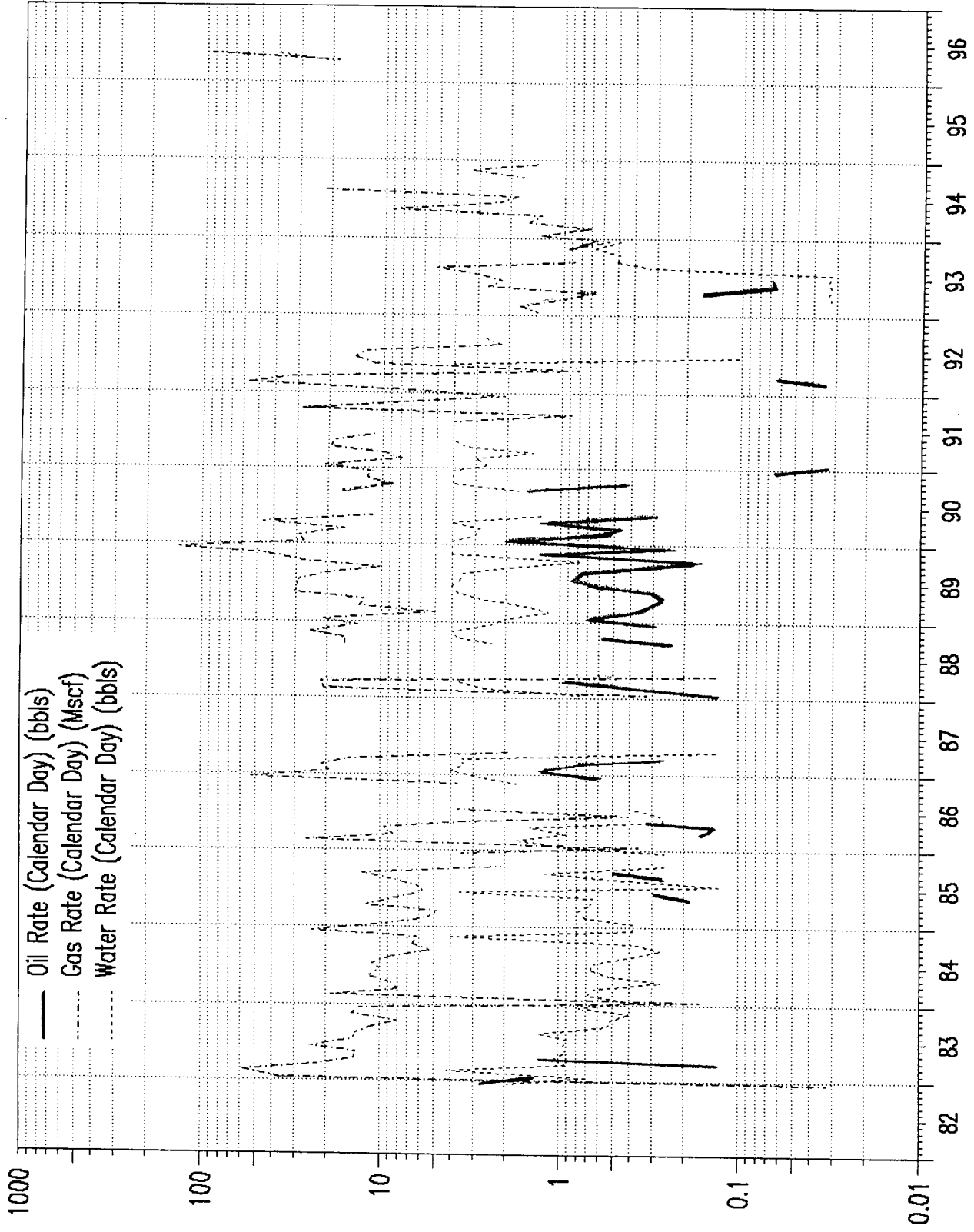
WORKOVER DESCRIPTION

On April 9, 1996, Redwolf Production, Inc. began the installation of a downhole plunger lift system, stop clock, and 300 bbl production tank for produced water from this well. The installation of these facilities was completed on April 18, 1996.

The Windfall No. 10 has historically produced approximately 10 MCFD from the Basin Dakota formation and approximately 1 BOPD from the Gallegos Gallup formation. Fluid level measurements indicated a 4000' water column in this well. Redwolf Production, Inc. installed the plunger lift system, stop clock, and water tank in order to unload fluid from the wellbore and allow higher formation flow rates.

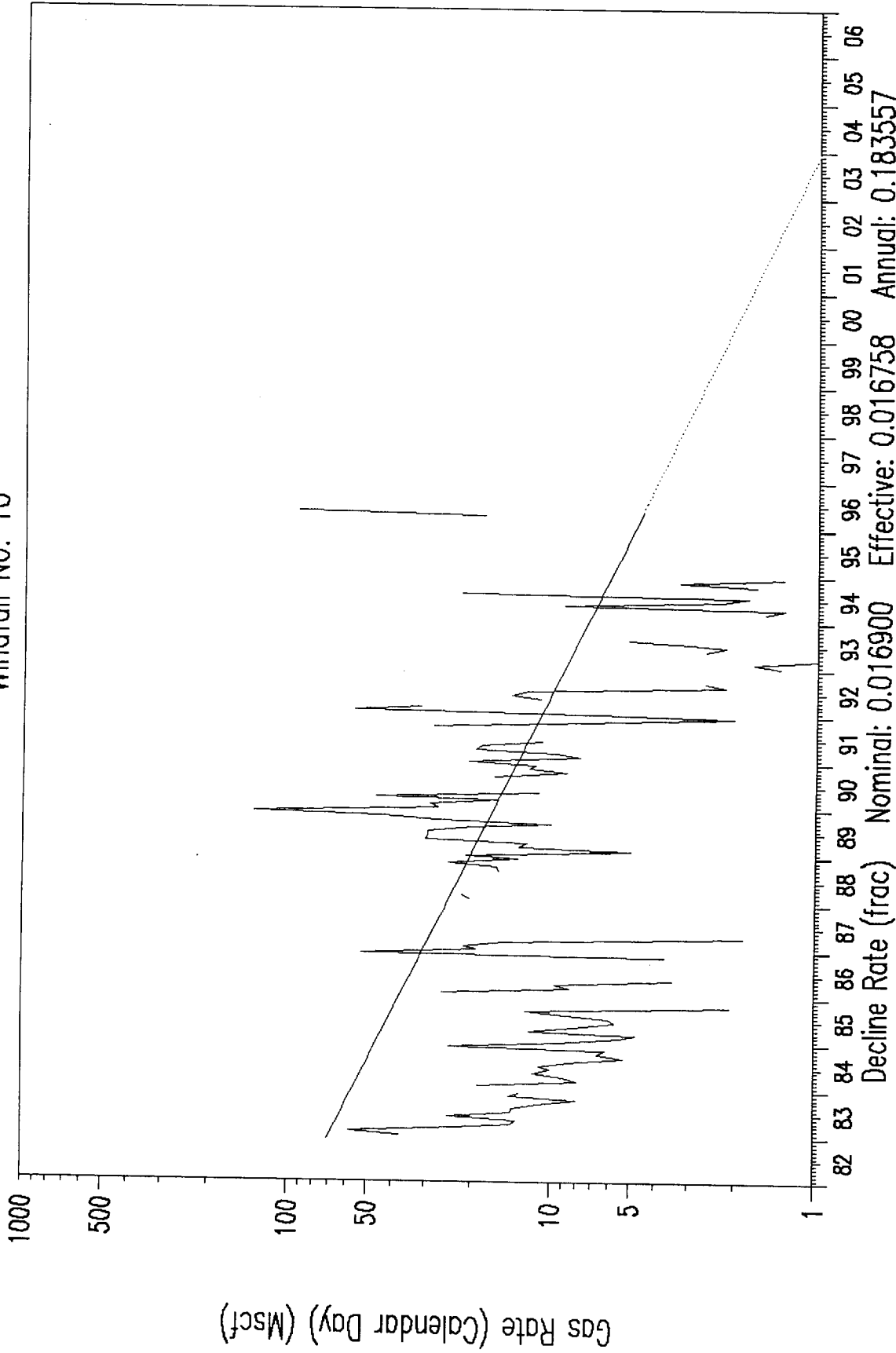
Production for May of 1996 averaged 94 MCFD and 41 BWPD.

Windfall No. 10



Gas Decline Curve

Windfall No. 10



Exponential Decline Analysis

Total for Selected Completions (2)

Equation: $Q_{oi} * \exp(-D_i * t)$ $t =$ Elapsed Months from 8212
 $Q_{oi} = 70.29$ $D_i = 0.016900$

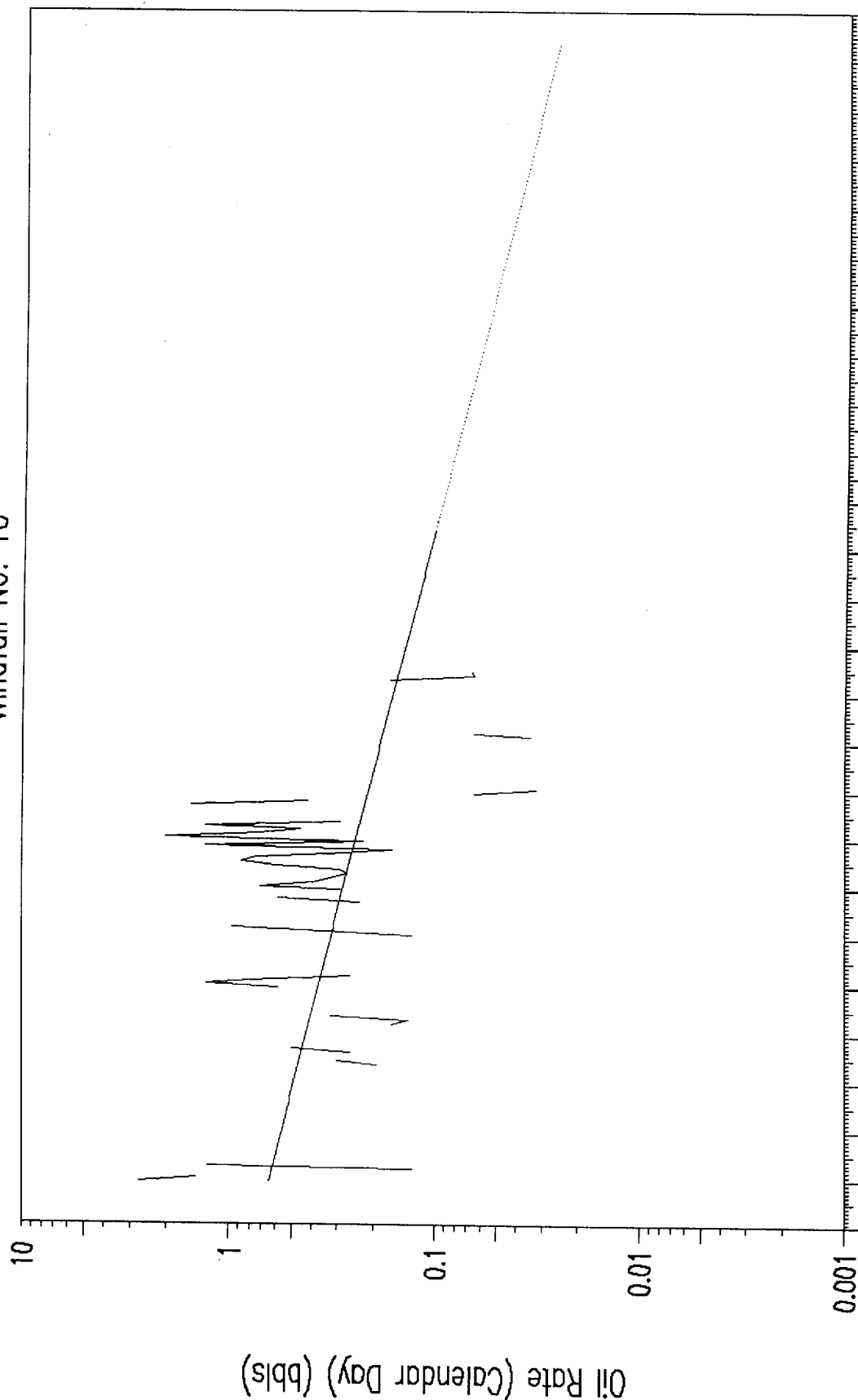
Decline Rate (frac) Nominal: 0.016900 Effective: 0.016758 Annual: 0.183557
 Current Gas rate: 4.63 Mscf/d
 Economic Limit: 0.124 Mscf/d
 Cumulative Gas Produced: 53.16 MMscf
 Remaining Reserves: 7.2 MMscf
 Total Reserves: 60.4 MMscf - At End of Forecast

Date	Gas Mscf/d	Remaining Reserves MMscf	Cumulative Production MMscf
6/1996	4.59	7.091	53.302
7/1996	4.51	6.954	53.439
8/1996	4.43	6.819	53.574
9/1996	4.36	6.686	53.706
10/1996	4.29	6.556	53.837
11/1996	4.22	6.428	53.965
12/1996	4.15	6.302	54.091
1/1997	4.08	6.178	54.215
2/1997	4.01	6.056	54.337
3/1997	3.94	5.936	54.457
4/1997	3.87	5.818	54.575
5/1997	3.81	5.702	54.690
6/1997	3.75	5.588	54.804
7/1997	3.68	5.476	54.916
8/1997	3.62	5.366	55.026
9/1997	3.56	5.258	55.135
10/1997	3.50	5.151	55.241
11/1997	3.44	5.047	55.346
12/1997	3.38	4.944	55.449
1/1998	3.33	4.843	55.550
2/1998	3.27	4.743	55.650
3/1998	3.22	4.645	55.747
4/1998	3.16	4.549	55.844
5/1998	3.11	4.454	55.938
6/1998	3.06	4.361	56.031
7/1998	3.01	4.270	56.123
8/1998	2.96	4.180	56.213
9/1998	2.91	4.092	56.301
10/1998	2.86	4.005	56.388
11/1998	2.81	3.919	56.473
12/1998	2.76	3.835	56.557
1/1999	2.72	3.753	56.640
2/1999	2.67	3.671	56.721
3/1999	2.63	3.591	56.801
4/1999	2.58	3.513	56.880
5/1999	2.54	3.436	56.957

Date	Gas Mscf/d	Remaining Reserves MMscf	Cumulative Production MMscf
6/1999	2.50	3.360	57.033
7/1999	2.45	3.285	57.108
8/1999	2.41	3.212	57.181
9/1999	2.37	3.139	57.253
10/1999	2.33	3.069	57.324
11/1999	2.29	2.999	57.394
12/1999	2.26	2.930	57.463
1/2000	2.22	2.863	57.530
2/2000	2.18	2.796	57.596
3/2000	2.14	2.731	57.662
4/2000	2.11	2.667	57.726
5/2000	2.07	2.604	57.789
6/2000	2.04	2.542	57.851
7/2000	2.00	2.481	57.912
8/2000	1.97	2.421	57.972
9/2000	1.94	2.362	58.031
10/2000	1.91	2.304	58.089
11/2000	1.87	2.247	58.146
12/2000	1.84	2.191	58.202
1/2001	1.81	2.136	58.257
2/2001	1.78	2.082	58.311
3/2001	1.75	2.029	58.364
4/2001	1.72	1.976	58.416
5/2001	1.69	1.925	58.468
6/2001	1.66	1.874	58.518
7/2001	1.64	1.824	58.568
8/2001	1.61	1.775	58.617
9/2001	1.58	1.727	58.665
10/2001	1.56	1.680	58.713
11/2001	1.53	1.634	58.759
12/2001	1.50	1.588	58.805
1/2002	1.48	1.543	58.850
2/2002	1.45	1.499	58.894
3/2002	1.43	1.455	58.938
4/2002	1.41	1.412	58.980
5/2002	1.38	1.370	59.022
6/2002	1.36	1.329	59.064
7/2002	1.34	1.288	59.104
8/2002	1.31	1.248	59.144
9/2002	1.29	1.209	59.184
10/2002	1.27	1.171	59.222
11/2002	1.25	1.133	59.260
12/2002	1.23	1.095	59.297
1/2003	1.21	1.059	59.334
2/2003	1.19	1.022	59.370
3/2003	1.17	0.987	59.406
4/2003	1.15	0.952	59.441
5/2003	1.13	0.918	59.475
6/2003	1.11	0.884	59.509
7/2003	1.09	0.851	59.542
8/2003	1.07	0.818	59.575

Date	Gas Mscf/d	Remaining Reserves MMscf	Cumulative Production MMscf
9/2003	1.05	0.786	59.607
10/2003	1.04	0.755	59.638
11/2003	1.02	0.724	59.669
12/2003	1.00	0.693	59.700
1/2004	0.99	0.663	59.730
2/2004	0.97	0.634	59.759
3/2004	0.95	0.605	59.788
4/2004	0.94	0.576	59.817
5/2004	0.92	0.548	59.845
6/2004	0.91	0.521	59.872
7/2004	0.89	0.493	59.899
8/2004	0.88	0.467	59.926
9/2004	0.86	0.441	59.952
10/2004	0.85	0.415	59.978
11/2004	0.83	0.390	60.003
12/2004	0.82	0.365	60.028
1/2005	0.80	0.340	60.052
2/2005	0.79	0.316	60.077
3/2005	0.78	0.293	60.100
4/2005	0.76	0.269	60.123
5/2005	0.75	0.246	60.146
6/2005	0.74	0.224	60.169
7/2005	0.73	0.202	60.191
8/2005	0.71	0.180	60.213
9/2005	0.70	0.159	60.234
10/2005	0.69	0.138	60.255
11/2005	0.68	0.117	60.276
12/2005	0.67	0.097	60.296
1/2006	0.66	0.077	60.316
2/2006	0.65	0.057	60.336
3/2006	0.64	0.038	60.355
4/2006	0.62	0.019	60.374
5/2006	0.61	0.000	60.393

Windfall No. 10



Decline Rate (frac) Nominal: 0.011445 Effective: 0.011380 Annual: 0.128331

Current Oil rate: 0.1 bbls/d

Economic Limit: 0.0 bbls/d

Cumulative Oil Produced: 0.8 Mbbls

Remaining Reserves: 0.2 Mbbls

Total Reserves: 1.0 Mbbls - At End of Forecast

Exponential Decline Analysis

Total for Selected Completions (2)

Equation: $Q_{oi} * \exp(-D_i * t)$ $t =$ Elapsed Months from 8212
 $Q_{oi} = 0.64$ $D_i = 0.011445$

Decline Rate (frac) Nominal: 0.011445 Effective: 0.011380 Annual: 0.128331

Current Oil rate: 0.1 bbls/d

Economic Limit: 0.0 bbls/d

Cumulative Oil Produced: 0.8 Mbbls

Remaining Reserves: 0.2 Mbbls

Total Reserves: 1.0 Mbbls - At End of Forecast

Date	Oil bbls/d	Remaining Reserves Mbbls	Cumulative Production Mbbls
6/1996	0.1	0.2	0.8
7/1996	0.1	0.2	0.8
8/1996	0.1	0.2	0.9
9/1996	0.1	0.2	0.9
10/1996	0.1	0.2	0.9
11/1996	0.1	0.2	0.9
12/1996	0.1	0.2	0.9
1/1997	0.1	0.2	0.9
2/1997	0.1	0.2	0.9
3/1997	0.1	0.2	0.9
4/1997	0.1	0.2	0.9
5/1997	0.1	0.2	0.9
6/1997	0.1	0.2	0.9
7/1997	0.1	0.2	0.9
8/1997	0.1	0.2	0.9
9/1997	0.1	0.2	0.9
10/1997	0.1	0.2	0.9
11/1997	0.1	0.2	0.9
12/1997	0.1	0.1	0.9
1/1998	0.1	0.1	0.9
2/1998	0.1	0.1	0.9
3/1998	0.1	0.1	0.9
4/1998	0.1	0.1	0.9
5/1998	0.1	0.1	0.9
6/1998	0.1	0.1	0.9
7/1998	0.1	0.1	0.9
8/1998	0.1	0.1	0.9
9/1998	0.1	0.1	0.9
10/1998	0.1	0.1	0.9
11/1998	0.1	0.1	0.9
12/1998	0.1	0.1	0.9
1/1999	0.1	0.1	0.9
2/1999	0.1	0.1	0.9
3/1999	0.1	0.1	0.9
4/1999	0.1	0.1	0.9
5/1999	0.1	0.1	0.9

Date	Oil bbls/d	Remaining Reserves Mbbbls	Cumulative Production Mbbbls
6/1999	0.1	0.1	0.9
7/1999	0.1	0.1	0.9
8/1999	0.1	0.1	0.9
9/1999	0.1	0.1	0.9
10/1999	0.1	0.1	0.9
11/1999	0.1	0.1	0.9
12/1999	0.1	0.1	0.9
1/2000	0.1	0.1	1.0
2/2000	0.1	0.1	1.0
3/2000	0.1	0.1	1.0
4/2000	0.1	0.1	1.0
5/2000	0.1	0.1	1.0
6/2000	0.1	0.1	1.0
7/2000	0.1	0.1	1.0
8/2000	0.1	0.1	1.0
9/2000	0.1	0.1	1.0
10/2000	0.1	0.1	1.0
11/2000	0.1	0.1	1.0
12/2000	0.1	0.1	1.0
1/2001	0.1	0.1	1.0
2/2001	0.1	0.1	1.0
3/2001	0.1	0.1	1.0
4/2001	0.1	0.1	1.0
5/2001	0.1	0.1	1.0
6/2001	0.1	0.1	1.0
7/2001	0.1	0.1	1.0
8/2001	0.0	0.1	1.0
9/2001	0.0	0.1	1.0
10/2001	0.0	0.1	1.0
11/2001	0.0	0.1	1.0
12/2001	0.0	0.1	1.0
1/2002	0.0	0.1	1.0
2/2002	0.0	0.1	1.0
3/2002	0.0	0.1	1.0
4/2002	0.0	0.1	1.0
5/2002	0.0	0.1	1.0
6/2002	0.0	0.0	1.0
7/2002	0.0	0.0	1.0
8/2002	0.0	0.0	1.0
9/2002	0.0	0.0	1.0
10/2002	0.0	0.0	1.0
11/2002	0.0	0.0	1.0
12/2002	0.0	0.0	1.0
1/2003	0.0	0.0	1.0
2/2003	0.0	0.0	1.0
3/2003	0.0	0.0	1.0
4/2003	0.0	0.0	1.0
5/2003	0.0	0.0	1.0
6/2003	0.0	0.0	1.0
7/2003	0.0	0.0	1.0
8/2003	0.0	0.0	1.0

Date	Oil bbls/d	Remaining Reserves Mbbbls	Cumulative Production Mbbbls
9/2003	0.0	0.0	1.0
10/2003	0.0	0.0	1.0
11/2003	0.0	0.0	1.0
12/2003	0.0	0.0	1.0
1/2004	0.0	0.0	1.0
2/2004	0.0	0.0	1.0
3/2004	0.0	0.0	1.0
4/2004	0.0	0.0	1.0
5/2004	0.0	0.0	1.0
6/2004	0.0	0.0	1.0
7/2004	0.0	0.0	1.0
8/2004	0.0	0.0	1.0
9/2004	0.0	0.0	1.0
10/2004	0.0	0.0	1.0
11/2004	0.0	0.0	1.0
12/2004	0.0	0.0	1.0
1/2005	0.0	0.0	1.0
2/2005	0.0	0.0	1.0
3/2005	0.0	0.0	1.0
4/2005	0.0	0.0	1.0
5/2005	0.0	0.0	1.0
6/2005	0.0	0.0	1.0
7/2005	0.0	0.0	1.0
8/2005	0.0	0.0	1.0
9/2005	0.0	0.0	1.0
10/2005	0.0	0.0	1.0
11/2005	0.0	0.0	1.0
12/2005	0.0	0.0	1.0
1/2006	0.0	0.0	1.0
2/2006	0.0	0.0	1.0
3/2006	0.0	0.0	1.0
4/2006	0.0	0.0	1.0
5/2006	0.0	-0.0	1.0