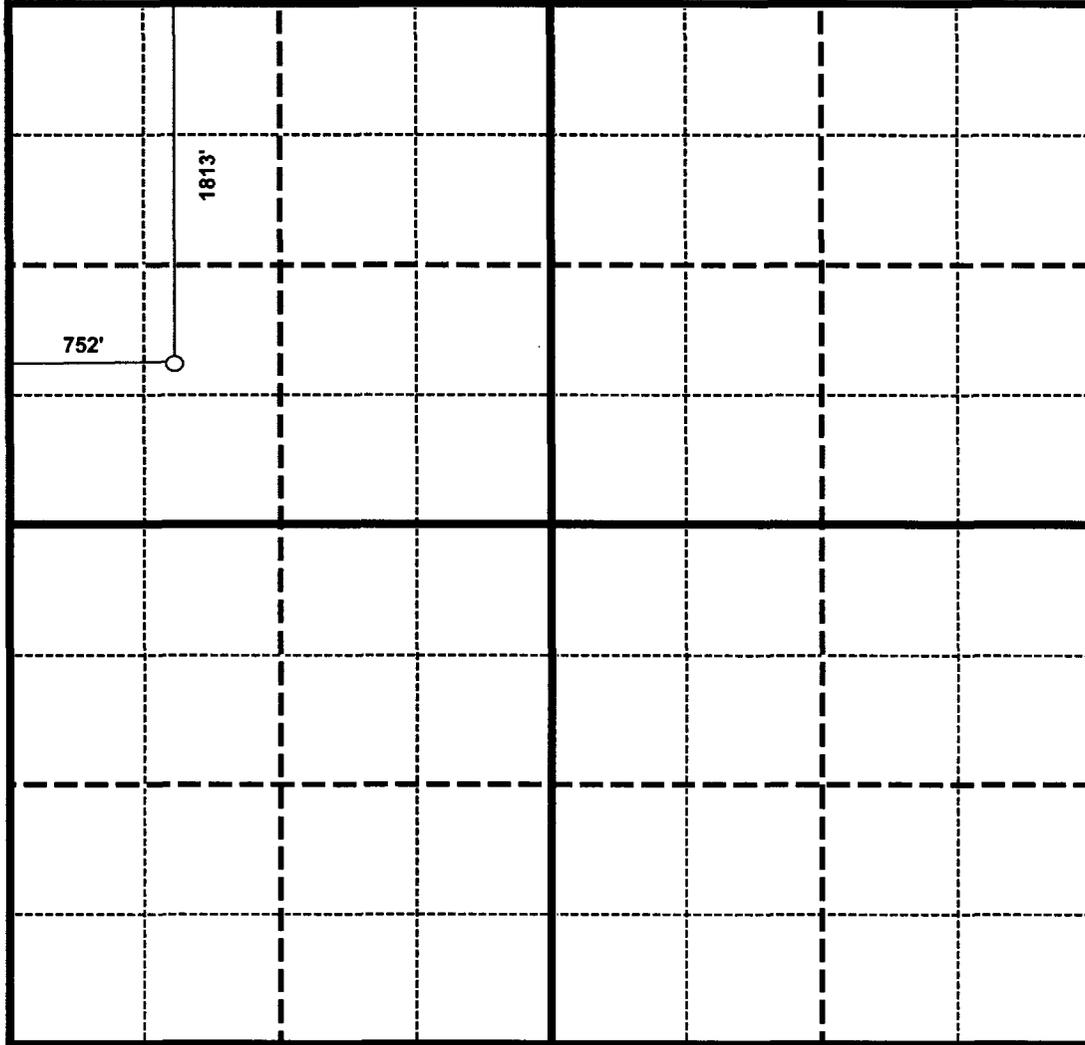


FRPC 21-2 WELL - GAS
NW/4 SECTION 21, TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
WEST KUTZ PICTURED CLIFFS
PROPOSED DEPTH OF 1200'



RICHARDSON OPERATING COMPANY LEASEHOLD INTEREST	65.09%
UNLEASED MINERAL INTEREST TO BE FORCE POOLED	34.91%

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12854 Exhibit No. 1
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

**List of Unleased Mineral Owners
Nature & percent of interest
Richardson Operating Company
FRPC 21-2 Well
NW/4 Sec. 21 – T29N-R13W NMPM
San Juan County, New Mexico**

Name & Address	Acreage	Percent of Interest
Ronald Elkins 1539 East Elmwood Circle Mesa, AZ 85203	2.38	1.49%
Frederick Elkins and Laurie Elkins 1050 East 760 North Orem, UT 84097	2.38	1.49%
Richard Elkins and Cassandra Elkins 231115 Summers Drive San Antonio, TX 78258	2.38	1.49%
Forest Elkins and Patricia Elkins 1303 Lazy Lane San Marcus, TX 78666	2.38	1.49%
First National Bank Iowa City, Iowa, Trustee 204 West Washington Iowa City, IA 52244	5.00	3.13%
City of Farmington 800 Municipal Drive Farmington, NM 87401	3.52	2.20%
Wells Fargo Bank, N.A. 4601 East Main, Suite #1 Farmington, NM 87402	28.35	17.74%
William R. Amos 610 West Animas Farmington, NM 87401	0.47	0.29%
Dr. William A. Hall 416 North Behrend Farmington, NM 87401	5.00	3.13%
State of New Mexico Hwy Dept. P. O. Box 1149 Santa Fe, NM 87503	3.93	2.46%
TOTAL UNLEASED	55.79	34.91%

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12854 Exhibit No. 2
Submitted By:
Richardson Production
Hearing Date: July 11, 2002



RICHARDSON PRODUCTION COMPANY

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

March 15, 2002

Ronald Elkins
1539 East Elmwood Circle
Mesa, AZ 85203

Certified Mail 7000 1670 0011 3736 5276
Return Receipt Requested

RE: Pictured Cliffs Well Proposal
F-RPC 21-2
NW/4 Section 21, Township 29 North, Range 13 West
San Juan County, New Mexico

Dear Mr. Elkins:

Richardson Production Company ("Richardson") proposes to drill a Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a net acre unleased mineral interest within the spacing unit. The well will be located in the NW/4 of Section 21, Township 29 North, Range 13 West. The spacing unit for the Pictured Cliffs formation will be the NW/4 of Section 21.

Enclosed for your review is an Authority for Expenditure ("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 April 2, 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:

Arzoo NM
Case No 12854
Exh. # 3
7-11-2002

March 15, 2002

1. Enter into an oil and gas lease that provides for a five year primary term with bonus consideration based on \$50.00 per net acre and a 12.5% royalty in the event of production. An Oil and Gas Lease is enclosed for your execution should you choose this option.
2. Sell all of your mineral interest for \$100.00 per net mineral acre.

Your response is respectfully requested by .

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
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 five year primary term and a 12.5% royalty in the event of production.

Sell mineral rights

COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Items 1, 2, and 3. Also complete Restricted Delivery is desired. Name and address on the reverse can return the card to you. Card to the back of the mailpiece, if space permits.	A. Received by (Please Print Clearly) B. Date of Delivery <i>RON ELKINS</i> <i>3/25</i>
	C. Signature <input type="checkbox"/> Agent <i>X [Signature]</i> <input type="checkbox"/> Addressee
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

(Copy from service label)
0 1670 0111 3736 5276
1009 Domestic Return Receipt 102595-00-M-0952

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 five year primary term and a 12.5% royalty in the event of production.

Sell mineral rights for \$100.00 per net mineral acre.

RECIPIENT: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Write your name and address on the reverse of this card to the back of the mailpiece, in the front if space permits.

Addressed to:
 Frederick Elkins and Laurie Elkins
 1050 East 760 North
 Orem, UT 84097

COMPLETE THIS SECTION ON DELIVERY

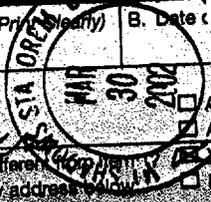
A. Received by (Please Print Clearly) _____ B. Date of Delivery _____

C. Signature: *[Signature]*

D. Is delivery address different from the address on the front of the mailpiece? YES If YES, enter delivery address below:
 649 So. 850 East
 Orem UT 84097

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

4. Restricted Delivery? (Extra Fee) Yes No



2525 FEED 1000 0497 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	\$	

Postmark Here: _____

Frederick Elkins and Laurie Elkins
 1050 East 760 North
 Orem, UT 84097

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 five year primary term and a 12.5% royalty in the event of production.

Sell mineral rights for \$100.00 per net mineral acre.

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, on the front if space permits.

Circle Addressed to:

Richard Elkins and Cassandra Elkins
23115 Summers Drive
San Antonio, TX 78258

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *[Signature]* B. Date of Delivery *3/21/02*

C. Signature
 Cassy Elkins 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

Tracking Number (Copy from service label)

**Postal Service
CERTIFIED MAIL RECEIPT**
 Domestic Mail Only; No Insurance Coverage Provided

Postage \$		Postmark Here
Certified Fee		
Return Receipt Fee (if Payment Required)		
Registered Delivery Fee (if Payment Required)		

Postmark Here
 Richard Elkins and Cassandra Elkins
 23115 Summers Drive
 San Antonio, TX 78258

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 five year primary term and a 12.5% royalty in the event of production.

Sell mineral rights for \$100.00 per net mineral acre.

SENDER: COMPLETE THIS SECTION

- 1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 2. Print your name and address on the reverse so that we can return the card to you.
- 3. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Forrest Elkins and Patricia Elkins
 1303 Lacy Lane
 San Marcus, TX 78666

RECEIVED MAR 25 2002

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Pat Elkins B. Date of Delivery 3-25-02

C. Signature Pat Elkins 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

Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Postage and Insurance Required)	
Restricted Delivery Fee (Postage and Insurance Required)	

Post H
 To
 At
 Via

Forrest Elkins and Patricia Elkins
 1303 Lacy Lane
 San Marcus, TX 78666

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 five year primary term and a 12.5% royalty in the event of production.

_____ Sell mineral rights for \$100.00 per net mineral acre.

DEFER 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, on the front if space permits.
 Recipient Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)	B. Date
<i>Don Williams</i>	MAR 25
C. Signature	
X <i>Don Williams</i>	<input type="checkbox"/>
D. Is delivery address different from item 1? If YES, enter delivery address below:	<input type="checkbox"/>

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

4. Restricted Delivery? (Extra Fee) Y

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

OFFICIAL USE

Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	

Sent To: First National Bank Iowa City, Iowa, Trust
 Street, Apt. No: 204 West Washington
 City, State, Zip: Iowa City, IA 52244

First National Bank Iowa City, Iowa, Trustee
 204 West Washington
 Iowa City, IA 52244

Tracking Number (Copy from service label)
 7000 1670 0011 3736 S144

9475 REZE T100 0171 3736 S144

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 five year primary term and a 12.5% royalty in the event of production.

_____ Sell mineral rights for \$100.00 per net mineral acre.

BEFORE COMPLETION OF 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, on the front if space permits.

Article Addressed to:

City of Farmington
800 Municipal Drive
Farmington, NM 87401

COMPLETION OF THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)	B. Date of
KAREN A KEITH	3-20
C. Signature	
<i>Karen A Keith</i>	
D. Is delivery address different from item 1?	<input type="checkbox"/> Y
	<input checked="" type="checkbox"/> N
If YES, enter delivery address below:	

3. Service Type	
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.
4. Restricted Delivery? (Extra Fee)	
	<input type="checkbox"/> Y
	<input checked="" type="checkbox"/> N

**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)	\$	

City of Farmington
800 Municipal Drive
Farmington, NM 87401

000 1670 0011 3736 5160

Article Number (Copy from service label)
7000 1670 0011 3736 5160

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 five year primary term and a 12.5% royalty in the event of production.

_____ Sell mineral rights for \$100.00 per net mineral acre.

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, front on the front if space permits.

Article Addressed to:

Wells Fargo Bank, N.A.
4601 East Main, Suite #1
Farmington, NM 87402

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Geradine B. Date of Delivery 2002 3 22
 C. Signature [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

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

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Payment Required)		
Registered Delivery Fee (Payment Required)		

Wells Fargo Bank, N.A.
4601 East Main, Suite #1
Farmington, NM 87402

Article Number (Copy from service label)

7000 1670 0011 3536 5115

Sell mineral rights for \$100.00 per net mineral acre.

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 of this card to the back of the mailpiece, on the front if space permits.

Addressed to:

Mr. William R. Amos, Trustee
610 West Animas
Farmington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

William R. Amos

C. Signature Agent Addressee
X William R. Amos

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

Number (Copy from service label)

7400 1670 0011 3736 5108

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

Postage \$		Postmark Here
Certified Fee		
Return Receipt Fee (Postage and Fee Required)		
Restricted Delivery Fee (Postage and Fee Required)		

To: Mr. William R. Amos, Trustee
610 West Animas
Farmington, NM 87401

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Write your name and address on the reverse of this card to the back of the mailpiece, or on the front if space permits.

Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date
William E. Sherlock 03

C. Signature
William E. Sherlock

D. Is delivery address different from item 1? If YES, enter delivery address below:

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

4. Restricted Delivery? (Extra Fee)

ESTS 9E2E TPOO 029T 000
000 1670 0011 3736 5153

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)	

Postmark Here

To:
Sent
Street
City

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

(Copy from service label)

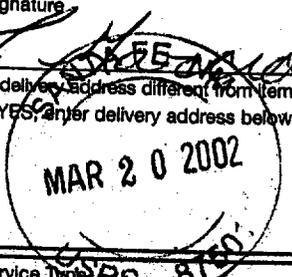
On this _____ day of _____, 2002, we/I elect the following:

_____ 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 five year primary term and a 12.5% royalty in the event of production.

_____ Sell mineral rights for \$100.00 per net mineral acre.

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY		Postal Service	
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.		A. Received by (Please Print Clearly) _____ B. Date of Delivery _____		CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Article Addressed to: State of New Mexico Highway Department P O Box 1149 Santa Fe, NM 87503		C. Signature _____ D. Is delivery address different from Item 1? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____			
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		OFFICIAL USE Postage \$ _____ Certified Fee _____ Return Receipt Fee (if Payment Required) _____ Registered Delivery Fee (if Payment Required) _____ Postmark Here	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		State of New Mexico Highway Department P O Box 1149 Santa Fe, NM 87503	
Article Number (Copy from service label) 7000 1620 0011 3736 5139					



Fax

To: Mike Sullivan **From:** Rebecca Van Blaricom
Fax: 505-599-1299 **Pages:** 10
Phone: **Date:** 3/19/02
Re: W/2 Section 21-T29N-R13W [Click here and type name]

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

Mike,

Kitty Wood, Permits West, requested I facsimile the package I sent via Certified Mail on Monday, March 18, 2002 regarding the drilling by Richardson Production Company of the F-RPC 21-2 located in the NW/4 Section 21-T29N-R13W as a Pictured Cliffs formation completion and the F-RPC 21-3 located in the SW/4 Section 21-T29N-R13W as a commingled Pictured Cliffs – Fruitland Coal formation completion.

If you have any questions I can be contacted at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

RICHARDSON PRODUCTION COMPANY

Rebecca E. Van Blaricom

Land Manager

Post-It™ brand fax transmittal memo 7671 # of pages > 10

To <i>Kitty</i>	From <i>Recky</i>
Co.	Co.
Dept.	Phone #
Fax # <i>505/466-9682</i>	Fax #

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

April 9, 2002

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW
MEXICO OIL CONSERVATION DIVISION CASE:

*Re: Application of Richardson Production Company
for Compulsory Pooling
San Juan County, New Mexico*

On behalf of Richardson Production Company, please find enclosed our application for compulsory pooling for its F-RPC 21 Well No. 2 (Unit E) NW/4 Section 21, T29N, R13W, NMPM. This case will be heard at the May 2, 2002 hearing to be held by the New Mexico Oil Conservation Division at the Division hearing room located at the Pinon Building, 1220 South Saint Francis Drive, Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, April 26, 2002, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

Schedule of Unleased Interest Owners
Address Listing
F-RPC 21-2 and F-RPC 21-3

Frederick Elkins and Laurie Elkins
1050 East 760 North
Orem, UT 84097

Richards Elkins and Cassandra Elkins
23115 Summers Drive
San Antonio, TX 78258

Forrest Elkins and Patricia Elkins
1303 Lacy Lane
San Marcus, TX 78666

Ronald Elkins
1539 East Elmwood Circle
Mesa, AZ 85203

City of Farmington
800 Municipal Drive
Farmington, NM 87401

State of New Mexico Highway Department
P O Box 1149
Santa Fe, NM 87503

First National Bank of Iowa City, Iowa, Trustee
204 West Washington
Iowa City, IA 52244

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

Wells Fargo Bank, N.A.
4601 East Main, Suite 1
Farmington, NM 87402

F-RPC 21-3

William R. Amos, Trustee
610 West Animas
Farmington, NM 87401



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.

Richard Elkins & Cassandra Elkins
23115 Summers Drive
San Antonio, TX 78258

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

Article Number (Copy from service label)

Form 3811, July 1999

7001 1140 0002 9563 5699

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.

Att: 800 Municipal Drive
Farmington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

Article Number (Copy from service label)

Form 3811, July 1999

7001 1140 0002 9563 5729

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.

Ronald Elkins
1539 East Elmwood Circle
Mesa, AZ 85203

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

331 W Edgemont
Prx. Az. 85003

Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

2. Article Number (Copy from service label)

PS Form 3811, July 1999

7001 1140 0002 9563 5712

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.

Attac State of NM Highway Dept.
or or PO Box 1149
1. Article SF, NM 87503

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

APR 10 2002

Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

2. Article Number (Copy from service label)

PS Form 3811, July 1999

7001 1140 0002 9563 5736

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.

Article # **Frist National Bank of Iowa**
City, Iowa Trustee
204 West Washington
Iowa City, IA 52244

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Don W. Behrend APR 15 2002

C. Signature Agent Addressee

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

3. Service Type
Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

Article Number (Copy from service label)

Form 3811, July 1999

7001 1140 0002 9563 5743

M-0952

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.

Article # **Dr. William A Hall**
c 416 North Behrend
Farmington, Nm 87401

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

William A. Hall 4/11/02

C. Signature Agent Addressee

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

3. Service Type
Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

2. Article Number (Copy from service label)

PS Form 3811, July 1999

D 7001 1140 0002 9563 5750

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.

Article # **Wells Fargo Bank NA**
4601 East Main Ste. 1
Farmington, Nm 87402

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

John Frame 4-11

C. Signature Agent Addressee

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

Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

Article Number (Copy from service label)

Form 3811, July 1999

7001 1140 0002 9563 5767

M-0952

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 # **William R Amos Trustee**
610 West Animas
Farmington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

William R Amos 4/11/02

C. Signature Agent Addressee

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

Richardson
F-RPC 21 Well #2
May 2, 2002
4/9/02

2. Article Number (Copy from service label)

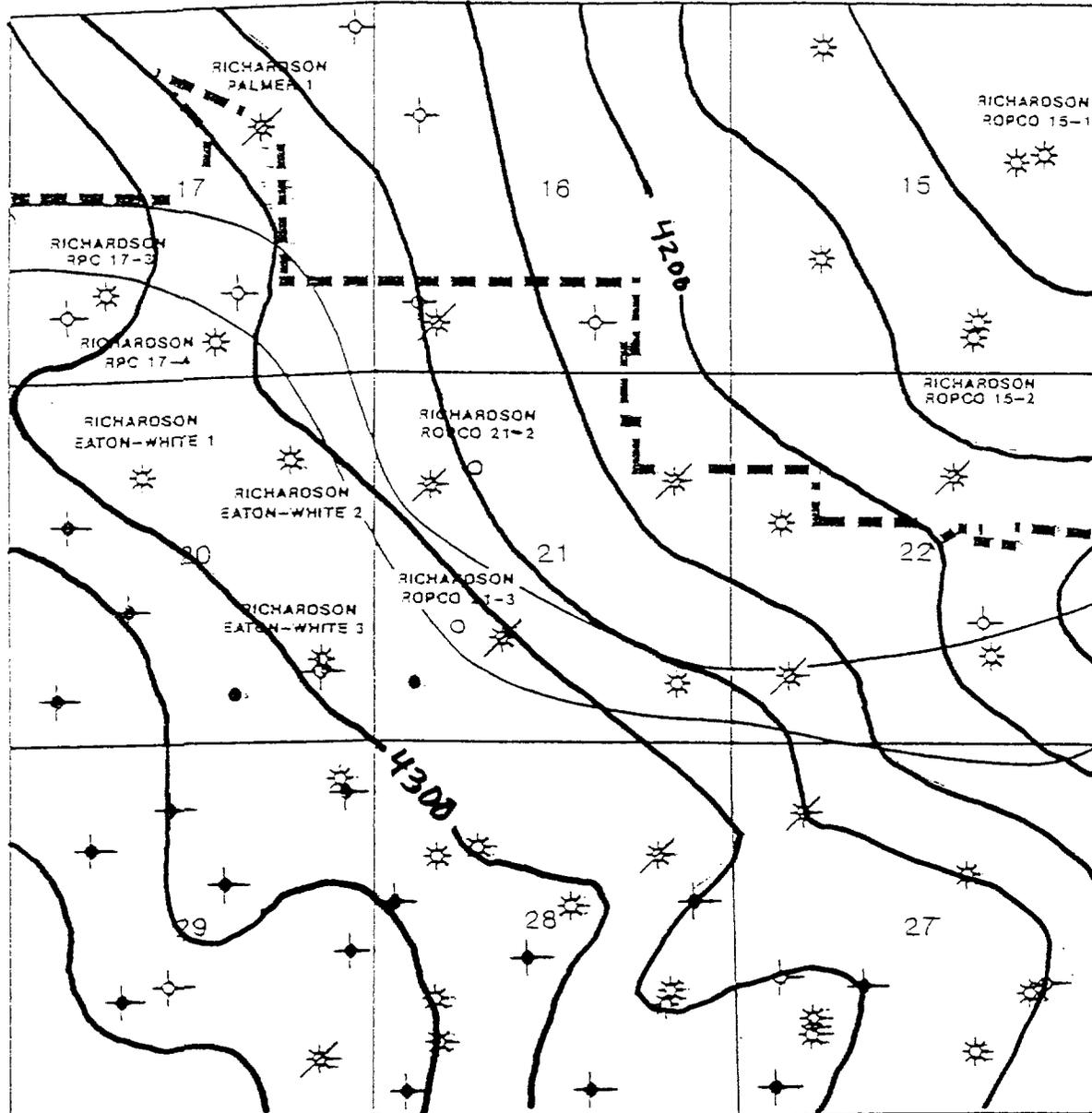
PS Form 3811, July 1999

7001 1140 0002 9563 5774

RICHARDSON OPERATING COMPANY
 Township 29N, Range 13 West N.M.P.M.
 San Juan County, New Mexico

STRUCTURE CONTOUR
R 13 W

Base Fruitland Coal Formation



T
 29
 N

Scale: 2" = 1 Mile

	<u>ROPCO 21-2</u>	<u>ROPCO 21-3</u>
Estimated TD	1200'	1200'
Estimated Coal Thickness	7'	6'

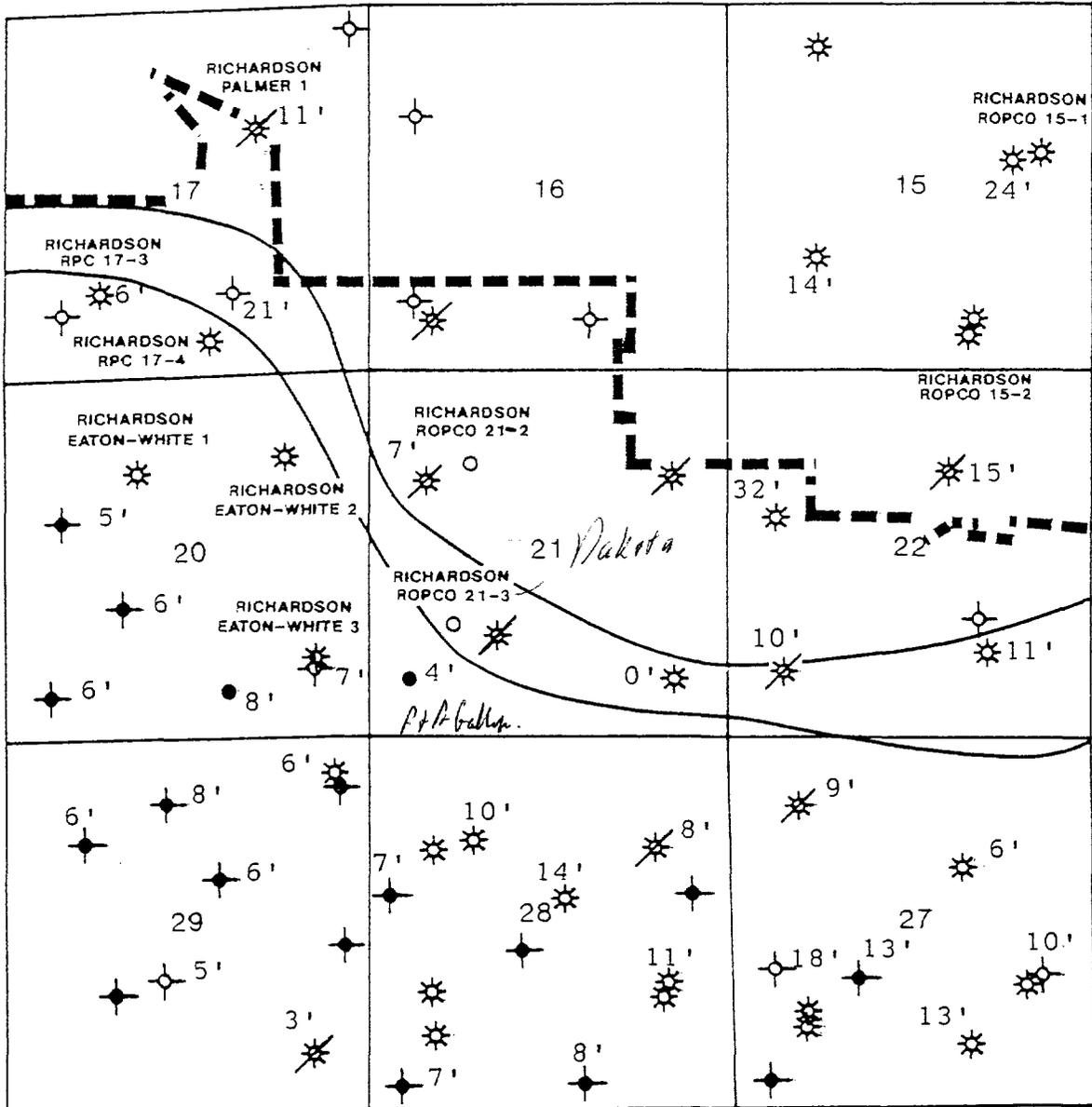
BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 12854 Exhibit No. 5
 Submitted By:
 Richardson Production
 Hearing Date: July 11, 2002

RICHARDSON OPERATING COMPANY
 Township 29N, Range 13 West N.M.P.M.
 San Juan County, New Mexico

COAL ISOPACH

R 13 W

BASAL COAL THICKNESS

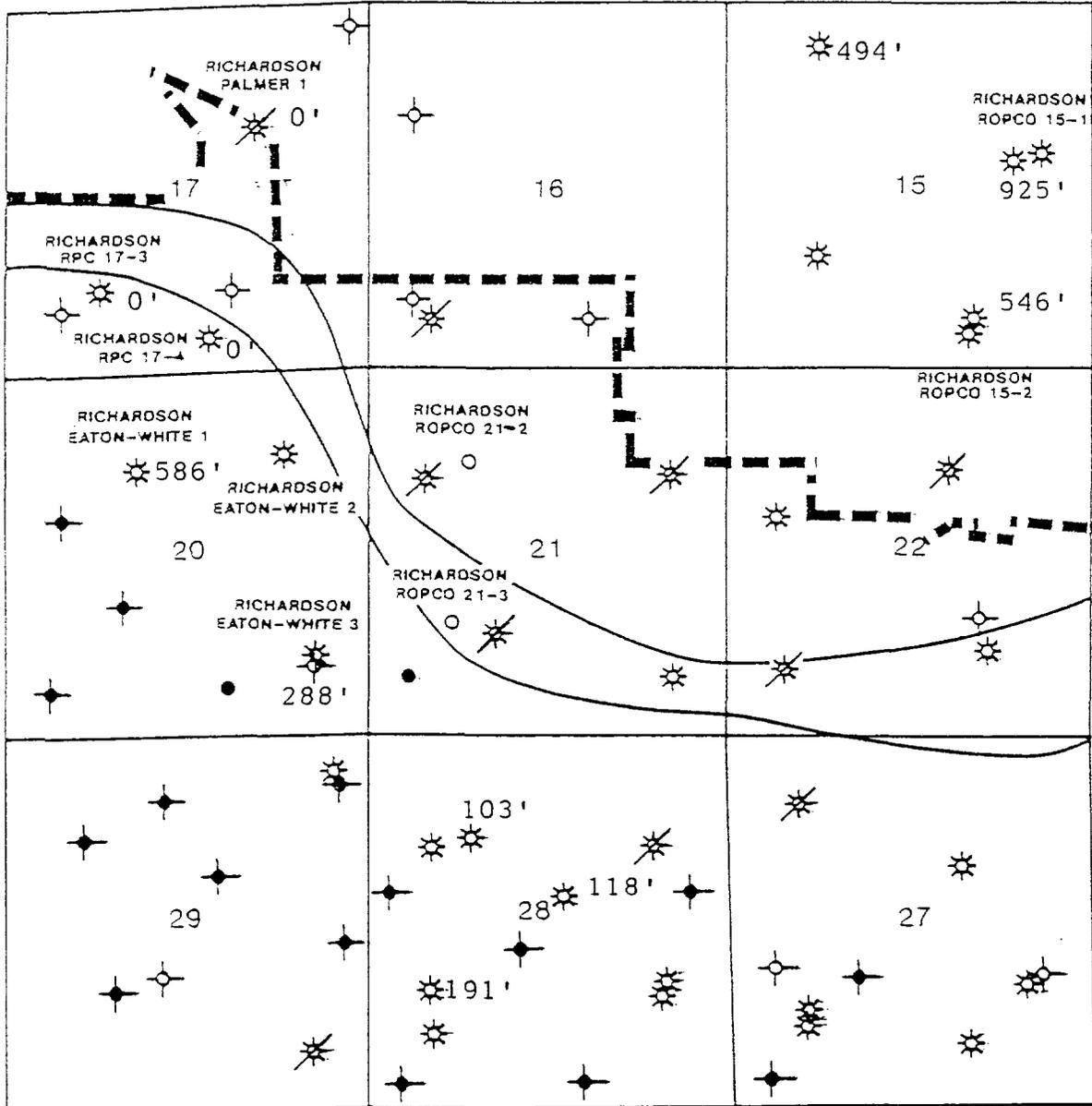


Scale: 2" = 1 Mile

BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 12854 Exhibit No. 6
 Submitted By:
 Richardson Production
 Hearing Date: July 11, 2002

RICHARDSON OPERATING COMPANY
 Township 29N, Range 13 West N.M.P.M.
 San Juan County, New Mexico

CUMULATIVE PRODUCTION
R 13 W



T
29
N

Scale: 2" = 1 Mile

CUMULATIVE PRODUCTION
 (MMCF)

	PC	FC
Section 15: Vine Com 3E	494	0
Ropco 15-1	467	467
Ropco 15-2	546	0
Section 17: Palmer 1	0	0
RPC 17-3	0	0
RPC 17-4	0	0
Section 20: Eaton White 1	586	0
1X	288	0
Section 28: Callow #3	103	
Callow #5	118	
Callow #6	191	

Card 12854 7
 Ex

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

- (x) Fixed Rate Basis, Paragraph 1A, or
- () Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

- () shall be covered by the overhead rates, or
- (x) shall not be covered by the overhead rates.

iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

- () shall be covered by the overhead rates, or
- (x) shall not be covered by the overhead rates.

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$.5,000.00
(Prorated for less than a full month)

Producing Well Rate \$.500.00

(2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

- (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.
- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
- (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
- (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
- (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
- (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the Index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian Index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates current **BEFORE THE**

B. Overhead - Percentage Basis

(1) Operator shall charge the Joint Account at the following rates:

OIL CONSERVATION DIVISION
Case No. 12854 Exhibit No. 8
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

ERNST & YOUNG

2001 SURVEY

MONTHLY DRILLING WELL FIXED OVERHEAD RATES

MONTHLY PRODUCING WELL FIXED OVERHEAD RATES

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Monthly Producing Well Fixed Overhead Rates

Responses
Wells

Depth	Monthly Drilling Well Fixed Overhead Rates				Monthly Producing Well Fixed Overhead Rates			
	Minimum	Average	Median	Maximum	Minimum	Average	Median	Maximum
0 - 5,000	\$1,510	\$3,567	\$3,500	\$6,534	\$200	\$381	\$350	\$719
5,001 - 10,000	\$3,000	\$4,772	\$4,250	\$7,507	\$200	\$523	\$527	\$918
10,001 - 15,000	\$4,250	\$6,121	\$6,000	\$8,061	\$425	\$639	\$600	\$1,101
15,001 - 20,000	\$9,131	\$9,131	\$9,131	\$9,131	\$1,219	\$1,219	\$1,219	\$1,219
Over 20,000								
No Depth Limit	\$1,500	\$5,822	\$5,641	\$10,123	\$325	\$1,246	\$830	\$7,118

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: F-RPC 21-3
Location: SW/4 Section 21-T29N-R13W
Spacing: W/2 320 acres
Proposed Depth: 1,000' FC; 1,100' PC

Date: 3/15/2002

Objective Formation:
Commingled Pictured Cliffs and Fruitland Coal

	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
I. Drilling Costs (Included Run Casing)					
Survey and Permits - - - - -		3,000		1,500	1,500
Title Opinion & Land - - - - -		3,000		1,500	1,500
Damages - - - - -		2,000		1,000	1,000
* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		18,000		7,515	10,485
BOP Rental - - - - -		750		375	375
Dirt Work - - - - -		4,000		2,000	2,000
Pit Lining - - - - -		2,800		1,400	1,400
Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
Casing Head - - - - -	1,500			750	750
Cement Surface - - - - -		2,300		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 1200' @ 5.00/ft.- - - - -	6,000			2,505	3,495
Trucking - - - - -		3,000		1,500	1,500
Logs - - - - -		4,000		2,000	2,000
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,670	2,330
Total Cost to Run Casing - - - - -	9,030	52,850	61,880	28,630	33,250
10% Contingency - - - - -			6,188	2,863	3,325
Grand Total to Run Casing			68,068	31,493	36,575
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,000		1,500	1,500
Perf - - - - -		4,000		2,000	2,000
Wellhead & Fittings - - - - -	4,000			2,000	2,000
Tubing 1200' @ 2.10/ft.- - - - -	2,520			1,052	1,468
Stimulation - - - - -		50,000		25,000	25,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		3,000		1,500	1,500
Battery Installation - - - - -		6,000		3,000	3,000
Restore Location - - - - -		4,000		2,000	2,000
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 - - - - -		50,000		25,000	25,000
Division Order Opinion - - - - -		2,000		1,000	1,000
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 - - - - -	29,520	148,050	177,570	88,577	88,993
10% Contingency - - - - -			17,757	8,858	8,899
Drilling Costs - - - - -			68,068	31,493	36,575
Grand Total Well Costs			263,395	128,928	134,467

FRUITLAND COAL (FC)
0.0000% THIRD PARTY
100.0000% Richardson Operating Company et als

Date: _____

Approved BY: _____

Share of costs:

	\$0.00
Total FC Costs	\$128,927.81

PICTURED CLIFFS (PC)
0.0000% THIRD PARTY
100.0000% Richardson Operating Company et als

	\$0.00
Total PC Costs	\$134,467.19

Total Costs of Commingled PC/FC Well:	
Unleased Mineral Interest Owner	\$0.00
Richardson Operating Company et als	\$263,395.00
	\$263,395.00

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12855 Exhibit No. 9
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: F-RPC 21-2
Location: NW/4 Section 21, T29N-R13W
Spacing: NW/4 - 160 acres
Proposed Depth: 1,000'

Date: 15-Mar-02
Objective Formation: Pictured Cliffs

I. Drilling Costs (Included Run Casing)

Survey and Permits - - - - -
 Title Opinion & Land - - - - -
 Damages - - - - -
 * Drilling (incl. water & mud) 1200' @ 15.00/ft.-
 BOP Rental - - - - -
 Dirt Work - - - - -
 Pit Lining - - - - -
 Surface Casing 200' @ 7.65/ft. - - - - -
 Casing Head - - - - -
 Cement Surface - - - - -
 Power Tongs - - - - -
 Casing 1200' @ 5.00/ft. - - - - -
 Trucking - - - - -
 Logs - - - - -
 Engineering - - - - -
 Cement Longstring - - - - -
 Total Cost to Run Casing - - - - -
 10% Contingency - - - - -

	Tangible	Intangible	Total
		3,000	
		3,000	
		2,000	
		17,250	
		750	
		4,000	
		2,800	
	1,530		
	1,500		
		2,300	
		1,000	
	6,325		
		3,000	
		4,000	
		4,500	
		4,000	
	9,355	51,600	60,955
			6,096
			67,051

Grand Total to Run Casing

II. Completion Costs

Rig Anchors - - - - -
 Logs - - - - -
 Perf - - - - -
 Wellhead & Fittings - - - - -
 Tubing 1200' @ 2.10/ft. - - - - -
 Stimulation - - - - -
 Tool Rental - - - - -
 Trucking - - - - -
 Battery Installation - - - - -
 Restore Location - - - - -
 Engineering - - - - -
 Treator, 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 - - - - -

		750	
		3,000	
		4,000	
	4,000		
	2,875		
		25,000	
		2,300	
		3,000	
		6,000	
		4,000	
		5,000	
	6,000		
	4,000		
	5,000		
	3,000		
		12,000	
		2,000	
		13,000	
		2,000	
		2,000	
		2,000	
	5,000		
	29,875	86,050	115,925

10% Contingency - - - - -
 Drilling Costs - - - - -

Grand Total Well Costs

	11,593
	67,051
	194,568

PICTURED CLIFFS (PC)

0.0000% THIRD PARTY
 100.0000% Richardson Operating Company et als

Date:	Approved by:	Share of WI Costs:
		0
		194,568
		194,568

BEFORE THE
OIL CONSERVATION DIVISION
 Case No. 12854 Exhibit No. — **9**
 Submitted By:
Richardson Production
 Hearing Date: July 11, 2002