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DATE IN 3/8/00	SUSPENSE 3/28/00		TYPE DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

	Tŀ	IIS COVERS	HEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS	1
Applic	ation Acror	[DHC-Do [PC-ł	[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] ownhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	2696
[1]		[A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Directional Drilling NSL NSP DD SD One Only for [B] and [C]	OIL COM
		[B]	Commingling - Storage - Measurement $\square DHC$ $\square CTB$ $\square PLC$ $\square PC$ $\square OLS$ $\square OLM$	-8
		[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery	AM 10: 53
[2]	NOTII	FICAT [A]	ION REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners	
		[B]	Offset Operators, Leaseholders or Surface Owner	
		[C]	Application is One Which Requires Published Legal Notice	
		[D]	Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office	
		[E]	For all of the above, Proof of Notification or Publication is Attached, and	l/or,
		[F]	U Waivers are Attached	

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Cathleen Colby						
Print or Type Name						

Cathleen	Colling
Signature	0

Land Manager Title

3-2-00 Date



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009

March 2, 2000

Ms. Lori Wrotenberry New Mexico Oil Conservation Division 2040 S. Pacheco Santa Fe, NM 87504 RE: Downhole Commingle Application WF Federal 5-2 1655' FSL, 1570' FWL-Sec. 5-29N-14W San Juan County, NM Basin Fruitland Coal and Twin Mounds PC

Dear Ms. Wrotenberry:

This is a request for administrative approval for downhole commingling of the production from the captioned formations.

We have attached for your review, an acreage plat outlining the dedicated acreage and a proposed allocation formula with a short discussion of the history of the well.

All royalty and overriding royalty owners are being notified of this application by certified return receipt mail. Copies of the letters are enclosed.

Thank you for your consideration and approval of this application. If you have any questions or concerns please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colly

Cathleen Colby Land Manager

District | 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

TYPE OR PRINT NAME

Barry Gager

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State of New Mexico Energy, Minerals and Natural Resources Department **OIL CONSERVATION DIVISION** 2040 S. Pacheco Santa Fe, New Mexico 87505-6429

Form C-107-A Revised August 1999 APPROVAL PROCESS: X Administrative _____ Hearing

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE X YES NO

Richardson Operating Company	1700 Lincoln Street, Suite 1700 D			<u></u>					
Operator WF Federal 5		5-29N-14W		San Juan					
Lease		r Sec - Twp - Rge		County					
		00.045.00050	•	g Unit Lease Types: (check 1 c					
OGRID NO. 019219 Property	Code API NO.	30-045-29853	Federal	X State (and/or)	Fee <u>X</u>				
The following facts are submitted in support of downhole commingling.	Upper Zone	Intermediate Zone		Lower Zone					
1. Pool Name and Pool Code	Basin Fruitland Coal 71629			Twin Mounds PC 86620	>				
2. Top and Bottom of Pay Section (Perforations)	700' - 714'			724' - 734'					
3. Type of production (Oil or Gas)	Gas			Gas					
4. Method of Production (Flowing or Artificial Lift)	To be determined			To be determined					
5. Bottomhole Pressure	(Current) a.	a.		a.					
Oil Zones - Artificial Lift:	ч.	u.		ч.					
Estimated Current Gas & Oil - Flowing:	(Original)	· · · · · · · · · · · · · · · · · · ·							
Measured Current All Gas Zones: Estimated or Measured Original	b. 200 psi (est.)	b.		b. 200 psi (est.)					
6. Oil Gravity (°API) or Gas BTU Content	1000			1000					
7. Producing or Shut-in?	Shut-in waiting on pipeline			Shut-in waiting on pipe	əline				
Production Marginal? (yes or no)	yes			yes					
* If Shut-in, give date and oil/gas/	Date:	Date:		Date:					
water rates of last production	Rates:	Rates:		Rates:					
Note: For new zones with no production history applicant shall be required to attach production									
estimates and supporting data	Date:	Date:		Date:					
* If Producing, give date and oil/gas/ water rates of recent test	Rates:	Rates:		Rates:					
(within 60 days)									
8. Fixed Percentage Allocation Formula -% for each zone	Oil: Gas: % %	Oll: Gas: %	%	Oil: Gas: %	%				
9. If allocation formula is based	upon something other than current	or past production or i	s based up	on some other method					
	porting data and/or explaining meth								
10. Are all working, overriding, a	nd royalty interests identical in all co	ommingled zones?	(₁₀₀	Yes X No					
If not, have all working, over	iding, and royalty interests been no	tified by certified mail?	X	Yes No					
11. Will cross-flow occur? flowed production be recove	_Yes <u>X</u> No If yes, are fluids red, and will the allocation formula b			be damaged, will any cro No (If No, attach expla					
12. Are all produced fluids from	all commingled zones compatible w	ith each other?	X_Yes	No					
13. Will the value of production b	e decreased by commingling?	Yes <u>X</u>	No (If Ye	s, attached explanation)					
14. If this well is on, or communit United States Bureau of Lan	 If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. 								
	15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).								
 16. ATTACHMENTS: * C-102 for each zone to be commingled showing its spacing unit and acreage dedication. * Production curve for each zone for at least one year. (If not available, attach explanation.) * For zones with no production history, estimated production rates and supporting data. * Data to support allocation method or formula. * Notification list of working, overriding, and royalty interests for uncommon interest cases. * Any additional statements, data, or documents required to support commingling. 									
I hereby certify that the information above is true and complete to the best of my knowledge and belief.									
SIGNATURE Barry	Dager	Consulting Geolo	gist	DATE <u>3- a-</u>	00				

TELEPHONE NO.

303-830-8000

Richardson Operating Company WF Federal 5-2 Commingling Application

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The WF Federal 5-2 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 first Pictured Cliffs and Fruitland Coal well in this section. The closest Fruitland Coal offset is Richardson's Bushman Federal 6-1 (located in Unit P, Sec. 6, T29N, R14W), which was approved for downhole commingling of the Fruitland Coal and Pictured Cliffs formations in Order No. R-10810.

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 x $e^{(-Dt)}$, where D = 7%/yr and t = time in years since first production.

Fruitland Coal Production = Total Production – Pictured Cliffs production.

District I PO Box 1980, Hubbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III

District III 1000 Rio Brazos Rd., Aziec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

'Alt Number ' Poul Code Twin Mounds Picture						, how we	Cliff	5				
' Property (Lude										Weil Number	
					WF Federal						5 - 2	
' OGRID I	Nu.				•	erstor					-	* Elevation
				RICHA	RDSON	OP	PERATING CO	•			C	320 '
					¹⁰ Suri	face	Location					
UL, or lot no.	Section	Towaship	Range	ماناسا	Feet from		North/South line		run the	East/Wes	l line	County
K	5	29 N	14 W		1655	•	South	15	70	West		5an Juan
		· · ·	¹¹ Boti	tom Hole	: Locati	on I	f Different Fro	om S	urface			
UL or lot po.	Section	Township	Range	ما اما	Feet frum	the	North/South line	Feet	from the	East/Wes	t line	County
" Dedicated Acr	es '' Joint	or Infill '* (Consolidatio	■ Coule " Ui	rder No.				·	<u> </u>		<u>i</u>
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District I PO Box 1980, Hobbs, NM District II PO Drawer DD, Artesia, N District III 1000 Rio Brazos Rd., Azte District IV		OIL C		ION DIVISIO			Instru propriate State La Fee La	ruary 21, 1994 actions on back District Office ease - 4 Copies ease - 3 Copies	
PO Bux 2008, Santa Fe, N.							L	AMENI	DED REPORT
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* Property Cude				' Property				• Well Number 5 – 2	
				WF Feder					
' OGRID Na.			RICH	•	ERATING CO				levation 20 '
·	_1_			¹⁰ Surface	Location				
Ut. or lot no. Section K 5	Towaship 29 N	Range 14 W	Lution	Feet from the 1655	North/South line SOUTH	Feet from the 1570	FasuWei West	1	County an Juan
<u></u>		¹¹ Botte	om Hol	e Location I	f Different Fro	om Surface			
UL ur lot na. Section	Township	Range	Loi Ida	Feet frum the	North/South line	Feet (rum the	East/West	liae	County
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	1655		-∕-Ev Fir	a Thompson st Churcho	Burrows F Christ Scien	Date of Side Signature	TRED L	44)	

State of New Mexico

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Form C-107

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FRUITLAND COAL FORMATION:

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Township 29 North, Range 14 West Section 5: W/2 Containing 319.35 acres, more or less San Juan County, NM

> Working Interest: Richardson Production Company

<u>Royalty Interest:</u> USA NMSF-079968 Eva Thompson Burrows First Church of Christ Scientist

Overriding Royalty Interest: Conoco Inc. Hanson-McBride Petroleum Company Paul Slayton John N. Eddy Nathan C. Greer

PICTURED CLIFFS FORMATION:

Township 29 North, Range 14 West Section 5: SW/4 Containing 160.00 acres, more or less San Juan County, NM

> Working Interest: Richardson Production Company

<u>Royalty Interest:</u> USA NMSF-079968 Eva Thompson Burrows First Church of Christ Scientist

Overriding Royalty Interest: Conoco Inc. Hanson-McBride Petroleum Company Paul Slayton John N. Eddy Nathan C. Greer

Richardson Operating Company

WF Federal 5-2 1655' FSL, 1570' FWL-Section 5-T29N-R14W San Juan County, New Mexico **Basin Fruitland Coal and Twin Mounds PC**

The following royalty and overriding royalty owners have received written notice of the proposed downhole commingling application:

Bureau of Land Management 1235 La Plata Highway	Hanson-McBride Petroleum Company PO Box 1515
Farmington, NM 87401	Roswell, NM 88202
Mr. William W. Franklin	
Conoco Inc.	Mr. Nathan C. Greer
Mail Code DU 3092	c/o Ms. Nanette Greer Horne
600 North Dairy Ashford	97 Apache Ridge
Houston, TX 77079	Santa Fe, NM 87505
Mr. Paul Slayton	Ms. Eva Thompson Burrows
P.O. Box 1936	9319 Powhatan

Roswell, NM 88202

Mr. John N. Eddy P.O. Box 2104 Santa Fe, NM 87504

` :

First Church of Christ Scientist 175 Huntington Avenue Boston, MA 02115

San Antonio, TX 78230

I certify that a copy of the Application for Downhole Commingling has been mailed to the above interest owners.

Cathleen Colly Cathleen Colly

STATE OF COLORADO)) ss. COUNTY OF DENVER)

The following instrument was acknowledged before me this 2 day of March, 2000, 2000 by Cathleen Colby.

Meile Alore June Notary Public

My Commission Expires:

Ur. 3 2003

Richardson Operating Company WF Federal 5-2

NOTIFICATION LIST

Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401

Hanson-McBride Petroleum Company PO Box 1515 Roswell, NM 88202

Mr. William W. Franklin Conoco Inc. Mail Code DU 3092 600 North Dairy Ashford Houston, TX 77079

Mr. Paul Slayton P.O. Box 1936 Roswell, NM 88202

Mr. John N. Eddy P.O. Box 2104 Santa Fe, NM 87504 Mr. Nathan C. Greer c/o Ms. Nanette Greer Horne 97 Apache Ridge Santa Fe, NM 87505

Ms. Eva Thompson Burrows 9319 Powhatan San Antonio, TX 78230

First Church of Christ Scientist 175 Huntington Avenue Boston, MA 02115



19 17 MA .

RICHARDSON OPERATING COMPANY

1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009 March 2, 2000

Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401

Attention: Minerals

RE: Downhole Commingle Application
 WF Federal 5-2
 1655' FSL, 1570' FWL-Sec. 5-29N-14W
 San Juan County, NM
 Basin Fruitland Coal and Twin Mounds PC

Gentlemen:

· · · ·

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. You are being notified of this application for concurrent approval.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objections to the proposal, concurrent approval is requested.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colling

Cathleen Colby Land Manager



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009 March 2, 2000

First Church of Christ Scientist 175 Huntington Avenue Boston, MA 02115

> RE: Downhole Commingle Application WF Federal 5-2 1655' FSL, 1570' FWL-Sec. 5-29N-14W San Juan County, NM Basin Fruitland Coal and Twin Mounds PC

Gentlemen:

• :

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As a royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Collog

Cathleen Colby Land Manager



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009 March 2, 2000

Ms. Eva Thompson Burrows 9319 Powhatan San Antonio, TX 78230

• ;

RE: Downhole Commingle Application WF Federal 5-2 1655' FSL, 1570' FWL-Sec. 5-29N-14W San Juan County, NM Basin Fruitland Coal and Twin Mounds PC

Dear Ms. Burrows:

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As a royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colla

Cathleen Colby Land Manager



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009

March 2, 2000

Mr. William W. Franklin Conoco Inc. Mail Code DU 3092 600 North Dairy Ashford Houston, TX 77079

> RE: Downhole Commingle Application WF Federal 5-2 1655' FSL, 1570' FWL-Sec. 5-29N-14W San Juan County, NM Basin Fruitland Coal and Twin Mounds PC

Dear Bill:

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an overriding royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colling

Cathleen Colby Land Manager



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009

March 2, 2000

Hanson-McBride Petroleum Company PO Box 1515 Roswell, NM 88202

RE: Downhole Commingle Application
WF Federal 5-2
1655' FSL, 1570' FWL-Sec. 5-29N-14W
San Juan County, NM
Basin Fruitland Coal and Twin Mounds PC

Gentlemen:

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an overriding royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colly

Cathleen Colby Land Manager



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009 March 2, 2000

Mr. Paul Slayton P.O. Box 1936 Roswell, NM 88202

RE: Downhole Commingle Application WF Federal 5-2 1655' FSL, 1570' FWL-Sec. 5-29N-14W San Juan County, NM Basin Fruitland Coal and Twin Mounds PC

Dear Mr. Slayton:

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an overriding royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions or concerns, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colling

Cathleen Colby Land Manager

enclosure



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009

March 2, 2000

Mr. John N. Eddy P.O. Box 2104 Santa Fe, NM 87504

RE: Downhole Commingle Application
 WF Federal 5-2
 1655' FSL, 1570' FWL-Sec. 5-29N-14W
 San Juan County, NM
 Basin Fruitland Coal and Twin Mounds PC

Dear Mr. Eddy:

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an overriding royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colla

Cathleen Colby Land Manager



1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 FAX (303) 830-8009

March 2, 2000

Mr. Nathan C. Greer c/o Ms. Nanette Greer Horne 97 Apache Ridge Santa Fe, NM 87505

RE: Downhole Commingle Application
 WF Federal 5-2
 1655' FSL, 1570' FWL-Sec. 5-29N-14W
 San Juan County, NM
 Basin Fruitland Coal and Twin Mounds PC

Dear Mr. Greer:

s. , 1

Enclosed you will find a copy of the above referenced application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an overriding royalty owner you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87504 within 20 days from receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cathleen Colla

Cathleen Colby Land Manager