Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: SF078094
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA, Agreement Designation:

1. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other
8. Well Name and No.: Fullerton Fed. #11
2. Name of Operator: Bonneville Fuels Corporation
9. API Well No.: 3004513049
3. Address and Telephone No.: 1660 Lincoln, Suite 1800, Denver, CO 80264 (303) 863-1555
10. Field and Pool, or Exploratory Area: West Kutz Gallup
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 1650' FNL, 990' FWL Sec 14 T27N R11W E
11. County or Parish, State: San Juan, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☒ Other Commingle	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

RECEIVED
MAR - 3 1997
OIL CON. DIV.
DIST. 3

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Bonneville Fuels Corporation proposes to commingle the Gallup (5882'-92') and Dakota (6529-41') formations as follows:

1. MIRU service unit, NUBOP
2. Drill out CIBP @ 6300'.
3. Land 2 3/8" production tubing @ approximately 6530'.
4. Swab well in and return to production.

Attached are:

1: Dakota Production Curve.
2: Estimate of Gallup Production Rate.
3: Allocation Method
4: Justification for commingling.

RECEIVED
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97 JAN -7 AM 9:47
070 FARMINGTON, NM

14. I hereby certify that the foregoing is true and correct
Signed Ala L. Morrell Title Operations Engineer Date 1/03/97

(This space for Federal or State office use)
Approved by [illegible] Title Petroleum Engineer Date 02-07-97
Conditions of approval, if any:

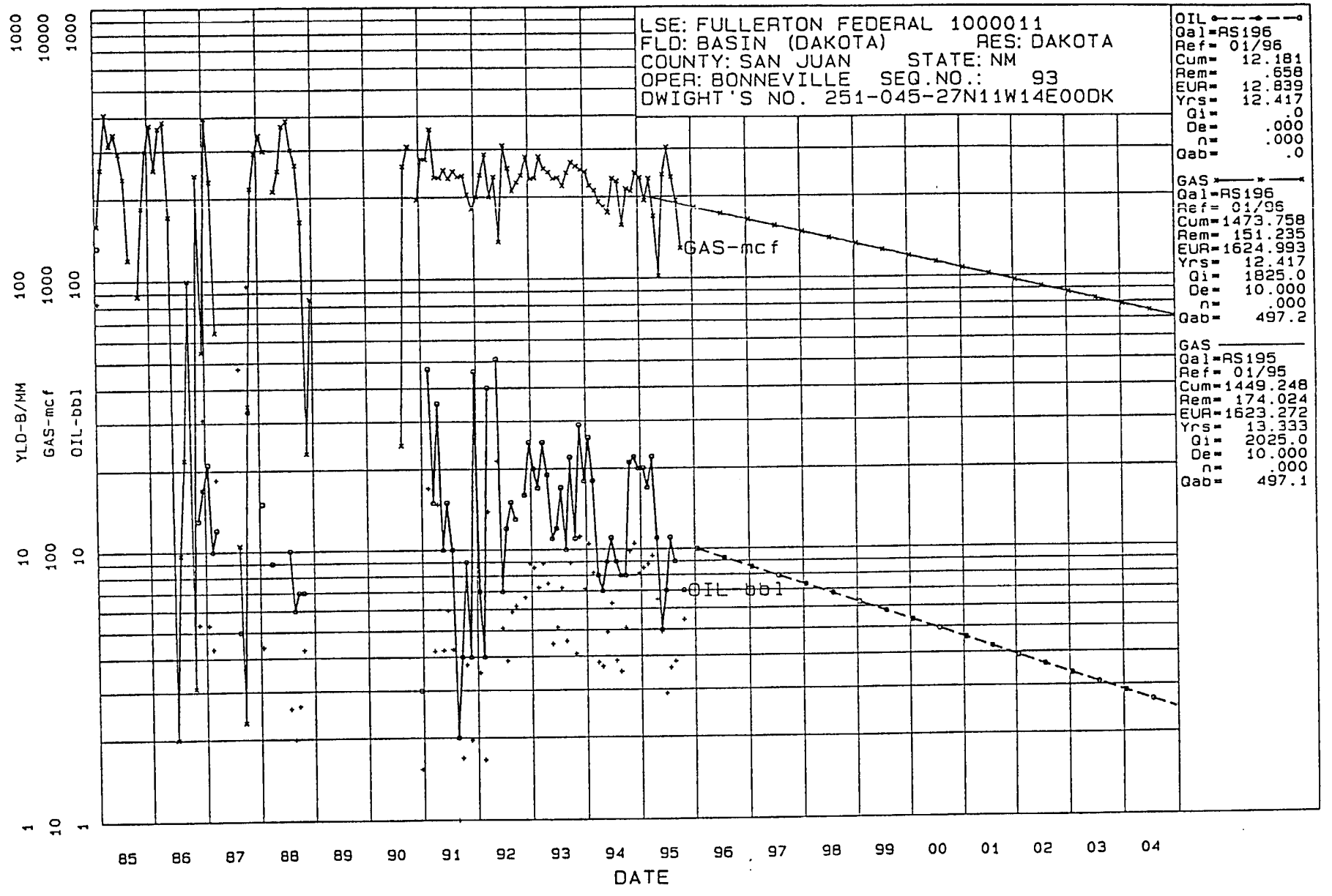
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

DHC-1428

NMOCD

Fullerton Federal #11 - Dakota Production Curve



Attach II

ESTIMATED GALLUP ZONE PRODUCTION RATE

The Gallup formation (5882' - 5292') was fraced with 1190 bbls of fluid and 70,000# of 20/40 sand on 12/11/96.

The well was swab tested as follows:

Date	Oil (bbls)	Water (bbls)	Gas
12/12/96	0	50	slight blow
12/13/96	10	110	slight blow
12/14/96	7	48	slight blow
12/15/96	14	34	slight blow
12/16/96	7	38	slight blow
12/17/96	8	12	slight blow

Based on this information the Gallup zone is expected to have an initial production rate of 8 BOPD, 10 MCFGPD. The gas rate is based on an estimated GOR of 1250 scf/bbl.

ATTACH III

ALLOCATION METHOD

All working, overriding, and royalty interests are common in the Gallup zone (5882'- 5892') and the Dakota zone (6529'- 6541').

The production will be allocated based on the following estimated production rates from each zone.

Oil Allocation

Zone	ESTIMATED Oil Rate (BOPD)	ALLOCATION % of Total Production
Gallup	5	94
Dakota	1/3	6

Gas Allocation

Zone	ESTIMATED Gas Rate (MCFD)	ALLOCATION % Total Production
Gallup	5	8
Dakota	60	92

ATTACH IV

JUSTIFICATION FOR PROPOSED COMMINGLING

The Gallup zone (5882'-5892') was complected in the Fullerton Federal #11 on 12/11/96.

The initial reservoir pressure (1069 psi) was drastically lower than the expected 2000 psi.

The initial production rates of 8 BOPD, 10 MCFD from the Gallup would require a sucker rod pumping unit to produce. This would severely strain the economics of this marginal zone.

Bonneville Fuels proposes to commingle the Gallup and Dakota zones and produce the well using gas/plunger lift with the aid of a compressor. This will allow the Gallup zone to be produced economically.