

Submit 3 Copies to Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO. 30-045-23906

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
(Federal lease NM-10758)

7. Lease Name or Unit Agreement Name

Pittam Pond

8. Well No.
#1

9. Pool name or Wildcat
Basin FC/Twin Mounds Fr Sd PC

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-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Richardson Operating Company

3. Address of Operator

1700 Lincoln Street, Suite 1700 Denver, CO 80203

4. Well Location

Unit Letter A : 1235 feet from the North line and 1215 feet from the East line

Section 1 Township 29N Range 15W NMPM San Juan County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

5301' GR

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 ☐ MULTIPLE COMPLETION ☐

OTHER: ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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

Pursuant to Order R-11224, Richardson Operating Company seeks permission to downhole commingle the Basin Fruitland Coal (71629) and Twin Mounds Fruitland Sand Pictured Cliffs (86620) pools.

The Basin Fruitland Coal formation was perforated at 542'-554' and the Twin Mounds Fruitland Sand Pictured Cliffs formation was perforated at 570'-577'.

Refer to the attached Technical Write-up for the allocation method and supporting data.

The downhole commingling will not reduce the value of the total remaining production of this well.

The ownership between the two pools is identical.

Richardson Operating Company has sent a like Sundry Notice to the BLM (Form 3160-5) setting out our intention to downhole commingle this well.

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

SIGNATURE Cathleen Colley TITLE Land Manager DATE 7/24/2000

Type or print name

Telephone No. 303-830-8000

(This space for State use)

DEPUTY OIL & GAS INSPECTOR, DIST. IV

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE 7-31-00

Conditions of approval, if any:

RICHARDSON OPERATING COMPANY
Pittam Pond #1
COMMINGLE APPLICATION

The Pittman Pond #1 well was originally completed in the Gallup formation January 14, 1983. The well was plugged back and recompleted in the Pictures Cliffs formation on July 15, 1999. The well was tested at 89 mcfpd from the Pictured Cliffs and was shut in due to no gas pipeline. On February 21, 2000 a cast iron bridge plug was set above the Pictured Cliffs and the Fruitland Coal was completed. The Fruitland Coal was tested at 10 mcfpd and 450 bbls of water per day on March 24, 2000. In June 2000 the well produced an average rate of 21 mcfpd.

The closest producing Pictured Cliffs and Fruitland Coal well is Richardson's Bushman Federal #6-1 well (Unit P, Sec. 6, T29N, R14W) which was approved for downhole commingling of the Fruitland Coal and Pictured Cliffs formations in OCD Order R-10810.

Based upon recent Richardson Operating wells completed in this area, it is anticipated that both zones will have similar bottom hole pressures. At this shallow depth, bottom hole pressures average 200 psi. Both zones produce water but no liquid hydrocarbons. Neither zone is fluid sensitive and fluid from the two zones are compatible.

Since neither zone has enough long term stabilized production data to prepare a reliable production forecast or predict the ultimate recoverable gas reserves, Richardson Operating proposes to allocate the production based upon the initial production rates from the Pictured Cliffs formation of 89 mcfpd. The Pictured Cliffs is not producing and is still under a cast iron bridge plug. Upon receipt of approval by the NMOCD to commingle production, the cast iron bridge plug will be drilled and production from the Pictured Cliffs will be commingled with the Fruitland Coal. The daily production of 89 mcfpd from the Pictured Cliffs will be used as a baseline for the well with initial incremental production over 89 mcfpd attributed to the Fruitland Coal. Therefore Fruitland Coal production shall initially be calculated as total daily gas production less 89 mcfpd used for the Pictured Cliffs baseline.

Thereafter, assuming a 7% decline rate from the Pictured Cliffs, the allocation formula is as follows:

Pictured Cliffs Production = Pictured Cliffs base rate $\times e^{(-Dt)}$, where $D = 7\%/yr$ and t = time in years since first production.

Fruitland Coal Production = Total Production – Pictured Cliffs production.