



RICHARDSON PRODUCTION COMPANY

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

1505) 375 2242

June 26, 2001

Ms. Mary Fischer
f/k/a DOME INCORPORATED
1109 Acoma Place
Farmington, NM 87401

Certified Return Receipt
7000 1670 0006 8579 3500

Re: Fruitland Coal/Pictured Cliffs Well Proposal
Navajo #14-2 Well
E/2-Section 14-T29N-R14W
San Juan County, NM

Dear Ms. Fischer:

Richardson Production Company proposes to drill a downhole commingled Fruitland Coal and Pictured Cliffs well on the captioned acreage. A recent check of the county records indicates that you own a 17.755 net acre unleased mineral interest within the spacing unit. The Navajo 14 #2 well will be located in the NE/4 of Section 14, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal will be the E/2, and the spacing unit for the Pictured Cliffs formation will be the NE/4.

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 July 17, 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% nonconsent 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
2. Sell all of your mineral interest for \$150.00 per net acre

Please indicate your election by signing below and returning one copy of this letter by July 17, 2001. If you have any questions or if you need additional information, do not hesitate to call.

Sincerely,

RICHARDSON PRODUCTION COMPANY

Cathleen Colby
Cathleen Colby
Land Manager

no to participate

**BEFORE THE
OIL CONSERVATION DIVISION**
Case No. 12910 Exhibit No. **4**
Submitted By:
Richardson Production
Hearing Date: August 22, 2002

Ms. Mary Fischer
f/k/a DOME INCORPORATED
June 26, 2001
Page 2

Township 29 North, Range 14 West, NMPM
Section 14: E/2
San Juan County, New Mexico

AGREED to and ACCEPTED this _____ day of _____, 2001.

_____ 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 \$150.00 per net mineral acre.

Mary Fischer,
formerly known as
DOME INCORPORATED

By: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: Navajo 14 #2 well SECTION 14 PC NE4, FC E/2
 Location: T29N R14W
 Proposed Depth: 850' Fruitland Coal
 1050' Pictured Cliffs

Date: 06/22/2001
 Objective Formation: Commingled Pictured Cliffs
 and Fruitland Coal

| | Tangible | Intangible | Total | Fruitland Coal | Pictured Cliffs |
|----------------------------------------------------|---------------|----------------|----------------|----------------|-----------------|
| I. Drilling Costs (Included Run Casing) | | | | | |
| Survey and Permits | | 5,000 | | 2,500 | 2,500 |
| Title Opinion | | 4,000 | | 2,000 | 2,000 |
| Damages | | 6,000 | | 3,000 | 3,000 |
| * Drilling (incl. water and mud) 1050' @ 15.00/ft. | | 15,750 | | 6,375 | 9,375 |
| BOP Rental | | 750 | | 375 | 375 |
| Dirt Work | | 3,000 | | 1,500 | 1,500 |
| Pit Lining | | 2,000 | | 1,000 | 1,000 |
| Surface Casing 200' @ 7.65/ft. | 1,530 | | | 765 | 765 |
| Casing Head | 1,000 | | | 500 | 500 |
| Cement Surface | | 1,500 | | 750 | 750 |
| Power Tongs | | 1,000 | | 500 | 500 |
| Casing 1050' @ 5.00/ft. | 5,250 | | | 2,125 | 3,125 |
| Trucking | | 2,000 | | 1,000 | 1,000 |
| Logs | | 5,000 | | 2,500 | 2,500 |
| Engineering | | 5,000 | | 2,500 | 2,500 |
| Cement Longstring | | 4,000 | | 1,619 | 2,381 |
| Total Cost to Run Casing | 7,780 | 55,000 | 62,780 | 29,009 | 33,771 |
| 10% Contingency | | | 6,278 | 2,901 | 3,377 |
| Grand Total to Run Casing | | | 69,058 | 31,910 | 37,148 |
| II. Completion Costs | | | | | |
| Rig Anchors | | 750 | | 375 | 375 |
| Logs | | 2,500 | | 1,250 | 1,250 |
| Perf. | | 3,000 | | 1,500 | 1,500 |
| Wellhead & Fittings | 3,000 | | | 1,500 | 1,500 |
| Tubing 1050' @ 2.10/ft. | 2,205 | | | 893 | 1,313 |
| Stimulation | | 50,000 | | 25,000 | 25,000 |
| Tool Rental | | 2,000 | | 1,000 | 1,000 |
| Trucking | | 2,000 | | 1,000 | 1,000 |
| Battery Installation | | 4,000 | | 2,000 | 2,000 |
| Restore Location | | 2,000 | | 1,000 | 1,000 |
| Engineering | | 5,000 | | 2,500 | 2,500 |
| Treater, Separator | 6,000 | | | 3,000 | 3,000 |
| Flowline | 3,000 | | | 1,500 | 1,500 |
| Tank & Fittings | 5,000 | | | 2,500 | 2,500 |
| Gravel | 2,000 | | | 1,000 | 1,000 |
| 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 | | 1,000 | | 500 | 500 |
| 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 | 26,205 | 103,250 | 129,455 | 64,518 | 64,938 |
| 10% Contingency | | | 12,946 | 6,452 | 6,494 |
| Drilling Costs | | | 69,058 | 31,910 | 37,148 |
| Grand Total Well Costs | | | 211,459 | 102,879 | 108,579 |

WI Share of Costs

FRUITLAND COAL

5.4385% MARY FISCHER, FKA DOME INC. DATE _____
 94.5615% RICHARDSON OPERATING COMPANY DATE _____

APPROVED _____
 APPROVED _____

\$5,595
 \$97,284
 TOTAL \$102,879

PICTURED CLIFFS

10.6656% MARY FISCHER, FKA DOME INC. DATE _____
 89.3344% RICHARDSON OPERATING COMPANY DATE _____

APPROVED _____
 APPROVED _____

\$11,581
 \$96,999
 TOTAL \$108,579

Fischer \$17,176
 Richardson \$194,283

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:

Ms. Mary Fischer
 f/k/a DOME INCORPORATED
 1109 Acoma Place
 Farmington, NM 87401

2. Article Number (Copy from service label)

7000 1670 0006 8579 3500

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON THE MAILPIECE

A. Received by (Please Print Clearly) Fischer B. Date of Delivery 6/29

C. Signature X [Signature] Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

**U.S. Postal Service
 CERTIFIED MAIL RECEIPT**
 (Domestic Mail Only; No Insurance Coverage Provided)

7000 1670 0006 8579 3500

| | |
|------------------------------------------------|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total F | |

Postmark Here

Sent To
 Street,
 City, St.

Ms. Mary Fischer
 f/k/a DOME INCORPORATED
 1109 Acoma Place
 Farmington, NM 87401

PS Form 3811, July 1999

Instructions