

Submit 3 Copies To Appropriate District
Office
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

Form C-103
Revised March 25, 1999

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

WELL API NO. 30-045-30099
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. Oil & Gas Lease No. 14-20-603-2172

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		7. Lease Name or Unit Agreement Name: Navajo 26
2. Name of Operator Richardson Operating Company	7. Well No. #1	
3. Address of Operator 3100 La Plata Highway Farmington, NM 87401 505-564-3100	9. Pool name or Wildcat Bas. Fr. Coal & PC	
4. Well Location Unit Letter <u>L</u> : <u>1415</u> feet from the South _____ line and <u>1150</u> feet from the West _____ line Section <u>26</u> Township <u>29N</u> Range <u>14W</u> NMPM San Juan County		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5870 UG		

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle Application <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

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.

Richardson Operating Company proposes to downhole commingle the Basin Fruitland Coal and West Kutz Pictured Cliffs in this well. Please see the attached for details on downhole commingling these "preapproved pools."

Your consideration of this exception and approval of this application is appreciated.



DHC 892 AZ

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

SIGNATURE [Signature] TITLE Operations Manager DATE 9/5/02

Type or print name Drew Carnes Telephone No. (505) 564-3100

(This space for State use)

APPROVED BY STEVEN M. HAYDEN TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 40 DATE SEP - 10 2002

Conditions of approval, if any:

Richardson Operating Company

Downhole Commingling Application

The Navajo 26 #1 is a newly drilled Basin Fruitland Coal/West Kutz Pictured Cliffs well. This well is part of Richardson's development program.

Pursuant to Order R-11363, Richardson Operating company seeks approval to downhole commingle the "Pre-approved pools and areas": Basin-Fruitland Coal (71629) and West Kutz-Pictured Cliffs (79680) in this well.

The Basin-Fruitland Coal is planned to be perforated at 1440'-1446', 1425'-1434', 1360'-1368', and 1326'-1330'. The West Kutz-Pictured Cliffs is perforated at 1450'-1466'.

Due to the intermingled nature of the pools and since neither pool has enough data to prepare a reliable production forecast or predict the ultimate reserves, Richardson Operating Company proposes to allocate the production on a 50/50 basis:

Pictured Cliffs Production = $\frac{1}{2}$ x Total Production.

Fruitland Coal Production = $\frac{1}{2}$ x Total Production.

The downhole 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.