St built in This quite to the contracts UMITED STATES DEPARTMENT OF THE INTERIOR VERNE BIGE LEASE DESIGNATION AND SEIAL NO . 1 1 . . . 118 6-0 Y S 43 SF-077968 BUREAU OF LAND MANAGEMENT 6 HE INDIAN, ALLOTTER OF THE NAME SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals.) 7. UNIT AGELEMENT NAME SOUTHEAST CHA CHA GAS WELL WELL XX S. FARM OR LEASE NAME 2. NAME OF OPERATOR HICKS OIL & GAS, INC. 9. WELL NO. 3. ADDRESS OF OPERATOR LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface 10. FIELD AND POOL, OR WILDCAT Cha Cha Gallup 11. SEC., T., R., M., OR RLE. AND BURYEY OR AREA 493' FNL & 660' FWL Sec. 9, T28N, R13W 12. COUNTY OR PARISH 13. STATE 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 14 PERMIT NO San Juan Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data BUPERQUENT REPORT OF: NOTICE OF INTENTION TO: PEPAIRING WELL WATER SHUT-OFF PULL OR ALTER CASING TEST WATER SHUT-OFF ALTERING CASING PRACTURE TREATMENT MULTIPLE COMPLETE FRACTURE TREAT ABANDON MENT SHOOTING OR ACIDIZING ABANDON* SHOOT OF ACIDIZE CHANGE PLANS (Norr: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) REPAIR WELL 17. HAS FIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) * Due to a water flood type reaction to water injection into S.E. Cha Cha #37, S.E. Cha Cha wells #19, 23, & 24 are currently producing \pm 70 bbls oil per day as compared to 27 bbls oil per day in May, 1986. Because of this we have revised our plan to P & A this well and are considering injection of water into other areas of the unit. Plugging this well prematurely may cause a loss of potentially recoverable reserves. JULI 1 1988
OIL CON. DIV.J MAR 0 1 1989 THIS APPROVAL EXPIRES that the foregol 6/29/88 TITLE President JIM HICKS APPI OVED BY CONDITIONS OF APPROVAL, IF ANY: FARAHME

*See Instructions on Reverse Side