

|          |          |           |      |           |
|----------|----------|-----------|------|-----------|
| SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO.   |
| 1/8/02   | MS       | KW        | NSL  | 136544768 |

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL     NSP     SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

[D] Other: Specify

DEC 18 2001

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

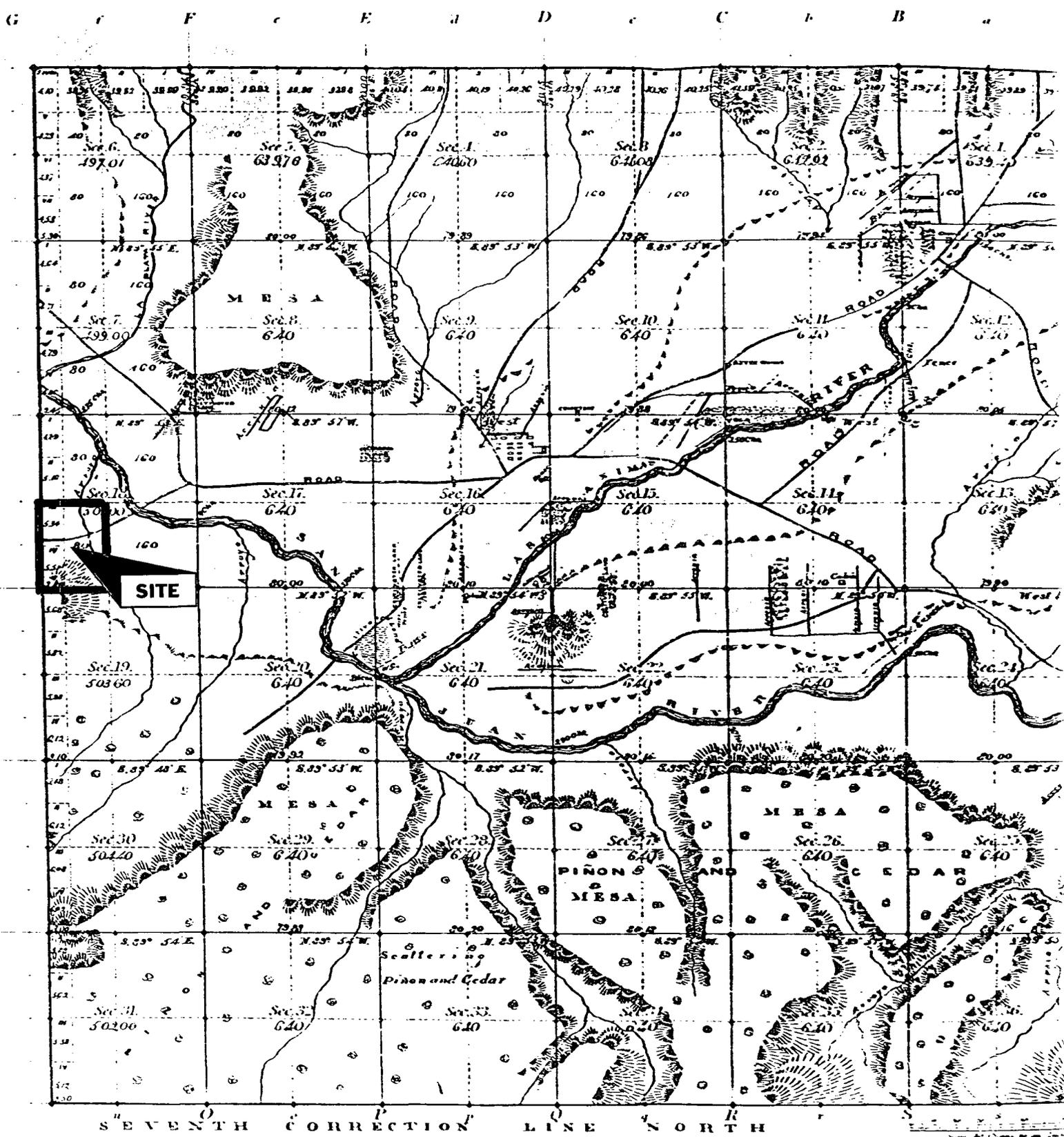
|  |           |            |   |
|--|-----------|------------|---|
| Print or Type Name                           | Signature | Title      | Date                                    |
| BRIAN WOOD<br>(505) 466-8120<br>FAX 466-9682 |           | CONSULTANT | 12-15-01                                |
|  |           |            | e-mail Address<br>brian@permitswest.com |

**REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION  
FOR RICHARDSON OPERATING CO.  
RPC 18 #3 GAS WELL  
1048' FSL & 724' FWL SEC. 18, T. 29 N., R. 13 W., SAN JUAN COUNTY, NM**

- I. The well is on private surface and a private oil and gas lease. The proposed location is non-standard for the West Kutz Pictured Cliffs. Acreage dedicated to a Pictured Cliffs well must be at least 70% of a standard 160 acre quarter section (i.e.,  $\geq 112$  acres). This quarter section (actually Lots 3 & 4 and E2SW4) is only 90.85 acres, or 57% of 160 acres. The small size of the quarter section is due to the over century old General Land Office survey (see attachment). The APD is attached.
- II. A C-102 showing the well location and proration unit (solid line marking Lots 3 & 4 and E2SW4 = 90.85 acres) for the Pictured Cliffs is attached. A General Land Office survey plat is also attached which shows the smaller (90.85 acres) than standard size of the southwest quarter of Section 18. Richardson's leasehold (= dashed lines) is shown on the attached composite copy of the Farmington South and Kirtland USGS topo maps. The well is 1,048' from the closest non-Richardson operated lease.
- III. According to NM Oil Conservation Records reviewed in their Santa Fe office on December 12, 2001 and on line on December 15, 2001; there is no production from the Pictured Cliffs within a minimum 2,623' radius. Closest such well is Richardson's Fawkes #1 at 740 FS & 790 FE 18-29n-13w. A composite copy of the Farmington South and Kirtland 7.5' USGS maps is attached showing the proposed well site, existing producing wells (2 Dakota and 4 PC {all Richardson}), existing water disposal well (Richardson into the Mesa Verde), and plugged and abandoned wells (24). There is one lease within a minimum 724' radius. Richardson is the operator of its fee lease and leases within a minimum 1,048'. Registered letters were sent on December 17, 2001 to the offset interest owners. A copy of the receipts and letters will be provided.
- IV. Composite copies of the Farmington South and Kirtland USGS maps are attached. The proposed well site is marked. Proration units are Lots 3 & 4



TOWNSHIP N: 29 NORTH RANGE N: 13 WEST NEW MEXICO PRINCIPAL MERIDIAN



Total number of Acres 2221.77

| Survey Described | By Whom Surveyed | Date of Contract | Amount of Survey | When Surveyed | Meridian Description |
|------------------|------------------|------------------|------------------|---------------|----------------------|
| Township lines   | Paylar and Pined | Sept. 11 1850    | M. 12 12         | Nov. 1850     | N. 15° - 45° E.      |
| Subdivisions     | Paylar and Pined | Sept. 11 1850    | S. 8. 7. 9. 0.   | Feb. 2 1851   | S. 15° - 15° 30' E.  |
| Div. Line North  | Carrion M. Fitch | Aug. 2 - 1857    |                  | Oct. - 1877   | 15° N. E.            |

The above map of Township 29 North  
Principal Meridian is available  
under the survey thereof on file in this office  
Surveyor General's Office  
Santa Fe, N. M.  
April 19, 1911

State of New Mexico  
 Energy, Minerals & Mining Resources Department  
 OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

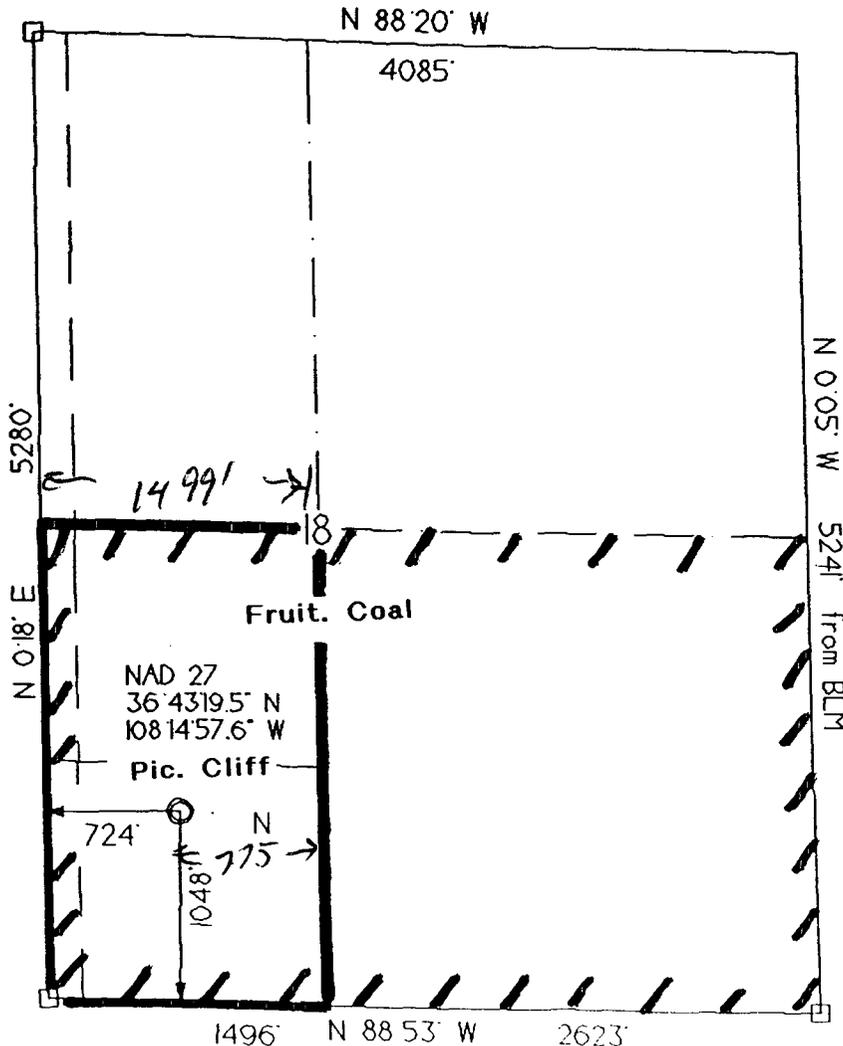
|               |                              |                                  |
|---------------|------------------------------|----------------------------------|
| APA Number    | Pool Code                    | Pool Name                        |
|               | 71629 & 79680                | BASIN FRUIT. COAL & WEST KUTZ PC |
| Property Code | Property Name                | Well Number                      |
|               | RPC 18                       | #3                               |
| OGRID No.     | Operator Name                | Elevation                        |
| 019219        | RICHARDSON OPERATING COMPANY | 5255'                            |

| Surface Location |      |       |       |          |             |             |             |           |          |
|------------------|------|-------|-------|----------|-------------|-------------|-------------|-----------|----------|
| U. or Lot        | Sec. | Twp.  | Rge.  | Lot Idn. | Feet from > | North/South | Feet from > | East/West | County   |
| N                | 18   | 29 N. | 13 W. |          | 1048'       | SOUTH       | 724'        | WEST      | SAN JUAN |

| Bottom Hole Location if Different From Surface |      |      |      |          |             |             |             |           |        |
|--|------|------|------|----------|-------------|-------------|-------------|-----------|--------|
| U. or Lot                                      | Sec. | Twp. | Rge. | Lot Idn. | Feet from > | North/South | Feet from > | East/West | County |
|  |      |      |      |          |             |             |             |           |        |

|            |         |               |           |
|------------|---------|---------------|-----------|
| Dedication | Joint ? | Consolidation | Order No. |
|            |         |               |           |

NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

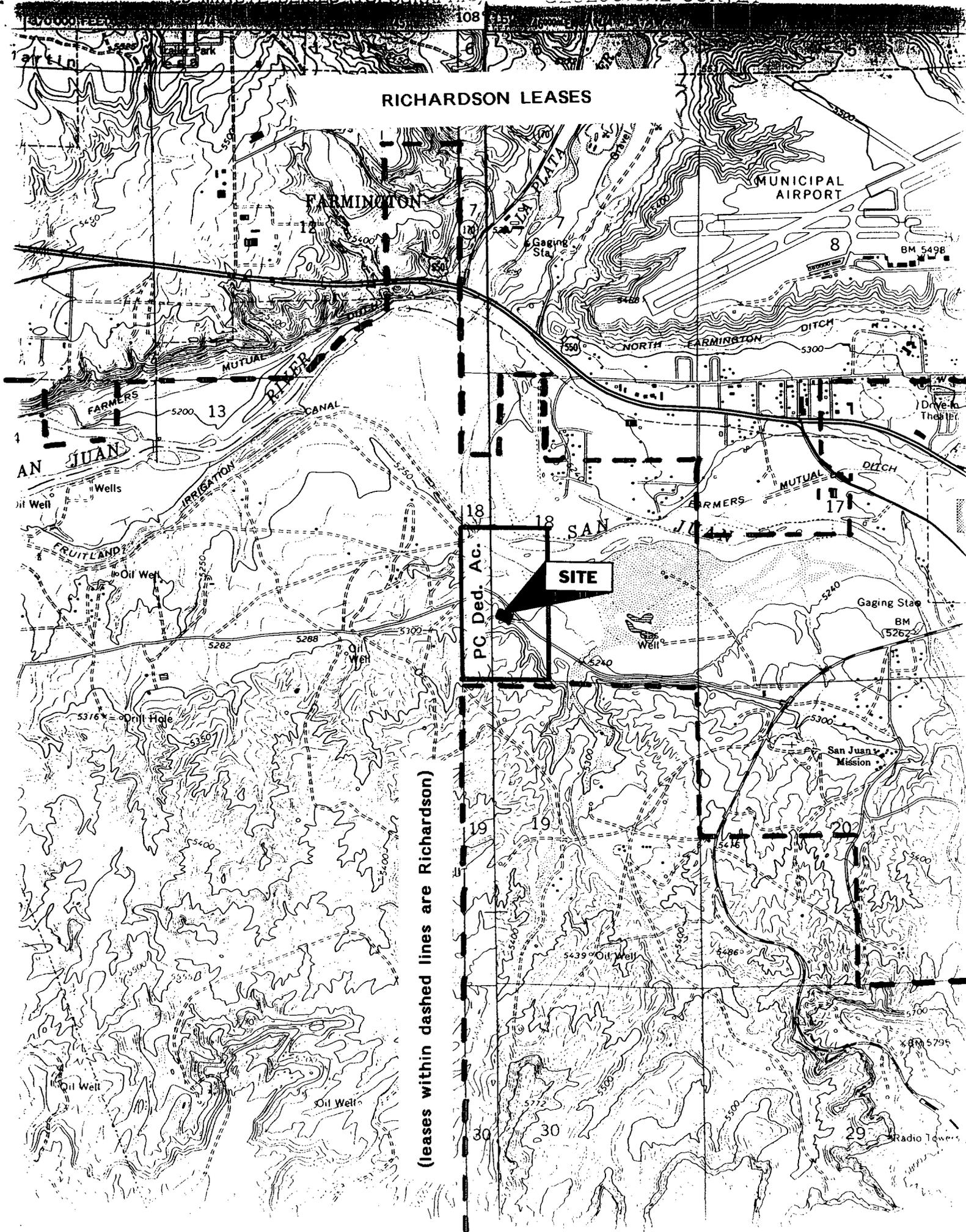
Signature *Brian Wood*  
 Printed Name BRIAN WOOD  
 Title CONSULTANT  
 Date DEC. 9, 2001

**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
 Date of Survey

Signature and Seal of Professional Surveyor  
  
 David S. Wood



RICHARDSON LEASES



(leases within dashed lines are Richardson)

SITE

PC Ded. Ac.

19

19

30

30

29

Radio Towers

Gaging Sta  
BM 5262

San Juan Mission

MUTUAL IRRIGATION CANAL

NORTH FARMINGTON

MUNICIPAL AIRPORT

FARMINGTON

SAN JUAN

FARMERS

FARMERS

SAN JUAN

LA PLATA

Gaging Sta

Drive to Theater

BM 5795

BM 5498

Oil Well

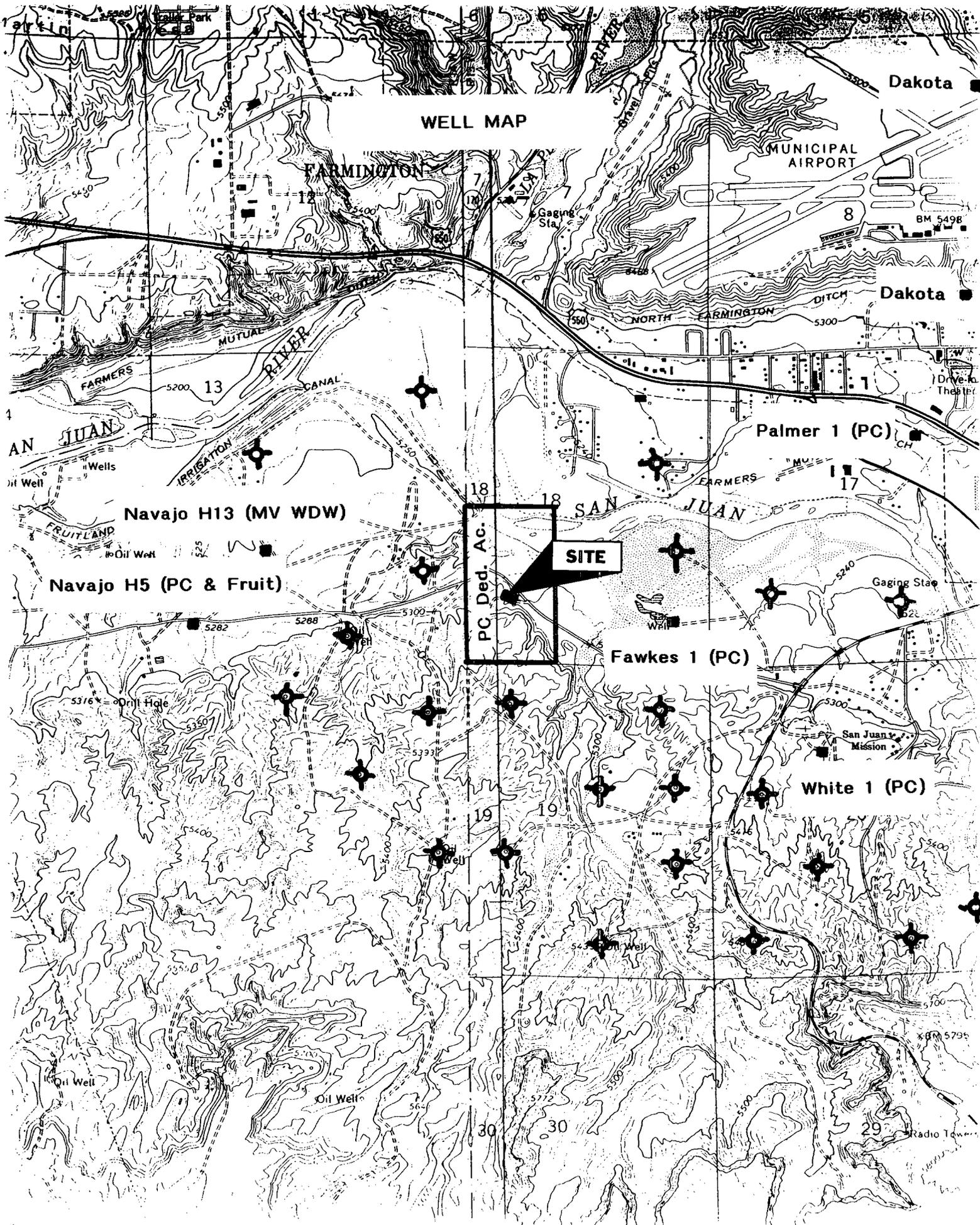
Drill Hole

Oil Well

Well

Oil Well

WELL MAP



Dakota

FARMINGTON

MUNICIPAL AIRPORT

Dakota

Palmer 1 (PC)

Navajo H13 (MV WDW)

Navajo H5 (PC & Fruit)

SITE

Fawkes 1 (PC)

White 1 (PC)

San Juan Mission

Radio Tower

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised March 17, 1999

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|  |  |                                    |
|--|--|------------------------------------|
| <sup>1</sup> Operator Name and Address<br>Richardson Operating Company (303) 830-8000<br>1700 Lincoln St., Suite 1700, Denver, Co. 80203 |  | <sup>2</sup> OGRID Number<br>19219 |
| <sup>3</sup> Property Code<br>RPC 18   |  | <sup>4</sup> Property Name<br>30 - |
|  |  | <sup>5</sup> Well No. 3            |

<sup>7</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 18      | 29n      | 13w   |         | 1048          | South            | 724           | West           | SJ     |

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

| UL or lot no.  | Section | Township | Range | Lot Idn | Feet from the   | North/South line | Feet from the | East/West line | County |
|--|---------|----------|-------|---------|---|------------------|---------------|----------------|--------|
| <sup>9</sup> Proposed Pool 1<br>West Kutz Picture Cliffs |         |          |       |         | <sup>10</sup> Proposed Pool 2<br>Basin Fruitland Coal |                  |               |                |        |

|                                   |  |                                  |                                    |   |
|-----------------------------------|--|----------------------------------|------------------------------------|---|
| <sup>11</sup> Work Type Code<br>N | <sup>12</sup> Well Type Code<br>G      | <sup>13</sup> Cable/Rotary<br>R  | <sup>14</sup> Lease Type Code<br>P | <sup>15</sup> Ground Level Elevation<br>5255' |
| <sup>16</sup> Multiple<br>Yes     | <sup>17</sup> Proposed Depth<br>1,150' | <sup>18</sup> Formation<br>Lewis | <sup>19</sup> Contractor<br>.      | <sup>20</sup> Spud Date<br>1-15-02            |

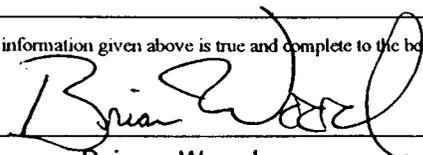
<sup>21</sup> Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 8 - 3/4"  | 7"          | 20                 | 120'          | 60 sx           | Surface       |
| 6 - 1/4"  | 4 - 1/2"    | 10.5               | 1,150'        | 155 sx          | Surface       |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Will use 2000# BOP and run logs and DST as appropriate.

|  |                           |  |
|--|---------------------------|--|
| <sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <br>Printed name: Brian Wood | OIL CONSERVATION DIVISION |  |
|  | Approved by:              | Title:   |
| Title: Consultant  | Approval Date:            | Expiration Date:   |
| Date: December 9, 2001   | Phone: (505) 466-8120     | Conditions of Approval:<br>Attached <input type="checkbox"/> |

State of New Mexico  
 Energy, Minerals & Mining Resources Department  
**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505

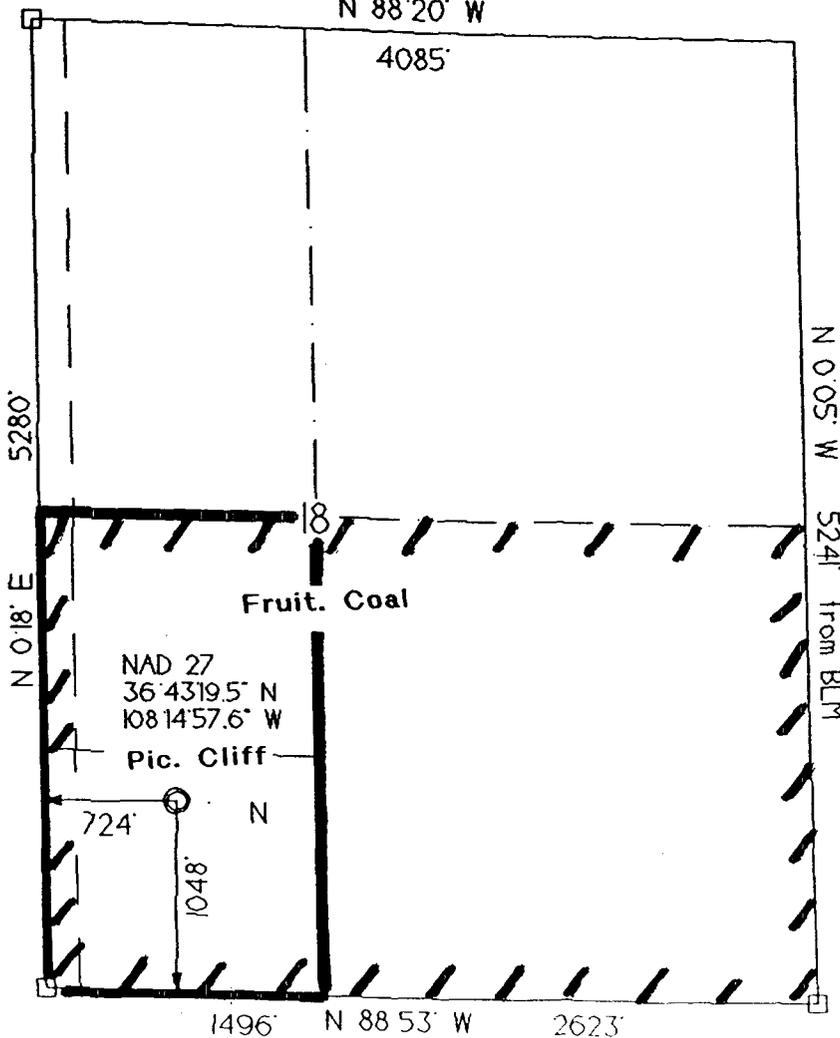
Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|  |      |                              |       |                                  |             |             |             |             |          |
|--|------|------------------------------|-------|----------------------------------|-------------|-------------|-------------|-------------|----------|
| APA Number                                     |      | Pool Code                    |       | Pool Name                        |             |             |             |             |          |
|  |      | 71629 & 79680                |       | BASIN FRUIT. COAL & WEST KUTZ PC |             |             |             |             |          |
| Property Code                                  |      | Property Name                |       |                                  |             |             |             | Well Number |          |
|  |      | RPC 18                       |       |                                  |             |             |             | #3          |          |
| OGRID No.                                      |      | Operator Name                |       |                                  |             |             |             | Elevation   |          |
| 019219   |      | RICHARDSON OPERATING COMPANY |       |                                  |             |             |             | 5255'       |          |
| Surface Location                               |      |                              |       |                                  |             |             |             |             |          |
| UL or Lot                                      | Sec. | Twp.                         | Rge.  | Lot Idn.                         | Feet from > | North/South | Feet from > | East/West   | County   |
| N  | 18   | 29 N.                        | 13 W. |                                  | 1048'       | SOUTH       | 724'        | WEST        | SAN JUAN |
| Bottom Hole Location if Different From Surface |      |                              |       |                                  |             |             |             |             |          |
| UL or Lot                                      | Sec. | Twp.                         | Rge.  | Lot Idn.                         | Feet from > | North/South | Feet from > | East/West   | County   |
|  |      |                              |       |                                  |             |             |             |             |          |
| Dedication                                     |      | Joint ?                      |       | Consolidation                    |             |             | Order No.   |             |          |
|  |      |                              |       |                                  |             |             |             |             |          |

NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



|   |                        |
|---|------------------------|
| <b>OPERATOR CERTIFICATION</b>   |                        |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   |                        |
| Signature   | <i>Brian Wood</i>      |
| Printed Name  | BRIAN WOOD             |
| Title   | CONSULTANT             |
| Date  | DEC. 9, 2001           |
| <b>SURVEYOR CERTIFICATION</b>   |                        |
| I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. |                        |
| Date of Survey  |                        |
| Signature and Seal  | <i>David S. Heston</i> |
|   |                        |



# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

17 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

Dec. 15, 2001

Edwards Energy Corp.  
1401 17th St., Suite 1400  
Denver, Co. 80202

Dear Keith,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Richardson Operating Co. is applying to drill its RPC 18 #3 gas well. The minimum acreage to be dedicated to a Pictured Cliffs gas well is 112 acres. The southwest quarter of Section 18 has only 90.85 acres, or less than the standard minimum. Thus, it is a non-standard location. The proposed well is 724' from the closest lease line, 724' from the closest acreage dedication line, and 2623' from the closest Pictured Cliffs producer (Richardson's Fawkes #1 well). See attached map for more details.

Well Name: RPC 18 #3

Total Depth: 1,150'

Proposed Producing Zones: Pictured Cliffs sandstone & Fruitland coal

Acreage Dedication: 90.85 ac. (≈SW4) to PC & 250.85 ac. (≈S2) to Fruit.

Location: 1048' FSL & 724' FWL Sec. 18, T. 29 N., R. 13 W.,

San Juan County, NM on a private lease

Approximate Location: ≈1 air miles southwest of Farmington, NM

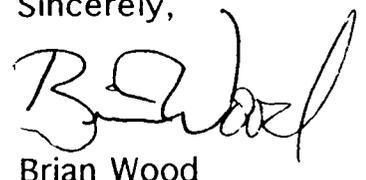
Applicant Name: Richardson Operating Co. (303) 830-8000

Applicant's Address: 1700 Lincoln St., Suite 1700, Denver, Co. 80203

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New on address is 2040 S. Pacheco, Santa Fe, NM (505) 827-7131.

questions.

Sincerely,

  
Brian Wood

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

|   |         |                  |
|---|---------|------------------|
| Postage   | \$      | Postmark<br>Here |
| Certified Fee                                     |         |                  |
| Return Receipt Fee<br>(Endorsement Required)      |         |                  |
| Restricted Delivery Fee<br>(Endorsement Required) |         |                  |
| Total Postage & Fees                              | \$ 3.94 |                  |

Sent To Edwards Energy  
Street, Apt. No. or PO Box No. 1401 17th, # 1400  
City, State, ZIP Denver Co 80202

7000 1670 0012 5356 8636

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Mirano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

Dec. 15, 2001

Navajo Nation Minerals Dept.  
P. O. 1910  
Window Rock, Az. 86515

Dear Akhtar,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Richardson Operating Co. is applying to drill its RPC 18 #3 gas well. The minimum acreage to be dedicated to a Pictured Cliffs gas well is 112 acres. The southwest quarter of Section 18 has only 90.85 acres, or less than the standard minimum. Thus, it is a non-standard location. The proposed well is 724' from the closest lease line, 724' from the closest acreage dedication line, and 2623' from the closest Pictured Cliffs producer (Richardson's Fawkes #1 well). See attached map for more details.

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Approximate Location: ≈1 air miles southwest of Farmington, NM

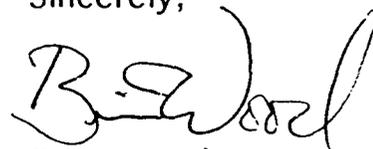
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questions.

Sincerely,



Brian Wood

## U.S. Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

[Redacted area]

|   |         |                  |
|---|---------|------------------|
| Postage   | \$      | Postmark<br>Here |
| Carrier Fee                                       |         |                  |
| Return Receipt Fee<br>(Endorsement Required)      |         |                  |
| Restricted Delivery Fee<br>(Endorsement Required) |         |                  |
| Total Postage & Fees                              | \$ 3.94 |                  |

Sent to  
Minerals Dept  
Street, Apt. No. or PO Box No. PO Box 1910  
City, State, ZIP+4 Window Rock, AZ 86515

5098 9555 2100 021 1670 000

