*Eorm 3150-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

5. Lease Serial No.

	SUNE	DRY I	NOTI	CES	and r	REPO	RTS (ON V	VELLS	
Do	not use	this	form	for p	roposa	is to	drill d	or to	re-enter	ar
aba	andoned	well.	Use I	Form	3160-3	(APD) for s	such	proposal	s.

RECEINATION -0207001
6. If Indian, Allottee or Tribe Name

			2m3 MAY -	C NA IN: O			
SUBMIT IN TR	IPLICATE - Other instruc	ctions on rever	rse side		A/Agreement, Name and/or No.		
1. Type of Well	<u> </u>	<u>, 1980 - Perlandilla Maren</u>	070 Fairt	inhajigan, NM			
Oil Well Gas Well	8. Well Name						
2. Name of Operator	WF Federal 25 #2						
Richardson Operating Company				9. API Well N			
3a. Address	1	3b. Phone No. (inc.	No. (include area code) 30-045-30713				
3100 La Plata Highway Farming	oton NM 87401	505-564-3100	10 7:11 17 1				
4. Location of Well (Footage, Sec.,	1500 501 5100		al & Harper Hill PC				
742' FSL & 1306' FEL	* -			11. County or 1	Parish, State		
Sec. 25, T30N, R14W							
					unty, New Mexico		
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NAT	TURE OF NOTICE, F	EPORT, OR C	OTHER DATA		
TYPE OF SUBMISSION			TYPE OF ACTION				
	Acidize [Deepen	Production (Sta	rt/Resume)	Water Shut-Off		
✓ Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity		
Subsequent Report	Casing Repair	New Construction	n Recomplete	<u> </u>	• <u> </u>		
Subsequent Report	Change Plans	Plug and Abando	n 🔲 Temporarily Al	oandon	Commingling App.		
Final Abandonment Notice	Convert to Injection	Plug Back	■ Water Disposal				
Richardson Operating Company copy of the application to downhood the application to applic	ole commingle these "pre-appro APPROVAL ed stipulations. D FOR	le the Basin Fruitla ved pools", as per l	NMOCD Rule 303C (3)	Pictured Cliffs i (b) (vii). 11 12 13 14 75 JUN 2003	n this well. Attached is a		
14. 1 hereby certify that the foregoin	ng is true and correct		***	C. 12 12 12 36			
Name (PrintedlTyped)	· · · · · · · · · · · · · · · · · · ·						
Drew Carnes		Title	Title Operations Manager				
Signature		Date	Date 5/8/2003				
	THIS SPACE FO		STATE OFFICE USE				
Approved by (Signature)	/a/ Jim Lovato		Name (Printed/Typed)	Ti	JUN - 6 2003		
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	attached. Approval of this notice all or equitable title to those rights conduct operations thereon.	does not warrant or in the subject lease	Office		Date		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

Downhole Commingling Application

The WF Federal 25 #2 is a newly drilled Basin Fruitland Coal/Harper Hill 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 Harper Hill Pictured Cliffs (78160) in this well.

The Basin-Fruitland Coal is perforated at 1116'-1120', 1100'-1110', 1070'-1072', and 1017'-1024'. The Harper Hill Pictured Cliffs is perforated at 1120'-1130'.

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 49/51 basis:

<u>Pictured Cliffs Production</u> = 0.49 x Total Production. Fruitland Coal Production = 0.51 x Total Production.

Please see the attached document for the methodology used to determine allocation.

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 holders 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.

A copy of this application has been submitted via Sundry Notice Form 3160-5 to the Bureau of Land Management.

Richardson Operating Company

Downhole Commingling Allocation Methodology

This document describes the methodology used in determining the allocation between the proposed pools to be commingled in the WF Federal 25 #2 well. Production data was obtained from the OnGard system when possible. The Ropco 4 #3 data was obtained using current production for Richardson Operating Company files. For consistency the average production from the wells was calculated by using a minimum of 6 months of initial production in the well. This average should represent the initial potential of the well. Data was gathered for the Section 4 T29N, R14W and the eight adjacent sections. Analysis was performed in October, 2002.

The data from four sections did not provide a reliable correlation to determine the allocation: Section 34, T29N R14W, Section 5, Section 8, and Section 9 T29N R14W.

Section 32 T30N R14W:

Fruitland Coal:	Dugan Bi Knobs Com 90	23 Mcf/day
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Dugan Bi Knobs 91 75 Mcf/day

Pictured Cliffs: Dugan Bi Knobs 1 52 Mcf/day

Dugan Bi Knobs 2R 104 Mcf/day Richardson WF State 32-1 42 Mcf/day

FC avg. = 49

PC avg. = 66 Section 32 allocation = 43% FC, 57% PC

Section 33 T30N R14W:

Fruitland Coal: Richardson WF Federal 33-1 203 Mcf/day

Pictured Cliffs: Dugan Cline #1R 75 Mcf/day

Richardson WF Federal 33 #3 555 Mcf/day

FC avg. = 203

PC avg. = 315 Section 33 allocation = 39% FC, 61% PC

Section 4 T29N R14W:

Commingled FC/PC: Richardson Ropco 4 #3 425 Mcf/day

Pictured Cliffs: Richardson Ropco 4 #2 231 Mcf/day

Richardson Ropco 4 #4 129 Mcf/day

Comm. avg. = 425

PC avg. = 180 Section 4 allocation = 57% FC, 43% PC

Section 3 T29N R14W:

Fruitland Coal: Dugan Federal 1 #99 187Mcf/day

Richardson WF Federal 3 #2 160 Mcf/day

Pictured Cliffs: Dugan Federal 1 #7 266 Mcf/day

Richardson WF Federal 3 #1 128 Mcf/day

FC avg. = 174

PC avg. = 160 Section 3 allocation = 47% FC, 53% PC

Section 10 T29N R14W:

Fruitland Coal: Dugan Federal 1 #98 165 Mcf/day

Pictured Cliffs: Richardson Ropco 10 #2 115 Mcf/day

FC avg. = 165

PC avg. = 115 Section 10 allocation = 59% FC, 41% PC

Summary:

Section 32 allocation = 43% FC, 57% PC

Section 33 allocation = 39% FC, 61% PC

Section 4 allocation = 57% FC, 43% PC

Section 3 allocation = 47% FC, 53% PC

Section 10 allocation = 59% FC, 41% PC

AVERAGE = 49% FC, 51% PC

The proposed allocation for the WF Federal 25 #2 will be 49% Fruitland Coal and 51% Pictured Cliffs.

Conditions of Approval:

Notice of Intent: Down hole commingle

Richardson Operating Company WF Federal 25 # 2 742' FSL & 1306' FEL Sec 25.,T30N.,R14W. API # 3004530713

Due to the Basin Fruitland Coal and Harper Hill Pictured Cliffs intervals being in Close proximity to each other, and lack of reliable production history to make accurate determinations, you will be given authorization to produce the well with your proposed allocation rates until July 1, 2004. At the end of this period, you will Be required to resubmit your allocation rates to the Farmington Field Office, to the Attention of Matt Halbert.