

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill, or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Richardson Operating Company

3. Address and Telephone No.

1700 Lincoln, Suite 1700, Denver, Colorado 80203 (303) 830-8000

4. Location of Well (Footage, T, R, M, or Survey Description)

1086'FNL, 866'FEL
20-30N-14W

A

5. Lease Designation and Serial No.

NM-25857

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

WF Federal 20-2

9. API Well No.

30-045-30062

10. Field and Pool, or Exploratory Area

Basin FC/Twin Mounds PC Ext.

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Surface Casing/Cementing
☒ Other: see below

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form).

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.

If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)*

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

The Basin Fruitland Coal formation is estimated to be perforated at 849'-853', 966'-970', 994'-998', 1072'-1084' and the Twin Mounds PC ext. formation is estimated to be perforated at 1090'-1100'.

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 OCD (Form C-103) setting out our intention to downhole commingle this well.

14. I hereby certify that the foregoing is true and correct

Signed: Cathleen Colby

Title: Land Manager

Date: July 24, 2000

(This space for Federal or State office use)

Approved by: Joe Hunt

Title: Geologist

Date: 12-5-01

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Richardson Operating Company
WF Federal 20-2
Commingling Application

The WF Federal 20-2 is a newly drilled Basin Fruitland Coal/Twin Mounds Fruitland Sand Pictured Cliffs well. This is part of Richardson's development program in their WF (West Farmington) field. This is the second Pictured Cliffs and Fruitland Coal well in this section. The first such well in the section is Richardson's WF Federal 20-1 (Unit N, Sec. 20, T30N, R14W), which was approved for downhole commingling of the Fruitland Coal and Pictured Cliffs formations in Administrative Order DHC-2099.

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.

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

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

Fruitland Coal Production = Total Production – Pictured Cliffs production.