



RICHARDSON OPERATING COMPANY

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



February 27, 2002

Dr. William A. Hall
416 N. Behrend
Farmington, NM 87401

Certified Mail 7000 1670 8579 2459
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Easton White #2 well
Section 20, Township 29 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico

Dear Dr. Hall:

Under cover of letter dated January 29, 2002 you were offered an option of participating in the drilling and completion of referenced well, selling your mineral interest for \$100.00 per net mineral acre or leasing your net mineral interest to Richardson Production Company for \$50.00 per net mineral acre.

The body of the letter had indicated the spacing unit for this well for the Fruitland Coal formation was the E/2 of Section 20 and the Authority for Expenditure included with the January 29 letter indicated the N/2 of Section 20 was the spacing unit for the Fruitland Coal. The correct legal description for the spacing unit for the Fruitland Coal is the N/2 of Section 20. Please pardon any confusion this typographical error in the body of the letter may have caused.

I have discussed your proposal for leasing your minerals, as well as the minerals of First National Bank of Iowa City, Iowa, Trustee w/t/a dated August 6, 1966 in San Juan County to Richardson Production Company ("RPC") and at this time RPC cannot accept your terms. Should you have any additional questions please contact me at the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,

Rebecca E. Van Blaricom
Land Manager

7000 1670 0006 8579 2459

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To		
Street, P.O. No. or P.O. Box No.		
City, State, ZIP+4		

PS Form 3800, May 2000 See Reverse for Instructions

DEFUNE THE
OIL CONSERVATION DIVISION
Case No. 12835 Exhibit No. 4
Submitted By:
Richardson Operating Company
Hearing Date: March 21, 2002



RICHARDSON PRODUCTION COMPANY

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

January 29, 2002

Dr. William A. Hall
416 N. Behrend
Farmington, NM 87401

Certified Mail 7000 1670 0006 8579 2695
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Eaton White #2 well
E/2 Section 20, Township 29 North, Range 13 West
San Juan County, New Mexico

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

Dear Dr. Hall:

Under cover of letter dated November 16, 2001 Richardson Proc
an Authority for Expenditure ("AFE") for the proposed Eaton
Section 20, Township 29 North, Range 13 West. The county
mineral interest within the spacing unit. There was an error
Fruitland Coal formation costs and the Pictured Cliffs formation

Enclosed for your review is a Revised AFE itemizing the estir
corrected interest in each formation. In the event you wish to
attempt, please return an executed copy of the AFE to the under
of you executed AFE, or by prior written request, we will for

7000 1670 0006 8579 2695

Postage \$
Certified Fee \$
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$
Sent To
Street, Apt. No., or PO Box No.
City, State, ZIP+4
PS Form 3800, May 2000 See Reverse for Instructions

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:

DR William A Hall
416 N. Behrend
Farmington NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Melba Sherlock B. Date of Delivery 1/31/02
C. Signature Melba Sherlock
D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

RECEIVED FEB 4 2002

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
4. Restricted Delivery? Extra Fee: Yes

2. Article Number (Copy from service label)

7000 1670 0006 8579 2695



RICHARDSON PRODUCTION COMPANY

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

January 29, 2002

Dr. William A. Hall
416 N. Behrend
Farmington, NM 87401

Certified Mail 7000 1670 0006 8579 2695
Return Receipt Requested

**RE: Fruitland Coal and Pictured Cliffs Well Proposal
Eaton White #2 well
E/2 Section 20, Township 29 North, Range 13 West, NMPM
San Juan County, New Mexico**

Dear Dr. Hall:

Under cover of letter dated November 16, 2001 Richardson Production Company ("Richardson") submitted an Authority for Expenditure ("AFE") for the proposed Eaton White #2 well located in the NW/4NE/4 of Section 20, Township 29 North, Range 13 West. The county records reflect you own a 5.0 net unleased mineral interest within the spacing unit. There was an error in the interest credited to you in both the Fruitland Coal formation costs and the Pictured Cliffs formation costs.

Enclosed for your review is a Revised AFE itemizing the estimated costs for the well and reflecting your corrected interest in each formation. 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 February 12, 2002. Upon receipt of you 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% non consent penalty and \$5000 drilling/\$500 producing overhead rates. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

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 \$100.00 per net mineral acre.

Your response is respectfully requested by February 12, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,


Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the 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 a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$100.00 per net mineral acre.

Dr. William A. Hall

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: Eaton White #2 (PC) & (FC) well
Location: T29N R13W Section 20 NE/4
Spacing: Pictured Cliffs NE/4; Fruitland CL N/2
Proposed Depth: 1100' Fruitland CL; 1200' Pictured Cliffs

Date: 11/16/01
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits		10,000		5,000	5,000
Title Opinion		11,000		5,500	5,500
Damages		9,000		4,500	4,500
* Drilling (Incl. water & mud) 1200' @ 15.00/ft.-		18,000		8,250	9,750
BOP Rental		750		375	375
Dirt Work		8,000		4,000	4,000
Pit Lining		2,000		1,000	1,000
Surface Casing 200' @ 7.65/ft.-	1,530			765	765
Casing Head	2,000			1,000	1,000
Cement Surface		1,500		750	750
Power Tongs		1,000		500	500
Casing 1200' @ 5.00/ft.-	6,000			2,750	3,250
Trucking		3,000		1,500	1,500
Logs		5,000		2,500	2,500
Engineering		5,500		2,750	2,750
Cement Longstring		5,000		2,300	2,700
Total Cost to Run Casing	9,530	79,750	89,280	43,440	45,840
10% Contingency			8,928	4,344	4,584
Grand Total to Run Casing			98,208	47,784	50,424
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 1200' @ 2.10/ft.-	2,520			1,155	1,365
Stimulation		50,000		25,000	25,000
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		9,000		4,500	4,500
Engineering		5,000		2,500	2,500
Treater, Separator	6,000			3,000	3,000
Flowline	4,000			2,000	2,000
Tank & Fittings	5,000			2,500	2,500
Gravel	3,000			1,500	1,500
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		3,000		1,500	1,500
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	28,520	113,250	141,770	70,780	70,990
10% Contingency			14,177	7,078	7,099
Drilling Costs			98,208	47,784	50,424
Grand Total Well Costs			254,155	125,642	128,513

FRUITLAND COAL
 1.5625% William Hall
 98.4375% Richardson Operating Company et als

PICTURED CLIFFS
 1.5625% William Hall
 98.4375% Richardson Operating Company et als

DATE: _____

Approved BY: _____

Costs: WI %
 \$1,963.16
 \$123,678.84
Total FC Costs \$125,642.00
 \$2,008.02
 \$126,504.98
Total PC Costs \$128,513.00

Total Costs of Commingled PC/FC Well:
 William Hall \$3,971.17
 Richardson Operating Company et als \$250,183.83
\$254,155.00

*re-send AFE
 no problem w/ ea merged
 all - no to 12.5%
 since 25% royalties
 n - bonus -
 AFE route + pay*

RICHARDSON OIL

1700 Lincoln
Denver, Colorado 80202
FAX (303) 830-8000

February 27, 2002

First National Bank of Iowa City, Iowa
Trustee w/a dated August 6, 1966
204 East Washington Street
Iowa City, IA 52244

Certified Mail 7000 1670 8579 2466
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Easton White #2 well
Section 20, Township 29 North, Range 13 West, N.M.
San Juan County, New Mexico

Gentlemen:

Under cover of letter dated January 29, 2002 you were offered an opportunity to participate in the drilling and completion of referenced well, selling your mineral interest for \$100.00 per net mineral acre or leasing your net mineral interest to Richardson Production Company for \$50.00 per net mineral acre.

The body of the letter had indicated the spacing unit for this well for the Fruitland Coal formation was the E/2 of Section 20 and the Authority for Expenditure included with the January 29 letter indicated the N/2 of Section 20 was the spacing unit for the Fruitland Coal. The correct legal description for the spacing unit for the Fruitland Coal is the N/2 of Section 20. Please pardon any confusion this typographical error in the body of the letter may have caused.

If you have any questions concerning the offer to participate in the well, sell your mineral interest or lease your mineral interest to Richardson Production Company please contact me at the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,

Rebecca E. Van Blaricom

Rebecca E. Van Blaricom
Land Manager

COMPLETE THIS SECTION ON DELIVERY

A. Received (Please Print Clearly) *Rebecca E. Van Blaricom* B. Date of Delivery *2/27/02*

C. Signature *Rebecca E. Van Blaricom* Agent Addressee Yes No

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below
*First National Bank of Iowa City, Iowa
Trustee w/a dated August 6, 1966
204 East Washington Street
Iowa City, IA 52244*

RECEIVED MAR 08 2002

3. Service Type Express Mail Return Receipt for Merchandise
 Certified Mail Registered Mail C.O.D. Yes No
 Insured Mail Restricted Delivery? (Extra Fee)

4. Restricted Delivery? (Extra Fee)

102595 001A 09

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.

Article Addressed to:
*First National Bank of Iowa City, Iowa
Trustee w/a dated August 6, 1966
204 East Washington Street
Iowa City, IA 52244*

Article Number (Copy from service label)
7000 1670 8579 2466 Domestic Return Receipt
S Form 3811, July 1999

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

000 1670 0006 8579 2466

Postage	\$
Certified Fee	
Return Receipt Fee (Enclosure Required)	
Restricted Delivery Fee (Enclosure Required)	
Total Postage & Fees	\$

Sent To _____
Street, Apt. No., or PO Box No. _____
City, State, ZIP+4 _____

Postmark Here



RICHARDSON PRODUCTION COMPANY

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

January 29, 2002

First National Bank of Iowa City, Iowa
Trustee w/t/a dated August 6, 1966
204 East Washington Street
Iowa City, IA 52244

RE: Fruitland Coal and P
Eaton White #2 well
E2 Section 20, Town:
San Juan County, Ne

Dear Mr. and Mrs. Havens:

Under cover of letter dated Nov
an Authority for Expenditure ("
Section 20, Township 29 North
mineral interest within the spa
Fruitland Coal formation costs a

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.
Article Addressed to:
FIRST NATIONAL BANK OF IOWA CITY
IOWA TRUSTEE w/t/a dtd 8/6/66
204 E. Washington ST
IOWA CITY IA 52244

COMPLETE THIS SECTION ON DELIVERY
A. Received by (Please Print Clearly) B. Date of Delivery
Don W FEB - 1 2002
C. Signature
X Don Williams Agent
Addressee
D. Is delivery address different from item 1? Yes
No
if YES, enter delivery address below:
RECEIVED FEB 4 2002
3. Service Type
Certified Mail Express Mail
Registered Return Receipt for Merchandise
Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes

Enclosed for your review is a Form PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

corrected interest in each form attempt, please return an executi
of you 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% non consent
penalty and \$5000 drilling/\$500 producing overhead rates. Should you elect to participate Richardson
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operating costs of the well, including all plugging liabilities when the well is abandoned.

In the event you do not wish to participate, Richardson resp
options as to your interest:

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

110 1670 0006 8579 2688
Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$
Sent To
Street, Apt. No., or PO Box No.



RICHARDSON PRODUCTION COMPANY

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

January 29, 2002

First National Bank of Iowa City, Iowa
Trustee w/a dated August 6, 1966
204 East Washington Street
Iowa City, IA 52244

Certified Mail 7000 1670 0006 8579 2688
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Eaton White #2 well
E/2 Section 20, Township 29 North, Range 13 West, NMPM
San Juan County, New Mexico

Dear Mr. and Mrs. Havens:

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Enclosed for your review is a Revised AFE itemizing the estimated costs for the well and reflecting your corrected interest in each formation. 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 February 12, 2002. Upon receipt of you 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% non consent penalty and \$5000 drilling/\$500 producing overhead rates. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

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.
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Your response is respectfully requested by February 12, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the 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 a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$100.00 per net mineral acre.

First National Bank of Iowa City, Iowa
Trustee w/a dated August 6, 1966

RICHARDSON OPERATING COMPANY

AUTHORITY FOR EXPEDITURES

Well Name: Eaton White #2 (PC) & (FC) well
Location: T29N R13W Section 20 NE/4
Spacing: Pictured Cliffs NE/4; Fruitland CL N/2
Proposed Depth: 1100' Fruitland CL; 1200' Pictured Cliffs

Date: 11/16/01
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits		10,000		5,000	5,000
Title Opinion		11,000		5,500	5,500
Damages		9,000		4,500	4,500
* Drilling (incl. water & mud) 1200' @ 15.00/ft.		18,000		8,250	9,750
BOP Rental		750		375	375
Dirt Work		8,000		4,000	4,000
Pit Lining		2,000		1,000	1,000
Surface Casing 200' @ 7.65/ft.	1,530			765	765
Casing Head	2,000			1,000	1,000
Cement Surface		1,500		750	750
Power Tongs		1,000		500	500
Casing 1200' @ 5.00/ft.	6,000			2,750	3,250
Trucking		3,000		1,500	1,500
Logs		5,000		2,500	2,500
Engineering		5,500		2,750	2,750
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10% Contingency			8,928	4,344	4,584
Grand Total to Run Casing			98,208	47,784	50,424
II. Completion Costs					
Rlg 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 1200' @ 2.10/ft.	2,520			1,155	1,365
Stimulation		50,000		25,000	25,000
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		9,000		4,500	4,500
Engineering		5,000		2,500	2,500
Treater, Separator	6,000			3,000	3,000
Flowline	4,000			2,000	2,000
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Frac Tank Rental		2,000		1,000	1,000
Flowback		2,000		1,000	1,000
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10% Contingency			14,177	7,078	7,099
Drilling Costs			98,208	47,784	50,424
Grand Total Well Costs			254,155	125,642	128,513

FRUITLAND COAL

1.5625% 1st National Bk of Iowa City, Ttee UTA Dtd 8/6/1966
 98.4375% Richardson Operating Company et als

DATE:

Approved BY:

Costs: WI %

\$1,963.16
 \$123,678.84

Total FC Costs \$125,642.00

PICTURED CLIFFS

3.1250% 1st National Bk of Iowa City, Ttee UTA Dtd 8/6/1966
 96.8750% Richardson Operating Company et als

\$4,016.03
 \$124,496.97

Total PC Costs \$128,513.00

Total Costs of Commingled PC/FC Well:

1st National Bk of Iowa City, Ttee UTA Dtd 8/6/1966 \$5,979.19
 Richardson Operating Company et als \$248,175.81
\$254,155.00



RICHARDSON PRODUCTION COMPANY

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

February 27, 2002

Las Tierras Partnership, a New Mexico partnership
P O Box 107
Farmington, NM 87499

Certified Mail 7000 1670 8579 2473
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Easton White #2 well
Section 20, Township 29 North, Range 13 West, N.M.
San Juan County, New Mexico

Gentlemen:

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Very truly yours,

Rebecca E. Van Blaricom
Land Manager

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

7000 0297 9000 0000 0000 0000

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee Endorsement Required:		
Restricted Delivery Fee Endorsement Required:		
Total Postage & Fees	\$	
Sent To		
Street, Apt. No., or PO Box No.		
City, State, ZIP+4		

PS Form 3800, May 2000 See Reverse for Instructions



RICHARDSON PRODUCTION COMPANY

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

January 29, 2002

Las Tierras Partnership, a New Mexico partnership
P O Box 107
Farmington, NM 87499

Attn: Mr. William A Forina

RE: Fruitland Coal and F
Eaton White #2 well
E/2 Section 20, Town
San Juan County, N

Gentlemen:

Under cover of letter dated N
an Authority for Expenditure
Section 20, Township 29 N
downhole commingled Fruit
reflect you currently own th
in the interest credited Basi
formation costs.

Enclosed for your review is
corrected interest in each formation. In the event you
attempt, please return an executed copy of the AFE to the undersigned by return
of you 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% non consent
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operating costs of the well, including all plugging liabilities wh
In the event you do not wish to participate, Richardson respect
options as to your interest:

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:
Las Tierras Partnership
P O Box 107
FARMINGTON NM 87499

2. Article Number (Copy from service label)
7000 1120 6006 8579 2657

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Carol
B. Date of Delivery 2/5/02

C. Signature Carol Schulte
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

7000 1120 0006 8579 2657

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

Table with columns for Postage, Certified Fee, Return Receipt Fee, Restricted Delivery Fee, Total Postage & Fees, and Postmark Here.

Sent To
Street, Apt. No. or PO Box No.
City, State, ZIP+4



RICHARDSON PRODUCTION COMPANY

1700 Lincoln, Suite 1700
Denver, Colorado 80203 (303) 330-8000
Fax (303) 330-8009

January 29, 2002

Las Tierras Partnership, a New Mexico partnership
P O Box 107
Farmington, NM 87499

Attn: Mr. William A. Forina

Certified Mail 7000 1670 0006 8579 2657
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Eaton White #2 well
E/2 Section 20, Township 29 North, Range 13 West, NMPM
San Juan County, New Mexico

Gentlemen:

Under cover of letter dated November 16, 2001 Richardson Production Company ("Richardson") submitted an Authority for Expenditure ("AFE") for the proposed Eaton White #2 well located in the NW/4NE/4 of Section 20, Township 29 North, Range 13 West to Basin Packing Co. Richardson proposes to drill a downhole commingled Fruitland Coal and Pictured Cliffs well on the captioned lands. The county records reflect you currently own the 2.39 net unleased mineral interest within the spacing unit. There was an error in the interest credited Basin Packing Co. in both the Fruitland Coal formation costs and the Pictured Cliffs formation costs.

Enclosed for your review is a Revised AFE itemizing the estimated costs for the well and reflecting your corrected interest in each formation. 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 February 12, 2002. Upon receipt of you 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% non consent penalty and \$5000 drilling/\$500 producing overhead rates. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

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 \$100.00 per net mineral acre.

Your response is respectfully requested by February 12, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the 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 a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$100.00 per net mineral acre.

Las Tierras Partnership, a New Mexico partnership

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: Eaton White #2 (PC) & (FC) well
Location: T29N R13W Section 20 NE/4
Spacing: Pictured Cliffs NE/4; Fruitland CL N/2
Proposed Depth: 1100' Fruitland CL; 1200' Pictured Cliffs

Date: 11/16/01
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits		10,000		5,000	5,000
Title Opinion		11,000		5,500	5,500
Damages		9,000		4,500	4,500
* Drilling (Incl. water & mud) 1200' @ 15.00/ft.-		18,000		8,250	9,750
BOP Rental		750		375	375
Dirt Work		8,000		4,000	4,000
Plt Lining		2,000		1,000	1,000
Surface Casing 200' @ 7.65/ft.-	1,530			765	765
Casing Head	2,000			1,000	1,000
Cement Surface		1,500		750	750
Power Tongs		1,000		500	500
Casing 1200' @ 5.00/ft.-	6,000			2,750	3,250
Trucking		3,000		1,500	1,500
Logs		5,000		2,500	2,500
Engineering		5,500		2,750	2,750
Cement Longstring		5,000		2,300	2,700
Total Cost to Run Casing	9,530	79,750	89,280	43,440	45,840
10% Contingency			8,928	4,344	4,584
Grand Total to Run Casing			98,208	47,784	50,424
II. Completion Costs					
Rlg 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 1200' @ 2.10/ft.-	2,520			1,155	1,365
Stimulation		50,000		25,000	25,000
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		9,000		4,500	4,500
Engineering		5,000		2,500	2,500
Treater, Separator	6,000			3,000	3,000
Flowline	4,000			2,000	2,000
Tank & Fittings	5,000			2,500	2,500
Gravel	3,000			1,500	1,500
Workover Rlg		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		3,000		1,500	1,500
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	28,520	113,250	141,770	70,780	70,990
10% Contingency			14,177	7,078	7,099
Drilling Costs			98,208	47,784	50,424
Grand Total Well Costs			254,155	125,642	128,513

Costs: WI %

FRUITLAND COAL

0.7469% Las Tierras Partnership, a New Mexico partnership
 99.2531% Richardson Operating Company et als

Date: _____

Approved By: _____

\$938.39

\$124,703.61

Total FC Costs \$125,642.00

PICTURED CLIFFS

1.4938% Las Tierras Partnership, a New Mexico partnership
 98.5063% Richardson Operating Company et als

\$1,919.66

\$126,593.34

Total PC Costs \$128,513.00

Total Costs of Commingled PC/FC Well:

Las Tierras Partnership \$2,858.05

Richardson Operating Company et als \$251,296.95

Total Costs: \$254,155.00



RICHARDSON PRODUCTION CO

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

Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

7000 1670 0006 2480

William S. Havens and Sonda J Havens
1707 E 30th
Farmington, NM 87401

NEED 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.
Date Addressed to:

February 27, 2002

William S. Havens and Sonda J Havens, h/w jts
1707 E 30th
Farmington, NM 87401

Certified Mail 7000 1670 8579 2480
Return Receipt Requested

RE: **Fruitland Coal and Pictured Cliffs Well Proposal**
Easton White #2 well
Section 20, Township 29 North, Range 13 West, N.M.P
San Juan County, New Mexico

Dear Mr. and Mrs. Havens:

Under cover of letter dated January 29, 2002 you were offered an option of participating in the drilling and completion of referenced well, selling your mineral interest for \$100.00 per net mineral acre or leasing your net mineral interest to Richardson Production Company for \$50.00 per net mineral acre.

The body of the letter had indicated the spacing unit for this well for the Fruitland Coal formation was the E/2 of Section 20 and the Authority for Expenditure included with the January 29 letter indicated the N/2 of Section 20 was the spacing unit for the Fruitland Coal. The correct legal description for the spacing unit for the Fruitland Coal is the N/2 of Section 20. Please pardon any confusion this typographical error in the body of the letter may have caused.

If you have any questions concerning the offer to participate in the well, sell your mineral interest or lease you mineral interest to Richardson Production Company please contact me at the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,

Rebecca E. Van Blaricom

Rebecca E. Van Blaricom
Land Manager

0942 6258 9000 0291 001

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

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To _____
Street, Apt. No., or PO Box No. _____

RECEIVED MAR 08 2002

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Printed Print Clearly) *William Havens*

B. Date of Delivery *3/8/02*

C. Signature *William Havens*

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

Agent Addressee

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No



RICHARDSON PRODUCTION COMPANY

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

January 29, 2002

William S Havens and Sonda J
1707 E 30th
Farmington, NM 87401

SENDER: COMPLETE THIS SECTION
COMPLETE THIS SECTION ON DELIVERY
A. Received by (Please Print Clearly) B. Date of Delivery
C. Signature
D. Is delivery address different from item 1?
3. Service Type
4. Restricted Delivery? (Extra Fee)

RE: Fruitland Coal and Pi
Eaton White #2 well
E12 Section 20, Towns
San Juan County, New

1. Article Addressed to:
William S. Havens +
Sonda J HAVENS
1707 E. 30th
FARMINGTON NM 87401

Dear Mr. and Mrs. Havens:

Under cover of letter dated Nov
an Authority for Expenditure ("
Section 20, Township 29 North
mineral interest within the spac
Fruitland Coal formation costs ar

2. Article Number (Copy from service label)
7000 1670 0006 8579 2664

Enclosed for your review is a R

corrected interest in each formation. 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 February 12, 2002. Upon receipt
of you 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% non consent
penalty and \$5000 drilling/\$500 producing overhead rates. Should you elect to participate Richardson
wants you to be aware not only are you participating in the drilling and completing of
operating costs of the well, including all plugging liabilities w

In the event you do not wish to participate, Richardson respec
options as to your interest:

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)
Postage \$
Certified Fee
Return Receipt Fee
Endorsement Required
Restricted Delivery Fee
Endorsement Required
Total Postage & Fees \$
Sent To
Street, Apt. No., or PO Box No.
City, State, ZIP+4
PS Form 3800, May 2000 See Reverse for Instructions



RICHARDSON PRODUCTION COMPANY

1700 Lincoln, Suite 1700
Denver, Colorado 80203-3031 303-830-8000
Fax 303-830-8009

January 29, 2002

William S Havens and Sonda J Havens, h/w jts
1707 E 30th
Farmington, NM 87401

Certified Mail 7000 1670 0006 8579 2664
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
Eaton White #2 well
E/2 Section 20, Township 29 North, Range 13 West, NMPM
San Juan County, New Mexico

Dear Mr. and Mrs. Havens:

Under cover of letter dated November 16, 2001 Richardson Production Company ("Richardson") submitted an Authority for Expenditure ("AFE") for the proposed Eaton White #2 well located in the NW/4NE/4 of Section 20, Township 29 North, Range 13 West. The county records reflect you own an 8.0 net unleased mineral interest within the spacing unit. There was an error in the interest credited to you in both the Fruitland Coal formation costs and the Pictured Cliffs formation costs.

Enclosed for your review is a Revised AFE itemizing the estimated costs for the well and reflecting your corrected interest in each formation. 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 February 12, 2002. Upon receipt of you 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% non consent penalty and \$5000 drilling/\$500 producing overhead rates. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

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 \$100.00 per net mineral acre.

Your response is respectfully requested by February 12, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the 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 a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$100.00 per net mineral acre.

William S. Havens

Sonada J Havens

RICHARDSON OPERATING COMPANY

AUTHORITY FOR EXPEDITURES

Well Name: Eaton White #2 (PC) & (FC) well
Location: T29N R13W Section 20 NE/4
Spacing: Pictured Cliffs NE/4; Fruitland CL N/2
Proposed Depth: 1100' Fruitland CL; 1200' Pictured Cliffs

Date: 11/16/01
Objective Formation:
 Commingled Pictured Cliffs and Fruitland Coal

I. Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
Survey and Permits		10,000		5,000	5,000
Title Opinion		11,000		5,500	5,500
Damages		9,000		4,500	4,500
* Drilling (Incl. water & mud) 1200' @ 15.00/ft.		18,000		8,250	9,750
BOP Rental		750		375	375
Dirt Work		8,000		4,000	4,000
Pit Lining		2,000		1,000	1,000
Surface Casing 200' @ 7.65/ft.	1,530			765	765
Casing Head	2,000			1,000	1,000
Cement Surface		1,500		750	750
Power Tongs		1,000		500	500
Casing 1200' @ 5.00/ft.	6,000			2,750	3,250
Trucking		3,000		1,500	1,500
Logs		5,000		2,500	2,500
Engineering		5,500		2,750	2,750
Cement Longstring		5,000		2,300	2,700
Total Cost to Run Casing	9,530	79,750	89,280	43,440	45,840
10% Contingency			8,928	4,344	4,584
Grand Total to Run Casing			98,208	47,784	50,424
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 1200' @ 2.10/ft.	2,520			1,155	1,365
Stimulation		50,000		25,000	25,000
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		9,000		4,500	4,500
Engineering		5,000		2,500	2,500
Treater, Separator	6,000			3,000	3,000
Flowline	4,000			2,000	2,000
Tank & Fittings	5,000			2,500	2,500
Gravel	3,000			1,500	1,500
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		3,000		1,500	1,500
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	28,520	113,250	141,770	70,780	70,990
10% Contingency			14,177	7,078	7,099
Drilling Costs			98,208	47,784	50,424
Grand Total Well Costs			254,155	125,642	128,513

FRUITLAND COAL	DATE:	Approved BY:	Costs: WI %
2.5000% William and Sonda Havens	_____	_____	\$3,141.05
97.5000% Richardson Operating Company et als	_____	_____	\$122,500.95
			Total FC Costs \$125,642.00
PICTURED CLIFFS			
5.0000% William and Sonda Havens	_____	_____	\$6,425.65
95.0000% Richardson Operating Company et als	_____	_____	\$122,087.35
			Total PC Costs \$128,513.00

Total Costs of Commingled PC/FC Well:	
William and Sonda Havens	\$9,566.70
Richardson Operating Company et als	\$244,588.30
	\$254,155.00