



RICHARDSON OPERATING COMPANY

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

May 7, 1996

*unable to obtain phone #
no response to letters*

Ms. Justine Gordon
809 E. Main Street
Farmington, NM 87401

Certified Mail P 296 557 456

Re: West Gallegos Prospect
ROPCO 15-1 GW (A) PC, (B) FC Well
NE/4-Section 15-T29N-R13W
San Juan County, New Mexico

Dear Ms. Gordon:

Richardson Operating Company proposes the drilling of a well to a depth sufficient to adequately test the Pictured Cliffs and Fruitland Coal formations, anticipated total depth being 1,500 feet. The well will be located in the SE/4NE/4 of Section 15, either at a standard or exception location. The NE/4 of Section 15, Township 29 North, Range 13 West, NMPM will be dedicated as the proration unit for the Pictured Cliffs formation of the well. The E/2 of said Section 15 will be dedicated as the proration unit for the Fruitland Coal formation.

Our AFE dated May 7, 1996 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completion, either as a producing well or plugging and abandonment in the event of a dry hole, please return an executed copy of the AFE to the undersigned by May 28, 1996.

Upon receipt of your executed AFE, or by prior written request, we will forward our Joint Operating Agreement for your review and execution.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest, less and except the Dakota formation. Your Dakota rights would not be affected by any of the following elections:

BEFORE THE

OIL CONSERVATION DIVISION

Case No. 11570 Exhibit No.

Submitted By:

Richardson Oil Company

Hearing Date: July 11, 1996

13

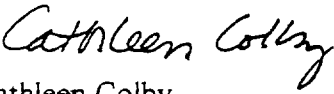
Ms. Justine Gordon
May 7, 1996
Page 2

1. Enter into an oil and gas lease that provides for a three year primary term with bonus consideration based on \$50.00 per net acre and a 15% royalty in the case of production, less and except the Dakota formation
2. Sell all of your mineral interest for \$200.00 per net acre, less and except the Dakota formation.
3. Enter into a farmout agreement covering your interest, giving Richardson 180 days in which to drill a well, reserving a proportionate nonconvertible overriding royalty interest equal to the difference between existing burdens and 15%, less and except the Dakota formation.

Your response is respectfully requested by 5 PM MST, May 28, 1996.

Should you have any questions, please do not hesitate to call.

RICHARDSON OPERATING COMPANY


Cathleen Colby
Land Manager

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ms. Justine Gordon
809 E. Main Street
Farmington, NM 87401

4a. Article Number:

P 296 557 456

4b. Service Type:

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

5-11-96

5. Signature (Addressee)

Justine Gordon

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★ U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

P 296 557 456



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Justine Gordon	
Street and No. 809 E. Main Street	
P.O., State and ZIP Code Farmington, NM 87401	
Postage	\$ 3.2
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date SHIPPED MAY 08 1996	

PS Form 3800, June 1991

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO 15-1 (A) PC, (B) FC SECTION 15 PC NE/4, FC E/2

Location: T29N R13W

Date: 5/7/96

Proposed Depth: 1400' Fruitland Coal
1500' Pictured Cliffs

Objective Formation: Commingled Pictured Cliffs
and Fruitland Coal

I. Drilling Costs (Included Run Casing)

Survey and Permits -----
Title Opinion & Land Costs-----
Damages-----
• Drilling (incl. water and mud) 1500' @ 12.00/ft.---
BOP Rental-----
Dirt Work-----
Pit Lining-----
Surface Casing 200' @ 6.00/ft.-----
Casing Head-----
Cement Surface-----
Power Tongs-----
Casing 1500' @ 5.00/ft.-----
Trucking-----
Logs-----
Engineering-----
Cement Longstring-----

Total Cost to Run Casing-----

5.9375% Farmington, NM Tax

10% Contingency-----

Grand Total to Run Casing-----

II. Completion Costs

Rig Anchors-----
Logs-----
Perf-----
Wellhead & Fittings-----
Tubing 1500' @ 1.50/ft.-----
Stimulation-----
Tool Rental-----
Trucking-----
Battery Installation-----
Restore Location-----
Engineering-----
Treater-----
Flowline-----
Tank & Fittings-----
Gravel-----
Workover Rig-----
Completion Fluids-----
El Paso Hookup-----
Division Order-----
Frac Tank Rental-----
Flowback-----
Fence Location-----

Total Completion Costs-----

5.9375% Farmington, NM Tax

10% Contingency-----

Drilling Costs-----

Grand Total Well Costs

Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	1,500		750	750
	10,000		5,000	5,000
	1,500		750	750
	18,000		8,400	9,600
	750		375	375
	3,000		1,500	1,500
	1,500		750	750
1,200			600	600
750			375	375
	1,500		750	750
	1,000		500	500
7,500			3,500	4,000
	2,000		1,000	1,000
	4,000		2,000	2,000
	2,500		1,250	1,250
	4,000		1,867	2,133
9,450	51,250	60,700	29,367	31,333
		3,604	1,744	1,860
		6,430	3,111	3,319
		70,734	34,222	36,513
	600		300	300
	3,500		1,750	1,750
	4,000		2,000	2,000
5,000			2,500	2,500
2,250			1,050	1,200
	48,000		24,000	24,000
	2,000		1,000	1,000
	3,000		1,500	1,500
	4,000		2,000	2,000
	1,500		750	750
	6,500		3,250	3,250
5,000			2,500	2,500
5,000			2,500	2,500
5,000			2,500	2,500
	2,000		1,000	1,000
	15,000		7,500	7,500
	2,000		1,000	1,000
	13,000		6,500	6,500
	10,000		5,000	5,000
	1,000		500	500
	2,000		1,000	1,000
2,000			1,000	1,000
24,250	118,100	142,350	71,100	71,250
		8,452	4,222	4,230
		15,080	7,532	7,548
		70,734	34,222	36,513
		236,617	117,075	119,541

WI Share of Costs

FRUITLAND COAL

0.1191% JUSTINE GORDON DATE _____

APPROVED _____

\$139

99.8809% RICHARDSON OPERATING CO. ET AL DATE _____

APPROVED _____

\$116,936

PICTURED CLIFFS

0.2383% JUSTINE GORDON DATE _____

APPROVED _____

\$285

99.7618% RICHARDSON OPERATING CO. ET AL DATE _____

APPROVED _____

\$119,256

Total \$236,617



RICHARDSON OPERATING COMPANY

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

April 19, 1996

Ms. Justine Gordon
809 E. Main Street
Farmington, NM 87401

Re: Request for Oil and Gas Lease
E/2-Section 15-T29N-R13W
San Juan County, New Mexico

Dear Ms. Gordon:

A recent check of the county records indicates you own mineral rights in the following described lands that are not currently subject to an oil and gas lease:

Township 29 North, Range 13 West, NMPM
Section 15: Certain tracts of land within the E/2
Less and except the Dakota formation
Containing 0.3812 acres, more or less

Richardson Production Company offers to take a no occupancy oil and gas lease that provides for a three year primary term with bonus consideration based on \$50.00 per net acre for your 0.3812 net mineral acres. The lease would also provide for a 15% royalty in the case of production. Attached is a copy of our proposed oil and gas lease form.

If you accept the above terms and conditions, please so indicate by signing below and returning one copy of this letter to me at your earliest convenience.

Thank you for your consideration in this matter. If you have any questions, do not hesitate to call me collect at (303) 830-8000.

Sincerely,

RICHARDSON PRODUCTION COMPANY

Cathleen Colby

Cathleen Colby
Land Manager

AGREED TO and ACCEPTED this _____ day of _____, 1996.

Justine Gordon



RICHARDSON OPERATING COMPANY

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

3-20-96
no phone in directory
assistance

March 11, 1996

Ms. Justine Gordon
2104 E. 18th Street
Farmington, NM 87401

Gordon

1208 Brentwood Circle

87401

~~325-6649~~

disconnected

Re: Request for Oil and Gas Lease
E/2-Section 15-T29N-R13W
San Juan County, New Mexico

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Sincerely,

RICHARDSON PRODUCTION COMPANY

Cathleen Colby

Cathleen Colby
Land Manager

AGREED TO and ACCEPTED this _____ day of _____, 1996.

Justine Gordon