

RICHARDSON PRODUCTIVE

1700 Lincoln, Suite 17
Denver, Colorado 80203 (303)
Fax (303) 830-8009

December 20, 2001

(602) 95

Mrs. Howard E. Henderson
5809 N. 24th Place
Phoenix, AZ 86016

RE: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4 Section 17, Township 29 North, Range 13 West
Pictured Cliffs Proposal
RPC #17-4
SE/4 Section 17, Township 29 North, Range 13 West
San Juan County, New Mexico

Dear Mrs. Henderson:

Please accept Richardson Production Company's sincerest co-
During our telephone conversation yesterday we discussed the n-
Company ("ROC") will need in order to enter into an Oil and Gas Lease owned in the two (2) tracts
dated December 5, 2001 to Howard E. Henderson from Sheila Frazier with Richardson Production
Company.

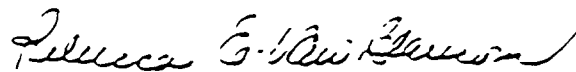
You indicated you had a "Life Estate" to the properties and the properties would revert to Howard E.
Henderson's son upon your death. ROC will need the following:

- Copy of Death Certificate of Howard E. Henderson
- Copy of Last Will and Testament of Howard E. Henderson
- Copy of Letters Testamentary, if the Estate has not been closed

If the Estate has not been closed, ROC will need to enter into an Oil and Gas Lease with the Estate and the
signing party will be the Executor of the Estate.

Should you have any questions concerning the outlined information I can be contacted by telephone at
(303) 330-8000, by e-mail at rebecca@richardsonprod.com or at the referenced address.

Very truly yours,



Rebecca E. Van Blaricom
Administrative Landman

20 167010006 18879 R 748
m 3811, July 1999

Domestic Return Receipt

102395-00-M-0952

3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Restricted Delivery? (Extra Fee)
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
☐ Yes

A. Received by (Please Print Clearly)		B. Date of Delivery
C. Signature <i>Howard Henderson</i>		DEC 15 2001
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
E. If YES, enter delivery address below:		

Howard Henderson
5809 N 24th Place
Phoenix AZ 86016

ed to:
 ne 1, 2, and 3. Also complete
 icted Delivery is desired.
 ne and address on the reverse
 n return the card to you.
 nd to the back of the mailpiece,
 it if space permits.

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

December 5, 2001

Howard E. Henderson
5809 N. 24th Place
Phoenix, AZ 86016

Certified Mail 7000 1670 0006 8579 2718

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a 6.5 net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

RE: **RPC #17-3 PC/FC Well Proposal**
SW/4 Section 17-T29N-R13W
San Juan County, NM

Description of your unleased lands:

Section 17: E. 30/a of the SESW; W2SWSE, W. 2/a NWSE

Containing 52.0 gross and 6.5 net acres

On this _____ day of _____, 2001, ~~we~~**I** hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

Howard E. Henderson

RICHARDSON OPERATING COMPANY

AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

		Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
I.	Drilling Costs (Included Run Casing)					
	Survey and Permits - - - - -		3,000		1,500	1,500
	Title Opinion & Land - - - - -		3,000		1,500	1,500
	Damages- - - - -		2,000		1,000	1,000
	* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
	BOP Rental- - - - -		750		375	375
	Dirt Work- - - - -		4,000		2,000	2,000
	Pit Lining- - - - -		2,800		1,400	1,400
	Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
	Casing Head- - - - -	1,500			750	750
	Cement Surface- - - - -		2,300		1,150	1,150
	Power Tongs- - - - -		1,000		500	500
	Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
	Trucking- - - - -		3,000		1,500	1,500
	Logs- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Cement Longstring- - - - -		4,000		1,670	2,330
	Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
	10% Contingency- - - - -			6,146	2,845	3,301
	Grand Total to Run Casing			67,601	31,295	36,306
II.	Completion Costs					
	Rlg Anchors- - - - -		750		375	375
	Logs- - - - -		3,000		1,500	1,500
	Perf- - - - -		4,000		2,000	2,000
	Wellhead & Fittings- - - - -	4,000			2,000	2,000
	Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
	Stimulation- - - - -		50,000		25,000	25,000
	Tool Rental- - - - -		2,300		1,150	1,150
	Trucking- - - - -		3,000		1,500	1,500
	Battery Installation- - - - -		6,000		3,000	3,000
	Restore Location- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Treater, Separator - - - - -	6,000			3,000	3,000
	Flowline- - - - -	4,000			2,000	2,000
	Tank & Fittings- - - - -	5,000			2,500	2,500
	Gravel- - - - -	3,000			1,500	1,500
	Workover Rig- - - - -		12,000		6,000	6,000
	Completion Fluids- - - - -		2,000		1,000	1,000
	Pipeline Hookup- - - - -		13,000		6,500	6,500
	Division Order Opinion - - - - -		2,000		1,000	1,000
	Frac Tank Rental- - - - -		2,000		1,000	1,000
	Flowback - - - - -		2,000		1,000	1,000
	Fence Location- - - - -	5,000			2,500	2,500
	Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
	10% Contingency- - - - -			14,093	7,023	7,070
	Drilling Costs- - - - -			67,601	31,295	36,306
	Grand Total Well Costs			222,618	108,543	114,076

FRUITLAND COAL (FC)

0.7520% Howard Henderson
 99.2480% Richardson Operating Company et als

PICTURED CLIFFS (PC)

2.0508% Howard Henderson
 97.9492% Richardson Operating Company et als

		Share of costs:	
Date:	Approved BY:		
<u>5-Dec-01</u>			\$816.19
			\$107,726.31
		Total FC Costs	\$108,542.50
			\$2,339.44
<u>5-Dec-01</u>			\$111,736.06
		Total PC Costs	\$114,075.50

Total Costs of Commingled PC/FC Well:

Howard Henderson	\$3,155.63
Richardson Operating Company et als	\$219,462.37
	\$222,618.00

December 5, 2001

Julia Cremean Satterley
P O Box 448
Wadsworth, IL 60083

Certified Mail 7000 1670 0006 8579 2787

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a 1.0833 net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

RE: **RPC #17-3 PC/FC Well Proposal**
SW/4 Section 17-T29N-R13W
San Juan County, NM

Description of your unleased lands:

Section 17: E. 30/a of the SESW; W/2SWSE, W. 2/a of NWSE

Containing 52.0 gross and 1.0833 net acres

On this _____ day of _____, 2001, ~~we~~**I** hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

Julia Creamean Satterley

RICHARDSON OPERATING COMPANY

AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits - - - - -		3,000		1,500	1,500
Title Opinion & Land - - - - -		3,000		1,500	1,500
Damages- - - - -		2,000		1,000	1,000
* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
BOP Rental- - - - -		750		375	375
Dirt Work- - - - -		4,000		2,000	2,000
Pit Lining- - - - -		2,800		1,400	1,400
Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
Casing Head- - - - -	1,500			750	750
Cement Surface- - - - -		2,300		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
Trucking- - - - -		3,000		1,500	1,500
Logs- - - - -		4,000		2,000	2,000
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,670	2,330
Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
10% Contingency- - - - -			6,146	2,845	3,301
Grand Total to Run Casing			67,601	31,295	36,306
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,000		1,500	1,500
Perf- - - - -		4,000		2,000	2,000
Wellhead & Fittings- - - - -	4,000			2,000	2,000
Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
Stimulation- - - - -		50,000		25,000	25,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		3,000		1,500	1,500
Battery Installation- - - - -		6,000		3,000	3,000
Restore Location- - - - -		4,000		2,000	2,000
Engineering- - - - -		5,000		2,500	2,500
Treater, Separator - - - - -	6,000			3,000	3,000
Flowline- - - - -	4,000			2,000	2,000
Tank & Fittings- - - - -	5,000			2,500	2,500
Gravel- - - - -	3,000			1,500	1,500
Workover Rig- - - - -		12,000		6,000	6,000
Completion Fluids- - - - -		2,000		1,000	1,000
Pipeline Hookup- - - - -		13,000		6,500	6,500
Division Order Opinion - - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,000		1,000	1,000
Flowback - - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
10% Contingency- - - - -			14,093	7,023	7,070
Drilling Costs- - - - -			67,601	31,295	36,306
Grand Total Well Costs			222,618	108,543	114,076

Share of costs:

FRUITLAND COAL (FC)
 0.2506% Julia Cremean Slatterly
 99.7494% Richardson Operating Company et als

Date:
5-Dec-01

Approved BY:	
	\$272.02
	\$108,270.48
Total FC Costs	\$108,542.50

PICTURED CLIFFS (PC)
 0.6835% Julia Cremean Slatterly
 99.3165% Richardson Operating Company et als

Date:
5-Dec-01

	\$779.69
	\$113,295.81
Total PC Costs	\$114,075.50

Total Costs of Commingled PC/FC Well:

Julia Cremean Slatterly	\$1,051.71
Richardson Operating Company et als	\$221,566.29
	\$222,618.00

December 5, 2001

William H. Hall
416 N. Behrend
Farmington, NM 87401

Certified Mail 7000 1670 0006 8579 2817

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a down Fruitland Coal well on the captioned lands. A recent check you own a 5.0 net acre unleased mineral interest within the well will be located in the SW/4 of Section 17. The Pictured Cliffs and the Fruitland Coal spacing unit covers the S/2 of Section 17. The well will be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimate wish to participate in this drilling and completion attempt, AFE to the undersigned by December 28, 2001. Upon receipt of your written request, we will forward an AAPL Form 610 Joint C and execution, providing for, among other things, a 300% \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson reserves the following options as to your interest:

1. Enter into an oil and gas lease that provides bonus consideration based on \$50.00 per net acre in event of production (lease form included for review)
2. Sell all of your mineral interest for \$100.00 per acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to: Wm A. Hall 416 N. Behrend Farmington NM 87401		A. Received by (Please Print Clearly) _____ B. Date of Delivery _____	
2. Article Number (Copy from service label) 7000 1670 0006 8579 2817		C. Signature X <i>William H. Hall</i>	
PS Form 3811, July 1999 Domestic Return Receipt		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

102595-00-M-0952

December 5, 2001

William H. Hall
416 N. Behrend
Farmington, NM 87401

Certified Mail 7000 1670 0006 8579 2817

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a 5.0 net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

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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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

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Sincerely,

Sheila A. Frazier, CPL

RE: **RPC #17-3 PC/FC Well Proposal**
SW/4 Section 17-T29N-R13W
San Juan County, NM

Description of your unleased lands:

Section 17: SE/4

Containing 40 gross and 5.0 net acres

On this _____ day of _____, 2001, ~~we~~ I hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

William A. Hall

RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
Objective Formation:
Commingled Pictured Cliffs and Fruitland Coal

I.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits - - - - -		3,000		1,500	1,500
	Title Opinion & Land - - - - -		3,000		1,500	1,500
	Damages- - - - -		2,000		1,000	1,000
	* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
	BOP Rental- - - - -		750		375	375
	Dirt Work- - - - -		4,000		2,000	2,000
	Pit Lining- - - - -		2,800		1,400	1,400
	Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
	Casing Head- - - - -	1,500			750	750
	Cement Surface- - - - -		2,300		1,150	1,150
	Power Tongs- - - - -		1,000		500	500
	Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
	Trucking- - - - -		3,000		1,500	1,500
	Logs- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Cement Longstring- - - - -		4,000		1,670	2,330
	Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
	10% Contingency- - - - -			6,146	2,845	3,301
	Grand Total to Run Casing			67,601	31,295	36,306
II.	Completion Costs					
	Rig Anchors- - - - -		750		375	375
	Logs- - - - -		3,000		1,500	1,500
	Perf- - - - -		4,000		2,000	2,000
	Wellhead & Fittings- - - - -	4,000			2,000	2,000
	Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
	Stimulation- - - - -		50,000		25,000	25,000
	Tool Rental- - - - -		2,300		1,150	1,150
	Trucking- - - - -		3,000		1,500	1,500
	Battery Installation- - - - -		6,000		3,000	3,000
	Restore Location- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Treater, Separator - - - - -	6,000			3,000	3,000
	Flowline- - - - -	4,000			2,000	2,000
	Tank & Fittings- - - - -	5,000			2,500	2,500
	Gravel- - - - -	3,000			1,500	1,500
	Workover Rig- - - - -		12,000		6,000	6,000
	Completion Fluids- - - - -		2,000		1,000	1,000
	Pipeline Hookup- - - - -		13,000		6,500	6,500
	Division Order Opinion - - - - -		2,000		1,000	1,000
	Frac Tank Rental- - - - -		2,000		1,000	1,000
	Flowback - - - - -		2,000		1,000	1,000
	Fence Location- - - - -	5,000			2,500	2,500
	Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
	10% Contingency- - - - -			14,093	7,023	7,070
	Drilling Costs- - - - -			67,601	31,295	36,306
	Grand Total Well Costs			222,618	108,543	114,076

		Share of costs:	
FRUITLAND COAL (FC) 1.3672% William Hall 98.6328% Richardson Operating Company et als	<u>Date:</u>	<u>Approved BY:</u>	
	<u>5-Dec-01</u>		\$1,483.98
		Total FC Costs	\$107,058.52
PICTURED CLIFFS (PC) 0.0000% William Hall 100.0000% Richardson Operating Company et als			\$0.00
	<u>5-Dec-01</u>		\$114,075.50
		Total PC Costs	\$114,075.50
Total Costs of Commingled PC/FC Well:			
William Hall			\$1,483.98
Richardson Operating Company et als			\$221,134.02
			\$222,618.00

December 5, 2001

First National Bank of Iowa City, Iowa
Trustee w/t/a dated Aug 6, 1966
P O Box 1880
Iowa City, IA 52244

Certified Mail 7000 1670 0006 8579 2800

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole Fruitland Coal well on the captioned lands. A recent check you own a 5.0 net acre unleased mineral interest within the well will be located in the SW/4 of Section 17. The Pictured Cliffs and the Fruitland Coal spacing unit covers the S/2 of Section 17. The well will be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimate we wish to participate in this drilling and completion attempt, per AFE to the undersigned by December 28, 2001. Upon receipt of your written request, we will forward an AAPL Form 610 Joint C and execution, providing for, among other things, a 300%/ \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson reserves the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

SEND IN COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Article Addressed to:</p> <p>PO Box 1880 Iowa City IA 52244</p>		<p>A. Received by (Please Print Clearly) <i>Sheila A. Frazier</i> B. Date of Delivery <i>DEC 10 2001</i></p>	
<p>2. Article Number (Copy from service label) <i>7000 1670 0006 8579 2800</i></p> <p>PS Form 3811, July 1999 Domestic Return Receipt 102395-00 M-0952</p>		<p>C. Signature <i>Sheila A. Frazier</i> <input type="checkbox"/> Agent</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, enter delivery address below: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	

December 5, 2001

First National Bank of Iowa City, Iowa
Trustee u/t/a dated Aug 6, 1966
P O Box 1880
Iowa City, IA 52244

Certified Mail 7000 1670 0006 8579 2800

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a 5.0 net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

RE: **RPC #17-3 PC/FC Well Proposal**
SW/4 Section 17-T29N-R13W
San Juan County, NM

Description of your unleased lands:

Section 17: SE/4

Containing 40 gross and 5.0 net acres

On this _____ day of _____, 2001, **we/I** hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

First National Bank of Iowa City, Iowa, Trustee

Printed Name & Title:

RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits - - - - -		3,000		1,500	1,500
Title Opinion & Land - - - - -		3,000		1,500	1,500
Damages- - - - -		2,000		1,000	1,000
* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
BOP Rental- - - - -		750		375	375
Dirt Work- - - - -		4,000		2,000	2,000
Pit Lining- - - - -		2,800		1,400	1,400
Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
Casing Head- - - - -	1,500			750	750
Cement Surface- - - - -		2,300		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
Trucking- - - - -		3,000		1,500	1,500
Logs- - - - -		4,000		2,000	2,000
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,670	2,330
Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
10% Contingency- - - - -			6,146	2,845	3,301
Grand Total to Run Casing			67,601	31,295	36,306
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,000		1,500	1,500
Perf- - - - -		4,000		2,000	2,000
Wellhead & Fittings- - - - -	4,000			2,000	2,000
Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
Stimulation- - - - -		50,000		25,000	25,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		3,000		1,500	1,500
Battery Installation- - - - -		6,000		3,000	3,000
Restore Location- - - - -		4,000		2,000	2,000
Engineering- - - - -		5,000		2,500	2,500
Treater, Separator - - - - -	6,000			3,000	3,000
Flowline- - - - -	4,000			2,000	2,000
Tank & Filtings- - - - -	5,000			2,500	2,500
Gravel- - - - -	3,000			1,500	1,500
Workover Rig- - - - -		12,000		6,000	6,000
Completion Fluids- - - - -		2,000		1,000	1,000
Pipeline Hookup- - - - -		13,000		6,500	6,500
Division Order Opinion - - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,000		1,000	1,000
Flowback - - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
10% Contingency- - - - -			14,093	7,023	7,070
Drilling Costs- - - - -			67,601	31,295	36,306
Grand Total Well Costs			222,618	108,543	114,076

FRUITLAND COAL (FC)

1.3672% First National Bank of Iowa City, Trustee
 98.6328% Richardson Operating Company et als

Date:
5-Dec-01

Approved BY:

	\$1,483.98
	\$107,058.52
Total FC Costs	\$108,542.50

PICTURED CLIFFS (PC)

0.0000% First National Bank of Iowa City, Trustee
 100.0000% Richardson Operating Company et als

Date:
5-Dec-01

	\$0.00
	\$114,075.50
Total PC Costs	\$114,075.50

Total Costs of Commingled PC/FC Well:

First National Bank of Iowa City, Trustee	\$1,483.98
Richardson Operating Company et als	\$221,134.02
	\$222,618.00

December 5, 2001

Elizabeth L. Fisk, Trustee
P O Box 310
Farmington, NM 87499

Certified Mail 7000 1670 0006 8579 2794

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a down Fruitland Coal well on the captioned lands. A recent check you own a 1.5406 net acre unleased mineral interest with well will be located in the SW/4 of Section 17. The Pictured SW/4 and the Fruitland Coal spacing unit covers the S/2. It not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimate wish to participate in this drilling and completion attempt. I AFE to the undersigned by December 28, 2001. Upon receipt of your written request, we will forward an AAPL Form 610 Joint (and execution, providing for, among other things, a 300% \$5000 drilling/\$500 producing overhead rates.


In the event you do not wish to participate, Richardson reserves the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

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Sincerely,

Sheila A. Frazier, CPL

COMPLETE THIS SECTION ON DELIVERY	
A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below.	
<div style="text-align: center;">  </div>	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

SENDER: COMPLETE THIS SECTION	1. Article Addressed to: Elizabeth L. Fisk, Trustee PO Box 310 Farmington NM 87499
2. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 3. Print your name and address on the reverse so that we can return the card to you. 4. Attach this card to the back of the mailpiece, or on the front if space permits.	

2A
76

December 5, 2001

Elizabeth L. Fisk, Trustee
P O Box 310
Farmington, NM 87499

Certified Mail 7000 1670 0006 8579 2794

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a **1.5406** net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

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2. Sell all of your mineral interest for \$100.00 per net acre

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Sincerely,

Sheila A. Frazier, CPL

RE: RPC #17-3 PC/FC Well Proposal
 SW/4 Section 17-T29N-R13W
 San Juan County, NM

Description of your unleased lands:

Section 17: 3.61 acre tract in the SESE less tract deeded to State of NM Highway Dept.

Containing 1.5406 net acres

On this _____ day of _____, 2001, ~~we~~**I** hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

Elizabeth L. Fisk, Trustee

RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
Objective Formation:
Commingled Pictured Cliffs and Fruitland Coal

I.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits - - - - -		3,000		1,500	1,500
	Title Opinion & Land - - - - -		3,000		1,500	1,500
	Damages- - - - -		2,000		1,000	1,000
	* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
	BOP Rental- - - - -		750		375	375
	Dirt Work- - - - -		4,000		2,000	2,000
	Pit Lining- - - - -		2,800		1,400	1,400
	Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
	Casing Head- - - - -	1,500			750	750
	Cement Surface- - - - -		2,300		1,150	1,150
	Power Tongs- - - - -		1,000		500	500
	Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
	Trucking- - - - -		3,000		1,500	1,500
	Logs- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Cement Longstring- - - - -		4,000		1,670	2,330
	Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
	10% Contingency- - - - -			6,146	2,845	3,301
	Grand Total to Run Casing			67,601	31,295	36,306
II.	Completion Costs					
	Rig Anchors- - - - -		750		375	375
	Logs- - - - -		3,000		1,500	1,500
	Perf- - - - -		4,000		2,000	2,000
	Wellhead & Fittings- - - - -	4,000			2,000	2,000
	Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
	Stimulation- - - - -		50,000		25,000	25,000
	Tool Rental- - - - -		2,300		1,150	1,150
	Trucking- - - - -		3,000		1,500	1,500
	Battery Installation- - - - -		6,000		3,000	3,000
	Restore Location- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Treater, Separator - - - - -	6,000			3,000	3,000
	Flowline- - - - -	4,000			2,000	2,000
	Tank & Fittings- - - - -	5,000			2,500	2,500
	Gravel- - - - -	3,000			1,500	1,500
	Workover Rig- - - - -		12,000		6,000	6,000
	Completion Fluids- - - - -		2,000		1,000	1,000
	Pipeline Hookup- - - - -		13,000		6,500	6,500
	Division Order Opinion - - - - -		2,000		1,000	1,000
	Frac Tank Rental- - - - -		2,000		1,000	1,000
	Flowback - - - - -		2,000		1,000	1,000
	Fence Location- - - - -	5,000			2,500	2,500
	Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
	10% Contingency- - - - -			14,093	7,023	7,070
	Drilling Costs- - - - -			67,601	31,295	36,306
	Grand Total Well Costs			222,618	108,543	114,076

		Share of costs:	
FRUITLAND COAL (FC) 0.7520% Elizabeth L. Fisk Trustee, uta dated 11/29/88 99.2480% Richardson Operating Company et als	<u>Date:</u>	<u>Approved BY:</u>	
	<u>5-Dec-01</u>		\$816.19
			\$107,726.31
		Total FC Costs	\$108,542.50
PICTURED CLIFFS (PC) 0.0000% Elizabeth L. Fisk Trustee, uta dated 11/29/88 100.0000% Richardson Operating Company et als	<u>Date:</u>		\$0.00
	<u>5-Dec-01</u>		\$114,075.50
			\$114,075.50
		Total PC Costs	\$114,075.50
Total Costs of Commingled PC/FC Well:			
Elizabeth L. Fisk Trustee, uta dated 11/29/88			\$816.19
Richardson Operating Company et als			\$221,801.81
			\$222,618.00

SENDER COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New Mexico State Hwy Dept
PO Box 1149
Santa Fe NM 87504

2. Article Number (Copy from service label)

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

☐ Agent☐ AddresseeD. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

SANTA FE NM

3. Subtype 2 2001

☒ Certified Mail ☐ Express Mail☐ Registered ☐ Return Receipt for Merchandise☐ Restricted Mail ☐ Registered Mail4. Restricted Delivery (Extra Fee) ☐ Yes

December 5, 2001

New Mexico State Highway and Transportation Dept
P O Box 1149
Santa Fe, New Mexico 87504-1149

Certified Mail 7000 1670 0006 8579 2732

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a down Fruitland Coal well on the captioned lands. A recent check you own a 1.0733 net acre unleased mineral interest with well will be located in the SW/4 of Section 17. The Pictu SW/4 and the Fruitland Coal spacing unit covers the S/2 not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimate wish to participate in this drilling and completion attempt, AFE to the undersigned by December 28, 2001. Upon re written request, we will forward an AAPL Form 610 Joint and execution, providing for, among other things, a 300% \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

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Sincerely,

Sheila A. Frazier, CPL

December 5, 2001

New Mexico State Highway and Transportation Dept
P O Box 1149
Santa Fe, New Mexico 87504-1149

Certified Mail 7000 1670 0006 8579 2732

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a 1.0733 net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

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2. Sell all of your mineral interest for \$100.00 per net acre

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Sincerely,

Sheila A. Frazier, CPL

RE: **RPC #17-3 PC/FC Well Proposal**
SW/4 Section 17-T29N-R13W
San Juan County, NM

Description of your unleased lands:

Section 17: Two (2) tracts in the SE/4 of Section 17

Containing 1.0733 net acres

On this _____ day of _____, 2001, **we/I** hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

Printed Name & Title

RICHARDSON OPERATING COMPANY

AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

		Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
I.	Drilling Costs (Included Run Casing)					
	Survey and Permits - - - - -		3,000		1,500	1,500
	Title Opinion & Land - - - - -		3,000		1,500	1,500
	Damages- - - - -		2,000		1,000	1,000
	* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
	BOP Rental- - - - -		750		375	375
	Dirt Work- - - - -		4,000		2,000	2,000
	Pit Lining- - - - -		2,800		1,400	1,400
	Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
	Casing Head- - - - -	1,500			750	750
	Cement Surface- - - - -		2,300		1,150	1,150
	Power Tongs- - - - -		1,000		500	500
	Casing 1200' @ 5.00/ft.- - - - -	6,325			2,840	3,685
	Trucking- - - - -		3,000		1,500	1,500
	Logs- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Cement Longstring- - - - -		4,000		1,670	2,330
	Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
	10% Contingency- - - - -			6,146	2,845	3,301
	Grand Total to Run Casing			67,601	31,295	36,306
II.	Completion Costs					
	Rig Anchors- - - - -		750		375	375
	Logs- - - - -		3,000		1,500	1,500
	Perf- - - - -		4,000		2,000	2,000
	Wellhead & Fittings- - - - -	4,000			2,000	2,000
	Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
	Stimulation- - - - -		50,000		25,000	25,000
	Tool Rental- - - - -		2,300		1,150	1,150
	Trucking- - - - -		3,000		1,500	1,500
	Battery Installation- - - - -		6,000		3,000	3,000
	Restore Location- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Treater, Separator - - - - -	6,000			3,000	3,000
	Flowline- - - - -	4,000			2,000	2,000
	Tank & Fittings- - - - -	5,000			2,500	2,500
	Gravel- - - - -	3,000			1,500	1,500
	Workover Rig- - - - -		12,000		6,000	6,000
	Completion Fluids- - - - -		2,000		1,000	1,000
	Pipeline Hookup- - - - -		13,000		6,500	6,500
	Division Order Opinion - - - - -		2,000		1,000	1,000
	Frac Tank Rental- - - - -		2,000		1,000	1,000
	Flowback - - - - -		2,000		1,000	1,000
	Fence Location- - - - -	5,000			2,500	2,500
	Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
	10% Contingency- - - - -			14,093	7,023	7,070
	Drilling Costs- - - - -			67,601	31,295	36,306
	Grand Total Well Costs			222,618	108,543	114,076

FRUITLAND COAL (FC)

0.2935% State Hwy Department of New Mexico
 99.7065% Richardson Operating Company et als

PICTURED CLIFFS (PC)

0.0000% State Hwy Department of New Mexico
 100.0000% Richardson Operating Company et als

		Share of costs:
Date:	Approved BY:	
<u>5-Dec-01</u>		\$318.54
		\$108,223.96
	Total FC Costs	\$108,542.50
		\$0.00
<u>5-Dec-01</u>		\$114,075.50
	Total PC Costs	\$114,075.50

Total Costs of Commingled PC/FC Well:

State Hwy Department of New Mexico	\$318.54
Richardson Operating Company et als	\$222,299.46
	\$222,618.00

RICHARDSON PRODUCTIVE

1700 Lincoln, Suite 17
Denver, Colorado 80203 (303)
Fax (303) 830-8009

December 20, 2001

(602) 95

Mrs. Howard E. Henderson
5809 N. 24th Place
Phoenix, AZ 86016

RE: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4 Section 17, Township 29 North, Range 13 West
Pictured Cliffs Proposal
RPC #17-4
SE/4 Section 17, Township 29 North, Range 13 West
San Juan County, New Mexico

Dear Mrs. Henderson:

Please accept Richardson Production Company's sincerest
During our telephone conversation yesterday we discussed the
Company ("ROC") will need in order to enter into an Oil and Gas Lease outlined in the two (2) letters
dated December 5, 2001 to Howard E. Henderson from Sheila Frazier with Richardson Production
Company.

You indicated you had a "Life Estate" to the properties and the properties would revert to Howard E.
Henderson's son upon your death. ROC will need the following:

- Copy of Death Certificate of Howard E. Henderson
- Copy of Last Will and Testament of Howard E. Henderson
- Copy of Letters Testamentary, if the Estate has not been closed

If the Estate has not been closed, ROC will need to enter into an Oil and Gas Lease with the Estate and the
signing party will be the Executor of the Estate.

Should you have any questions concerning the outlined information I can be contacted by telephone at
(303) 350-4000, by e-mail at rebecca@landman.com or rebecca@roil.com or at the internet address.

Very truly yours,



Rebecca E. Van Blaricom
Administrative Landman

File Number (Copy from service label)
0016701000061857941748
Form 3811, July 1999

Domestic Return Receipt

102595-00-00-0932

Howard Henderson
5809 N 24th Place
Phoenix AZ 86016

PLEASE THIS SECTION
ne 1, 2, and 3. Also complete
ricted Delivery is desired.
ne and address on the reverse
n return the card to you.
rd to the back of the mailpiece,
it if space permits.

A. Received by (Please Print Clearly)		B. Date of Delivery
C. Signature <i>Howard Henderson</i>		DEC 15 2001
D. Is delivery address different from item 17 If YES, enter delivery address below:		<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D. <input type="checkbox"/> Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		

December 5, 2001

Howard E. Henderson
5809 N. 24th Place
Phoenix, AZ 86016

Certified Mail 7000 1670 0006 8579 2718

Re: Pictured Cliffs & Fruitland Coal Well Proposal
RPC #17-3 Well
SW/4-Section 17-T29N-R13W
San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a downhole commingled Pictured Cliffs & Fruitland Coal well on the captioned lands. A recent check of the county records indicates that you own a 6.5 net acre unleased mineral interest within the spacing unit. The RPC #17-3 well will be located in the SW/4 of Section 17. The Pictured Cliffs spacing unit covers the SW/4 and the Fruitland Coal spacing unit covers the S/2 of Section 17. Your lands may or may not be covered under both spacing units.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 12.5% royalty in the event of production (lease form included for your review).
2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

**RE: RPC #17-3 PC/FC Well Proposal
SW/4 Section 17-T29N-R13W
San Juan County, NM**

Description of your unleased lands:

Section 17: E. 30/a of the SESW; W2SWSE, W. 2/a NWSE

Containing 52.0 gross and 6.5 net acres

On this _____ day of _____, 2001, **we/I** hereby elect the following:

- ☐ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- ☐ Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- ☐ Sell mineral rights for \$100.00 per net mineral acre.

Howard E. Henderson

RICHARDSON OPERATING COMPANY

AUTHORITY FOR EXPEDITURES

Well Name: RPC 17-3 (PC) & (FC) well
 Location: T29N R13W Section 17 SW/4
 Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
 Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/2001
 Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits - - - - -		3,000		1,500	1,500
Title Opinion & Land - - - - -		3,000		1,500	1,500
Damages- - - - -		2,000		1,000	1,000
* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
BOP Rental- - - - -		750		375	375
Dirt Work- - - - -		4,000		2,000	2,000
Pit Lining- - - - -		2,800		1,400	1,400
Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
Casing Head- - - - -	1,500			750	750
Cement Surface- - - - -		2,300		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
Trucking- - - - -		3,000		1,500	1,500
Logs- - - - -		4,000		2,000	2,000
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,670	2,330
Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
10% Contingency- - - - -			6,146	2,845	3,301
Grand Total to Run Casing			67,601	31,295	36,306
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,000		1,500	1,500
Perf- - - - -		4,000		2,000	2,000
Wellhead & Fittings- - - - -	4,000			2,000	2,000
Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
Stimulation- - - - -		50,000		25,000	25,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		3,000		1,500	1,500
Battery Installation- - - - -		6,000		3,000	3,000
Restore Location- - - - -		4,000		2,000	2,000
Engineering- - - - -		5,000		2,500	2,500
Treater, Separator - - - - -	6,000			3,000	3,000
Flowline- - - - -	4,000			2,000	2,000
Tank & Fittings- - - - -	5,000			2,500	2,500
Gravel- - - - -	3,000			1,500	1,500
Workover Rig- - - - -		12,000		6,000	6,000
Completion Fluids- - - - -		2,000		1,000	1,000
Pipeline Hookup- - - - -		13,000		6,500	6,500
Division Order Opinion - - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,000		1,000	1,000
Flowback - - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
10% Contingency- - - - -			14,093	7,023	7,070
Drilling Costs- - - - -			67,601	31,295	36,306
Grand Total Well Costs			222,618	108,543	114,076

FRUITLAND COAL (FC)

0.7520% Howard Henderson
 99.2480% Richardson Operating Company et als

PICTURED CLIFFS (PC)

2.0508% Howard Henderson
 97.9492% Richardson Operating Company et als

Date:
 5-Dec-01

Share of costs:	
Approved BY:	\$816.19
	\$107,726.31
Total FC Costs	\$108,542.50
	\$2,339.44
	\$111,736.06
Total PC Costs	\$114,075.50

Total Costs of Commingled PC/FC Well:

Howard Henderson	\$3,155.63
Richardson Operating Company et als	\$219,462.37
	\$222,618.00