<u>D</u> P.

## OIL CONSERVATION DIVISION

<u>DISTRIC</u>						
1000 Rio	Brazos	Rd.,	Aztec,	NM	8741	0

O. Box 1980, Hobbs, NM 88240  P.O. Box 2088	30-045-30448
ISTRICT II O. Drawer DD Artesia, NM 88210 Santa Fe, New Mexico 87504-2088	5. Indicate Type of Lease  STATE FEE
ISTRICT III 000 Rio Brazos Rd., Aztec, NM 87410	6. State Oil & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON WELLS  (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	TO A  7. Lease Name or Unit Agreement Name ROPCO 10
1. Type of Well:  OIL  WELL  GAS  WELL  OTHER	
2. Name of Operator	8. Well No.
Richardson Operating Company	2
3. Address of Operator 3100 LaPlata Highway, Farmington, NM 87401 505-564-3100	9. Pool name or Wildcat Harper Hill FS-PC/B. Fruit. Coal
4. Well Location	
Unit Letter K : 1772 Feet From The South Line and	d 1948 Feet From The West Line
Section 10 Township 29N Range 14W	NMPM San Juan County
10. Elevation (Show whether DF,RKB,RT,GR,6 5378 'GL	etc.)
11. Check Appropriate Box to Indicate Nature of Noti	ice, Report, or Other Data
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL V	
	E DRILLING OPNS.  PLUG AND ABANDONMENT
PULL OR ALTER CASING CASING TES	ST AND CEMENT JOB
OTHER: Downhole Commingling Application	
12. Describe Proposed or Completed Operations. (Clearly state all pertinent details, and give pertinent SEE RULE 1103.	dates, including estimated date of starting any proposed work)
Richardson Operating Company proposes to downhole commingle the Fruitland Sand - Pictured Cliffs in this well. Please see the commingling these "pre-approved pools".	he Basin Fruitland Coal and the Harper Hill attached details on downhole
Your consideration and approval of this application is apprec	iated.

DHC 908A-2

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

TYPE OR PRINT NAME Charles Neeley

(This space for State Use) and State of State of

Richardson Operating Company ROPCO 10-2 API No. 30-045-30448 1772' FSL & 1948' FWL Sec 10, T29N, R14W, NMPM San Juan County, New Mexico

## **Downhole Commingling Application (Details)**

The ROPCO 10-2 is a newly drilled Basin Fruitland Coal/Harper Hill Fruitland Sand – Pictured Cliffs well. This well is part of Richardson's 2001development program with the Fruitland Coal being recently completed.

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 Fruitland Sand – Pictured Cliffs (78160) pools in this well.

The Basin Fruitland Coal formation is perforated at 750' – 754', 774' – 777' and 858' – 872'. The Harper Hill Fruitland Sand – Pictured Cliffs formation is perforated at 880' – 890' in this well.

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 proposes to allocate the production on a 50/50 basis:

<u>Pictured Cliffs Production</u> =  $\frac{1}{2}$  x Total Production. <u>Fruitland Coal Production</u> =  $\frac{1}{2}$  x Total Production.

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 owners 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.

Your consideration and approval of this application is appreciated.