

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

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.)		WELL API NO. 30-045-30521
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Richardson Operating Company		6. State Oil & Gas Lease No.
3. Address of Operator 3100 La Plata Highway Farmington, NM 87401 505-564-3100		7. Lease Name or Unit Agreement Name: Navajo 34
4. Well Location Unit Letter <u>A</u> : <u>780</u> feet from the North <u> </u> line and <u>833</u> feet from the East <u> </u> line Section <u>34</u> Township <u>29N</u> Range <u>14W</u> NMPM San Juan County		7. Well No. #1
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5778' UG		9. Pool name or Wildcat Bas. Fr. Coal & W. Kutz PC

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: Downhole Commingle Application ☒

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.

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Drew Carnes TITLE Operations Manager DATE 10/03/2003

Type or print name Drew Carnes Telephone No. (505) 564-3100
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 00 DATE OCT - 3 2003

Conditions of approval, if any:

Allocation method unsatisfactory. Approval contingent on submission of acceptable allocation methodology

Richardson Operating Company

Downhole Commingling Application

The Navajo 34 #1 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) in this well.

The Basin-Fruitland Coal is perforated at 1120'-1126', 1156'-1158', 1210'-1218', and 1220'-1229'. The West Kutz Pictured Cliffs is perforated at 1233'-1243'.

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 50/50 basis:

Pictured Cliffs Production = 0.50 x Total Production.

Fruitland Coal Production = 0.50 x Total Production.

The log in this well shows the Pictured Cliffs is immediately adjacent to the Basin Fruitland Coal. There is no production data from these formations within a 2 mile radius and there is not enough data within 3 miles to make a reasonable assessment between zones. The nature and geometry of the well makes isolating and individually testing the zones impossible.

The downhole commingling will not reduce the value of the total remaining production of this well.

Ownership between the two pools is identical.

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