

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 4, 2004

WELL API NO.
30-045-30348

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
WF Federal NM-97843

8. Well Number
WF Federal 29-4

9. OGRID Number
19219

10. Pool name or Wildcat
Twin Mounds FR SD PC/BFC

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" (FORM C-100) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Richardson Operating Company

3. Address of Operator
3100 La Plata Highway, Farmington, NM

4. Well Location
Unit Letter D : 775' feet from the North line and 735' feet from the West line
Section 29 Township 30N Range 14W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5580' GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

12. 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 ☐ MULTIPLE COMPLETION ☐

OTHER: Down-hole Commingling Application ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Richardson Operating Company proposes to down-hole commingle the Basin Fruitland Coal with the Twin Mounds Fruitland Sand - PC production in this well. Please see the attached for details on down-hole commingling these "pre-approved" pools. A copy of this application has been submitted to the BLM, as per Rule 303C (3) (b) (vii).

Your consideration and approval of this application is appreciated.

DHC 1560AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Charles Neeley TITLE Agent/PE DATE 7/22/04

Type or print name Charles Neeley E-mail address: neece@acrnet.com Telephone No. 505-486-0211

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 03 DATE JUL 26 2004
Conditions of approval, if any:

Richardson Operating Company
WF Federal ~~20-5~~
Downhole Commingling Application

The WF Federal 29-4 is a producing Twin Mounds Pictured Cliffs well completed in March, 2001. As part of Richardson's development program in their WF (West Farmington) field, this well has been perforated and stimulated in the Basin Fruitland Coal.

Pursuant to NMOCD Order R-11363, Richardson Operating Company seeks approval to down-hole commingle the "Pre-approved pools and areas": Twin Mounds Fruitland Sand PC (86620) and Basin Fruitland Coal (79680) pools in this well.

Based on Richardson Operating wells in this township: both zones have similar bottom hole pressures of approximately 200 psi., both zones produce gas with formation water and no liquid hydrocarbons, and fluids from the two zones are compatible.

WF Federal 29-4

PC Gas Production History

Although initial gas production rates were encouraging averaging 69.5 mcfpd the first 56 days produced, production made a significant decline in December 2002. Production has averaged 5.3 mcfpd, since that time (389 days) with no measurable decline. Richardson Operating proposes to allocate production based on the recent 5.3 mcfpd production history from the Pictured Cliffs with a constant 5.0 mcfpd or 152 mcfpm (30.4 days) future production forecast. Production allocation attributable to the Fruitland Coal Formation will be based on the difference in the production forecast for the Pictured Cliffs and the commingled gas stream of both intervals.

The monthly production from the Pictured Cliffs is proposed to be 5.0 mcf per day produced.

Fruitland Coal Production = Total Production for month – Pictured Cliffs production for month

The production history and production curve are attached for your review.

The Twin Mounds Fruitland Sand PC is perforated: 1062' – 1070'. The Basin Fruitland Coal is perforated: 968' – 974', 1025' and 1051' – 1058'.

The down-hole commingling will not reduce the value of the total remaining production of this well.

Ownership between the two pools is identical.

A copy of this application has been submitted via Sundry Notice Form 3160-5 to the Bureau of Land Management.

Your consideration and approval of this application is appreciated.

Well: WF FEDERAL 29-4
 Operator: RICHARDSON OPERATING CO
 Township: 30.0N Range: 14W
 Section: 29 Unit: D
 Land Type: F County: San Juan
 Total Acres: 160
 Number of 1

No.: 4
 API: 3E+09

Accumulated:

Oil: 0 (BBLs) Gas: 17177 (MCF)
 Water: 19940 (BBLs) Days Prod: 697 (Days)

Year: 2001

Pool Name: TWIN MOUNDS FRUITLAND SAND PC (GAS)

| Month | Oil(BBLs) | Gas(MCF) | Water(BBL) | Days Prod | Accum. Oil | Accum. Gas(MCF) |
|-----------|-----------|----------|------------|-----------|------------|-----------------|
| January | 0 | 0 | 0 | 0 | 0 | 0 |
| February | 0 | 0 | 0 | 0 | 0 | 0 |
| March | 0 | 1721 | 1500 | 27 | 0 | 1721 |
| April | 0 | 2172 | 1500 | 29 | 0 | 3893 |
| May | 0 | 1920 | 1500 | 29 | 0 | 5813 |
| June | 0 | 1322 | 1500 | 29 | 0 | 7135 |
| July | 0 | 2192 | 1550 | 31 | 0 | 9327 |
| August | 0 | 1935 | 1550 | 31 | 0 | 11262 |
| September | 0 | 0 | 0 | 0 | 0 | 11262 |
| October | 0 | 0 | 0 | 0 | 0 | 11262 |
| November | 0 | 0 | 0 | 0 | 0 | 11262 |
| December | 0 | 0 | 0 | 0 | 0 | 11262 |
| Total | 0 | 11262 | 9100 | 176 | | |

Year: 2002

Pool Name: TWIN MOUNDS FRUITLAND SAND PC (GAS)

| Month | Oil(BBLs) | Gas(MCF) | Water(BBL) | Days Prod | Accum. Oil | Accum. Gas(MCF) |
|-----------|-----------|----------|------------|-----------|------------|-----------------|
| January | 0 | 0 | 0 | 0 | 0 | 11262 |
| February | 0 | 0 | 0 | 0 | 0 | 11262 |
| March | 0 | 0 | 0 | 0 | 0 | 11262 |
| April | 0 | 0 | 0 | 0 | 0 | 11262 |
| May | 0 | 0 | 0 | 0 | 0 | 11262 |
| June | 0 | 12 | 0 | 5 | 0 | 11274 |
| July | 0 | 55 | 140 | 20 | 0 | 11329 |
| August | 0 | 997 | 1020 | 28 | 0 | 12326 |
| September | 0 | 1157 | 1420 | 26 | 0 | 13483 |
| October | 0 | 73 | 720 | 24 | 0 | 13556 |
| November | 0 | 1570 | 550 | 29 | 0 | 15126 |
| December | 0 | 132 | 600 | 31 | 0 | 15258 |
| Total | 0 | 3996 | 4450 | 163 | | |

Year: 2003

Pool Name: TWIN MOUNDS FRUITLAND SAND PC (GAS)

| Month | Oil(BBLs) | Gas(MCF) | Water(BBL) | Days Prod | Accum. Oil | Accum. Gas(MCF) |
|----------|-----------|----------|------------|-----------|------------|-----------------|
| January | 0 | 147 | 480 | 31 | 0 | 15405 |
| February | 0 | 270 | 660 | 28 | 0 | 15675 |

| | | | | | | |
|-----------|---|------|------|-----|---|-------|
| March | 0 | 153 | 720 | 31 | 0 | 15828 |
| April | 0 | 145 | 880 | 30 | 0 | 15973 |
| May | 0 | 145 | 710 | 31 | 0 | 16118 |
| June | 0 | 116 | 620 | 30 | 0 | 16234 |
| July | 0 | 141 | 620 | 31 | 0 | 16375 |
| August | 0 | 177 | 460 | 31 | 0 | 16552 |
| September | 0 | 174 | 420 | 30 | 0 | 16726 |
| October | 0 | 182 | 370 | 31 | 0 | 16908 |
| November | 0 | 160 | 450 | 30 | 0 | 17068 |
| December | 0 | 109 | 450 | 24 | 0 | 17177 |
| Total | 0 | 1919 | 6840 | 358 | | |

Year: 2004

Pool Name: TWIN MOUNDS FRUITLAND SAND PC (GAS)

| Month | Oil(BBLS) | Gas(MCF) | Water(BBL) | Days Prod | Accum. | Oil Accum. | Gas(MCF) |
|-----------|-----------|----------|------------|-----------|--------|------------|----------|
| January | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| February | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| March | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| April | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| May | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| June | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| July | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| August | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| September | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| October | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| November | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| December | 0 | 0 | 0 | 0 | 0 | 0 | 17177 |
| Total | 0 | 0 | 0 | 0 | 0 | | |