

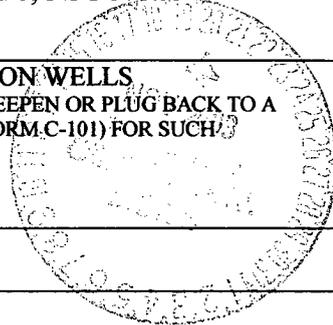
Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

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

| |
|--|
| WELL API NO. 30-045-30521 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name: Navajo 34 |
| 7. Well No. #1 |
| 9. Pool name or Wildcat Bas. Fr. Coal & W. Kutz PC |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5778' UG |



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.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Richardson Operating Company

3. Address of Operator
 3100 La Plata Highway Farmington, NM 87401 505-564-3100

4. Well Location
 Unit Letter A : 780 feet from the North line and 833 feet from the East line
 Section 34 Township 29N Range 14W NMPM San Juan County

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.

Please see the attached for proposed allocations. Also attached is the methodology used for determining allocations.

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

SIGNATURE [Signature] TITLE Operations Manager DATE 11/17/2003

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. 08 DATE NOV 20 2003

Conditions of approval, if any:

Test PC production prior to commingling to see if it's anomalously high. DHC 1317AZ 10-10-03

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 51/49 basis:

Pictured Cliffs Production = 0.51 x Total Production.

Fruitland Coal Production = 0.49 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 identical.

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

Richardson Operating Company
11/17/2003
Downhole Commingling Allocation Methodology (T29N R14W)

This document describes the methodology used in determining the allocation between the proposed pools to be commingled in the Navajo 27 #1, Navajo 27 #3, Navajo 28 #1 and Navajo 34 #1 . Daily production as reported by Richardson Operating pumpers is displayed on the attached decline curves. The current production as noted on the curves has been used for all producing wells south of the San Juan River in Township 29N, Range 14W. These are the nearest wells to the subject area. Please note that the Navajo 14 #1 has been omitted from the calculation as it is obviously an anomaly in this area.

This analysis was performed on October 17, 2003. These results are in good agreement with the prior analysis performed in 2002.

| <u>Well Name:</u> | <u>Average Production:</u> | <u>Zones Completed:</u> |
|----------------------|----------------------------|-------------------------|
| Navajo 13 #1 | 205 MCFD | PC/FC Commingle |
| Navajo 13 #2 | 108 MCFD | Pictured Cliffs |
| Navajo Tribal H #5 | 225 MCFD | PC/FC Commingle |
| <i>*Navajo 14 #1</i> | <i>270 MCFD</i> | <i>Pictured Cliffs*</i> |
| Navajo Tribal H #12 | 99 MCFD | Pictured Cliffs |
| Benally 14 #3 | 180 MCFD | PC/FC Commingle |
| Navajo 23 #1 | 105 MCFD | Pictured Cliffs |

Sum of PC wells (3) = 312 MCFD = 104 MCFD Average
Sum of PC/FC wells (3) = 610 MCFD = 203.3 MCFD Average

Based on these facts and assumptions, the Pictured Cliffs contributes 51% and the Fruitland Coal contributes 49%.

Proposed Allocation:
51% Pictured Cliffs
49% Fruitland Coal