

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised March 25, 1999

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

WELL API NO. 30-045-30221

5. Indicate Type of Lease

STATE ☐ FEE ☐ INDIAN ☒

6. State Oil & Gas Lease No.

Navajo 14-20-603-2168A

7. Lease Name or Unit Agreement Name

Navajo 28

8. Well No.

#1

9. Pool name or Wildcat

Basin FC/W Kutz PC Ext.

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 G : 1570 feet from the North line and 1465 feet from the East lineSection 28 Township 29N Range 14W NMPM San Juan County

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

5610' 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 West Kutz Pictured Cliffs Ext. (79680) pools.

The Basin Fruitland Coal formation is estimated to be perforated at 897'-904', 927'-932', 1001'-1018' and the West Kutz Pictured Cliffs Ext. formation is estimated to be perforated at 1022'-1030'.

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 Colby TITLE Land Manager DATE 7/17/2000Type or print name Cathleen Colby Telephone No. 303-830-8000

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE 8-1-00

Conditions of approval, if any:

Richardson Operating Company
Navajo #28-1
Commingling Application

The Navajo #28-1 is a newly drilled Basin Fruitland Coal/West Kutz Pictured Cliffs well. There are no other Pictured Cliffs and Fruitland Coal wells in this section. The closest producing Fruitland Coal and Pictured Cliffs well is Richardson's Navajo Tribal H 5 (Unit M, Sec. 13, T29N, R14W) which was approved for downhole commingling of the Fruitland Coal and Pictured Cliffs formations in Administrative Order DHC-2478.

Based on recent Richardson Operating wells in this township, it is anticipated that both zones will have similar bottom hole pressures of approximately 200 psi. Both zones produce some water and no liquid hydrocarbons. Neither zone is fluid sensitive and fluids from the two zones are compatible.

Since neither zone has enough data to prepare a reliable production forecast, or predict the ultimate reserves, Richardson Operating proposes to allocate the production based on the initial production rates from the Pictured Cliffs. The well will be perforated and stimulated in the Pictured Cliffs formation. The stimulation will then be cleaned up and the well flow tested. The production based on the flow test will establish the Pictured Cliffs base rate. The Fruitland Coal formation will be completed separately but it will be produced with the Pictured Cliffs. The Fruitland Coal production will be the total measured production minus the Pictured Cliffs production.

We propose using the same allocation formula that was approved for the Navajo Tribal H 5 well, therefore, assuming an 18% decline rate from the Pictured Cliffs, the proposed allocation formula is as follows:

Pictured Cliffs Production = Pictured Cliffs base rate $\times e^{(-Dt)}$, where $D = 18\%/yr$ and t = time in years since first production.

Fruitland Coal Production = Total Production – Pictured Cliffs production.