

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO. 30-045-30347

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
(Federal NM-97843)

7. Lease Name or Unit Agreement Name
WF Federal 29

8. Well No.
#3

9. Pool name or Wildcat
Basin FC/Twin Mounds PC Ext.

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
1700 Lincoln Street, Suite 1700 Denver, CO 80203

4. Well Location
Unit Letter M : 1010 feet from the South line and 920 feet from the West line
Section 29 Township 30N Range 14W NMPM San Juan County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
5480'

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: ☒

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.

Pursuant to Order R-11224, Richardson Operating Company seeks permission to downhole commingle the Basin Fruitland Coal (71629) and Twin Mounds Pictured Cliffs Ext. (86620) pools.

The Basin Fruitland Coal formation is estimated to be perforated at 936'-947' and the Twin Mounds Pictured Cliffs formation is estimated to be perforated at 951'-960'.

Refer to the attached Technical Write-up for the allocation method and supporting data.

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

The ownership between the two pools is identical.

Richardson Operating Company has sent a like Sundry Notice to the BLM (Form 3160-5) setting out our intention to downhole commingle this well.

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

SIGNATURE Cathleen Colley TITLE Land Manager DATE 2/16/01

Type or print name Telephone No. 303-830-8000

(This space for State use)

APPROVED BY STEVEN N. HAYDEN

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB 20 2001

Conditions of approval, if any:

NHC 305 A2 X

Richardson Operating Company
WF Federal 29-3
Commingling Application

The WF Federal 29-3 is a newly drilled Basin Fruitland Coal/Twin Mounds Pictured Cliffs well. This is part of Richardson's development program in their WF (West Farmington) field. This is the second Pictured Cliffs and Fruitland Coal well in this section. The first such well in the section is Richardson's WF Federal 29-1 (Unit B, Sec. 29, T30N, R14W), which was approved for downhole commingling of the Fruitland Coal and Pictured Cliffs formations in Administrative Order DHC-2436. Richardson also has two Pictured Cliffs wells in this Section. The WF Federal 29-2 (Unit P, Sec. 29, T30N, R14W) first delivered April 5, 2000. The WF Federal 29-4 (Unit D, Sec. 29, T30N, R14W) has been drilled, but is not yet producing.

Based on recent Richardson Operating wells in this township, it is anticipated that both zones will have similar bottom hole pressures of approximately 200 psi. Both zones produce some water and no liquid hydrocarbons. Neither zone is fluid sensitive and fluids from the two zones are compatible.

Since neither zone has enough data to prepare a reliable production forecast, or predict the ultimate reserves, Richardson Operating proposes to allocate the production based on the initial production rates from the Pictured Cliffs. The well will be perforated and stimulated in the Pictured Cliffs formation. The stimulation will then be cleaned up and the well flow tested. The production based on the flow test will establish the Pictured Cliffs base rate. The Fruitland Coal formation will be completed separately but it will be produced with the Pictured Cliffs. The Fruitland Coal production will be the total measured production minus the Pictured Cliffs production.

Assuming a 7% decline rate from the Pictured Cliffs, the proposed allocation formula is as follows:

Pictured Cliffs Production = Pictured Cliffs base rate $\times e^{-Dt}$, where $D = 7\%/yr$ and t = time in years since first production.

Fruitland Coal Production = Total Production – Pictured Cliffs production.