KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEFAX (

TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

W. THOMAS KELLAHIN*

June 17, 1996

HAND DELIVERED

Mr. William J. LeMay, Director Oil Conservation Division 2040 South Pacheco Santa Fe. New Mexico 87505

Re: ROPCO 15 GW "A" PC "B" FC Well No. 1

Application of Richardson Operating Company for compulsory pooling, downhole commingling and an unorthodox gas well location

San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Richardson Operating Company, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for July 11, 1996. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,

W. Thomas Kellahin

cc: Richardson Operating Company
Attn: Cathy Colby

PROPOSED ADVERTISEMENT FOR NMOCD DOCKET

CASE : Application of Richardson Operating Company for compulsory pooling, downhole commingling and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico, forming standard 160-acre and 320-acre spacing and proration units, respectively. Said units are to be dedicated to its ROPCO 15 GW "A" PC, "B" FC Well No. 1 which is to be located at an unorthodox gas well location 2275 feet from the North line and 991 feet from the East line (Unit H) of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well.

Said well is located near the intersection of US Highway 64 and Meadow View Drive within the City of Farmington, New Mexico.

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF RICHARDSON OPERATING COMPANY FOR
COMPULSORY POOLING, DOWNHOLE COMMINGLING
AND AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

CASE	NO.			

APPLICATION

Comes now RICHARDSON OPERATING COMPANY, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15. T29N, R13W, NMPM, San Juan County, New Mexico, forming standard 160-acre and 320-acre spacing and proration units, respectively. Said units are to be dedicated to its ROPCO 15 GW "A" PC "B" FC Well No. 1 which is to be located at an unorthodox gas well location 2275 feet from the North line and 991 feet from the East line (Unit H) of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling. completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well.

In support of its application, Richardson Operating Company ("Richardson") states:

NMOCD Application Richardson Operating Company Page 2

- 1. Richardson has a working interest ownership in the oil and gas minerals underlying the NE/4 and the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico.
- 2. In order to minimize surface disturbance within the NE/4 of said Section 15, Richardson seeks approval to locate its ROPCO 15 GW "A" PC "B" FC Well No. 1 at an unorthodox well location 2275 feet FNL and 991 feet FEL of said Section 15 so as to utilize the same drilling site used for an existing Dakota producing well located in Unit H of said Section 15. See Exhibit "A".
- 3. Richardson has proposed to the other working interest and unleased mineral interest owners that this well be drilled and completed as a "downhole commingled completion" for potential production from the Basin Fruitland Coal Gas Pool with any Pictured Cliffs production to be dedicated respectively to a 320-acre coal-gas spacing and proration unit consisting of the E/2 of Section 15 and to a 160-acre gas spacing and proration unit consisting of the NE/4 of said Section for production from either the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool.
- 4. In accordance with Division Rule 303, applicant has completed Division Form C-107-A, which is attached hereto and incorporated by reference.
- 5. Despite its good faith efforts, Richardson has been unable to obtain a written voluntary agreement from certain unleased mineral interest and leasehold owners as shown on Exhibit "B".
- 6. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of production from the subject well and these spacing units, Richardson needs an order of the Division pooling the identified and described mineral interests in order to protect correlative rights and prevent waste.
- 7. In accordance with the Division's notice requirements, a copy of this application has been sent to those interest owners.
- 8. In addition, in accordance with Rule 104.F, a copy of this application is being sent to all affected interest owners towards whom the subject well encroaches.
- 9. Richardson requests that this matter be set for a hearing before the Division on the next available Examiner's docket now scheduled for July 11, 1996.

WHEREFORE, Richardson, as applicant, requests that this application be set for hearing on July 11, 1996 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in these spacing units for the drilling, completion and operations of the subject well for downhole commingled production at a potential unorthodox gas well location upon terms and conditions which include:

- (1) Richardson Operating Company be named operator;
- (2) provisions for each working interest owner to participate in any production by reimbursing the applicant for the value of the costs of drilling, completing, equipping and operating said well;
- (3) In the event a working interest owner fails to elect to participate, then provisions be made to recover out of production, reimbursement to the applicant for the costs of drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates of \$3500 per month drilling and \$450 per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS; and
- (5) For such other and further relief as may be proper.

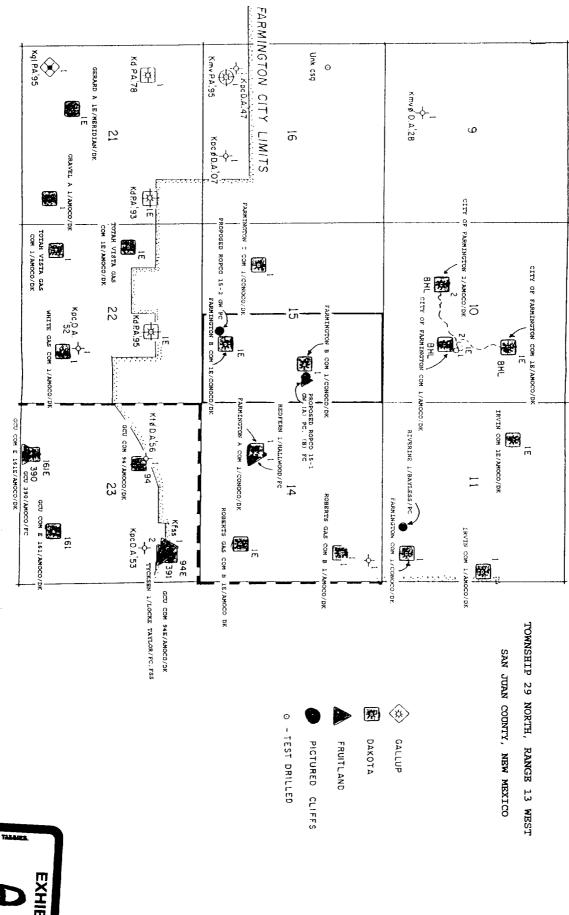
RESPECTFULLY SUBMITTED:

W. THOMAS KELLAHIN KELLAHIN & KELLAHIN

P. O. Box 2265

Santa Fe, New Mexico 87501

(505) 982-4285





NOTIFICATION LIST - ROPCO 15-1 GW (A) PC, (B) FC E/2-Section 15-T29N-R13W-San Juan County, NM

Royalty Owners and Overriding Royalty Owners:

Merrill and Lucy Kempton P.O. Box 293 Farmington, NM 87499-0293

Richard M. Mumma 302 N. Court #A Farmington, NM 87401-6934

Cynthia Calvin 747 Newport Street Denver, CO 80220-3507

James Kenneth Luther 325 West Spruce Street Farmington, NM 87401-6631

Alton J. Ward P.O. Box 88 Alamogordo, NM 88311

Desert Land Company P.O. Box 194 Farmington, NM 87499-0194

Lois R. Leese Living Trust Donna M. Cardin 812 Crest View Drive

Scott R. Brown P.O. Box 983 Farmington, NM 87499-0983

William F. Hoppe and Beverly J. Hoppe 900 Hallett Circle Farmington, NM 87401-9117

B & C Development Corp. P.O. Box 983 Farmington, NM 87499-0983

Joy & Anna Noel Living Trust Dolly Williams 511 McDonald Road 2402 Huldy Farmington, NM 87401-3583 Houston, TX 770 Farmington, NM 87401-3583

Ira Kyrk Westbrook P.O. Box 1282

Garth Westbrook 1955 Arapahoe, Apt. 907 Denver, CO 80202-1834

Geneva Hines Pace 1305 Camina Vega Farmington, NM 87401-8031

Leola Hines Dobyns 8900 Aspen NE Albuquerque, NM 87112-3902

Zelma Hines Tycksen 1309 Hines Road Farmington, NM 87401-8171

Robert Reid Coppinger 1600 E. Rochelle Ave. #8 Las Vegas, NV 89119-5557

Michael L. Coppinger 3901 Lynette Street Amarillo, TX 79109-5637

70 Timberline Trail Farmington, NM 87401-9109 Elizabethtown, KY 42701-8950

> Lisa Marie Williams 6414 North Hoyne Chicago, IL 60645-5602

Arthur L. Welsh and Jeannette H. Welsh, Welsh Family Trust, Suite 206 6301 Indian School Road NE Albuquerque, NM 87110-8113

Camille Mildred Williams 423 Erie South Haven, MI 49090-1323

Houston, TX 77019-6722

Estelle Williams Turner 270 Villenewe West Farmington, NM 87499-1282 Montreal Quebec PQ H2V 2-2 Canada



Paul James Williams 423 Erie South Haven, MI 49090-1323

Steven Dwight Berg
351 Commercial Dr., Suite D
Savannah, GA 31406-3618

Ruby Lee Metherd
626 Main Street
Red Bluff, CA 96080-3344

Arlen D. Hill Diane Olson Watkins 1527 South 69th E. Ave. 935 E. 3000 N #101 Tulsa, OK 74112-7436 Layton, UT 84040-6554

Linda Peterson 41880 RCR 44 Steamboat, CO 80487

P.O. Box 4540 Farmington, NM 87499-4540

429 East Broadway Farmington, NM 87401-6441 Dallas, TX 75320-0292

Edward M. Calvin

1615 Cedar Hill Road

Charlottesville, VA 22901-2615

Jerald J. Eaton

P.O. Box 630596

Nacogdoches, TX 75963-0596

Robert E. Dwyer P.O. Box 312

Flossie Alsop, Trustee Eaton Limited Partnership 499 Shasta Park Drive P.O. Box 839 Shasta Lake City, CA 96019 Farmington, NM 87499-0839

Thelma D. Gulledge Coyle 11794 Scott Road Redding, CA 96003-1314

Edward Walter Berg Earl O. Daugherty and 825 Wildwood Avenue Neva L. Daugherty Trust Columbia SC 29203-5815 1113 North Butler Farmington, NM 87401-639 Farmington, NM 87401-6353

> Christine T. Willins Living Trust P.O. Box 898 Living Trust Belen, NM 87002-0898

First National Bank of Great Western Drilling Company Farmington P.O. Box 1659 Midland, TX 79702-1659

> Davoil Inc. P.O. Box 200292

Hannes H. Parnegg Denver Rio Grand Western RR
Hertzmark & Parnegg C/o The Anschutz Corporation
P.O. Box 3667 P.O. Box 209711
Albuquerque, NM 87190-3667 Houston, TX 77212

James E. Eaton P.O. Box 247 Santa Fe, NM 87504-0312 Bloomfield, NM 87413-0247

William W. Dickey

3858 Patterson Court

Redding, CA 96003-1824

Alvin E. Sturdevant and
Augusta A. Sturdevant
1900 Southside River Road
Farmington, NM 87401-7859

Helen Pennington Rocky C. Mace 2609 E. 24th Street 635 E. Main Street Farmington, NM 87401-4413 Farmington, NM 87401

Ross & Cecelia Saiz Inza Roxene Crawford P.O. Box 693 405 E. Mojave Flora Vista, NM 87499-0693 Farmington, NM 87401

Jack Watson 15230 S. 1st Street Dekalb, IL 60115

Reider Watson Tracy Duncan
1702 County Road 200-N P.O. Box 902
Villa Grove, IL 61956-9735 Hereford, TX 79045-0902

Jeanne Scott Mapp Isaac F. & Angelina Padilla 120 Sunlit Grove Drive 377 Rd 5569 St. Petersburg, FL 33702-3228 Farmington, NM 87401-1428

Dr. Ralph Scott P.O. Box 27195 Las Vegas, NV 89126-1195

Robert Pickett 1019 Third Street

Ira B. Briner TrustElna Goodman4629 NW 11th StreetP.O. Box 2622Albuquerque, NM 87107-3703Bloomfield, NM 87413-2622

Agnes F. Nelson

Liston E. Leyendecker

2718 Aberdeen Court
Fort Collins, CO 80525-2201

Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499-0420

David W. Watson
628 Gladeview Drive
Farmington, NM 87401-6070

Alex and Edna Ferrendelli Tr
1204 Cooper Street
Farmington, NM 87401

Farmington, NM 87401

Eleanor P. Caughren

8901 Princess Jeanne NE

Albuquerque, NM 87112-3939

Joe M. and Consuelo B. Narvaez
1220 E. Camino De La Sombre
Tucson, AZ 85718

Elizabeth Watson Williams Edna J. McCoy, Trustee
912 Fairgrounds Road P.O. Box 583
Farmington, NM 87401-7386 Flora Vista, New Mexico 87415

Chauncey B. Watson, Jr.

Doris McGee Jones
15363 S. First Road
Dekalb, IL 60115-8926

Doris McGee Jones
P.O. Box 966
Thoreau, NM 87323-0966

Tanis Harris P.O. Box 692 Flora Vista, NM 87415-0692

Arthur B. Campbell 609 S. Carlton Farmington, NM 87401-7818

Mona Ivy 2500 E. Harmony, Lt 351 Anacortes, WA 98221-1503 Fort Collins, CO 80525-9588

James L. Farnsworth 788 El Rodeo Road James L. Farnsworth
1304 N. Mesa Verde Ave.
788 El Rodeo Road
Farmington, NM 87401-7016
Santa Barbara, CA 93110-1314

Doris T. Reay 1105 W. 12th Street Cisco, TX 76437-3657

Larry D. Simmons 2815 Main Avenue Durango, CO 81301-5930

City of Farmington c/o Mike Sullivan 800 Municipal Drive Farmington, NM 87401

Virginia L. Rogers Virginia L. Rogers 6495 Camino Del Pargue Carlsbad, CA 92008

Johnny F. Beecroft, of Johnny F. Beecroft, of Joseph L. Bugay, Pers Rep 3245 Garland Street Winslow 27 86047 415 3245 Garland Street Wheat Ridge, CO 80033-5821

Robert H. Whitenack
34752 Perry Road, Apt. 4
Union City, CA 94587-5271
Cindy Teeples Hancock
741 Dolson Lane, Space 13
Eagle, ID 83616-5615

Mary L. Follansbee Shawnee Teeples Plunkett 3240 Garland Street 1810 15th Avenue Wheat Ridge, CO 80033-5822 Santa Cruz, CA 95062-1704

Betty D. Gracey Betty D. Gracey Carol Dee Rowley 10107 Elmhurst NW 700 W. Temple Rowley Albuquerque, NM 87114-4614 Tooele, UT 84074

Bertha Curry Charles Duane Teeples 904 McCormick Road P.O. Box 2043 Farmington, NM 87401-7146 Coolidge, AZ 85228-2043

Cecil L. & Dorothy L. Daniel, Venna Bernice Long 708 McCormick School Road Farmington, NM 87401-7170

Allie G. Ledbetter 712 McCormick School Road 22320 Sunshine Drive Farmington, NM 87401 Wittmann. AZ 85361-90

Betty Jean Carpenter Mr. and Mrs. Wm. H. Nygren Jr. 125 E. Twilight Journey Inn Rentals 816 Crest View Drive Farmington, NM 87401

> R. F. Haynswor P.O. Box 3237 El Paso, TX 79 R. F. Haynsworth El Paso, TX 79923-3237

> > Arvilla Ainsworth 2602 W. Nicklaus Drive Payson, AZ 85541-3437

Bernice Pulliam 2544 N. Treat Av Tuscon, AZ 85716 2544 N. Treat Avenue Tuscon, AZ 85716-2401

Betty Jean Gifford RR 1 Box 16604 Umitilla, OR 97882

> Johnny F. Beecroft, Jr. Winslow, AZ 86047-4166

Dorothy H. Loughner Chancie Lerue Teeples, Jr. 6672 Welch Court 3785 E. County Road 316 Arvada, CO 80004-2226 Citra, FL 32113

Carol Dee Rowley 700 W. Temple Road

78 North 100 West Spanish Fork, UT 84660-1707

James Larry Teeples Wittmann, AZ 85361-9669 Heidi Marie Hoffman 399 27 1/2 Road Grand Junction, CO 81501

Mable Elaine Hanson 3460 E. Canoga Place Camarillo, CA 93010-3912

Fern Cluff Reidhead 413 S. 97th Place Mesa, AZ 85208-2527

Verlin Leo Cluff Box 356 Florance, AZ 85232-0356

Ivins Virgil Cluff 436 97th Place Mesa, AZ 85208-2528

Ruth Cluff Hale P.O. Box 246 Rimrock, AZ 86335-0246

George K. Bacon 3708 Crescent Avenue 2230 S RR 4 Lane Farmington, NM 87401-4139 Portales, NM 88130

John J. Dempsey 1022 Warm Springs Avenue Boise, ID 83712-7947

Oliver W. Harris #9 Road 5821 Farmington, NM 87401-9526 Midland, TX 79702-0130

Madeline S. Keenan Rod Markham
820 North Butler 1500 Broadwa 820 North Butler 1500 Broadway, Suite 1212 Farmington, NM 87401-6858 Lubbock, TX 79401-3192

K Company c/o Evelyn Kozinor 1906 Zuni Farmington, NM 87401-2460

Board of Education School District #5 of the City of Farmington, New Mexico 2001 N. Dustin Farmington, NM 87401-2120

John F. and Lucille H. Werner, Trustees 1701 E. 30th Street Farmington, NM 87401

Central Latin American District Council of the Assemblies of God, Inc. 800 McCormick School Road Farmington, NM 87401

Mike & Florence Garcia 1116 1/2 Murray Road Farmington, NM 87401

Stephen F. Saiz and Patricia Leyba-Saiz 1116 E. Murray Road Farmington, NM 87401

Lisa A. Lorenz

Weldon C. Julander Trust P.O. Box 2773 Littleton, CO 80161-2773

Jonn & Luern Hunt Kerr-McGee Corporation 86-D Highland Meadows Attn: John J. O'Brien, Jr. Laguna, NM 87026-9700 P.O. Box 25861

Herd Partners, Ltd. P.O. Box 130

Christmann Mineral Company 1500 Broadway, Suite 800 Lubbock, TX 79401

Manon Markham McMullen 2200 Berkley Wichita Falls, TX 76308

C. Patterson 5706 Fawn Drive Farmington, NM 87402 Diamond Head Properties, L.P. P.O. Box 2127
Midland, TX 79702-2127

Kelly Prespentt Tres Rios Habitat for Humanity, Inc. P.O. Box 324 Farmington, NM 87499-0324

Royalty Owners <u>Unable to Locate</u>:

Harold G. Vessels
Walter S. Johnson
Elizabeth Greis McBirney
Dave Lakey
Ida Schmerbauch
R. L. Burnett
Lamar Gunn
Paul E. & Mary Wilson

<u>Unleased Mineral Interests:</u>

E.M., Inc. (formerly 515 Inc.) Clarence Hodgson Estate c/o Mrs. Evelyn T. Tyler 515 E. Main Street 1018 Murray Drive Farmington, NM 87401

Bernard W. Koski 1008 Kopra Truth or Consequence, NM 87901

Darrell Gene Hardy c/o Richard Parmley, Jr. 232 N. Schwartz Farmington, NM 87401

Fern Knight Lane Wayne B. & Martha C. Lane P.O. Box 822 Farmington, NM 87499-0822

Justine Gordon Trust 809 E. Main Street Farmington, NM 87401

Fred & Rosita Shorty 1201 Mountview Avenue Farmington, NM 87401

Unleased Mineral Owner <u>Unable to Locate</u>: John Dent Lamar

Uncommitted Leasehold Owner:

Conoco Inc. Attn: William W. Franklin 10 Desta Drive, Suite 100W Midland, Texas 79705-4500 c/o Mrs. Evelyn T. Tyler Farmington, NM 87401-7232

Lois P. Hodgson RR1 Box 212 Blanco, NM 87412

Don Hodgson 1018 E. Murray Drive Farmington, NM 87401-7232

F. Dickens & E. Dickens, T. Roe & G. Roe, B. Tyler, Roy M. Pitchford, Steven & Richard Hodgson 1018 Murray Drive Farmington, NM 87401

Ida L. Casaus 1113 Montview Avenue Farmington, NM 87401

Working Interest Owners:

Richardson Production Company 1700 Lincoln, Suite 1700 Denver, CO 80203

Offset Operators/ Leasehold Owners:

Hallwood Energy Company 4582 S. Ulster Pkwy, Suite 1700 Denver, CO 80237

Amoco Production Company P.O. Box 800 Denver, CO 80201

Vincent S. Mulford, Jr. 23 W. Fourth Street, Suite 609 Tulsa, OK 74103-5084

Robert L. Bayless P.O. Box 168 Farmington, NM 87499

P.O. Box 1980, Habbs, NM 88241-1980 **OIL CONSERVATION DIVISION** DISTRICT II

TYPE OR PRINT NAME W. Thomas Kellahin

2040 S. Pacheco Santa Fe, New Mexico 87505-6429

811 South First St., Artesia, NM 88210-2835 DISTRICT III

Form C-107-A New 3-12-96 APPROVAL PROCESS:AdministrativeHearing EXISTING WELLBOREYESNO	
County Lease Types (check 1 or more) , State, and/orl FeeX	
Lower Zone	
West Kutz Pictured Cliffs	
Gas	
Flowing	
a. 236 psig(est)	
b. 236 psig (est)	
1000 (est)	
<u> </u>	
No.	
Dete: Reles:	
Date: Rates:	
Oil: Gas: %	
ed upon some other method, itions or other required data. Yes No No Yes No No to be damaged, will any cross-	
o (If No, attach explanation) is No , attach explanation)	

TELEPHONE NO. (505) 982-4285

000 Ria Brezos Rd, Aztec, NM 87410 1693	APPLICATION FOR DOW	WHOLE COMMINGLING	YES NO
Richardson Operating	g Company 1700 Lir	ncoln, Ste 1700, De	enver CO 80202
ROPCO 15 GW "A"PC"B	"FC 1 H	15 29N 13W	San Juan
GRID NO. <u>19219</u> Property Cod		Specing	Unit Lasse Types: (check 1 ai mare), State, end/ori Fee
Frobatty Cou	AT 110.	T	
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
. Pool Name and Pool Code	Basin-Fruitland Coal Gas Pool		West Kutz Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)			
3. Type of production (Oil or Gas)	Gas		Gas
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	s. (Current)	a.	а.
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing:	205 psig(est)		236 psig(est)
Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. ^(Orlginel) 205 psig (est)	b.	b. 236 psig (est)
6. Oil Gravity (*API) or Gas BTU Content	1035 (est)		1000 (est)
7. Producing or Shut-In?			
Production Marginal? (yes or no)	Yes		No.
* If Shut-In, give date and oil/ges/ water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production			
* If Producing, give date endoit/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Paras:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	OII: Gəs: %	Oil: Gas: %	Oil: Gas: %
If allocation formula is based submit attachments with sup-	upon something other than cur	rent or past production, or is b	pased upon some other method, jections or other required data.
O. Are all working, overriding, a If not, have all working, over	nd royalty interests identical in riding, and royalty interests be	• • •	Yes No No
Will cross flow occur? flowed production be recover.	Yes No If yes, are fluids ed, and will the allocation form	compatible, will the formations nula be reliable Yes	not be damaged, will any cross No (If No, attach explanation
2. Are all produced fluids from a	all commingled zones compatib	le with each other?	Yes No
Will the value of production b		Yes VNo III Y	
 If this well is on, or communi United States Bureau of Land 	itized with, state or federal land I Management has been notific	ds, either the Commissioner of id in writing of this application.	Public Lands or the No
5. NMOCD Reference Cases for	Rule 303(D) Exceptions:	ORDER NO(S). NMOCI	Order R-10231
Production curve for zones with no Data to support all Notification list of Notification list of	or each zone for at least one y production history, estimated pocation method or formula. all offset operators. working, overriding, and royalt	its spacing unit and acreage di ear. (If not available, attach e production rates and supportin y interests for uncommon inte equired to support commingling	xplanation.) g data. rest cases.
hereby certify that the informati	on above is true and complete	to the best of my knowledge	and belief.
SIGNATURE	Whole	TITLE Attorney	DATE <u>June 17,1</u>

ROPCO GW 15 "A" PC, "B" FC No. 1

MONTHLY GAS PRODUCTION ALLOCATION FORMULA

GENERAL EQUATION

Qt = Q ftc + Qpe

Where: Qt = Total Monthly Production (MCF/MO)

Qftc = Fruitland Coal Monthly Production

Qpc = Pictured Cliffs Monthly Production

REARRANGING THE EQUATION TO SOLVE FOR Offic:

 $Qftc = Q\iota - Q\mu\iota$

ANY PRODUCTION RATE OVER WHAT IS CALCULATED FOR THE PICTURED CLIFFS USING THE APPLIED FORMULA IS FRUITLAND COAL PRODUCTION.

PICTURED CLIFFS FORMATION PRODUCTION FORMULA IS:

 $Qpc = Qpci + e \wedge \{-(Hpc)^*(t)\}$

Where: Qpci = Initial Pictured Cliffs monthly flow rate (calculated from flow text)

Dpc = Pictured Cliffs mouthly decline rate calculated from

(Qpei-Qpcabd)/Np

See Determination of Qpci and PC Estimated Ultimate Recovery (EUR)

Queabd = 300 MCF/mo

Where: Np = Pictured Cliffs estimated ultimate recovery (EUR)

P* x 9.5 MMCF/PSI * * x Rf

P* = initial reservoir pressure (7 day SIBHP)
Rf = recovery factor (field analogy) = 0.85

**Determined from material balance (field analogy) and

volumetric reserves (log analysis)

By calculating PC EUR from SIBHP and determining PC initial flow rate. Due can then be estimated utilizing the previously described parameters.

THUS: $Q(te = Qt - Qpci * e^{(Dpe)*(t)})$

WHERE: (t) is in months

ROPCO GW 15 "A" PC, "B" FC No. 1

SAMPLE DETERMINATION OF Qpei:

(INITIAL PICTURED CLIFFS MONTHLY PRODUCTION)

 $Qpci = Qt(1) \times Qpc(p) / \{Qpc(p) + Qftc(p)\}$

WHERE:

Qt (1) = First month's total production (MCF) = 14,718 MCF

Qpc (p) = Final Pictured Cliffs Flow Test (MCFD) = 398 MCFD

Qftc (p) = Final Fruitland Coul Flow Test (MCFD) = 50 MCFD

THUS:

Qpci=14,718 MCF * [398 MCFD/(398 + 50 MCFD)] = 13,075 MCFD

ROPCO GW 15 "A" PC, "B" FC No. 1

SAMPLE DETERMINATION OF Np (PC):

$$Np(PC) = 9.5 MMCF/PSI \times P^* \times Rf$$

$$Np(PC) = 9.5 \times 241 \times 0.85 = 1946.1 \text{ MMCF}$$

DETERMINATION OF Dpc:

$$Dpc = (13,075 \text{ MCF} - 300 \text{ MCF}) / 1,946,100 \text{ MCF} = 0.006564$$

THUS:

$$Qftc = Qt (MCF/mo) - [13.075 \times e^{-(0.006564 \times (t))}]$$