DISTRICT I P.O. Box 1980, Hobbs, NM 88240 OIL CONSERVATION DIVISION P.O. Box 2088

DISTRICT II P.O. Drawer DD Artesia, NM 88210 Santa Fe, New Mexico 87504-2088

| WELL API NO. | | |
|--------------------------|-------|-------|
| 30-045-30943 | | |
| 5. Indicate Type of Leas | | |
| | STATE | FFF V |

| DIST | RIC | <u> III T:</u> | | | | | |
|------|-----|----------------|------|--------|----|-----|----|
| 1000 | Rio | Brazos | Rd., | Aztec. | NM | 874 | 10 |

PERFORM REMEDIAL WORK

TEMPORARILY ABANDON

| 1000 Rio Brazos Rd., Aztec, NM 87410 | o. State Oil & Gas Lease No. |
|---|---|
| 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.) | 7. Lease Name or Unit Agreement Name RPC 18 |
| 1. Type of Well: OIL WELL GAS WELL OTHER | |
| 2. Name of Operator Richardson Operating Company | 8. Well No. #3 |
| 3. Address of Operator 3100 LaPlata Hwy. Farmington, NM 87401 (505)564-3100 | 9. Pool name or Wildcat B. Frtlnd Coal/West Kutz PC |
| 4. Well Location | |
| Unit Letter N : 1048 Feet From The North Line and 724 | Feet From The West Line |
| Section 18 Township 29N Range 13W | NMPM San Juan County |
| 10. Elevation (Show whether DF,RKB,RT,GR,etc.) 5255 UG | |
| Check Appropriate Box to Indicate Nature of Notice, Rep NOTICE OF INTENTION TO: SUB | port, or Other Data |

PULL OR ALTER CASING CASING TEST AND CEMENT JOB \boxtimes OTHER: Downhole Commingling Application OTHER:

REMEDIAL WORK

COMMENCE DRILLING OPNS.

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.

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

Your consideration and approval of this application is appreciated.

PLUG AND ABANDON

CHANGE PLANS



SUBSEQUENT REPORT OF:

ALTERING CASING

PLUG AND ABANDONMENT

DHC894 AZ

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| I hereby certify that the information above is true and complete to the best of my leaves to the best of the best | mowledge and helief | |
| | and medge and benefi. | , / |
| SIGNATURE / Markey | TITLE Agent, PMCI DATE | 9/10/02 |
| | | |
| TYPE OR PRINT NAME Charles Neeley | TELEPHONE N | io. (505)235-5220 |
| (This space for State Office Space by English Havory) | DEFIT OR & SAS IMPRICION DIST. AND | OFD : |
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| CONDITIONS OF ADDOMAN IS AND | TITLE DATE | |
| CONDITIONS OF APPROVAL, IF ANY: | | |

Richardson Operating Company

Downhole Commingling Application

The RPC 18-3 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) pools in this well.

The Basin Fruitland Coal formation is perforated at 810' - 932', 909' - 915' and 930' - 932'. The West Kutz Pictured Cliffs formation is perforated at 936' - 946' in this well.

Due to the vertical proximity 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:

<u>Pictured Cliffs Production</u> = $\frac{1}{2}$ x Total Production. <u>Fruitland Coal Production</u> = $\frac{1}{2}$ 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 not identical.

Richardson Operating Company has sent notice to all interest owners in the spacing units by certified mail (return receipt) of their intent to apply for downhole commingling and no objection was received within 20 days of sending the notice.

Your consideration and approval of this application is appreciated.