

STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION

| | | |
|--|---|-----------------|
| IN THE MATTER OF THE HEARING CALLED BY |) | |
| THE OIL CONSERVATION DIVISION FOR THE |) | |
| PURPOSE OF CONSIDERING: |) | CASE NO. 12,853 |
| |) | |
| APPLICATION OF RICHARDSON PRODUCTION |) | |
| COMPANY FOR COMPULSORY POOLING, SAN JUAN |) | |
| COUNTY, NEW MEXICO |) | |
| |) | |

OFFICIAL EXHIBIT FILE

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Hearing Examiner

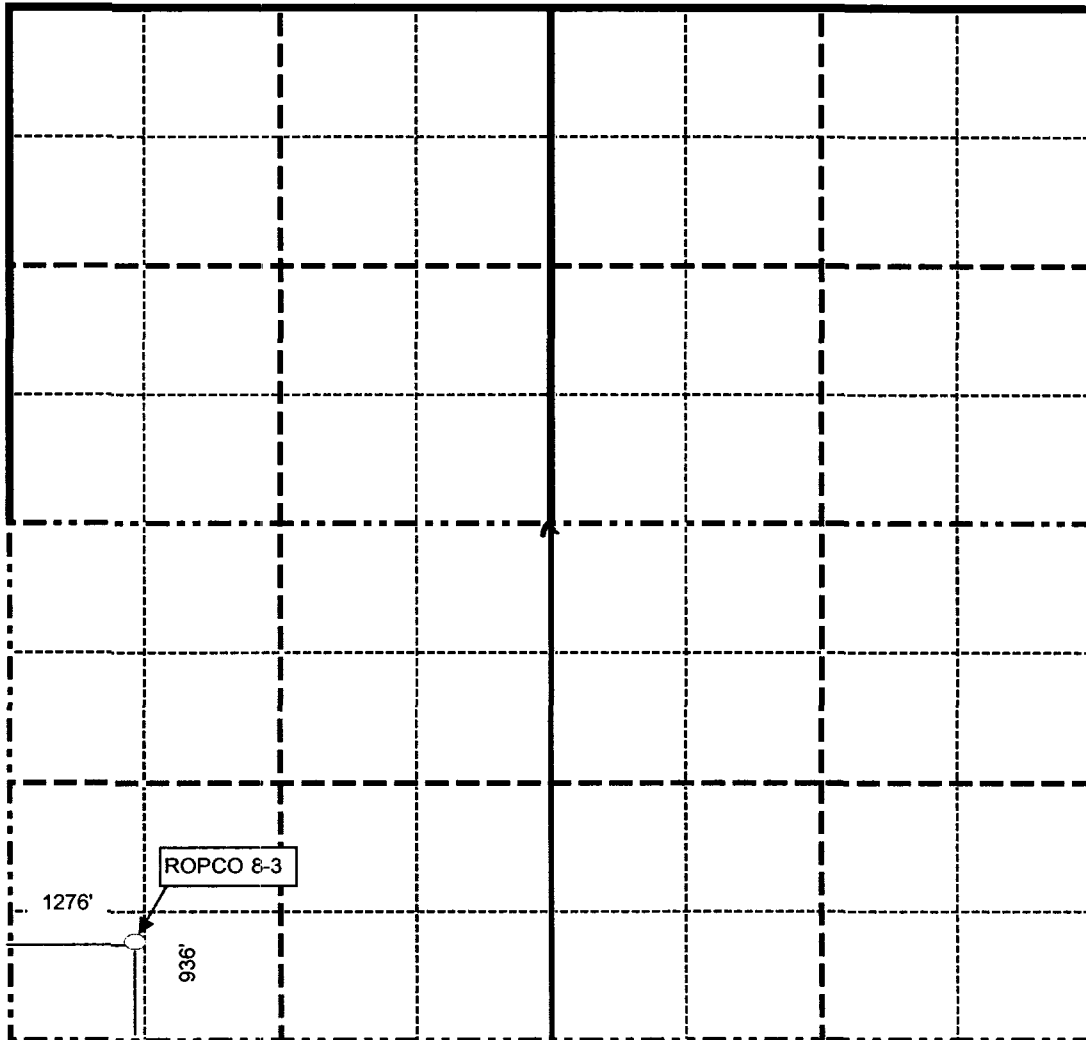
July 11th, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Hearing Examiner, on Thursday, July 11th, 2002, at the Aztec City Council Chamber, Aztec City Hall, 201 West Chaco, Aztec, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

ROPCO 8 - 3 WELL - GAS
 SECTION 8, TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
 BASIN FRUITLAND COAL (S/2)
 TWIN MOUNDS PICTURED CLIFFS (SW/4)
 PROPOSED DEPTH 1200'



SW/4 PICTURED CLIFFS

| | |
|--|--------|
| RICHARDSON PRODUCTION COMPANY LEASEHOLD INTEREST | 97.94% |
| UNLEASED MINERAL INTEREST TO BE FORCE POOLED | 2.06% |

S/2 FRUITLAND COAL

| | |
|--|--------|
| ✓ RICHARDSON PRODUCTION COMPANY LEASEHOLD INTEREST | 98.09% |
| UNLEASED MINERAL INTEREST TO BE FORCE POOLED | 1.91% |

BEFORE THE
OIL CONSERVATION DIVISION
 Case No.12853 Exhibit No. 1
 Submitted By:
Richardson Production
 Hearing Date: July 11, 2002

**List of Unleased Mineral Owners
Nature & percent of interest
Richardson Production Company
Ropco 8-3 Well
SW/4 Sec. 8 – T29N-R14W NMPM Pictured Cliffs Formation
S/2 Sec. 8 – T29N-R14W NMPM Fruitland Coal
San Juan County, New Mexico**

| SW/4 Pictured Cliffs Formation | | |
|--|---------|---------------------|
| Name & Address | Acreage | Percent of Interest |
| CLR, LLC c/o Doug Leming P. O. Box 1564 Kirtland, NM 87417 | 0.9185 | 0.5741% |
| Herbert & Evelyn Smith 2011 Troy King Road #175 Farmington, NM 87417 | 0.3825 | 0.2391% |
| Fred Rebele #3 County Road 6212 Kirtland, NM 87417 | 0.3795 | 0.2372% |
| Gary C. Soza & Viola I. Blanton #12 County Road 6212 Kirtland, NM 87417 | 0.3750 | 0.2344% |
| Conseco Finance Servicing Corp. 111 Lomas Blvd NW, Suite 500 Albuquerque, NM 87102 | 0.3750 | 0.2344% |
| Ronald J. Johnson & Leona R. Begay P. O. Box 3517 Shiprock, NM 87420 | 0.4360 | 0.2725% |
| Julia Clah P. O. Box 762 Shiprock, NM 87420 | 0.4360 | 0.2725% |
| TOTALS | 3.3025 | 2.0641% |

**BEFORE THE
OIL CONSERVATION DIVISION**
Case No. 12853 Exhibit No. 2
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

**List of Unleased Mineral Owners
Nature & percent of interest
Richardson Production Company
Ropco 8-3 Well
SW/4 Sec. 8 – T29N-R14W NMPM Pictured Cliffs Formation
S/2 Sec. 8 – T29N-R14W NMPM Fruitland Coal
San Juan County, New Mexico**

| S/2 Fruitland Coal | | | |
|--|---------|---------------------|--|
| Name & Address | Acreage | Percent of Interest | |
| CLR, LLC c/o Doug Leming P. O. Box 1564 Kirtland, NM 87417 | 0.9185 | 0.5741% | |
| Herbert & Evelyn Smith 2011 Troy King Road #175 Farmington, NM 87417 | 0.3825 | 0.2391% | |
| Fred Rebele #3 County Road 6212 Kirtland, NM 87417 | 0.3795 | 0.2372% | |
| Gary C. Soza & Viola I. Blanton #12 County Road 6212 Kirtland, NM 87417 | 0.3750 | 0.2344% | |
| Conseco Finance Servicing Corp. 111 Lomas Blvd NW, Suite 500 Albuquerque, NM 87102 | 0.3750 | 0.2344% | |
| Ronald J. Johnson & Leona R. Begay P. O. Box 3517 Shiprock, NM 87420 | 0.4360 | 0.2725% | |
| Julia Clah P. O. Box 762 Shiprock, NM 87420 | 0.4360 | 0.2725% | |
| William Crosby, Jr. & Rosinda Crosby P. O. Box 686 Waterflow, NM 87421 | 0.3755 | 0.1173% | |
| Joe G. & Patricia B. singleton P. O. Box 1688 Kirtland, NM 87417 | 0.9000 | 0.2813% | |
| Myron E. Shorty & Vangie Randall #1 County Road 6212 Kirtland, NM 87417 | 0.3875 | 0.1211% | |
| Jessie Crowe No address available Checked phone listings and internet | 0.2250 | 0.0703% | |
| Yucca Incorporated No address available Checked phone listings and internet | 0.9183 | 0.2870% | |
| Totals | 6.1088 | 1.9090% | |

6-11


RICHARDSON PRODUCTION COMPANY

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

March 6, 2002

CLR, LLC
Attn: Doug Leming
P O Box 1564
Kirtland, NM 87417

Certified Mail 7000 1670 0006 8579 2404
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #8-3
S/2 Section 8, Township 29 North, Range 14 West
San Juan County, New Mexico

Gentlemen:

Richardson Production Company ("Richardson") proposes to drill a downhole commingled Fruitland Coal and Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a .9185 net acre unleased mineral interest within the spacing unit. The ROPCO #8-3 well will be located in the SW/4SW/4 of Section 8, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal formation will be the S/2 of Section 8 and the spacing unit for the Pictured Cliffs formation will be the SW/4 of Section 8.

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 3, 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:

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. 4
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

13. Enter into an oil and gas lease that provides for a three year primary term with bonus consideration based on \$30.00 per net acre and a 12.5% royalty in the event of production.
14. Sell all of your mineral interest for \$70.00 per net mineral acre.

Your response is respectfully requested by April 3, 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 \$30.00 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 \$70.00 per net mineral acre.

Fred Rebele

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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

7000 1670 0006 8579 2404

| | | |
|---|----|------------------|
| 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

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:

CLR, LLC
 Attn: Doug Leming
 P O Box 1564
 Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Miranda Beris B. Date of Delivery 3/12/02

C. Signature x MBERIS ☒ Agent ☐ Addressee

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

P.O. BOX 227
Kirtland, NM 87417

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

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Copy from service label)

7000 1670 0006 8579 2404

PS Form 3811, July 1999

Domestic Return Receipt

102595-01

BEFORE THE

OIL CONSERVATION DIVISION

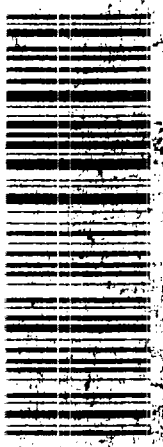
Case No. 12853 Exhibit No. _____

Submitted By:

Richardson Production

Hearing Date: July 11, 2002

Richardson Production Company
Lincoln, Suite 1700
T. CO 80202
Rebecca Van Blaricom



RETURNED TO
SENDER
UNCLAIMED

Herbert Smith and
Evelyn Smith
2011 Troy King Rd #175
Farmington, NM 87401
UNCLAIMED

2/21/02
15/21/02
2/21/02

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. _____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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:

Herbert Smith and
Evelyn Smith
2011 Troy King Rd #175
Farmington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature

X

☐ 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

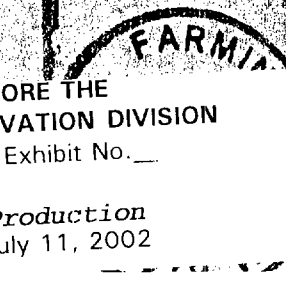
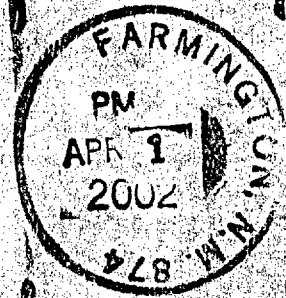
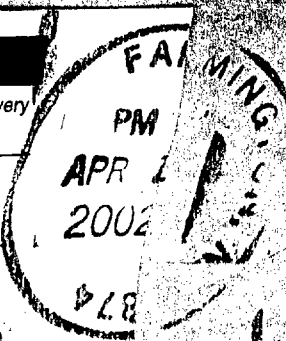
2. Article Number (Copy from service label)

7000 1670 0006 8579 2381

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952



BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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

7000 1670 0006 8579 2381

05 JUL 2002

| | | |
|---|----|------------------|
| 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

BEFORE THE
OIL CONSERVATION DIVISION
Case No.12853 Exhibit No.____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

hardson Production Company
0 Lincoln, Suite 1700
iver, CO 80203
r: Rebecca Van Blaricom

RP000 8-3

RECEIVED MAR 18 2002

Fred Rebele
#3 County Road 6212
Kirtland, NM 87417



7000 1670 0006 8579 2343

- ☐ Not Deliverable As Addressed
- ☐ Unable To Forward
- ☐ Insufficient Address
- ☐ Mailed 1st No Address
- ☐ Attempted - No Address
- ☐ No Such Street - Not Known
- ☐ No Such Number
- ☐ Box Closed - No Order
- ☐ Forwarding Order Expired



BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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:

Fred Rebele
#3 County Road 6212
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature

X

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

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000 1670 0006 8574 2343

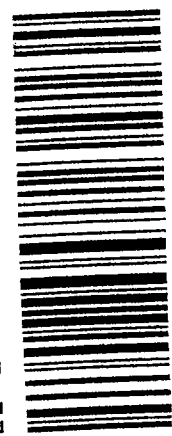
PS Form 3811, July 1999

Domestic Return Receipt

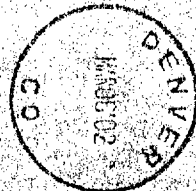
102595-00-M-0952

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

action Company
ite 1700
03
an Blaricom
R0P00 8-3



7000 1670 0006 8579 2312



H.M.E.R.

~~Gary C Soza
Viola Blapton
P O Box 665
Kirtland, NM 87417~~

- ☐ Not Deliverable As Addressed
- ☐ Unable To Forward
- ☐ Insufficient Address
- ☐ Mailed Left No Address
- ☒ Assumed ☐ Refused
- ☐ No Such Street ☐ Vacant
- ☐ No Exact Number
- ☐ No Mail Recipient
- ☐ Box Closed No Order
- ☐ No Delivery Order Expired

RECEIVED MAR 19 2002

MAR 11 2002

MAR 26 2002

BEFORE THE
OIL CONSERVATION DIVISION
Case No.12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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:

Gary C Soza
Viola I Blanton
P O Box 1665
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery
- C. Signature **X** ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

1. 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 2312

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**BEFORE THE
OIL CONSERVATION DIVISION**

Case No. 12853 Exhibit No. __

Submitted By:

Richardson Production
Hearing Date: July 11, 2002

7000 1670 0006 8574 2398

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

| | | |
|---|-----------|--------------------------------------|
| Postage | \$ | Print name and address of addressee. |
| 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

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:

Conseco Financial Group
 111 Lomas Blvd. N.W., Suite 500
 Albuquerque, NM 87102

COMPLETE THIS SECTION ON DELIVERY

| | |
|--|--|
| A. Received by (Please Print Clearly) | B. Date of Delivery 3-11 |
| C. Signature X <i>Patricia Pacheco</i> | <input type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| D. Is delivery address different from item 1? If YES, enter delivery address below: | <input type="checkbox"/> Yes <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 | |

Article Number (Copy from service label)

7000 1670 0006 8574 2398

S Form 3811, July 1999

Domestic Return Receipt

BEFORE THE

OIL CONSERVATION DIVISION

Case No. 12853 Exhibit No. _____

Submitted By:

Richardson Production

Hearing Date: July 11, 2002

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:

Ronald J Johnson
Leona R Begay
P O Box 3517
Shiprock, NM 87420

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature

X

☐ Agent
☐ Addressee
☐ Yes
☐ No

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 Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000 1670 0006 8579 2374

PS Form 3811, July 1999

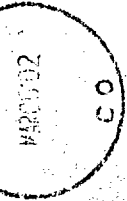
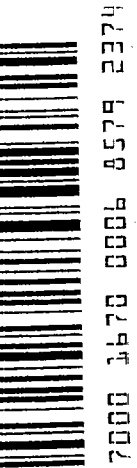
Domestic Return Receipt

102595-00-M-0952

PLACE STICKER AT TOP OF ENVELOPE
TO THE RIGHT OF RETURN ADDRESS
FOLD AT DOTTED LINE

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

Suite 1700
J203
Van Blaricom



0440
METER 538615

RETURNED TO SENDER
REASON CHECKED
Unclaimed ☒ returned
Attempted Not known
Insufficient address
No such street number
No such office in state
Do not re-mail in this envelope

Unclaimed
Returned
Insufficient
No such
No such
Do not re-mail in this envelope

BEFORE THE
OIL CONSERVATION DIVISION
Case No.12853 Exhibit No.____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

RECEIVED MAR 9 11 30AM

MAR 12
MAR 18
MAR 27

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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

7000 1670 0006 8579 2367

| | |
|---|----|
| 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 Sep 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.

Article Addressed to:

Julia Clah
P O Box 762
Shiprock, NM 87420

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) Terry Tapah B. Date of Delivery 3/13/02
- C. Signature [Signature] ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

RECEIVED MAR 19 2002

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

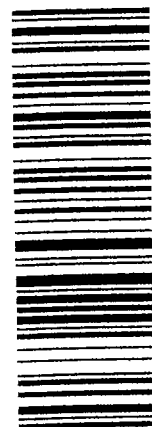
Article Number (Copy from service label)

7000 1670 0006 8579 2367

neoh, Suite 1700
CO 80203
ebecca Van Blaircom

ROPE 8-3

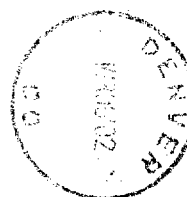
RECEIVED
U.S. DEPT. OF JUSTICE
ENVIRONMENTAL



7000 1670 0006 8579 2336

William C. [REDACTED] and
Rosinda [REDACTED]
P.O. Box 866
Chilhow, NM 87421

RECEIVED MAR 18 2002



**BEFORE THE
OIL CONSERVATION DIVISION**

Case No. 12853 Exhibit No. _____

Submitted By:

Richardson Production

Hearing Date: July 11, 2002

| | |
|---------------|------|
| FIRST NOTICE | 3/12 |
| SECOND NOTICE | |
| RETURN | 3/27 |

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:

William Crosby, Jr. and
Rosinda Crosby
P O Box 686
Waterflow, NM 87421

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature

X

☐ Agent
☐ Addressee

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

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000 1676 0000 8277 ~~773~~ 2336

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**BEFORE THE
OIL CONSERVATION DIVISION**
Case No. 12853 Exhibit No. ____
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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:

Joe G Singleton and
Patricia B Singleton
P O Box 1665
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print, Clearly) P. Singleton B. Date of Delivery 3-12-02
- C. Signature X P. Singleton ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

1. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number (Copy from service label)

7000 1670 0006 8579 2305

S Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

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

7000 1670 0006 8579 2305

| | |
|---|----|
| 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

**BEFORE THE
OIL CONSERVATION DIVISION**

Case No. 12853 Exhibit No.

Submitted By:

Richardson Production

Hearing Date: July 11, 2002

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

7000 1670 0006 8579 2299

| | | |
|---|----|------------------|
| Postage | \$ | Postmark Date |
| 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 THIS SECTION ON DELIVERY |
|---|--|
| <ul style="list-style-type: none"> 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. | <p>A. Received by (Please Print Clearly) <u>Vangie R. Shorty</u> B. Date of Delivery <u>3-12-02</u></p> <p>C. Signature <u>X Vangie R. Shorty</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p> |
| <p>1. Article Addressed to:</p> <p>Myron E Shorty and Vangie Randall #1 County Road 6212 Kirtland, NM 87417</p> | <p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> |
| | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |

2. Article Number (Copy from service label)
 7000 1670 0006 8579 2299

PS Form 3811, July 1999

Domestic Return Receipt

BEFORE THE
OIL CONSERVATION DIVISION
 Case No. 12853 Exhibit No. _____
 Submitted By:
Richardson Production
 Hearing Date: July 11, 2002

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

7000 1670 0006 8579 2299

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

Sent to
 Street Apt. No. P.O. Box
 City, State Zip+4

PS Form 3800, May 2000

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:

Myron E Shorty and
 Vangie Randall
 #1 County Road 6212
 Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) Vangie R. Shorty B. Date of Delivery 3-12-02
- C. Signature Vangie R. Shorty ☐ 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

2. Article Number (Copy from service label)

7000 1670 0006 8579 2299

PS Form 3811, July 1999

Domestic Return Receipt

BEFORE THE

OIL CONSERVATION DIVISION

Case No. 12853 Exhibit No.

Submitted By:

Richardson Production

Hearing Date: July 11, 2002

BEFORE THE
OIL CONSERVATION DIVISION
Case No.12853 Exhibit No. 5
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

April 4, 2002

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

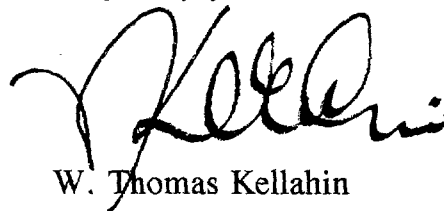
*Re: NMOCD Case (pending)
Application of Richardson Production Company
for Compulsory Pooling
San Juan County, New Mexico*

On behalf of Richardson Production Company, please find enclosed our application for compulsory pooling for its ROPCO "8" Well No. 3, (Unit M) S/2 Section 8, T29N, R14W, NMPM. This case will be heard at the May 3, 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

ROPCO 8-3
Address Listing

Joe G Singleton and Patricia B Singleton

P O Box 1665
Kirtland, NM 87417

D

Myron E Shorty and Vangie Randall
#1 County Road 6212
Kirtland, NM 87417

No Return

Conseco Financial Group
111 Lomas Blvd. N.W., Suite 500
Albuquerque, NM 87102

D

CLR, LLC
Attn: Doug Leming
P O Box 1564
Kirtland, NM 87417

D

Julia Clah
P O Box 762
Shiprock, NM 87420

Returned

Herbert Smith and Evelyn Smith
2011 Troy King Rd #175
Farmington, NM 87401

~~Ret~~
No Return

The following mailings have been returned:

Ronald J Johnson and Leona R Begay
P O Box 3517
Shiprock, NM 87420

Ret

Callie P Renfro
2 Road 6212
Kirtland, NM 87417

Ret

William Crosby, Jr. and Rosinda Crosby
P O Box 686
Waterflow, NM 87421

Ret

Fred Rebele
#3 County Road 6212
Kirtland, NM 87417

Gary C Soza and Viola I Blanton
P O Box 1665
Kirtland, NM 87417

Ret

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

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

7001 1140 0002 9563 5828

Richardson
ROPCO #8
May 3, 2002
4/4/02

Certi

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage

Sent To

Street, Apt.
or PO Box

City, State

Herbert Smith & Evelyn Smith
2011 Troy King Rd #175
Farmington, NM 87401

PS Form 3800, January 2001

See Reverse for Instructions

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

7001 1140 0002 9563 5873

Richardson

ROPCO #8

May 3, 2002

Certified 4/4/02

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total

Sent To

Street, Apt.
or PO Box

City, State

Myron Shorty & Vangie
Randall
#1 County Rd 6212
Kirtland, NM 87417

PS Form 3800, January 2001

See Reverse for Instructions

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

APR 15 2002

1ST NOTICE _____
2ND NOTICE _____
RETURN _____

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

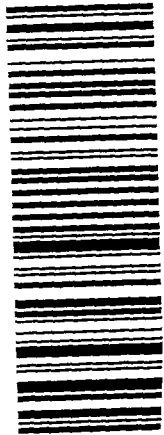
POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

APR 10 2002

1ST NOTICE _____
2ND NOTICE _____
RETURN _____

Not at this address



7001 1140 0002 9563 5781

165
0780
04.170 APR 03 02
8111 MADE FROM SANITIZED MAIL 87501

Gary C Soza & Viola Blanton
PO Box 1665
Kirtland, NM 87417

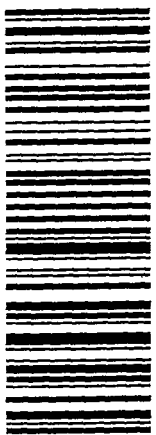
- ☐ Not Deliverable As Addressed
- ☐ Unable To Forward
- ☐ Insufficient Address
- ☐ Moved, Let No Address
- ☒ Unclassified
- ☐ Attempted - Not Known
- ☐ No Such Street
- ☐ No Mail Number
- ☐ Box Closed - No Order
- ☐ Forwarding Order Expired

APR - 5 2002

27417+1665

APR 20 21

CERTIFIED MAIL



7001 1140 0002 9563 5798

133
0780
04.170 APR 03 02
8111 MADE FROM SANITIZED MAIL 87501

Fred Rebele
#3 County Rd 6212
Kirtland, NM 87417

- ☐ Not Deliverable As Addressed
- ☐ Unable To Forward
- ☐ Insufficient Address
- ☐ Moved, Let No Address
- ☒ Unclassified
- ☐ Attempted - Not Known
- ☐ No Such Street
- ☐ No Mail Number
- ☐ Box Closed - No Order
- ☐ Forwarding Order Expired



27417/9563

Handwritten address label

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

1ST NOTICE _____
2ND NOTICE _____
RETURN _____



7001 1140 0002 9563 5842

★ ★ ★
1 5 5
0700 # 04.170 APR 03 02
8106 MAILED FROM SANTA FE NM 87501

Not at this address

Callie P Renfro
2 Road 6212
Kirtland, NM 87417

5701 743731

Indochina

- ☐ Not Deliverable As Addressed
- ☐ Unable To Forward
- ☐ Insufficient Address
- ☐ Moved, Left No Address
- ☒ Attempted - No Address
- ☐ No Such Street
- ☐ No Known
- ☐ No Valid
- ☐ Box
- ☐ For
- ☐ For



REGISTERED MAIL



7001 1140 0002 9563 5804

★ ★ ★
1 6 8
0770 # 04.170 APR 03 02
8107 MAILED FROM SANTA FE NM 87501

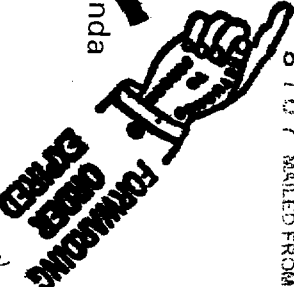
KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

APR 10 2002

1ST NOTICE _____
2ND NOTICE _____
RETURN _____

William Crosby Jr. & Rosinda Crosby
PO Box 2265
Kirtland, NM 87421



| | |
|---------------|------|
| FIRST NOTICE | 4/5 |
| SECOND NOTICE | |
| RETURN | 4/30 |

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

APR 15 2002

1ST NOTICE _____
2ND NOTICE _____
RETURN _____



7001 1140 0002 9563 5811

Julia Clah
PO Box 762
Shiprock, NM 87420

RETURNED TO SENDER
REASON FOR RETURN
Unclaimed
Insufficient address
No such street
No such office in state
Do not re-mail in this envelope

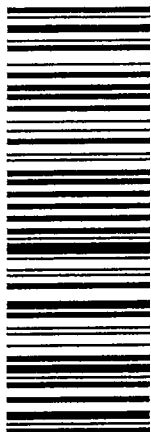
142 PB8560508
0190 04.170 APR 03 02
8413 MAILED FROM SANTA FE NM 87501

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

1ST NOTICE _____
2ND NOTICE _____
RETURN _____

APR 15 2002



7001 1140 0002 9563 5835

Ronald Johnson & Leon
Begay
PO Box 3517
Shiprock, NM 87420

RETURNED TO SENDER
REASON FOR RETURN
Unclaimed
Insufficient address
No such street
No such office in state
Do not re-mail in this envelope

123 PB8560508
04.170 APR 03 02
8413 MAILED FROM SANTA FE NM 87501

874

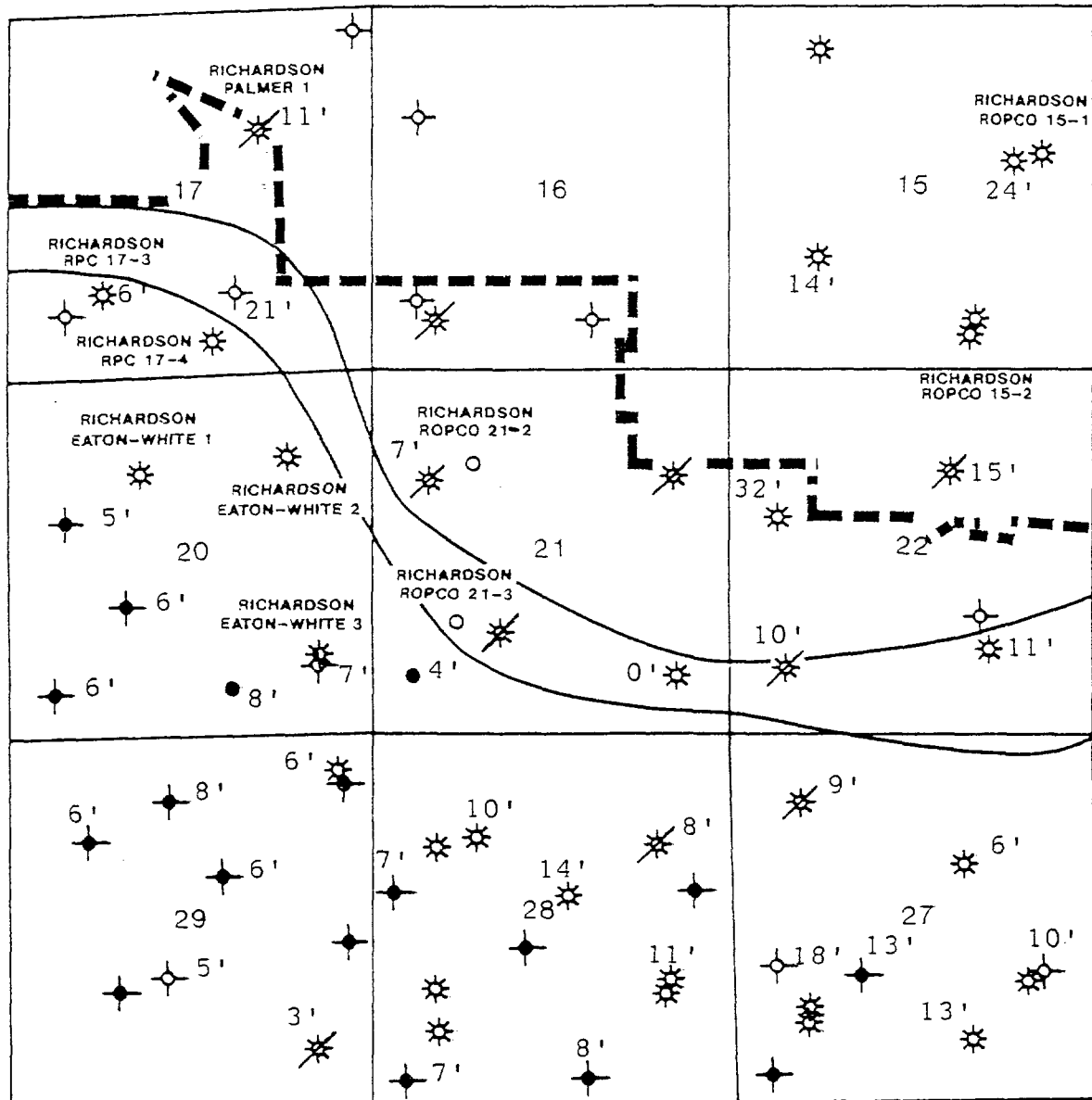
874

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



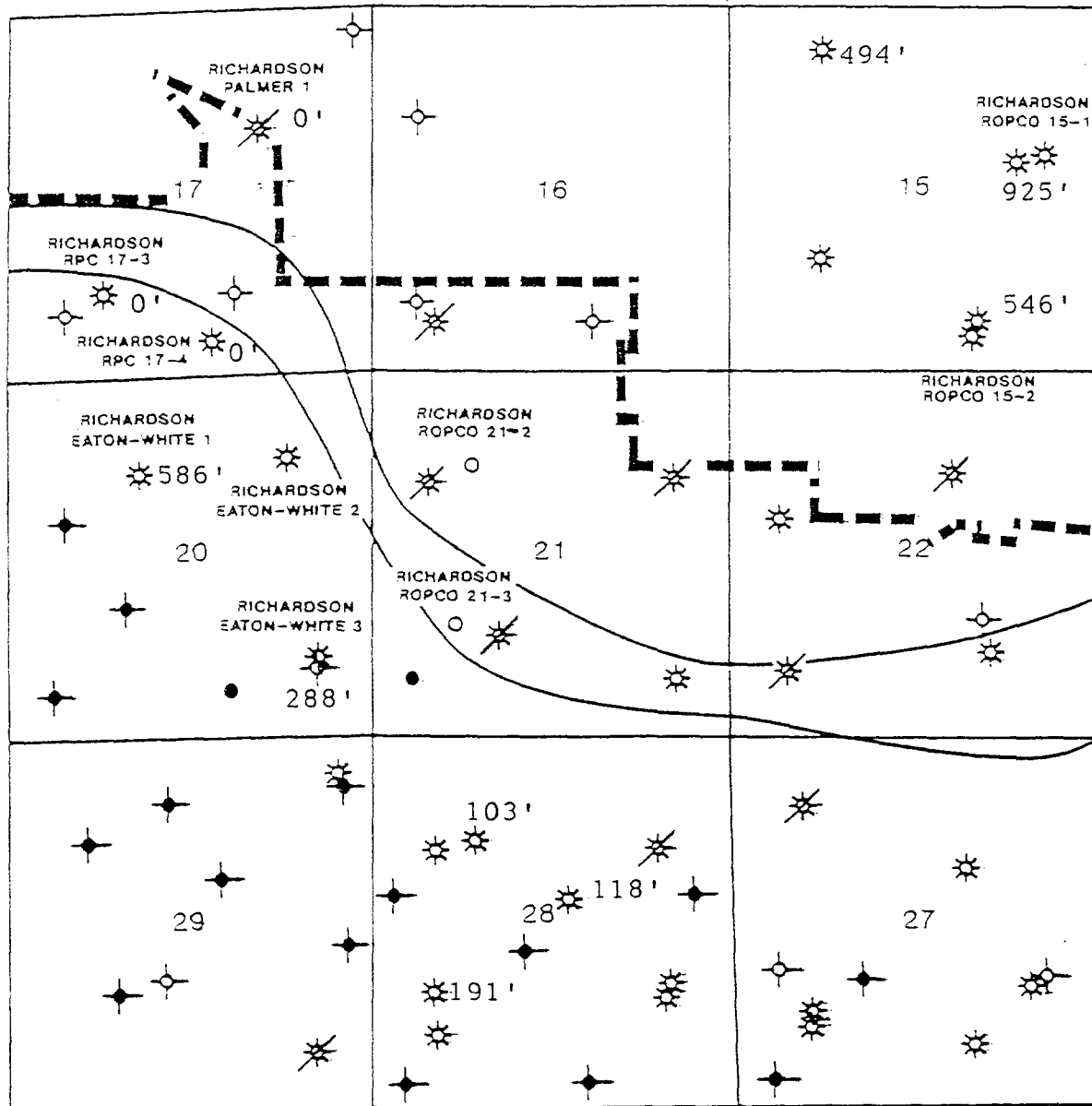
Scale: 2" = 1 Mile

**T
29
N**

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 | |

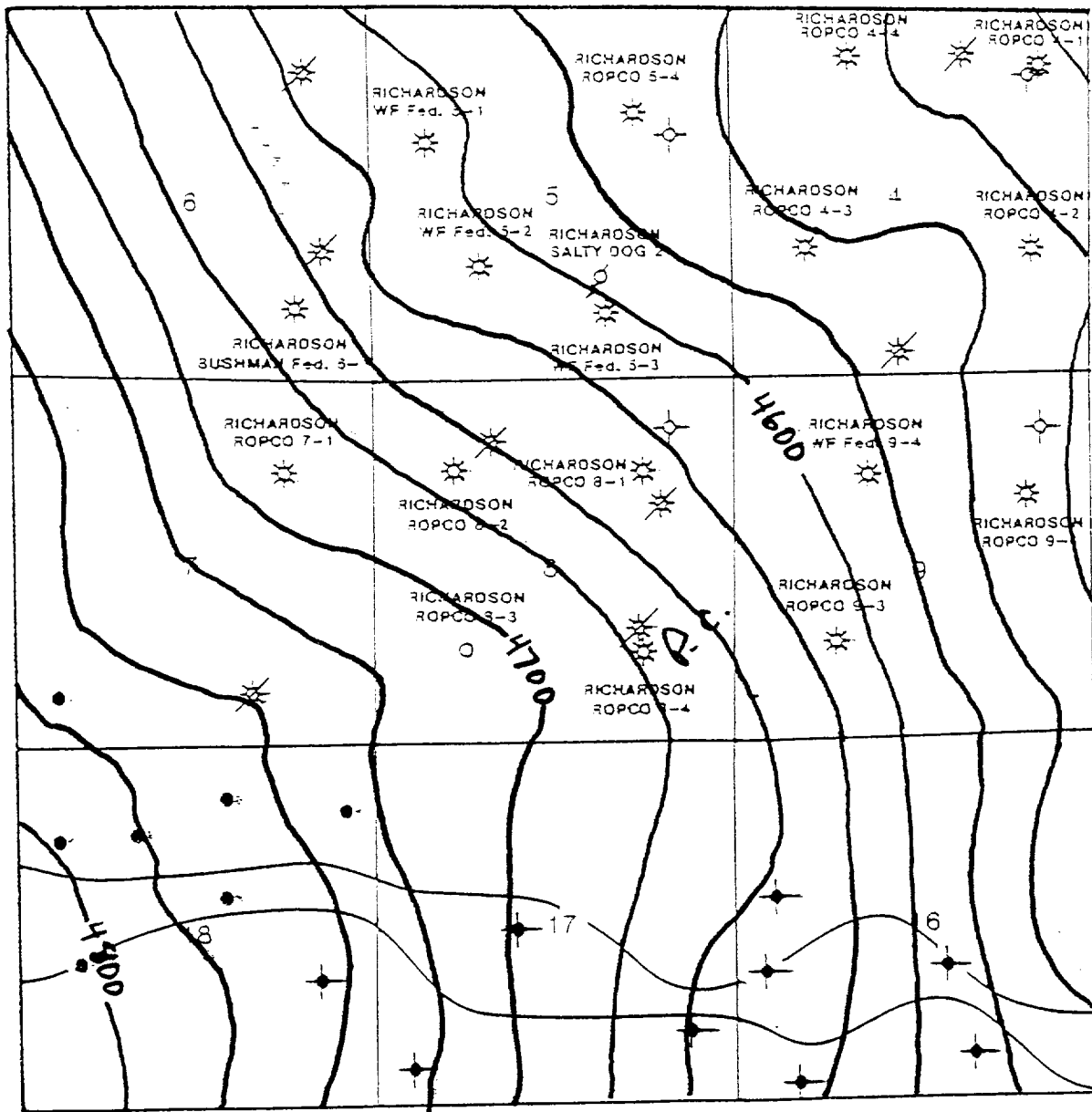
7

RICHARDSON OPERATING COMPANY
Township 29N, Range 14 West N.M.P.M.
San Juan County, New Mexico

STRUCTURE CONTOUR

R 14 W

Base Fruitland Coal Formation



T
29
N

Scale: 2" = 1 Mile

Ropco 8-3

Estimated TD 800'
Estimated Coal
Thickness 15'

Ann Jones

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. 8
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

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 of adjustment.

B. Overhead - Percentage Basis

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

BEFORE THE
OIL CONSERVATION DIVISION

Case No. 12853 Exhibit No. 9

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

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. — **10**
Submitted By:
Richardson Products
Hearing Date:

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Monthly Producing Well Fixed Overhead Rates

| Responses | Wells | Depth | Minimum | Average | Median | Maximum | Minimum | Average | Median | Maximum |
|-----------|-------|-----------------|---------|---------|---------|----------|---------|---------|---------|---------|
| 21 | 350 | 0 – 5,000 | \$1,510 | \$3,567 | \$3,500 | \$6,534 | \$200 | \$381 | \$350 | \$719 |
| 20 | 388 | 5,001 – 10,000 | \$3,000 | \$4,772 | \$4,250 | \$7,507 | \$200 | \$523 | \$527 | \$918 |
| 13 | 102 | 10,001 – 15,000 | \$4,250 | \$6,121 | \$6,000 | \$8,061 | \$425 | \$639 | \$600 | \$1,101 |
| 1 | 2 | 15,001 – 20,000 | \$9,131 | \$9,131 | \$9,131 | \$9,131 | \$1,219 | \$1,219 | \$1,219 | \$1,219 |
| | | Over 20,000 | | | | | | | | |
| 13 | 290 | No Depth Limit | \$1,500 | \$5,822 | \$5,641 | \$10,123 | \$325 | \$1,246 | \$830 | \$7,118 |

FIXED-RATE OVERHEAD SURVEY

18

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12853 Exhibit No. __
Submitted By:
Richardson Production
Hearing Date: July 11, 2002

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #8-3 SECTION 8 PC SW/4, FC S/2

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal
1000' Pictured Cliffs

Date: 1/11/2001

Objective Formation: Commingled Pictured Cliffs
and Fruitland Coal

I. Drilling Costs (Included Run Casing)

| | Tangible | Intangible | Total | Fruitland Coal | Pictured Cliffs |
|---|----------|------------|--------|----------------|-----------------|
| Survey and Permits ----- | | 3,000 | | 1,500 | 1,500 |
| Title Opinion----- | | 3,000 | | 1,500 | 1,500 |
| * Drilling (incl. water and mud) 1000' @ 15.00/ft.--- | | 15,000 | | 6,375 | 8,625 |
| BOP Rental----- | | 750 | | 375 | 375 |
| Dirt Work----- | | 4,000 | | 2,000 | 2,000 |
| Pit Lining----- | | 2,800 | | 1,400 | 1,400 |
| Surface Casing 200' @ 7.18/ft.----- | 1,436 | | | 718 | 718 |
| Casing Head----- | 1,500 | | | 750 | 750 |
| Cement Surface----- | | 2,300 | | 1,150 | 1,150 |
| Power Tongs----- | | 1,000 | | 500 | 500 |
| Casing 1000' @ 5.50/ft.----- | 5,500 | | | 2,338 | 3,163 |
| Trucking----- | | 3,000 | | 1,500 | 1,500 |
| Logs----- | | 3,750 | | 1,875 | 1,875 |
| Engineering----- | | 5,000 | | 2,500 | 2,500 |
| Cement Longstring----- | | 4,000 | | 1,700 | 2,300 |
| Total Cost to Run Casing----- | 8,436 | 47,600 | 56,036 | 26,181 | 29,856 |
| 5.9375% Farmington, NM Tax | | | 3,327 | 1,554 | 1,773 |
| 10% Contingency----- | | | 5,936 | 2,773 | 3,163 |
| Grand Total to Run Casing----- | | | 65,299 | 30,508 | 34,791 |

II. Completion Costs

| | | | | | |
|------------------------------|--------|---------|---------|---------|---------|
| Rig Anchors----- | | 750 | | 375 | 375 |
| Logs----- | | 3,000 | | 1,500 | 1,500 |
| Perf----- | | 3,500 | | 1,750 | 1,750 |
| Wellhead & Fittings----- | 4,000 | | | 2,000 | 2,000 |
| Tubing 1000' @ 2.50/ft.----- | 2,500 | | | 1,063 | 1,438 |
| Stimulation----- | | 42,000 | | 21,000 | 21,000 |
| 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----- | | 3,500 | | 1,750 | 1,750 |
| Engineering----- | | 5,800 | | 2,900 | 2,900 |
| Treater, Separator----- | 5,300 | | | 2,650 | 2,650 |
| Flowline----- | 4,000 | | | 2,000 | 2,000 |
| Tank & Fittings----- | 4,500 | | | 2,250 | 2,250 |
| Gravel----- | | 3,000 | | 1,500 | 1,500 |
| Workover Rig----- | | 10,000 | | 5,000 | 5,000 |
| Completion Fluids----- | | 2,000 | | 1,000 | 1,000 |
| Pipeline Hookup----- | | 13,000 | | 6,500 | 6,500 |
| Division Order Opinion----- | | 1,500 | | 750 | 750 |
| Frac Tank Rental----- | | 2,500 | | 1,250 | 1,250 |
| Flowback----- | | 2,000 | | 1,000 | 1,000 |
| Fence Location----- | 3,300 | | | 1,650 | 1,650 |
| Total Completion Costs----- | 23,600 | 103,850 | 127,450 | 63,538 | 63,913 |
| 5.9375% Farmington, NM Tax | | | 7,567 | 3,773 | 3,795 |
| 10% Contingency----- | | | 13,502 | 6,731 | 6,771 |
| Drilling Costs----- | | | 65,299 | 30,508 | 34,791 |
| Grand Total Well Costs | | | 213,819 | 104,550 | 109,269 |

FRUITLAND COAL

99.71297% RICHARDSON OPERATING CO ET AL
0.28703% MARTY H. BARNETT
DEBBIE L. BARNETT

DATE _____ APPROVED _____
DATE _____ APPROVED _____
DATE _____ APPROVED _____

\$104249
\$300

FC TOTAL

\$104550

PICTURED CLIFFS

99.42594% RICHARDSON OPERATING CO ET AL
0.57406% MARTY H. BARNETT
DEBBIE L. BARNETT

DATE _____ APPROVED _____
DATE _____ APPROVED _____
DATE _____ APPROVED _____

**BEFORE THE
OIL CONSERVATION DIVISION**

Case No. 12853 Exhibit No. _____
Submitted By: _____
Richardson Production
Hearing Date: July 11, 2002