

**RICHARDSON OPERATING COMPANY  
AUTHORITY FOR EXPEDITURES**

**Well Name:** ROPCO #7-1 (PC NE/4), (FC E/2)  
**Location:** T29N R14W Sec. 7  
**Proposed Depth:** 530' Fruitland Coal  
 660' Pictured Cliffs

**Date:** 11/2/01  
**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		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft.		9,900		3,975	5,925
BOP Rental		750		375	375
Dirt Work		4,000		2,000	2,000
Pit Lining		2,800		1,400	1,400
Surface Casing 200' @ 7.18/ft.	1,436			718	718
Casing Head	1,500			750	750
Cement Surface		2,300		1,150	1,150
Power Tongs		1,000		500	500
Casing 660' @ 5.50/ft.	3,630			1,458	2,173
Trucking		4,000		2,000	2,000
Logs		5,000		2,500	2,500
Engineering		5,000		2,500	2,500
Cement Longstring		4,000		1,600	2,400
<b>Total Cost to Run Casing</b>	<b>6,566</b>	<b>44,750</b>	<b>51,316</b>	<b>23,926</b>	<b>27,391</b>
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency			5,436	2,535	2,902
<b>Grand Total to Run Casing</b>			<b>59,799</b>	<b>27,881</b>	<b>31,918</b>
<b>II. Completion Costs</b>					
Rig Anchors		750		375	375
Logs		3,500		1,750	1,750
Perf.		3,500		1,750	1,750
Wellhead & Fittings	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.	1,650			663	988
Stimulation		42,000		21,000	21,000
Tool Rental		2,300		1,150	1,150
Trucking		4,000		2,000	2,000
Battery Installation		8,000		4,000	4,000
Restore Location		4,500		2,250	2,250
Engineering		6,500		3,250	3,250
Treater, Separator	6,500			3,250	3,250
Flowline	5,000			2,500	2,500
Tank & Fittings	5,000			2,500	2,500
Gravel		4,000		2,000	2,000
Workover Rig		10,000		5,000	5,000
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		2,500		1,250	1,250
Flowback		2,000		1,000	1,000
Fence Location	5,000			2,500	2,500
<b>Total Completion Costs</b>	<b>28,150</b>	<b>110,550</b>	<b>138,700</b>	<b>69,188</b>	<b>69,513</b>
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency			14,694	7,330	7,364
Drilling Costs			59,799	27,881	31,918
<b>Grand Total Well Costs</b>			<b>221,428</b>	<b>108,506</b>	<b>112,922</b>

**FRUITLAND COAL**

99.872% RICHARDSON OPERATING CO ET AL  
 0.128% Unleased Mineral Owner

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_ \$108367  
 Approved by: \_\_\_\_\_ Date: \_\_\_\_\_ \$138  
 FC TOTAL \$108506

**PICTURED CLIFFS**

100.00% RICHARDSON OPERATING CO ET AL  
 0.00% Unleased Mineral Owner

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_ \$112922  
 Approved by: \_\_\_\_\_ Date: \_\_\_\_\_ \$  
 PC TOTAL \$112922  
 Unleased Mineral Owner TOTAL \$138

BEFORE THE  
**OIL CONSERVATION DIVISION**  
 Case No. 12813 Exhibit No. 5  
 Submitted By:  
 Richardson Operating Company  
 Hearing Date: March 21, 2002  
 RECORD THE