



## RICHARDSON OPERATING COMPANY

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

May 7, 1996

*unable to obtain phone #  
no response to letters*

Ms. Justine Gordon  
809 E. Main Street  
Farmington, NM 87401

Certified Mail P 296 557 456

Re: West Gallegos Prospect  
ROPCO 15-1 GW (A) PC, (B) FC Well  
NE/4-Section 15-T29N-R13W  
San Juan County, New Mexico

Dear Ms. Gordon:

Richardson Operating Company proposes the drilling of a well to a depth sufficient to adequately test the Pictured Cliffs and Fruitland Coal formations, anticipated total depth being 1,500 feet. The well will be located in the SE/4NE/4 of Section 15, either at a standard or exception location. The NE/4 of Section 15, Township 29 North, Range 13 West, NMPM will be dedicated as the proration unit for the Pictured Cliffs formation of the well. The E/2 of said Section 15 will be dedicated as the proration unit for the Fruitland Coal formation.

Our AFE dated May 7, 1996 is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling, testing and completion, either as a producing well or plugging and abandonment in the event of a dry hole, please return an executed copy of the AFE to the undersigned by May 28, 1996.

Upon receipt of your executed AFE, or by prior written request, we will forward our Joint Operating Agreement for your review and execution.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest, less and except the Dakota formation. Your Dakota rights would not be affected by any of the following elections:

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 11570 Exhibit No.  
Submitted By:  
**Richardson Oil Company**  
Hearing Date: July 11, 1996

13

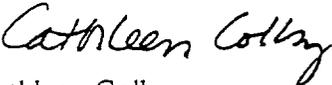
Ms. Justine Gordon  
May 7, 1996  
Page 2

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 15% royalty in the case of production, less and except the Dakota formation
2. Sell all of your mineral interest for \$200.00 per net acre, less and except the Dakota formation.
3. Enter into a farmout agreement covering your interest, giving Richardson 180 days in which to drill a well, reserving a proportionate nonconvertible overriding royalty interest equal to the difference between existing burdens and 15%, less and except the Dakota formation.

Your response is respectfully requested by 5 PM MST, May 28, 1996.

Should you have any questions, please do not hesitate to call.

RICHARDSON OPERATING COMPANY

  
Cathleen Colby  
Land Manager

Is your RETURN ADDRESS completed on the reverse side?

**SENDER**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ms. Justine Gordon  
 809 E. Main Street  
 Farmington, NM 87401

4a. Article Number  
 P 296 557 456

4b. Service Type:

Registered     Insured

Certified     COD

Express Mail     Return Receipt for Merchandise

7. Date of Delivery  
 5-11-96

5. Signature (Addressee)  
 Justine Gordon

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 \* U.S.G.P.O. : 1992-307-530

**DOMESTIC RETURN RECEIPT**

P 296 557 456



**Receipt for Certified Mail**

No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

PS Form 3800, June 1991

Sent to Justine Gordon	
Street and No. 809 E. Main Street	
P.O., State and ZIP Code Farmington, Nm 87401	
Postage	\$ 3.2
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date SHIPPED MAY 08 1996	

RICHARDSON OPERATING COMPANY  
 AUTHORITY FOR EXPEDITURES

Well Name: ROPCO 15-1 (A) PC, (B) FC SECTION 15 PC NE/4, FC E/2  
 Location: T29N R13W Date: 5/7/96  
 Proposed Depth: 1400' Fruitland Coal Objective Formation: Commingled Pictured Cliffs  
 1500' Pictured Cliffs and Fruitland Coal

	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
<b>I. Drilling Costs (Included Run Casing)</b>					
Survey and Permits		1,500		750	750
Title Opinion & Land Costs		10,000		5,000	5,000
Damages		1,500		750	750
• Drilling (incl. water and mud) 1500' @ 12.00/ft.		18,000		8,400	9,600
BOP Rental		750		375	375
Dirt Work		3,000		1,500	1,500
Pit Lining		1,500		750	750
Surface Casing 200' @ 6.00/ft.	1,200			600	600
Casing Head	750			375	375
Cement Surface		1,500		750	750
Power Tongs		1,000		500	500
Casing 1500' @ 5.00/ft.	7,500			3,500	4,000
Trucking		2,000		1,000	1,000
Logs		4,000		2,000	2,000
Engineering		2,500		1,250	1,250
Cement Longstring		4,000		1,867	2,133
<b>Total Cost to Run Casing</b>	<b>9,450</b>	<b>51,250</b>	<b>60,700</b>	<b>29,367</b>	<b>31,333</b>
5.9375% Farmington, NM Tax			3,604	1,744	1,860
10% Contingency			6,430	3,111	3,319
<b>Grand Total to Run Casing</b>			<b>70,734</b>	<b>34,222</b>	<b>36,513</b>
<b>II. Completion Costs</b>					
Rig Anchors		600		300	300
Logs		3,500		1,750	1,750
Perf		4,000		2,000	2,000
Wellhead & Fittings	5,000			2,500	2,500
Tubing 1500' @ 1.50/ft.	2,250			1,050	1,200
Stimulation		48,000		24,000	24,000
Tool Rental		2,000		1,000	1,000
Trucking		3,000		1,500	1,500
Battery Installation		4,000		2,000	2,000
Restore Location		1,500		750	750
Engineering		6,500		3,250	3,250
Treater	5,000			2,500	2,500
Flowline	5,000			2,500	2,500
Tank & Fittings	5,000			2,500	2,500
Gravel		2,000		1,000	1,000
Workover Rig		15,000		7,500	7,500
Completion Fluids		2,000		1,000	1,000
El Paso Hookup		13,000		6,500	6,500
Division Order		10,000		5,000	5,000
Frac Tank Rental		1,000		500	500
Flowback		2,000		1,000	1,000
Fence Location	2,000			1,000	1,000
<b>Total Completion Costs</b>	<b>24,250</b>	<b>118,100</b>	<b>142,350</b>	<b>71,100</b>	<b>71,250</b>
5.9375% Farmington, NM Tax			8,452	4,222	4,230
10% Contingency			15,080	7,532	7,548
Drilling Costs			70,734	34,222	36,513
<b>Grand Total Well Costs</b>			<b>236,617</b>	<b>117,075</b>	<b>119,541</b>

WI Share of Costs

FRUITLAND COAL

0.1191% JUSTINE GORDON	DATE _____	APPROVED _____	\$139
99.8809% RICHARDSON OPERATING CO. ET AL	DATE _____	APPROVED _____	\$116,936

PICTURED CLIFFS

0.2383% JUSTINE GORDON	DATE _____	APPROVED _____	\$285
99.7618% RICHARDSON OPERATING CO. ET AL	DATE _____	APPROVED _____	\$119,256

Total \$236,617



## RICHARDSON OPERATING COMPANY

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

April 19, 1996

Ms. Justine Gordon  
809 E. Main Street  
Farmington, NM 87401

Re: Request for Oil and Gas Lease  
E/2-Section 15-T29N-R13W  
San Juan County, New Mexico

Dear Ms. Gordon:

A recent check of the county records indicates you own mineral rights in the following described lands that are not currently subject to an oil and gas lease:

Township 29 North, Range 13 West, NMPM  
Section 15: Certain tracts of land within the E/2  
Less and except the Dakota formation  
Containing 0.3812 acres, more or less

Richardson Production Company offers to take 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 for your 0.3812 net mineral acres. The lease would also provide for a 15% royalty in the case of production. Attached is a copy of our proposed oil and gas lease form.

If you accept the above terms and conditions, please so indicate by signing below and returning one copy of this letter to me at your earliest convenience.

Thank you for your consideration in this matter. If you have any questions, do not hesitate to call me collect at (303) 830-8000.

Sincerely,

RICHARDSON PRODUCTION COMPANY

*Cathleen Colby*

Cathleen Colby  
Land Manager

AGREED TO and ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
Justine Gordon



RICHARDSON OPERATING COMPANY

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

3-20-96  
no phone in directory  
assistance

March 11, 1996

Gordon 1208 Brentwood Circle

Ms. Justine Gordon  
2104 E. 18th Street  
Farmington, NM 87401

87401

~~325-6649~~

disconnected

Re: Request for Oil and Gas Lease  
E/2-Section 15-T29N-R13W  
San Juan County, New Mexico

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Sincerely,

RICHARDSON PRODUCTION COMPANY

*Cathleen Colby*

Cathleen Colby  
Land Manager

AGREED TO and ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
Justine Gordon