

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. 30-045-30938
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. BI-11242-47 & V-4832

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		7. Lease Name or Unit Agreement Name: <del>Repos-17</del> RPL
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		7. Well No. #3
2. Name of Operator Richardson Operating Company		9. Pool name or Wildcat Bas. Fr. Coal & West Kutz PC
3. Address of Operator 3100 La Plata Highway Farmington, NM 87401 505-564-3100		
4. Well Location  Unit Letter <u>M</u> : 920 feet from the South line and 707 feet from the West line  Section 17 Township 29N Range 13W NMPM San Juan County		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5225' UG		

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 ☒

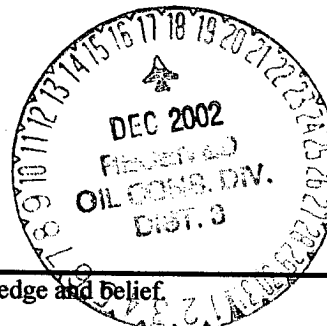
SUBSEQUENT REPORT OF:

- 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."

Your consideration of this exception and approval of this application is appreciated.



DHC 1009 AZ

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 12/16/02

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. 3 DATE DEC 17 2002

Conditions of approval, if any:

## Richardson Operating Company

### Downhole Commingling Application

The Ropco 17 #3 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": 71629 and 79680 in this well.

The Basin Fruitland Coal is perforated at 831'-834', and 920'-926'. The West Kutz Pictured Cliffs is perforated at 927'-939'.

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, therefore, based on production from the surrounding sections, Richardson will allocate production as follows:

Pictured Cliffs Production =  $0.51 \times \text{Total Production}$ .

Fruitland Coal Production =  $0.49 \times \text{Total Production}$ .

The data used and the corresponding calculations are attached for reference.

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.

## 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 Ropco 17 #3 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.

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
	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
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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
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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
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Pictured Cliffs:	Richardson Ropco 10 #2	115 Mcf/day
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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 Ropco 17 #3 will be 49% Fruitland Coal and 51% Pictured Cliffs.**