

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION  
FOR RICHARDSON OPERATING COMPANY'S

F-RPC 29 #3 GAS WELL

2210' FSL & 1530' FWL SEC. 29, T. 29 N., R. 13 W., SAN JUAN COUNTY, NM

I. The well is on BLM surface and on BLM 1,470.81 acre oil and gas lease NMSF-079065. The proposed location is non-standard for the West Kutz Pictured Cliffs and Basin Fruitland Coal due to topography. The well must be at least 660' from all quarter section lines. This well is 430' from the north line of the southwest quarter of Section 29. Thus, it is 230' too far north. Richardson controls the Pictured Cliff and Fruitland coal rights to the north and has already applied for a standard location in the northwest quarter of Section 29 (Richardson's F-RPC 29 #2 well is 1,774' northwest at 1345' FNL & 1115' FWL). The F-RPC 29 #3 APD (Exhibit A) is attached.

II. A C-102 (Exhibit B) showing the well location and pro ration units (solid line marking the southwest quarter = 160 acres for the Pictured Cliffs and dashed line marking the west half = 320 acres for the Fruitland) is attached. Richardson's lease (= solid line) is shown on the attached copy (Exhibit C) of the Farmington South USGS topo map. The well is 1,589' from the closest lease line. The well is 2,210' from the closest non-Richardson lease.

III. According to NM Oil Conservation Records; there is no production from the Pictured Cliffs or Fruitland coal within a minimum 3,818' radius. Closest such well is Richardson's F-RPC 20 #3 at 660' FSL & 715' FWL 20-29n-13w. A copy of the Farmington South 7.5' USGS map (Exhibit D) is attached showing the proposed well site and 3 producing (black squares) and 5 proposed (black circles) Pictured Cliffs or Fruitland coal wells within a mile radius. Richardson is the operator of its BLM lease and all leases within a minimum 2,210' radius. Registered letters were sent on January 13, 2003 to the offset interest owners. Copies of the receipts and letters are attached (Exhibit E).

IV. A copy of the Farmington South USGS map is attached (Exhibit F). The proposed well site is marked. Fruitland pro ration unit (dashed line) is all of the west half (320.00 acres) of Section 29. Pictured Cliffs' pro ration unit (solid line) is all of the southwest quarter (160.00 acres) of Section 29.

V. Topography is the reason forcing a non-standard location. The well was first staked at a standard location at 1960 FSL & 1325 FWL (see Exhibit G). However, that was rejected by BLM at the on site inspection due to topography (large boulder, deep arroyo, bottom of a talus slope). BLM suggested the well be moved north, which has now been done.

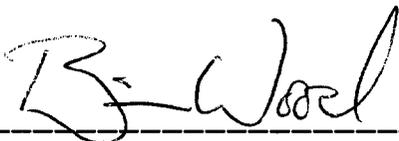
VI. Archaeology is not an issue.

VII. The non-standard location is requested because of topography (see V.).

VIII. Directional drilling is not a feasible for such a shallow well.

IX. I hereby certify that notice has been sent to the following lessees, lessors, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

BLM  
BP America Production Company  
Burlington Resources  
Dugan Production Corp.  
Edwards Energy Corp.  
NM State Land Office  
Paramount Petroleum Corp.  
Yates Petroleum Corporation



Brian Wood, Consultant

January 13, 2003

Date

STATE OF NEW MEXICO )  
 ) SS:  
COUNTY OF SANTA FE )

The foregoing instrument was acknowledged before me this 13th day of January, 2003 by Brian Wood. Witness my hand and official seal.

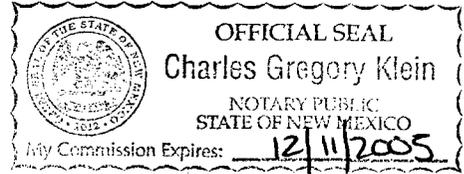
*Charles Gregory Klein*

Notary Public

My Commission Expires: 12/11/2005

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508

cc: Aztec OCD, Jones



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMSF-079065</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>RICHARDSON OPERATING CO.</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b>
3a. Address <b>3100 LaPLATA HIGHWAY FARMINGTON, NM 87401</b>	3b. Phone No. (include area code) <b>(505) 564-3100</b>	8. Lease Name and Well No. <b>F-RPC 29 #3</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>2210' FSL &amp; 1530' FWL</b> At proposed prod. zone <b>SAME</b>		9. API Well No. <b>30-045-</b>
14. Distance in miles and direction from nearest town or post office* <b>2 AIR MILES SW OF FARMINGTON</b>		10. Field and Pool, or Exploratory <b>W KUTZ PC &amp; BASIN FRUIT COAL</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>1,589'</b>	16. No. of Acres in lease <b>1,470.81</b>	11. Sec., T., R., M., or Bk. and Survey or Area <b>29-29n-13w NMPM</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1,774'</b>	19. Proposed Depth <b>1,400'</b>	12. County or Parish <b>SAN JUAN</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5,515' GL</b>	22. Approximate date work will start* <b>FEBRUARY 1, 2003</b>	13. State <b>NM</b>
17. Spacing Unit dedicated to this well <b>PC: 160 AC. (SW4) COAL: 320 AC. (V)</b>		
20. BLM/BIA Bond No. on file <b>#158293308 (BLM - NATIONWIDE)</b>		
23. Estimated duration <b>2 WEEKS</b>		
24. Attachments		

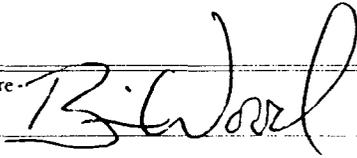
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

Comments

**Notice of Staking filed as "RPC 29 3"**

cc:BLM (&OCD), Richardson

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>1-4-03</b>
Title <b>CONSULTANT</b>	PHONE: <b>505 466-8120</b>	FAX: <b>505 466-9682</b>
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

**EXHIBIT A**

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Form C - 102

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

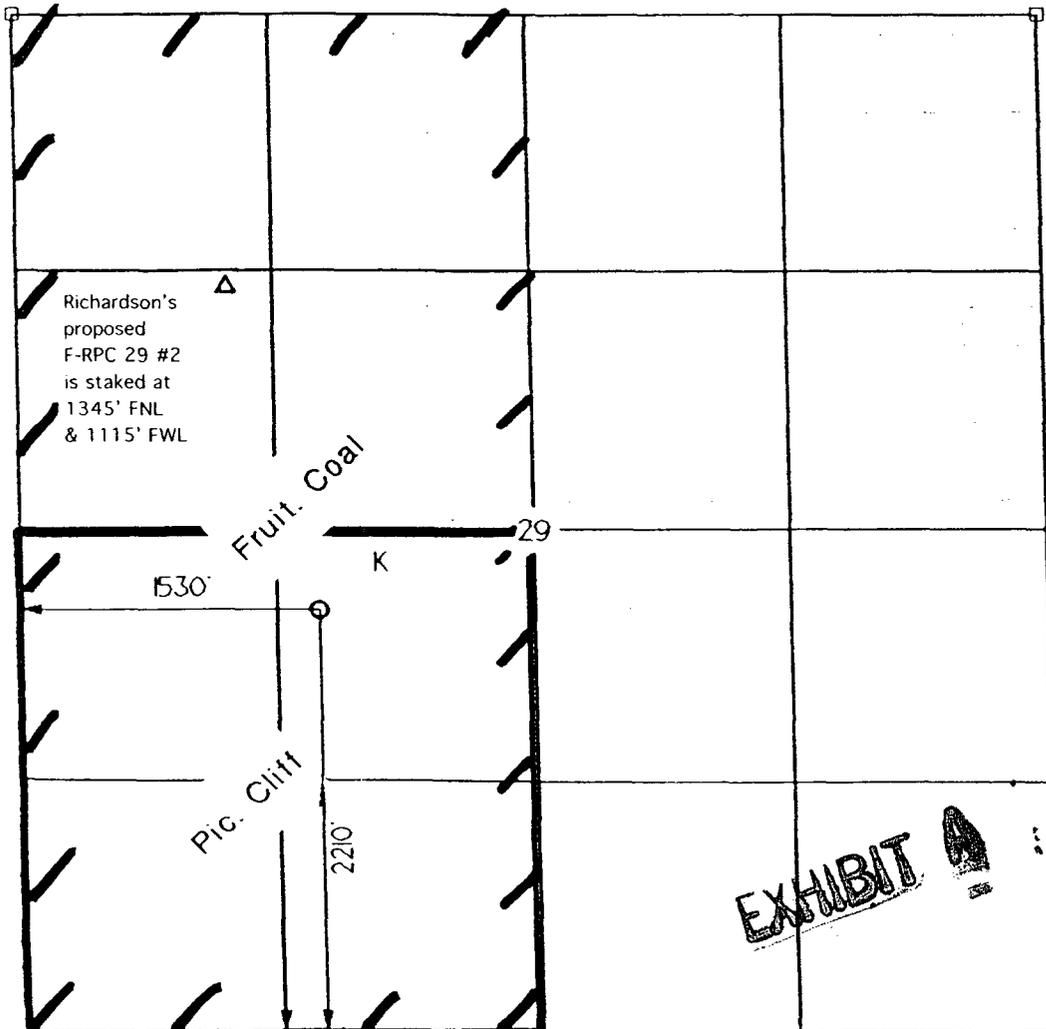
APA Number <b>30-045-</b>	Pool Code 71629 & 79680	Pool Name <b>BASIN FRUIT. COAL &amp; WEST KUTZ PC</b>
Property Code	Property Name FRPC 29	Well Number 3
OGRID No. 019219	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5515'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
K	29	29 N.	13 W.		2210'	SOUTH	1530'	WEST	SAN JUAN

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

Dedication	Joint ?	Consolidation	Order No.
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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

Signature: *Brian Wood*

Printed Name: **BRIAN WOOD**

Title: **CONSULTANT**

Date: **JAN. 4, 2003**

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

Date of Survey: rev: 30 September 2002

Signature and Seal of Professional Surveyor: *[Signature]*

Richardson Operating Company  
F-RPC 29 #3  
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San Juan County, New Mexico

PAGE 1

## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Kirtland Shale	000'	5'	+5,515'
Fruitland Fm	915'	920'	+4,600'
Pictured Cliffs Ss	1,240'	1,173'	+4,275'
Total Depth (TD)*	1,400'	1,405'	+4,058'

\* all elevations reflect the ungraded ground level of 5,515'

### 2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland	Fruitland	Fruitland
Pictured Cliffs		

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

### 3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1,000 psi.

**EXHIBIT A**

Richardson Operating Company  
F-RPC 29 #3  
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San Juan County, New Mexico

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly, floor safety valve, and choke manifold all rated to 2,000 psi. Maximum expected pressure is  $\approx$ 560 psi.

#### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	1,400'

Surface casing will be cemented to surface with  $\approx$ 36 cu. ft. ( $\approx$ 30 sacks) Class B + 2% CaCl<sub>2</sub>. Volume is based on 100% excess, yield of 1.18 cu. ft./sk, and slurry weight of 15.6 PPG. W.O.C. = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

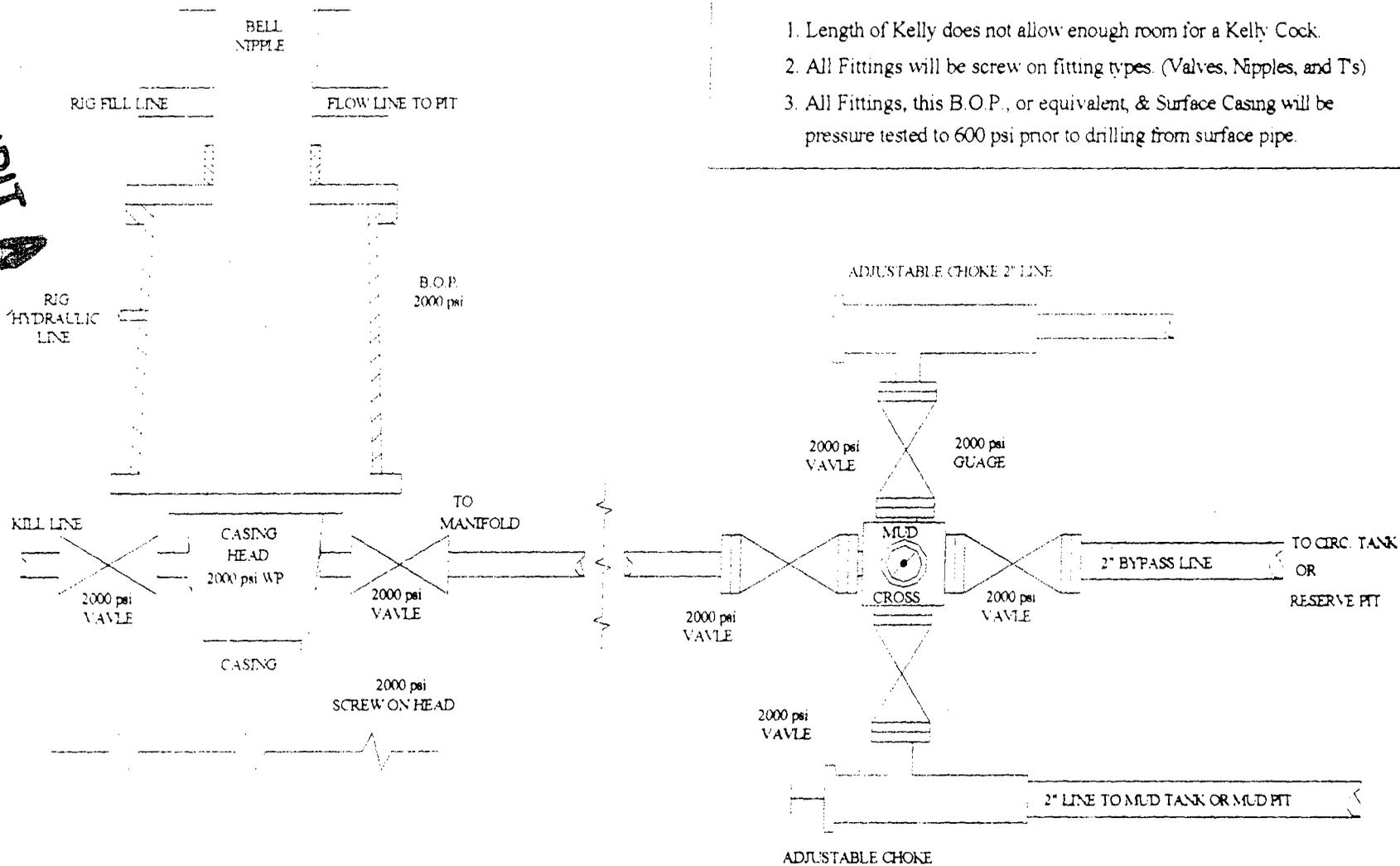
Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with mud to the surface. Forty barrels of fresh water will next be circulated. Lead with  $\approx$ 170 cubic feet ( $\approx$ 83 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with  $\approx$ 110 cubic feet ( $\approx$ 93 sacks) of Class B with 2% CaCl<sub>2</sub> (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume is  $\approx$ 280 cubic feet based on 75% excess and circulating to surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Seven centralizers will be spaced on every other joint starting above the shoe. Seven turbolizers will be placed on every other joint starting from the top of the well.

**EXHIBIT A**

# BLOW OUT PREVENTER (B.O.P.)

EXHIBIT A



Notes:

1. Length of Kelly does not allow enough room for a Kelly Cock.
2. All Fittings will be screw on fitting types. (Valves, Nipples, and T's)
3. All Fittings, this B.O.P., or equivalent, & Surface Casing will be pressure tested to 600 psi prior to drilling from surface pipe.

\*\* 2000 psi Rubber hose will be used from Well Head to Manifold  
& from Well Head to Kill Line.

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5. MUD PROGRAM

Surface casing hole will be drilled with fresh water. Production casing hole will be drilled with a fresh water polymer mud. Weighting material will be drill solids or, if needed, barite. Maximum expected mud weight will be 8.7 pounds per gallon. Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well while drilling.

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. Induction/GR and density log will be run from TD to surface.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be  $\approx$ 560 psi.

8. OTHER INFORMATION

The anticipated spud date is February 1, 2003. It is expected it will take five days to drill and one week to complete the well.

**EXHIBIT A**

Richardson Operating Company  
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San Juan County, New Mexico

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## Surface Use Plan

### 1. DIRECTIONS & EXISTING ROADS (See Pages 10 & 11)

From the San Juan River bridge in southwest Farmington ...  
Go southwest on NM 371 to Milepost 104.99  
Then turn right at a green gate and go W through the gate  
Then turn left and go S 100 yards to the first right  
Then turn right and go SW 0.3 mi. on a dirt road to the 19 #4 well site  
From the 19 #4, go SE 0.9 mi. on a dirt road to the 29 #3

Roads will be maintained to a standard at least equal to their present condition.

### 2. ROAD TO BE BUILT OR UPGRADED (See Pages 10 & 11)

No new road will be built. The last third of a mile (i. e., from 29 #2 south) of existing road will be graded to reduce its ruts. It will not be upgraded so as to maintain a challenging motorized recreation experience. Maximum disturbed width will not exceed 20'. Maximum grade = 4%. Maximum cut or fill = 1'. No culvert, cattle guard, or turn out is needed.

### 3. EXISTING WELLS (See Page 11)

There are seventeen plugged and abandoned wells, six oil or gas wells, and one water well within a mile radius according to NM Oil Conservation Division and NM State Engineer records. There are no disposal wells within a mile.

**EXHIBIT A**

Richardson Operating Company  
F-RPC 29 #3  
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Sec. 29, T. 29 N., R. 13 W.  
San Juan County, New Mexico

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#### 4. PROPOSED PRODUCTION FACILITIES (See Page 14)

A meter run, compressor,  $\approx$ 300 bbl tank, and separator will be installed on the pad. Surface equipment will be painted a flat juniper green color and inside a fence. Well site will be fenced with a  $\geq$  6' high chain link fence until the well is plugged and abandoned. The fence will have at least 2 gates or exits. Gates will be kept locked except when Richardson personnel are within the fence.

Pipeline route will run north along the access road for 1,807.52' to tie into proposed Richardson pipelines at the F-RPC 29 #2. Two  $\approx$ 4" SDR-11 poly pipelines will be buried by Richardson in one  $\approx$ 36" deep trench. Gas line will operate at  $\approx$ 50 psi. Water line will operate  $\approx$ 60 psi. Test pressure will be  $\approx$ 128 psi. Test medium will be the well's own gas and water. Water will be discharged into the reserve pit. Burst pressure is 630 psi at 60° Celsius. Wall thickness is 0.318". Joints will be heat fused. Route will be posted with markers. All above ground facilities (e. g., pipeline valve) outside the well site fence will be painted safety orange.

#### 5. WATER SUPPLY

Water will be trucked from a private water source in Farmington.

#### 6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) will be notified before construction starts. Soil, trees, and brush will be piled west of the reserve pit. A diversion ditch will be cut along the west side of the well site west of the pile. A minimum 12 mil plastic liner will be installed in the reserve pit.

**EXHIBIT A**

Richardson Operating Company  
F-RPC 29 #3  
2210' FSL & 1530' FWL  
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San Juan County, New Mexico

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7. WASTE DISPOSAL

All trash will be placed in a portable trash cage and hauled to the county landfill. There will be no trash burning. Once dry, contents of the reserve pit will be buried in place. Human waste will be disposed of in chemical toilets. Toilet contents will be hauled to an approved dump station.

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, or mud logger.

9. WELL SITE LAYOUT

See Pages 12 and 13 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Reclamation starts once the reserve pit is dry. It usually takes a year for a reserve pit to fully evaporate, at which point it will be back filled. The pad and filled pit will be contoured to a natural appearance and disturbed areas ripped or harrowed. BLM "down south" (aka, dry or low mix or mix #2) seed mix (below) will be drilled at a depth and time to be determined by BLM.

- 4 pounds per acre western wheatgrass
- 2-1/2 pounds per acre Indian ricegrass
- 1-1/2 pound per acre blue grama grass
- 0.1 pound pr acre antelope bitter brush
- 1/4 pound per acre four wing salt bush
- 1 pound per acre small burnet

**EXHIBIT A**

Richardson Operating Company  
F-RPC 29 #3  
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San Juan County, New Mexico

PAGE 6

If broadcast, the rate will be increased as determined by BLM. A harrow or cable will be dragged over the area to assure seed cover. If the well is a producer; then the reserve pit, pipeline route, and any other areas not needed for work overs will be reclaimed as previously described. When the well is plugged and abandoned, the casing and anchors will be cut off  $\geq 3'$  below the surface. No P&A marker will be installed above grade.

#### 11. SURFACE OWNER

Well site, road, and pipeline route are all on lease and on BLM.

#### 12. OTHER INFORMATION

The nearest hospital is a 10 minute drive away in southwest Farmington.

Archaeology report LAC 2002-15h was filed December 10, 2002.

#### 13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant  
Permits West, Inc.  
37 Verano Loop  
Santa Fe, NM 87508  
(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

**EXHIBIT A**

Richardson Operating Company  
F-RPC 29 #3  
2210' FSL & 1530' FWL  
Sec. 29, T. 29 N., R. 13 W.  
San Juan County, New Mexico

Field representative will be:

Drew Carnes  
Richardson Operating Company  
3100 LaPlata Highway  
Farmington, NM 87401  
(505) 564-3100      FAX: (505) 564-3109      Cellular: (505) 215-3926

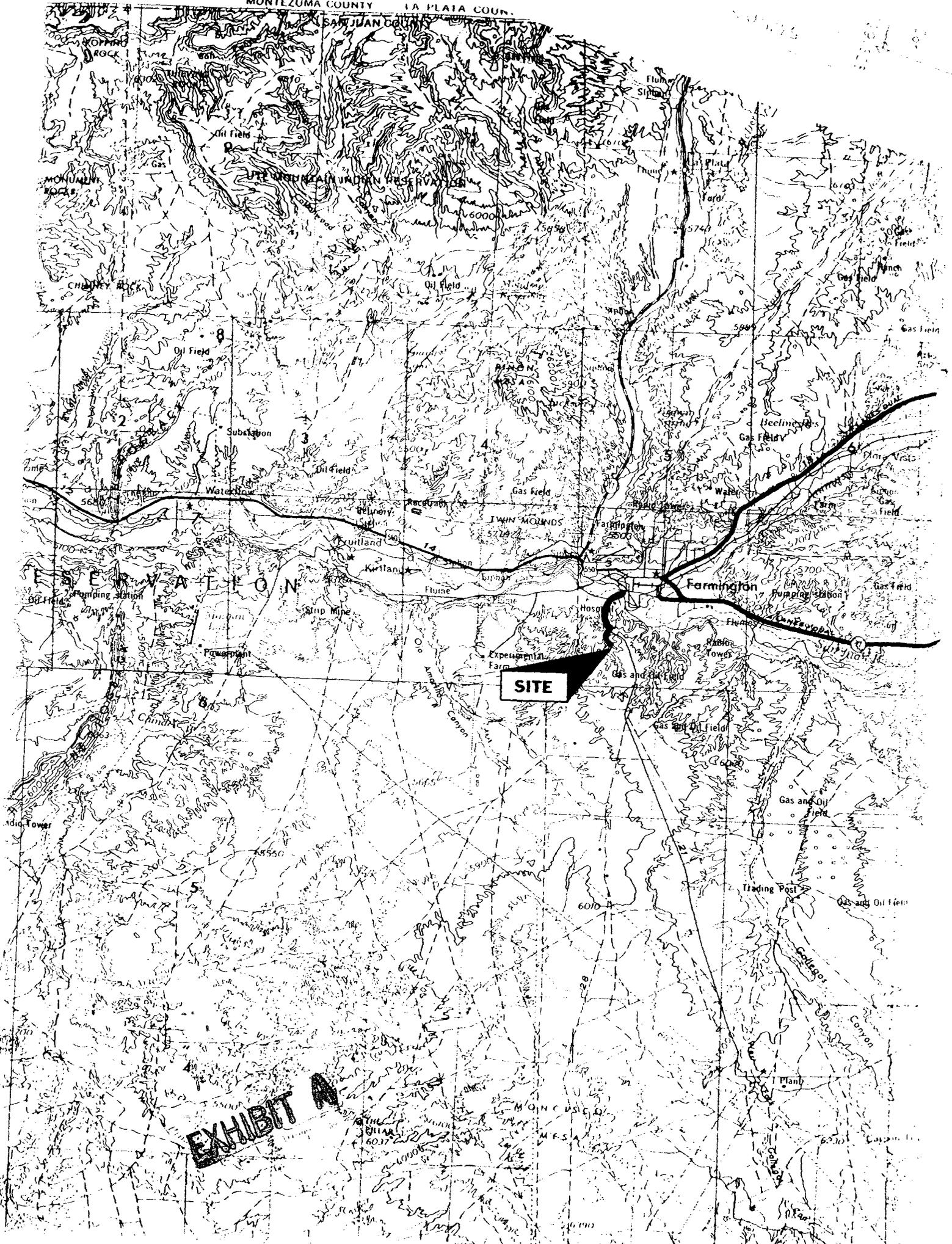
Richardson Operating Company has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by Richardson Operating Company

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Richardson Operating Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

  
-----  
Brian Wood, Consultant

January 4, 2004  
Date

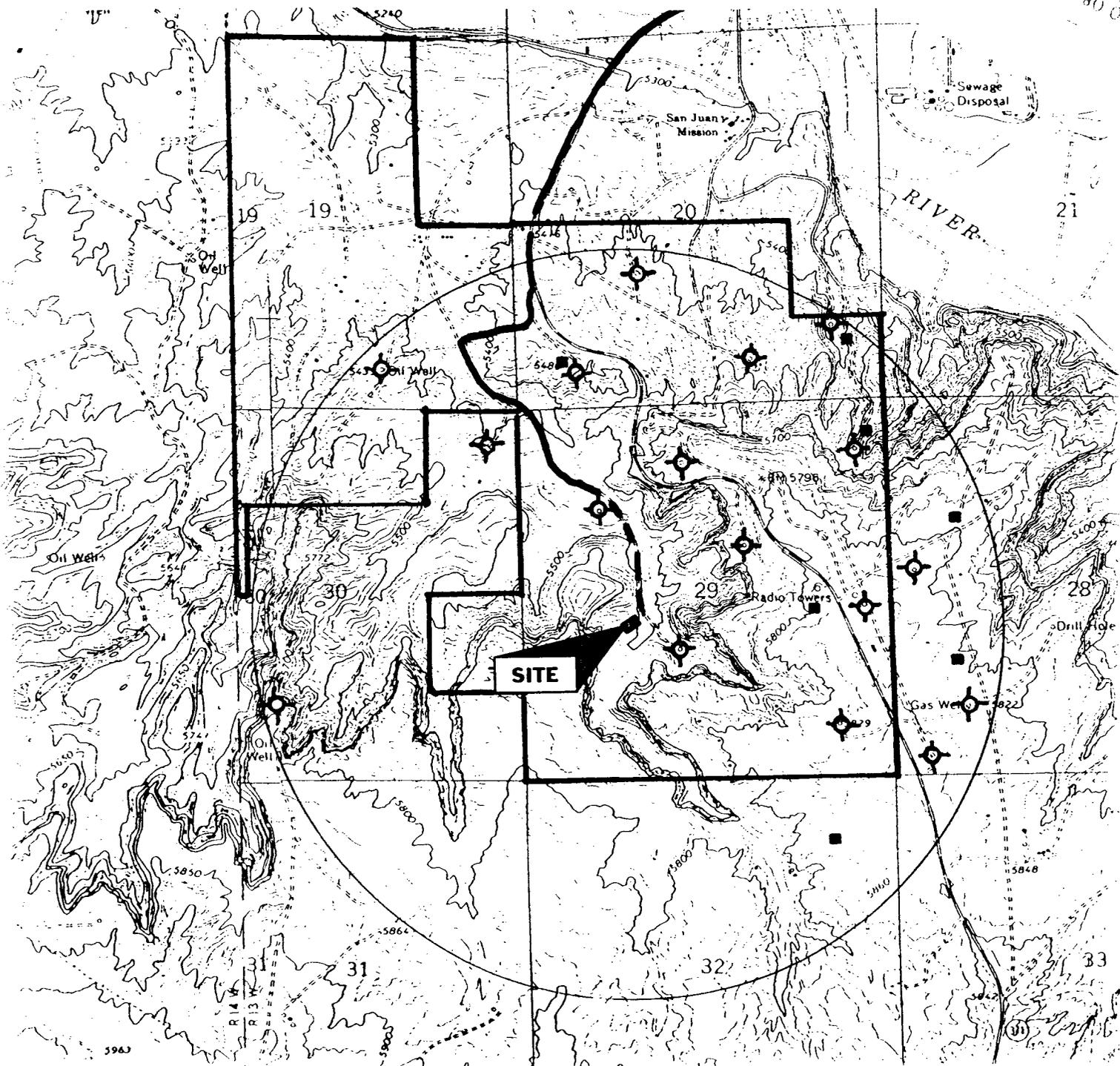
**EXHIBIT A**



**SITE**

**EXHIBIT A**

Richardson Operating Company  
 F-RPC 29 #3  
 2210' FSL & 1530' FWL  
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 San Juan County, New Mexico



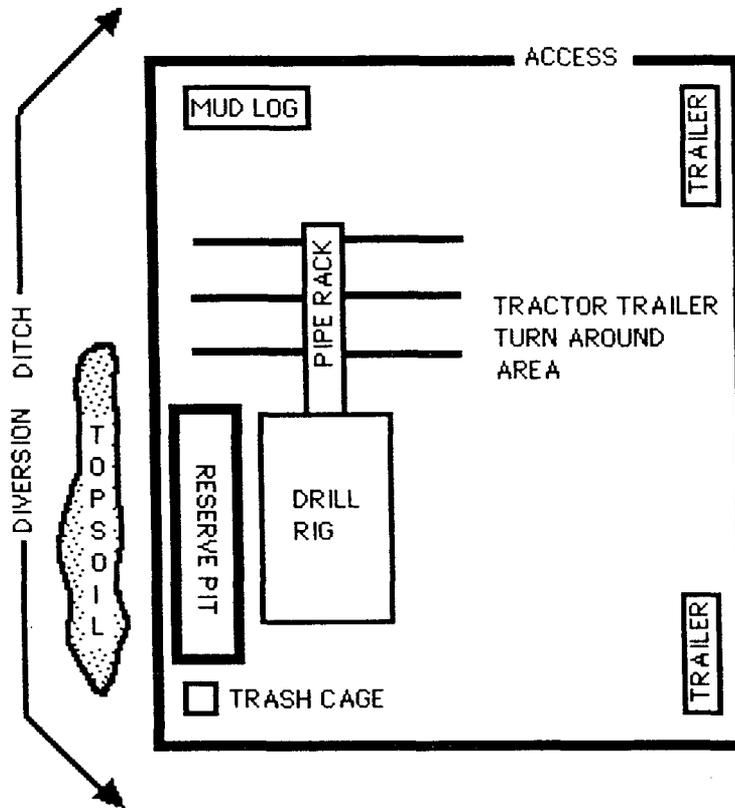
- PROPOSED WELL: 
- EXISTING WELL: 
- P & A WELL: 
- PROPOSED PIPELINES & ROAD REPAIR: 
- EXISTING ROAD: 
- LEASE: 

**EXHIBIT A**

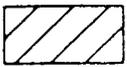
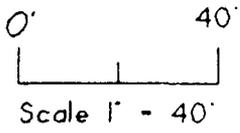
**PERMITS WEST** INC.  
 PROVIDING PERMITS FOR LAND USERS

Richardson Operating Company  
F-RPC 29 #3  
2210' FSL & 1530' FWL  
Sec. 29, T. 29 N., R. 13 W.  
San Juan County, New Mexico

7.5  
S 0.8841 E 118.80° S  
53.0575  
51.25673  
7.08



**EXHIBIT A**

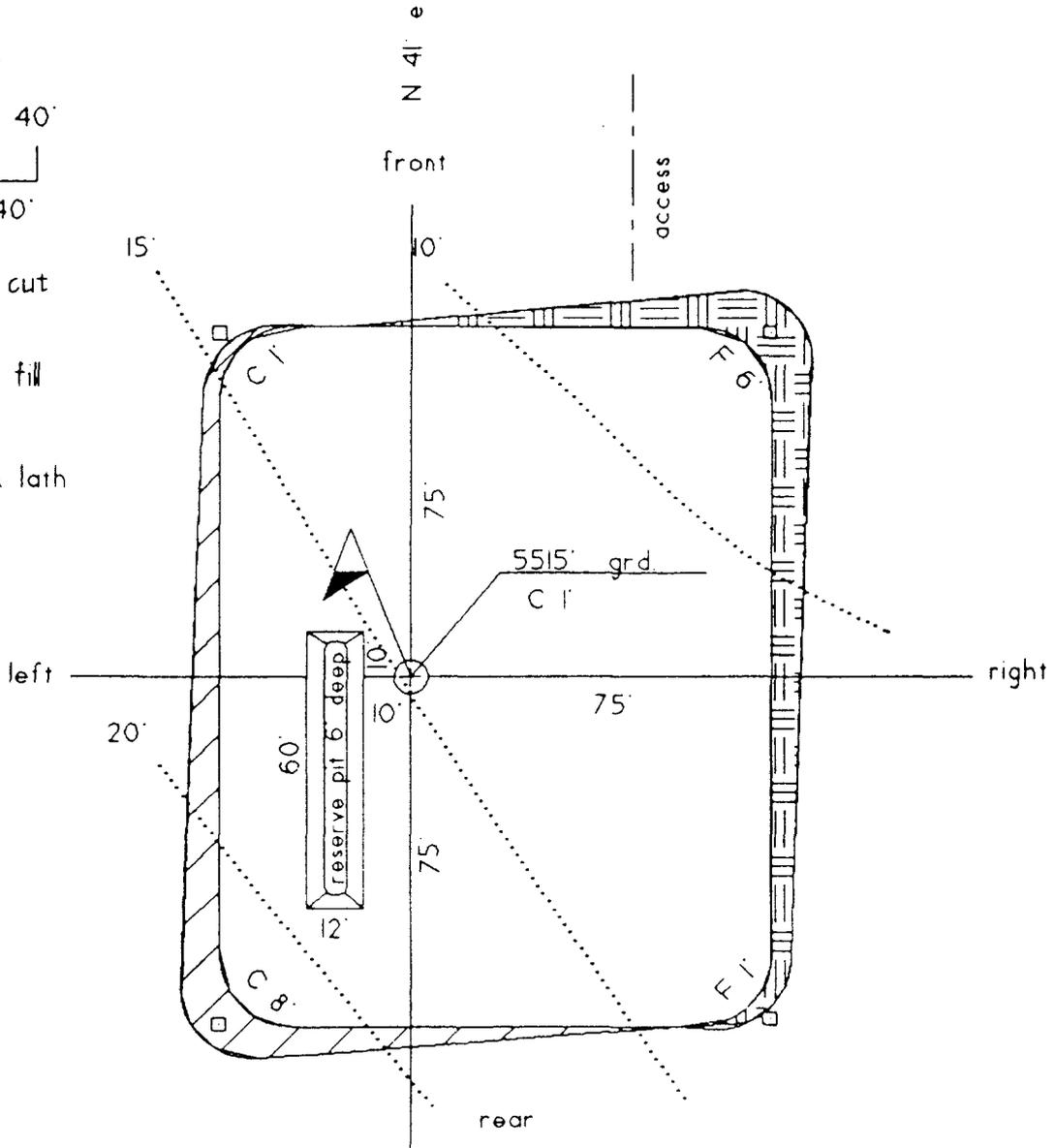


cut



fill

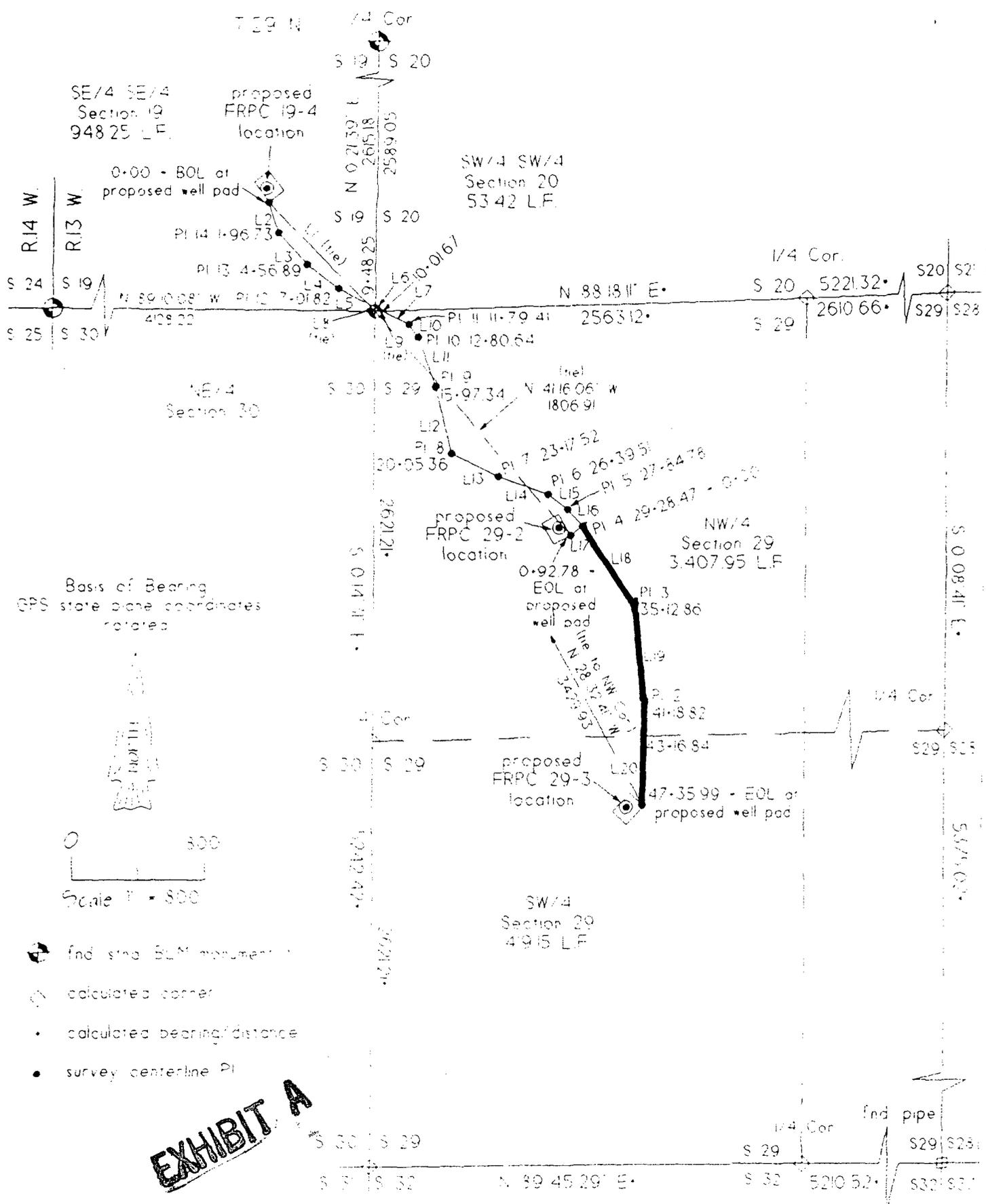
□ set stake & lath



**EXHIBIT A**



section



Basis of Bearing  
GPS state plane coordinates  
rotated



- find stn BLM monument
- calculated corner
- calculated bearing/distance
- survey centerline PI

**EXHIBIT A**

LINE DESCRIPTION TABLE

LINE NO	DIRECTION	LENGTH
1 (L1)	S 23° 15' 41" E	100.00
2	S 17° 23' 41" E	100.00
3	S 14° 41' 51" E	100.00
4	S 27° 20' 14" E	100.00



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

Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number <b>30-045-</b>	Pool Code 71629 & 79680	Pool Name <b>BASIN FRUIT, COAL &amp; WEST KUTZ PC</b>
Property Code	Property Name FRPC 29	Well Number 3
OGRID No. - 019219	Operator Name - RICHARDSON OPERATING COMPANY	Elevation 5515'

Surface Location

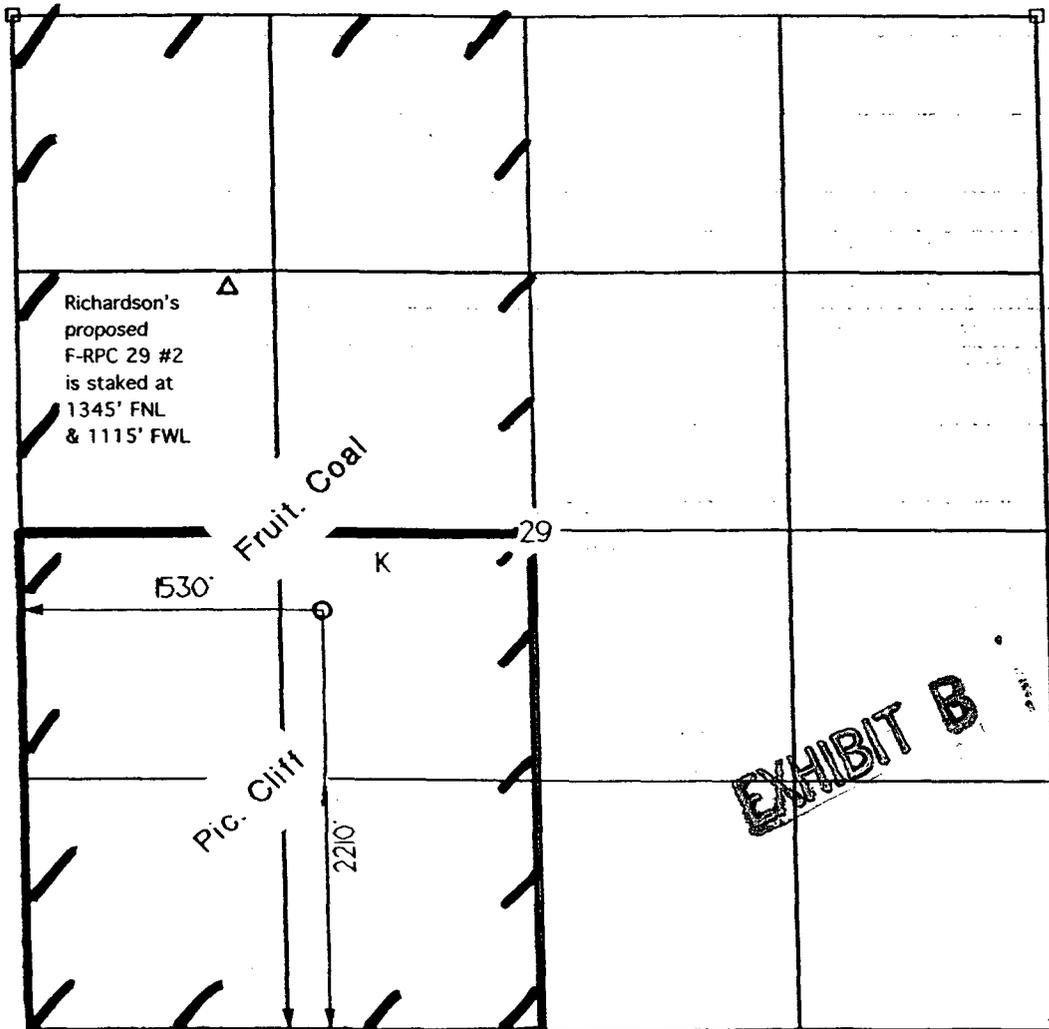
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K	29	29 N.	13 W.		2210'	SOUTH	1530'	WEST	SAN JUAN

Bottom Hole Location if Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County

Dedication	Joint ?	Consolidation	Order No.

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



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

Signature: *Brian Wood*

Printed Name: **BRIAN WOOD**

Title: **CONSULTANT**

Date: **JAN. 4, 2003**

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

Date of Survey: **30 September 2002**

Signature and Seal of Professional Surveyor: *Gerard J. Coleston*

**GERARD J. COLESTON**  
 6844  
 REGISTERED LAND SURVEYOR

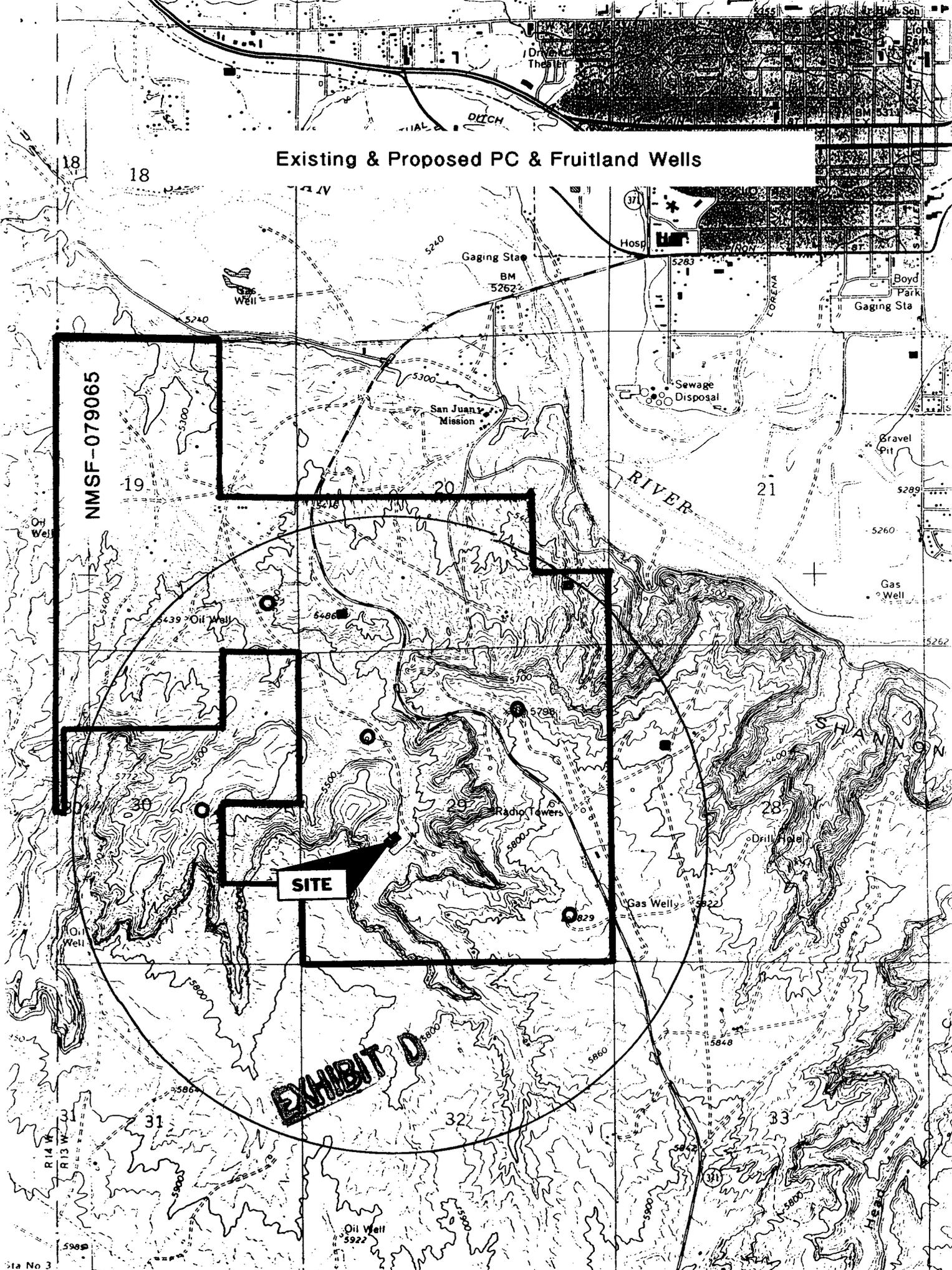


# Existing & Proposed PC & Fruitland Wells

NMSF-079065

SITE

EXHIBIT D



**PERMITS WEST, INC.**  
 PROVIDING PERMITS for LAND USERS  
 17 Mirano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 13, 2003

Roger Herrera  
 BLM  
 1235 LaPlata Highway  
 Farmington, NM 87401

Dear Roger,

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

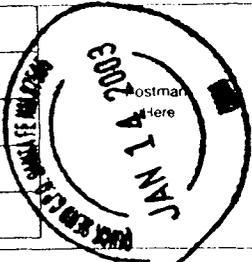
Richardson Operating Company is applying to drill its F-RPC 29 #3 gas well. The minimum distance from a Fruitland or Pictured Cliffs gas well to a quarter section line is 660'. Due to surface conditions, the well is 430' from the north line of the quarter section, or 230' less than the standard minimum. Thus, it is a non-standard location. The proposed well is 1,589' from the closest lease line. The proposed well is 1,774' from the closest proposed Fruitland or Pictured Cliffs well (Richardson's F-RPC 29 #2). The proposed well is 3,818' from the closest existing Fruitland or Pictured Cliffs producer (Richardson's F-RPC 20 #3). See attached map for more details.

Well Name: F-RPC 29 #3 Total Depth: 1,400'  
Proposed Producing Zone: Fruitland coal & Pictured Cliffs sandstone  
Acreage Dedication: Fruitland (W2 Sec. 29) & PC (SW4 Sec. 29)  
Location: 2210' FSL & 1530' FWL Sec. 29, T. 29 N., R. 13 W.,  
 San Juan County, NM on BLM oil & gas lease NMSF-079065  
Approximate Location: 2 air miles southwest of Farmington, NM  
Applicant Name: Richardson Operating Company (505) 564-3100  
Applicant's Address: 3100 LaPlata Highway, Farmington, NM 87401

Submittal Information: Application for a non-standard location will be filed with the BLM. If the application complies with the applicable regulations, then the BLM will issue a permit. The BLM office is 1220 S. St. Francis Dr., Santa Fe, NM 87505.

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

Postage	\$ 22
Certified Fee	230
Return Receipt Fee (Endorsement Required)	125
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 472</b>



Sent To: BLM  
 Street, Apt. No., or PO Box No.: 1235 LaPlata Hwy  
 City, State, ZIP+4: Farmington NM 87401

Sincerely,

*Brian Wood*  
 Brian Wood

**EXHIBIT E**

7000 1670 0012 5356 7769



**PERMITS WEST**, INC.  
 PROVIDING PERMITS for LAND USERS  
 37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 13, 2003

John Alexander  
 Dugan Production Corp.  
 P. O. Box 420  
 Farmington, NM 87499

Dear John,

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

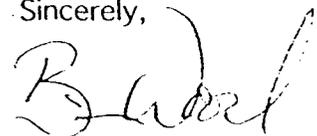
Richardson Operating Company is applying to drill its F-RPC 29 #3 gas well. The minimum distance from a Fruitland or Pictured Cliffs gas well to a quarter section line is 660'. Due to surface conditions, the well is 430' from the north line of the quarter section, or 230' less than the standard minimum. Thus, it is a non-standard location. The proposed well is 1,589' from the closest lease line. The proposed well is 1,774' from the closest proposed Fruitland or Pictured Cliffs well (Richardson's F-RPC 29 #2). The proposed well is 3,818' from the closest existing Fruitland or Pictured Cliffs producer (Richardson's F-RPC 20 #3). See attached map for more details.

Well Name: F-RPC 29 #3 Total Depth: 1,400'  
Proposed Producing Zone: Fruitland coal & Pictured Cliffs sandstone  
Acreage Dedication: Fruitland (W2 Sec. 29) & PC (SW4 Sec. 29)  
Location: 2210' FSL & 1530' FWL Sec. 29, T. 29 N., R. 13 W.,  
 San Juan County, NM on BLM oil & gas lease NMSF-079065  
Approximate Location: 2 air miles southwest of Farmington, NM  
Applicant Name: Richardson Operating Company (505) 564-3100  
Applicant's Address: 3100 LaPlata Highway, Farmington, NM 87401

For a non-standard location will be filed with the division complies with the applicable regulations, then the address is 1220 S. St. Francis Dr., Santa Fe, NM 87504.

Yours,

Sincerely,



Brian Wood

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

Postage	\$ 1.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.79
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.46</b>

Sent To: Dugan Production  
 Street, Apt. No. or PO Box No: PO Box 420  
 City, State ZIP+4: Farmington NM 87499

PS Form 3800, May 2000 See Reverse for Instructions

EXHIBIT E

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

17 Arano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

January 13, 2003

Keith Edwards  
Edwards Energy Corp.  
1401 17th St., Suite 1400  
Denver, Co. 80202-1268

Dear Keith,

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

Richardson Operating Company is applying to drill its F-RPC 29 #3 gas well. The minimum distance from a Fruitland or Pictured Cliffs gas well to a quarter section line is 660'. Due to surface conditions, the well is 430' from the north line of the quarter section, or 230' less than the standard minimum. Thus, it is a non-standard location. The proposed well is 1,589' from the closest lease line. The proposed well is 1,774' from the closest proposed Fruitland or Pictured Cliffs well (Richardson's F-RPC 29 #2). The proposed well is 3,818' from the closest existing Fruitland or Pictured Cliffs producer (Richardson's F-RPC 20 #3). See attached map for more details.

Well Name: F-RPC 29 #3

Total Depth: 1,400'

Proposed Producing Zone: Fruitland coal & Pictured Cliffs sandstone

Acreage Dedication: Fruitland (W2 Sec. 29) & PC (SW4 Sec. 29)

Location: 2210' FSL & 1530' FWL Sec. 29, T. 29 N., R. 13 W.,

San Juan County, NM on BLM oil & gas lease NMSF-079065

Approximate Location: 2 air miles southwest of Farmington, NM

Applicant Name: Richardson Operating Company (505) 564-3100

Applicant's Address: 3100 LaPlata Highway, Farmington, NM 87401

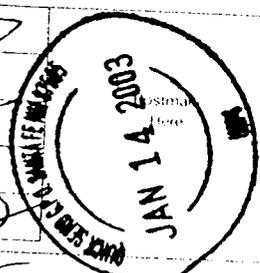
non-standard location will be filed with the  
complies with the applicable regulations, then  
is 1220 S. St. Francis Dr., Santa Fe, NM

Sincerely,

*Brian Wood*  
Brian Wood

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

Postage	\$ .37
Certified Fee	2.30
Return Receipt Fee (Enclosurement Required)	1.75
Restricted Delivery Fee (Enclosurement Required)	
Total Postage & Fees	\$ 4.42



Sent To: Edwards Energy  
Street Address: 1401 17th St., Suite 1400  
City: Denver, Co. 80202

PS Form 3800, May 2000 See Reverse for Instructions

**HIBIT E**

7000 1670 0012 5356 7721

**PERMITS WEST, INC.**  
 PROVIDING PERMITS for LAND USERS  
 17 Arroyo Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 13, 2003

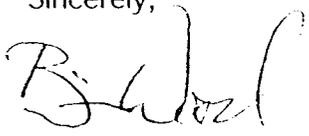
Jeff Albers  
 NM State Land Office  
 P. O. Box 1148  
 Santa Fe, NM 87504-1148

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

Richardson Operating Company is applying to drill its F-RPC 29 #3 gas well. The minimum distance from a Fruitland or Pictured Cliffs gas well to a quarter section line is 660'. Due to surface conditions, the well is 430' from the north line of the quarter section, or 230' less than the standard minimum. Thus, it is a non-standard location. The proposed well is 1,589' from the closest lease line. The proposed well is 1,774' from the closest proposed Fruitland or Pictured Cliffs well (Richardson's F-RPC 29 #2). The proposed well is 3,818' from the closest existing Fruitland or Pictured Cliffs producer (Richardson's F-RPC 20 #3). See attached map for more details.

Well Name: F-RPC 29 #3 Total Depth: 1,400'  
Proposed Producing Zone: Fruitland coal & Pictured Cliffs sandstone  
Acreage Dedication: Fruitland (W2 Sec. 29) & PC (SW4 Sec. 29)  
Location: 2210' FSL & 1530' FWL Sec. 29, T. 29 N., R. 13 W.,  
 San Juan County, NM on BLM oil & gas lease NMSF-079065  
Approximate Location: 2 air miles southwest of Farmington, NM  
Applicant Name: Richardson Operating Company (505) 564-3100  
Applicant's Address: 3100 LaPlata Highway, Farmington, NM 87401

Submittal Information: Application for a non-standard location will be filed with the NMOCD. If they determine the application complies with the applicable regulations, then it will be approved. The NMOCD address is 1220 S. St. Francis Dr., Santa Fe, NM (505) 476-3440

Sincerely,  
  
 Brian Wood

7000 1670 0012 5356 7552

**VERIFIED MAIL SERVICE**  
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ 32
Certified Fee	230
Return Receipt For (Endorsement Required)	125
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 442</b>

**SENT TO**  
 Street, Apt. No. or PO Box No. NMSLO  
 City, State ZIP+4 PO Box 1148  
 SF NM 87504

PS Form 3800, May 2000

MT E

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

January 13, 2003

Paramount Petroleum Corp.  
P. O. Box 22763  
Houston, Tx. 77027

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

Richardson Operating Company is applying to drill its F-RPC 29 #3 gas well. The minimum distance from a Fruitland or Pictured Cliffs gas well to a quarter section line is 660'. Due to surface conditions, the well is 430' from the north line of the quarter section, or 230' less than the standard minimum. Thus, it is a non-standard location. The proposed well is 1,589' from the closest lease line. The proposed well is 1,774' from the closest proposed Fruitland or Pictured Cliffs well (Richardson's F-RPC 29 #2). The proposed well is 3,818' from the closest existing Fruitland or Pictured Cliffs producer (Richardson's F-RPC 20 #3). See attached map for more details.

Well Name: F-RPC 29 #3

Total Depth: 1,400'

Proposed Producing Zone: Fruitland coal & Pictured Cliffs sandstone

Acreage Dedication: Fruitland (W2 Sec. 29) & PC (SW4 Sec. 29)

Location: 2210' FSL & 1530' FWL Sec. 29, T. 29 N., R. 13 W.,

San Juan County, NM on BLM oil & gas lease NMSF-079065

Approximate Location: 2 air miles southwest of Farmington, NM

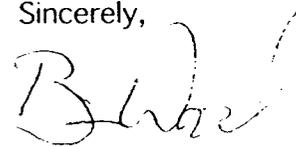
Applicant Name: Richardson Operating Company (505) 564-3100

Applicant's Address: 3100 LaPlata Highway, Farmington, NM 87401

Submittal Information: Application for a non-standard location will be filed with the NMOCD. If they determine the application complies with the applicable regulations, then it will be approved. The NMOCD address is 1220 S. St. Francis Dr., Santa Fe, NM

).

Sincerely,



Brian Wood

7000 1670 0012 5356 7738

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

Postage	\$ .37
Certified Fee	2.130
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.15

Postmark: JAN 13 2003 SANTA FE, NM

Sent To: Paramount Petrol.  
Street, Apt. No., or PO Box No.: PO Box 22763  
City, State, ZIP+4: Houston Tx 77027

PS Form 3800, May 2000 See Reverse for Instructions

EXHIBIT E

**PERMITS WEST**, INC.  
 PROVIDING PERMITS for LAND USERS  
 37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 13, 2003

Janet Richardson  
 Yates Petroleum Corp.  
 105 S. 4th St.  
 Artesia, NM 88210

Dear Janet,

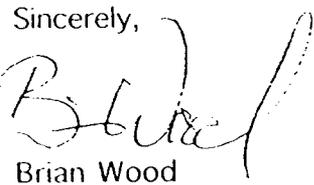
As required by New Mexico Oil Conservation Division (NMOCD) Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Richardson Operating Company is applying to drill its F-RPC 29 #3 gas well. The minimum distance from a Fruitland or Pictured Cliffs gas well to a quarter section line is 660'. Due to surface conditions, the well is 430' from the north line of the quarter section, or 230' less than the standard minimum. Thus, it is a non-standard location. The proposed well is 1,589' from the closest lease line. The proposed well is 1,774' from the closest proposed Fruitland or Pictured Cliffs well (Richardson's F-RPC 29 #2). The proposed well is 3,818' from the closest existing Fruitland or Pictured Cliffs producer (Richardson's F-RPC 20 #3). See attached map for more details.

Well Name: F-RPC 29 #3 Total Depth: 1,400'  
Proposed Producing Zone: Fruitland coal & Pictured Cliffs sandstone  
Acreage Dedication: Fruitland (W2 Sec. 29) & PC (SW4 Sec. 29)  
Location: 2210' FSL & 1530' FWL Sec. 29, T. 29 N., R. 13 W.,  
 San Juan County, NM on BLM oil & gas lease NMSF-079065  
Approximate Location: 2 air miles southwest of Farmington, NM  
Applicant Name: Richardson Operating Company (505) 564-3100  
Applicant's Address: 3100 LaPlata Highway, Farmington, NM 87401

Application for a non-standard location will be filed with the ion complies with the applicable regulations, then less is 1220 S. St. Francis Dr., Santa Fe, NM 440.

ns.

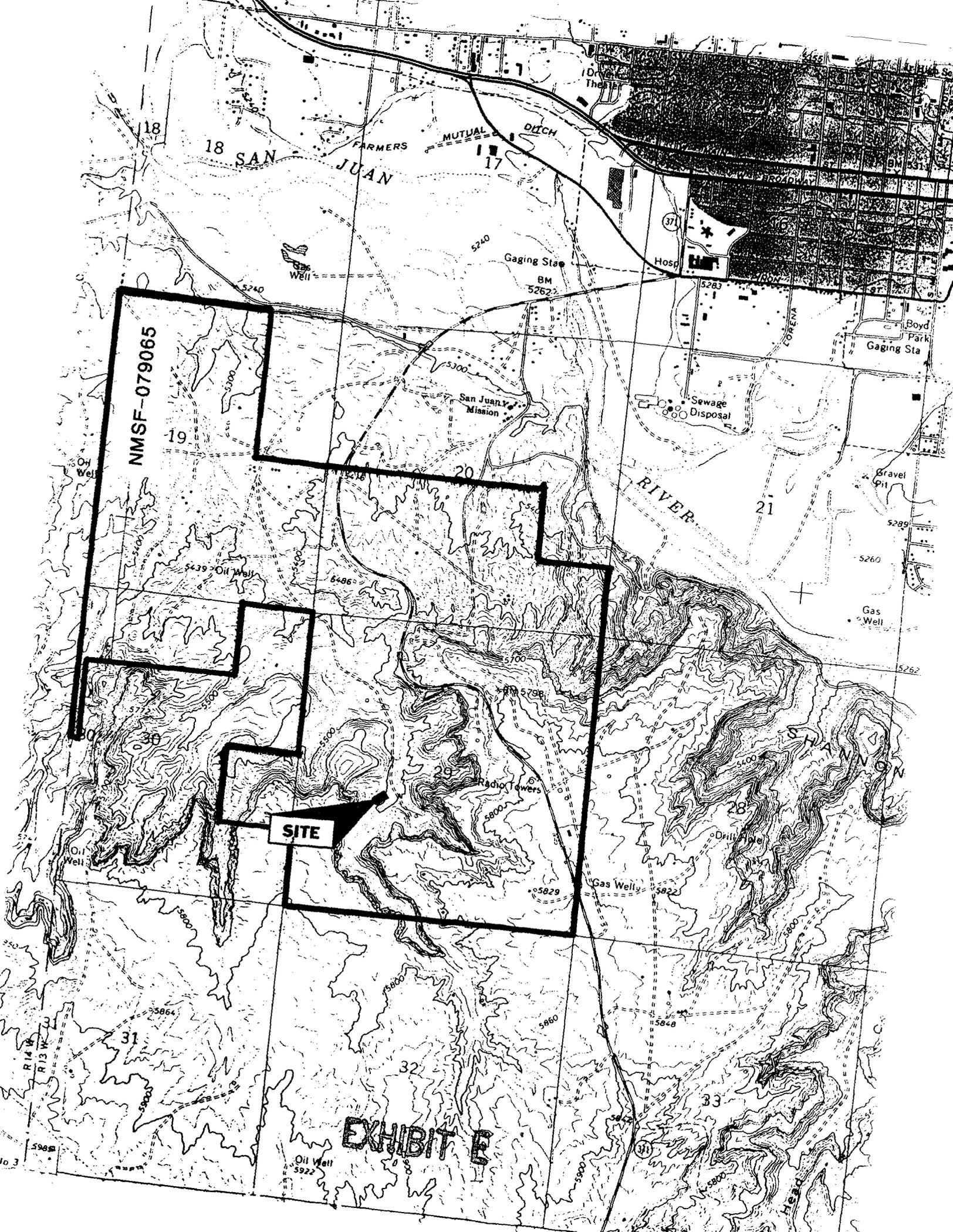
Sincerely,  
  
 Brian Wood

**EXHIBIT E**

<b>U.S. Postal Service</b>	
<b>CERTIFIED MAIL RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
Postage	\$ 1.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.42</b>

Sent To  
 Yates  
 Street, Apt. No.; or PO Box No.  
 105 S 4th St.  
 City, State, ZIP+4  
 Artesia NM 88210

PS Form 3800, May 2000 See Reverse for Instructions



NMSF-079065

18 SAN JUAN

MUTUAL DITCH

FARMERS

37

Hosp

Gaging Sta

BM 5262

5240

5240

Well

Boyd Park Gaging Sta

Sewage Disposal

San Juan Mission

RIVER

21

Gravel Pit

Gas Well

5260

5289

5262

SITE

Radio Towers

SHANNON

28

Drill Hole

Gas Well

5822

5829

5800

5798

5700

5486

5439

Oil Well

19

5216

5300

5300

5300

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EXHIBIT E

Oil Well 5922

5985

to 3

R 14 W

R 13 W

R 12 W

R 11 W

R 10 W

R 9 W

R 8 W

R 7 W

R 6 W

R 5 W

R 4 W

R 3 W

R 2 W

R 1 W

R 0 W

R 0 W

R 0 W

R 0 W

R 0 W

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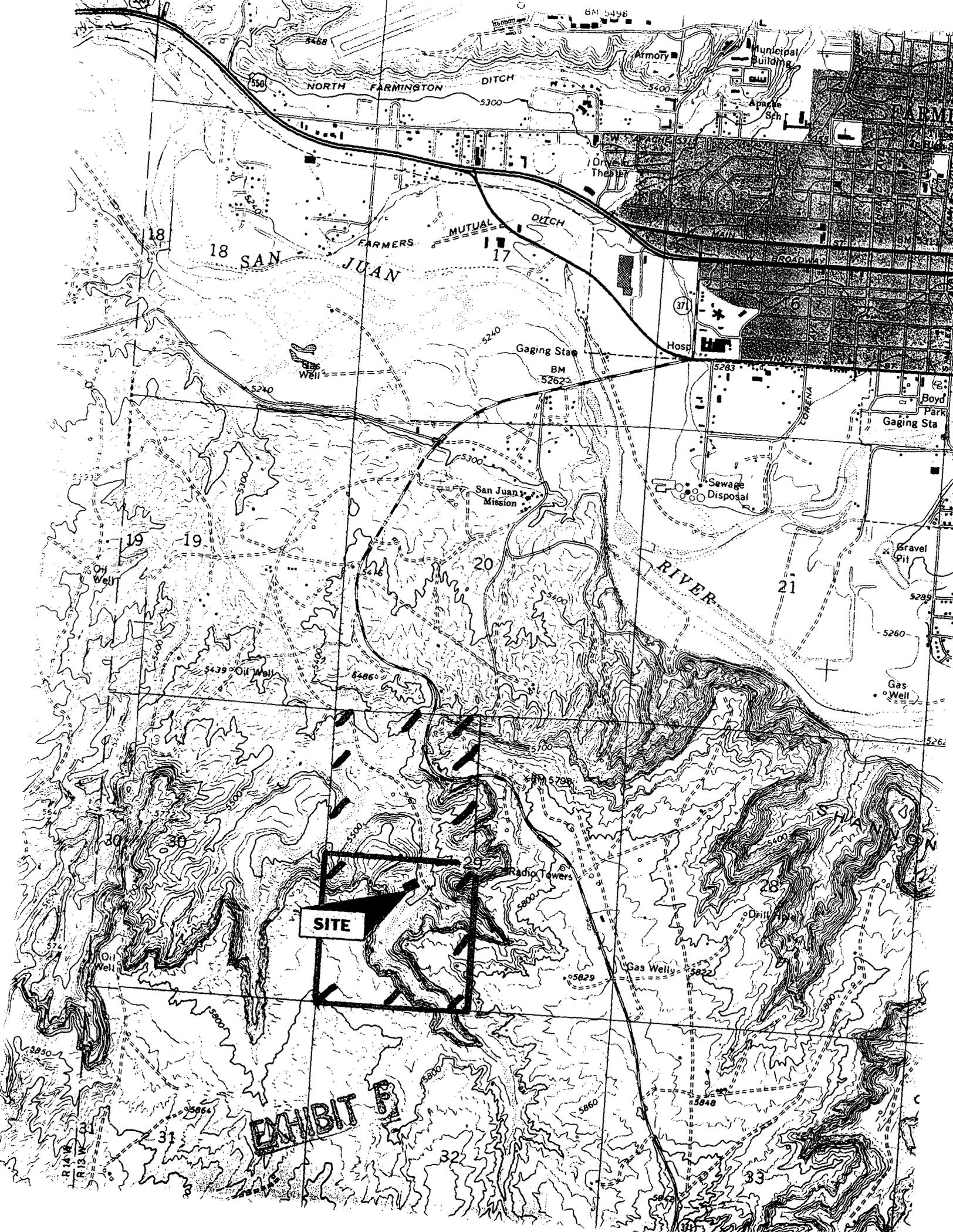
R 0 W

R 0 W

R 0 W

R 0 W

R 0 W



**SITE**

**EXHIBIT B**

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

Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number		Pool Code		Pool Name					
Property Code		Property Name						Well Number	
		FRPC 29						3	
OGRD No.		Operator Name						Elevation	
		RICHARDSON OPERATING COMPANY						5525'	
Surface Location									
UL or Lot	Sec.	Top.	Rge.	Lot Lh.	Feet from >	North/South	Feet from >	East/West	County
K	29	29 N.	13 W.		1960'	SOUTH	1325'	WEST	SAN JUAN
Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Top.	Rge.	Lot Lh.	Feet from >	North/South	Feet from >	East/West	County
Dedication		Joint ?		Consolidation			Order No.		

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

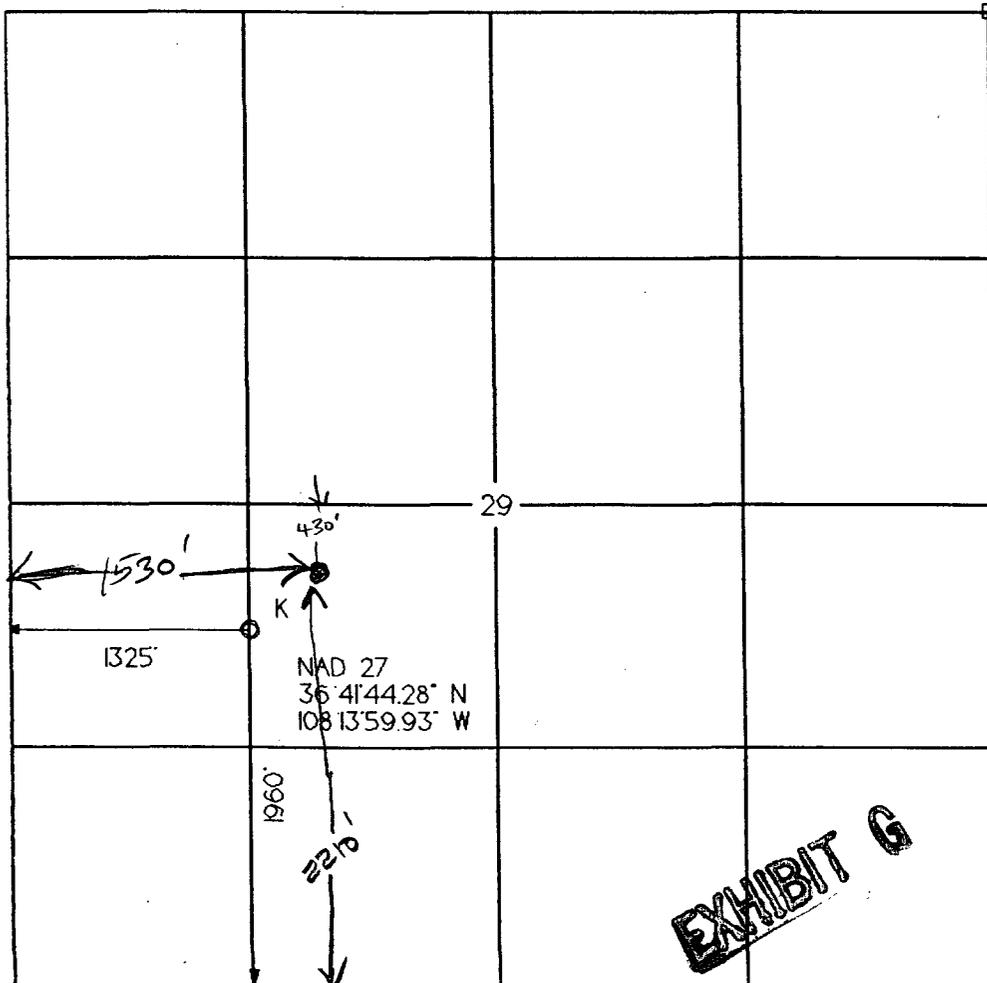


EXHIBIT G

<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <b>OBSOLETE</b></p>	
<p>Printed Name</p>	
<p>Title</p>	
<p>Date</p>	
<p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p style="text-align: center;">22 AUGUST 2002</p>	
<p>Signature and Seal of Professional Surveyor</p> <div style="text-align: center;"> </div>	

only ACTIVE well IN 111W SECTION

Sec : 29 Twp : 29N Rng : 13W Section Type : NORMAL

<p>D 40.00  Federal owned</p>	<p>C 40.00  Federal owned Gallup A #4 -7919</p>	<p>B 40.00  Federal owned #1 no compl. A -3173</p>	<p>A 40.00 -25423 #5E Federal owned K&amp;A #1 AZTEC TSTAH UNIT A A -723 P&amp;A 4/2/98</p>
<p>E 40.00 well no. 2 A-31242 No compl. Federal owned Gallup A -7810 well 6</p>	<p>F 40.00  Federal owned</p>	<p>G 40.00 -9871 #2 AZTEC TSTAH UNIT Gallup Federal owned  A</p>	<p>H 40.00  Federal owned</p>
<p>L 40.00  Federal owned</p>	<p>K 40.00 Richardson A-31327 #3 Federal owned PRE-OWNED well #3 A 30-045-01833 Richardson</p>	<p>J 40.00  Federal owned</p>	<p>I 40.00  AZTEC TSTAH UNIT Federal owned 30-045-07844 A TSTAH-Gallup Pool (59750)</p>
<p>M 40.00  Federal owned</p>	<p>N 40.00  Federal owned</p>	<p>O 40.00  Federal owned</p>	<p>P 40.00  Federal owned K&amp;A No compl. -31281 A well no. 4 -7777 well no. 5</p>

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06  
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

2210' FS4 / 1530' FWL

w/4 ⇒ WEST KUTZ - P.C. = NO SPECIAL Rules ∴ (660 From Boundary)

5 Ton Dup 320 (w/2) ⇒ BASIN - F.R.C.

TO POGRAPHY

3-F.R.C.

Federal UNIT? ← NO.  
HIGH PROD. WINDOW? ← NO.  
This is the INITIAL well !!

- BLM
- DUCAN
- BP
- Edwards Energy
- NM S.L.O.
- PARAMOUNT PETR.
- Yates P.C.

West KUTZ - P.C.  
notice's