



RICHARDSON PRODUCTION COMPANY

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

November 16, 2001

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

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

Dear Ms. Fischer:

In accordance with our recent telephone conversation, 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 November 30, 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 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 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 November 30, 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

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12910 Exhibit No. **5**
Submitted By:
Richardson Production
Hearing Date: August 22, 2002

Ms. Mary Fischer
f/k/a DOME INCORPORATED
November 16, 2001
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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 a "no occupancy" 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: 11/16/2001

Objective Formation: Commingled Pictured Cliffs
and Fruitland Coal

I. Drilling Costs (Included Run Casing)

Survey and Permits
Title Opinion
Damages
* Drilling (incl. water and mud) 1050' @ 15.00/ft.
BOP Rental
Dirt Work
Pit Lining
Surface Casing 200' @ 7.65/ft.
Casing Head
Cement Surface
Power Tongs
Casing 1050' @ 5.00/ft.
Trucking
Logs
Engineering
Cement Longstring
Total Cost to Run Casing
10% Contingency
Grand Total to Run Casing

II. Completion Costs

Rig Anchors
Logs
Perf.
Wellhead & Fittings
Tubing 1050' @ 2.10/ft.
Stimulation
Tool Rental
Trucking
Battery Installation
Restore Location
Engineering
Treater, Separator
Flowline
Tank & Fittings
Gravel
Workover Rig
Completion Fluids
Pipeline Hookup
Division Order Opinion
Frac Tank Rental
Flowback
Fence Location
Total Completion Costs
10% Contingency
Drilling Costs
Grand Total Well Costs

Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	5,000		2,500	2,500
	4,000		2,000	2,000
	6,000		3,000	3,000
	15,750		6,375	9,375
	750		375	375
	3,000		1,500	1,500
	2,000		1,000	1,000
1,530			765	765
1,000			500	500
	1,500		750	750
	1,000		500	500
5,250			2,125	3,125
	2,000		1,000	1,000
	5,000		2,500	2,500
	5,000		2,500	2,500
	4,000		1,619	2,381
7,780	55,000	62,780	29,009	33,771
		6,278	2,901	3,377
		69,058	31,910	37,148
	750		375	375
	2,500		1,250	1,250
	3,000		1,500	1,500
3,000			1,500	1,500
2,205			893	1,313
	50,000		25,000	25,000
	2,000		1,000	1,000
	2,000		1,000	1,000
	4,000		2,000	2,000
	2,000		1,000	1,000
	5,000		2,500	2,500
6,000			3,000	3,000
3,000			1,500	1,500
5,000			2,500	2,500
2,000			1,000	1,000
	12,000		6,000	6,000
	2,000		1,000	1,000
	13,000		6,500	6,500
	1,000		500	500
	2,000		1,000	1,000
	2,000		1,000	1,000
5,000			2,500	2,500
26,205	103,250	129,455	64,518	64,938
		12,946	6,452	6,494
		69,058	31,910	37,148
		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
1109 Acoma Place
Farmington, NM 87401

2. Article Number (Copy from service label)

7000 1670 0006 8579 3821

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

X

Chasson

☒ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

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 3821

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

Postmark
Here

Sen

Stre

City

Ms. Mary Fischer
1109 Acoma Place
Farmington, NM 87401

PS

Instructions