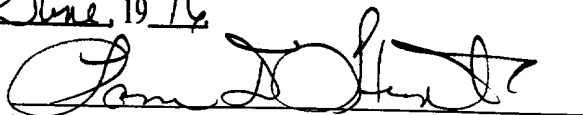


SUBSCRIBED AND SWORN TO before me this 5th day of June 1996

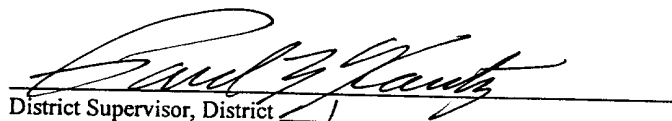

Notary Public Pam D. Hunt

My Commission expires: 9/13/97

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 3-30, 1996.

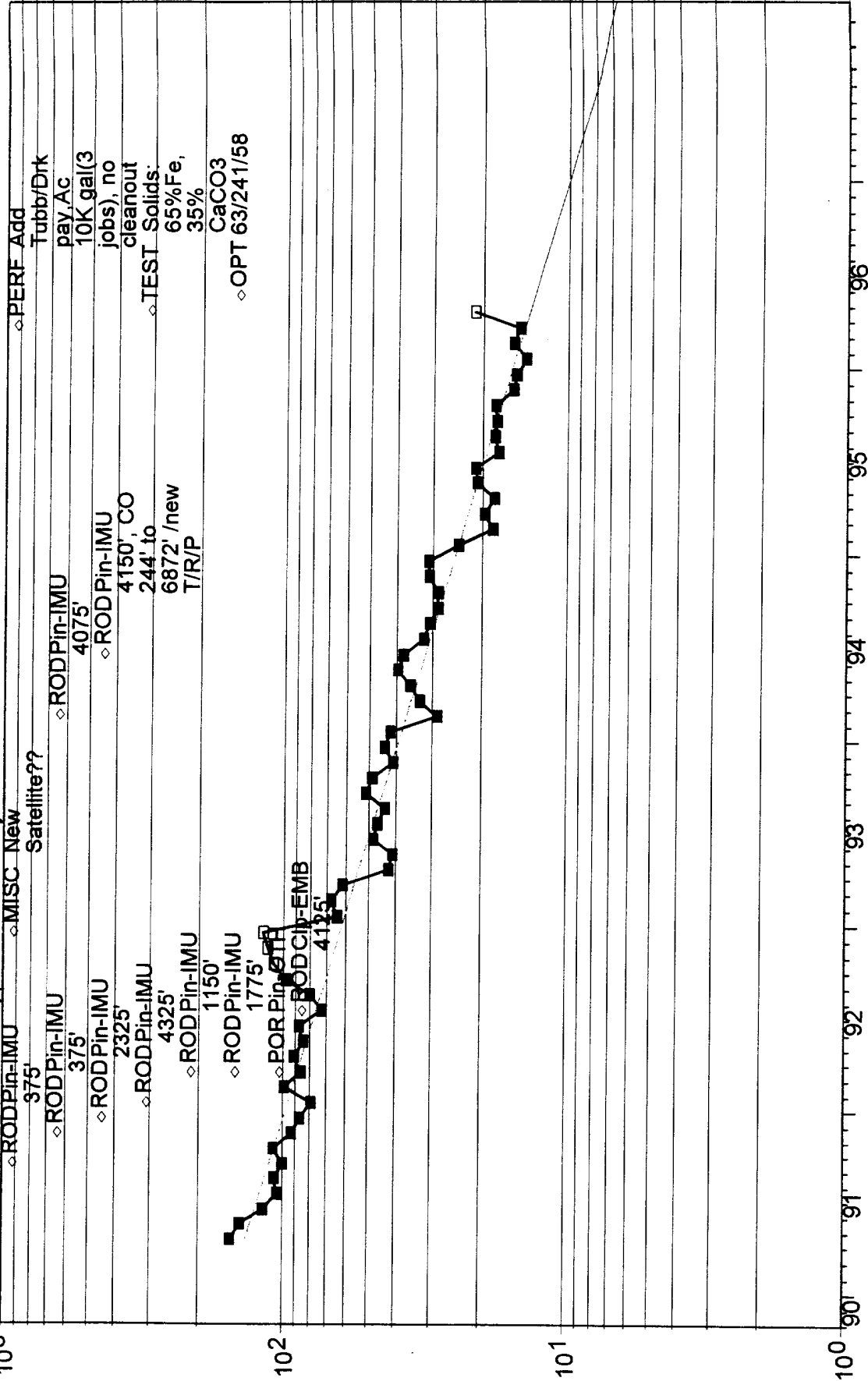

District Supervisor, District 1
Oil Conservation Division

Date: 6/21/96 Geologist

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

WDDU #106 OIL Decline For Severance Tax Credit (6/7/96)

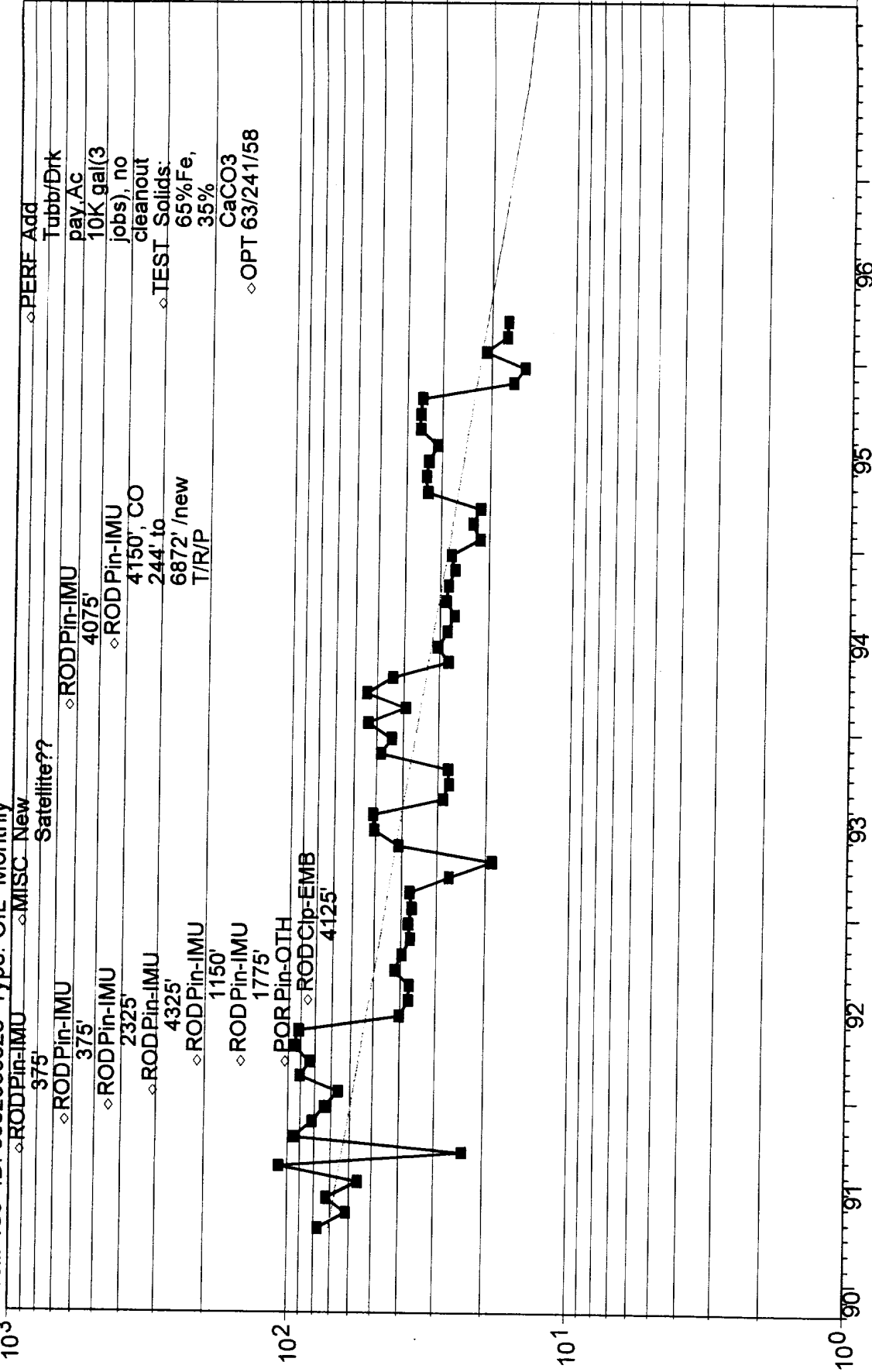
Well: 106 ID: 3002530828 Type: OIL Monthly



Cum stream: Oil, 4615.0
 Fit Decline, 1/yr:
 Forecast Decline, 1/yr:
 Begin Date, Rate:
 End Date, Rate, Yrs:
 Cum at Begin:
 Remaining:
 Total Reserves:
 Exp, 0.46
 Exp, 0.46
 19960301, 14.36
 20060301, 0.15, 10.00
 461.00
 11379.71
 11840.71
 Def = 3790/year
 RATE 396 = 14.3 BOPA

WDDU #106 GAS Decline For Severance Tax Credit (6/7/96)

Well: 106 ID: 3002530828 Type: OIL Monthly



Cum stream: Gas, 3329.0
Fit Decline, 1/yr:
Forecast Decline, 1/yr:
Begin Date, Rate: 19960301, 20.85
End Date, Rate, Yrs: 20060301, 1.74, 10.00
Cum at Begin: 542.00
Remaining: 28085.20
Total Reserves: 28627.20

—□ Mcfpd

Def = 2270/year
RATE 3/96 = 21 mcfpd

Submit 3 copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.

30-025-30828

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil / Gas Lease No.

B-9613

7. Lease Name or Unit Agreement Name

WEST DOLLARHIDE DRINKARD UNIT

8. Well No.

106

9. Pool Name or Wildcat

DOLLARHIDE TUBB DRINKARD

SUNDRY NOTICES AND REPORTS ON WELL
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

3. Address of Operator
205 E. Bender, HOBBS, NM 88240

4. Well Location
Unit Letter J : 1363 Feet From The SOUTH Line and 2542 Feet From The EAST Line
Section 32 Township 24S Range 38E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3182' GL, 3200' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☒ PERF & ACIDIZE ADDITIONAL PAY

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1)RUPU. Pull and inspect rods. Install BOP. 3-25-96.
- 2)Tag fill and strap out of hole.
- 3)MIRU perforators. Perforate the Tubb & Drinkard 2 JSPF, .45 holes, 4" casing gun from 6130 - 6256'. 3-26-96.
- 4)Test into hole with 2-7/8" production string, RBP and 5-1/2" stimulation packer. Set RBP at 6860'. Set packer at 6850' and test.
- 5)Re-set packer at 6600'+-.
- 6)Acidize Upper Abo perms, Rig up Dowell Schlumberger Acidize Perf's w/ 3000 gals 15% HCL NEFE, Max=TP 2000 psi. 3-27-96.
- 7)Release packer, pick up and set RBP at 6596'. Set packer at 6320'+-.
- 8)Acidize Drinkard perms w/ 4000 gals 15% HCL NEFE, Max=TP 2000 psi.
- 9)Release packer, pick up and set RBP at 6290'. Set packer at 6100'+-.
- 10)Acidize Tubb perms w/ 3000 gals 15% HCL NEFE, Max=TP 2000 psi.
- 11)Run down hole and retrieve RBP. POOH. 3-28-96.
- 12)TIH w/ tubing/anchor/GA. SET SN AT 6840'+-. 3-29-96
- 13)RIH w/ rods and pump.
- 14)POP w/ 1-1/2" pump at 8 SPM.
- 15)ON PRODUCTION, ALL BLW. 3-30-96.
- 16)TESTING 3-31-96 THRU 5-8-96. OPT 63- O, 241- W, - 58 MCF.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paula S. Ives TITLE Engineering Assistant

DATE 6/3/96

TYPE OR PRINT NAME Paula S. Ives

Telephone No. 397-0432

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Production Projection

Well Name & #:

West Dollarhide Drinkard Unit #106

Prior Oil Prod. Rate (BOPD):

13

Producing Formation:

Dollarhide Tubb Drinkard

Oil Decline Factor:

0.962228863

Oil Decline Rate (%):

37

Prior Gas Prod. Rate (MCFGD):

22

16

Gas Decline Rate (%):

Mar-96

Gas Decline Factor:

0.979507767

Completion Date (m/yr):

Month	Projected Oil Production	Projected Gas Production	Projected Cumulative Oil Production	Projected Cumulative Gas Production
Mar-96	395	486	395	486
Apr-96	380	476	775	963
May-96	366	467	1141	1430
Jun-96	352	457	1493	1887
Jul-96	339	448	1832	2334
Aug-96	326	439	2158	2773
Sep-96	314	430	2472	3202
Oct-96	302	421	2774	3623
Nov-96	290	412	3064	4035
Dec-96	279	404	3344	4439
Jan-97	269	395	3613	4835
Feb-97	259	387	3871	5222
Mar-97	249	379	4120	5601
Apr-97	240	372	4360	5973
May-97	231	364	4590	6337
Jun-97	222	357	4812	6693
Jul-97	213	349	5026	7043
Aug-97	205	342	5231	7385
Sep-97	198	335	5429	7720
Oct-97	190	328	5619	8048
Nov-97	183	321	5802	8370
Dec-97	176	315	5978	8684
Jan-98	169	308	6147	8993
Feb-98	163	302	6310	9295
Mar-98	157	296	6467	9591
Apr-98	151	290	6618	9881
May-98	145	284	6763	10165
Jun-98	140	278	6903	10443
Jul-98	134	272	7037	10715
Aug-98	129	267	7167	10982
Sep-98	124	261	7291	11243
Oct-98	120	256	7411	11499
Nov-98	115	251	7526	11750
Dec-98	111	246	7637	11986

Production Projection

Jan-99	107	241	7744	12236
Feb-99	103	236	7847	12472
Mar-99	99	231	7946	12703
Apr-99	95	226	8041	12929
May-99	95	226	8041	12929
Jun-99	91	221	8132	13150
Jul-99	88	217	8220	13367
Aug-99	85	212	8305	13580
Sep-99	82	208	8386	13788
Oct-99	78	204	8465	13992
Nov-99	75	200	8540	14191
Dec-99	73	196	8613	14387
Jan-00	70	192	8683	14579
Feb-00	67	188	8750	14766
Mar-00	65	184	8815	14950
Apr-00	62	180	8877	15130
May-00	62	180	8877	15130
Jun-00	60	176	8937	15306
Jul-00	58	173	8995	15479
Aug-00	55	169	9050	15648
Sep-00	53	166	9103	15814
Oct-00	51	162	9155	15976
Nov-00	49	159	9204	16135
Dec-00	48	156	9252	16291
Jan-01	46	153	9297	16444
Feb-01	44	149	9342	16593
Mar-01	42	146	9384	16740
Apr-01	41	143	9425	16883
May-01	41	143	9425	16883
Jun-01	39	140	9464	17023
Jul-01	38	138	9502	17161
Aug-01	36	135	9538	17296
Sep-01	35	132	9573	17428
Oct-01	34	129	9606	17557
Nov-01	32	127	9639	17683
Dec-01	31	124	9670	17807
Jan-02	30	121	9700	17929
Feb-02	29	119	9729	18048
Mar-02	28	117	9756	18165
Apr-02	27	114	9783	18279
May-02	26	112	9809	18391
Jun-02	25	110	9834	18500
Jul-02	24	107	9857	18607
Aug-02	23	105	9880	18712
Sep-02	22	103	9902	18815
Oct-02	21	101	9923	18916
Nov-02	20	99	9944	19015

Production Projection

Dec-02	20	97	9963	19112
Jan-03	19	95	9982	19206
Feb-03	18	93	10000	19299
Mar-03	17	91	10018	19390
Apr-03	17	89	10035	19479
May-03	16	87	10051	19566
Jun-03	16	85	10066	19652
Jul-03	15	84	10081	19736
Aug-03	14	82	10096	19818
Sep-03	14	80	10110	19898
Oct-03	13	79	10123	19977
Nov-03	13	77	10136	20054
Dec-03	12	75	10148	20129
Jan-04	12	74	10160	20203
Feb-04	11	72	10172	20275
Mar-04	11	71	10183	20346
Apr-04	11	69	10193	20416
May-04	10	68	10203	20484
Jun-04	10	67	10213	20550
Jul-04	9	65	10223	20616
Aug-04	9	64	10232	20680
Sep-04	9	63	10240	20742
Oct-04	8	61	10249	20804
Nov-04	8	60	10257	20864
Dec-04	8	59	10265	20923
Jan-05	7	58	10272	20980
Feb-05	7	56	10279	21037
Mar-05	7	55	10286	21092
Apr-05	7	54	10293	21146
May-05	6	53	10299	21199
Jun-05	6	52	10306	21251
Jul-05	6	51	10312	21302
Aug-05	6	50	10317	21352
Sep-05	6	49	10323	21401
Oct-05	5	48	10328	21449
Nov-05	5	47	10333	21496
Dec-05	5	46	10338	21541
Jan-06	5	45	10343	21586
Feb-06	5	44	10347	21630
Mar-06	4	43	10352	21674
Apr-06	4	42	10356	21716
May-06	4	41	10360	21757
Jun-06	4	41	10364	21798
Jul-06	4	40	10368	21838
Aug-06	4	39	10371	21876
Sep-06	3	38	10375	21915
Oct-06	3	37	10378	21952

Production Projection

Nov-06	3	37	10381	21988
Dec-06	3	36	10384	22024
Jan-07	3	35	10387	22059
Feb-07	3	34	10390	22094
Mar-07	3	34	10393	22127
Apr-07	3	33	10396	22160
May-07	3	32	10398	22193
Jun-07	2	32	10401	22224
Jul-07	2	31	10403	22255
Aug-07	2	30	10405	22285
Sep-07	2	30	10407	22315
Oct-07	2	29	10409	22344
Nov-07	2	29	10411	22373
Dec-07	2	28	10413	22401
Jan-08	2	27	10415	22428
Feb-08	2	27	10417	22455
Mar-08	2	26	10419	22481
Apr-08	2	26	10421	22507
May-08	2	25	10422	22532
Jun-08	2	25	10424	22557
Jul-08	1	24	10425	22581
Aug-08	1	24	10427	22605
Sep-08	1	23	10428	22628
Oct-08	1	23	10429	22650
Nov-08	1	22	10431	22673
Dec-08	1	22	10432	22694
Jan-09	1	21	10433	22716
Feb-09	1	21	10434	22737
Mar-09	1	20	10435	22757
Apr-09	1	20	10436	22777
May-09	1	20	10437	22797
Jun-09	1	19	10438	22816
Jul-09	1	19	10439	22835
Aug-09	1	18	10440	22853
Sep-09	1	18	10441	22872
Oct-09	1	18	10442	22889
Nov-09	1	17	10443	22907
Dec-09	1	17	10443	22924
Jan-10	1	17	10444	22940
Feb-10	1	16	10445	22957
Mar-10	1	16	10445	22972
Apr-10	1	16	10446	22988
May-10	1	15	10447	23003
Jun-10	1	15	10447	23018
Jul-10	1	15	10448	23033
Aug-10	1	14	10449	23048
Sep-10	1	14	10449	23062

Production Projection

Oct-10	1	14	10450	23075
Nov-10	1	14	10450	23089
Dec-10	0	13	10451	23102
Jan-11	0	13	10451	23115
Feb-11	0	13	10452	23128
Mar-11	0	12	10452	23140
Apr-11	0	12	10452	23153
May-11	0	12	10453	23165
Jun-11	0	12	10453	23176
Jul-11	0	11	10454	23188
Aug-11	0	11	10454	23199
Sep-11	0	11	10454	23210
Oct-11	0	11	10455	23221
Nov-11	0	11	10455	23231
Dec-11	0	10	10455	23242
Jan-12	0	10	10455	23252
Feb-12	0	10	10455	23252
Mar-12	0	10	10456	23262
Apr-12	0	10	10456	23271
May-12	0	9	10456	23281
Jun-12	0	9	10457	23290
Jul-12	0	9	10457	23299
Aug-12	0	9	10457	23308
Sep-12	0	9	10457	23317
Oct-12	0	8	10457	23326
Nov-12	0	8	10458	23334
Dec-12	0	8	10458	23342
Jan-13	0	8	10458	23350
Feb-13	0	8	10458	23358
Mar-13	0	8	10458	23366
Apr-13	0	7	10459	23374
May-13	0	7	10459	23381
Jun-13	0	7	10459	23388
Jul-13	0	7	10459	23395
Aug-13	0	7	10459	23402
Sep-13	0	7	10459	23409
Oct-13	0	7	10460	23416
Nov-13	0	6	10460	23422
Dec-13	0	6	10460	23429
Jan-14	0	6	10460	23435
Feb-14	0	6	10460	23441
Mar-14	0	6	10460	23447
Apr-14	0	6	10460	23453
May-14	0	6	10460	23459
Jun-14	0	6	10460	23465
Jul-14	0	5	10461	23470
Aug-14	0	5	10461	23476
			10461	23481

Production Projection

Sep-14	0	5	10461	23486
Oct-14	0	5	10461	23491
Nov-14	0	5	10461	23496
Dec-14	0	5	10461	23501
Jan-15	0	5	10461	23506
Feb-15	0	5	10461	23511
Mar-15	0	5	10461	23515
Apr-15	0	5	10461	23520
May-15	0	4	10461	23524
Jun-15	0	4	10461	23529
Jul-15	0	4	10462	23533
Aug-15	0	4	10462	23537
Sep-15	0	4	10462	23541
Oct-15	0	4	10462	23545
Nov-15	0	4	10462	23549
Dec-15	0	4	10462	23553
Jan-16	0	4	10462	23557
Feb-16	0	4	10462	23560
Mar-16	0	4	10462	23564
Apr-16	0	4	10462	23567
May-16	0	3	10462	23571
Jun-16	0	3	10462	23574
Jul-16	0	3	10462	23578
Aug-16	0	3	10462	23581
Sep-16	0	3	10462	23584
Oct-16	0	3	10462	23587
Nov-16	0	3	10462	23590
Dec-16	0	3	10462	23593
Jan-17	0	3	10462	23596
Feb-17	0	3	10462	23599
Mar-17	0	3	10462	23602
Apr-17	0	3	10462	23604
May-17	0	3	10462	23607
Jun-17	0	3	10462	23610
Jul-17	0	3	10462	23612
Aug-17	0	3	10462	23615
Sep-17	0	2	10462	23617
Oct-17	0	2	10462	23620
Nov-17	0	2	10463	23622
Dec-17	0	2	10463	23625
Jan-18	0	2	10463	23627
Feb-18	0	2	10463	23629
Mar-18	0	2	10463	23631
Apr-18	0	2	10463	23633
May-18	0	2	10463	23635
Jun-18	0	2	10463	23638
Jul-18	0	2	10463	23640

Production Projection

Aug-18	0	2	10463	23642
Sep-18	0	2	10463	23643
Oct-18	0	2	10463	23645
Nov-18	0	2	10463	23647
Dec-18	0	2	10463	23649
Jan-19	0	2	10463	23651
Feb-19	0	2	10463	23653
Mar-19	0	2	10463	23654
Apr-19	0	2	10463	23656
May-19	0	2	10463	23658
Jun-19	0	2	10463	23659
Jul-19	0	2	10463	23661
Aug-19	0	2	10463	23662
Sep-19	0	2	10463	23664
Oct-19	0	2	10463	23665
Nov-19	0	1	10463	23667
Dec-19	0	1	10463	23668
Jan-20	0	1	10463	23670
Feb-20	0	1	10463	23671
Mar-20	0	1	10463	23672
Apr-20	0	1	10463	23673
May-20	0	1	10463	23675
Jun-20	0	1	10463	23676
Jul-20	0	1	10463	23677
Aug-20	0	1	10463	23678
Sep-20	0	1	10463	23680
Oct-20	0	1	10463	23681
Nov-20	0	1	10463	23682
Dec-20	0	1	10463	23683
Jan-21	0	1	10463	23684
Feb-21	0	1	10463	23685
Mar-21	0	1	10463	23686
Apr-21	0	1	10463	23687
May-21	0	1	10463	23688
Jun-21	0	1	10463	23689
Jul-21	0	1	10463	23690
Aug-21	0	1	10463	23691
Sep-21	0	1	10463	23692
Oct-21	0	1	10463	23693
Nov-21	0	1	10463	23694
Dec-21	0	1	10463	23695
Jan-22	0	1	10463	23695
Feb-22	0	1	10463	23696
Mar-22	0	1	10463	23697
Apr-22	0	1	10463	23698
May-22	0	1	10463	23699
Jun-22	0	1	10463	23699

Production Projection

Jul-22	0	1	10463	23700
Aug-22	0	1	10463	23701
Sep-22	0	1	10463	23702
Oct-22	0	1	10463	23703
Nov-22	0	1	10463	23704
Dec-22	0	1	10463	23705
Jan-23	0	1	10463	23706
Feb-23	0	1	10463	23707
Mar-23	0	1	10463	23708
Apr-23	0	1	10463	23709
May-23	0	1	10463	23710
Jun-23	0	1	10463	23711
Jul-23	0	1	10463	23712
Aug-23	0	1	10463	23712
Sep-23	0	1	10463	
Oct-23	0	1	10463	
Nov-23	0	1	10463	
Dec-23	0	1	10463	
Jan-24	0	1	10463	
Feb-24	0	1	10463	
Mar-24	0	0	10463	