

Deep Lease Extension

UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Land Management

(NM-932-1320-05; NMNM 99144)

Notice of Coal Lease Offering

AGENCY: Bureau of Land Management, Interior

ACTION: Notice of Competitive Coal Lease Sale

SUMMARY: Notice is hereby given that certain coal resources in the tract described below in San Juan County, New Mexico, will be offered for competitive lease by sealed bid in accordance with the provisions of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.).

DATES: The lease sale will be held at 10:00 a.m., Wednesday, November 1, 2000.

Sealed bids must be submitted on or before 9:00 a.m., on November 1, 2000.

ADDRESSES: The lease sale will be held in the BLM Conference Room, located at 1474 Rodeo Road, Santa Fe, NM 87505. Sealed bids must be submitted on or before 9:00 a.m. on November 1, 2000, to: Cashier, New Mexico State Office, P.O. Box 27115, Santa Fe, NM 87502-0115.

FOR FURTHER INFORMATION CONTACT: Ida T. Viarreal at (505) 438-7603.

SUPPLEMENTARY INFORMATION: The tract will be leased to the qualified bidder submitting the highest cash offer provided that the high bid meets or exceeds the fair market value of the tract as determined by the Authorized Officer after the sale. Each bid should be clearly identified by tract number or serial number on the outside of the envelope containing the bid. No bid that is less than \$100.00 per acre, or fraction thereof, will be considered.

RECEIVED OCT - 2 2000

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12734 Exhibit No. __
Submitted By:
Richardson Operating Company
Hearing Date: November 11, 2001

form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 15. SPECIAL STIPULATIONS -

1. The lessee shall comply at its own expense with all reasonable orders of the Secretary respecting diligent operations, prevention of waste, and protection of non-coal resources.
2. This coal lease is subject to all prior existing rights including the right of oil and gas lessees & other mineral lessees and surface users.
3. It is solely the responsibility of the coal lessee, not the responsibility of BLM, to clear the coal tract of any legal encumbrances or pre-existing land uses that would impede or prevent coal mining on the tract.

- This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.
- This lease may be transferred in whole or in part to another public body or to a person who will mine the coal on behalf of, or for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agreed to be obligated to mine the coal on behalf of the public body.
- This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) **RELINQUISHMENT -** The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all of its structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all of its property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal provided the third parties do not object to such waiver. Lessee shall prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations reclaim all lands the surface of which has been disturbed, dispose of debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal or equitable remedy, including waiver of the default. Any such remedy shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation under this lease shall extend to and be binding upon, and every benefit hereunder shall inure to, the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Clean Water Act (33 U.S.C. 1252 et. seq.), the Clean Air Act (42 U.S.C. 4274 et. seq.) and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et. seq.).

Deep Lease Extension

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Richardson Operating Co. (303) 830-8000

3. ADDRESS AND TELEPHONE NO.
1700 Lincoln St., Suite 1700, Denver, Co 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements*)
At surface 1752' FSL & 1061' FWL
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
3 air miles N of Kirtland

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit lbe. if any)
1,061'

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2,799'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,410' ungraded

5. LEASE DESIGNATION AND SERIAL NO.
NMMN-99003

6. IF INDIAN ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

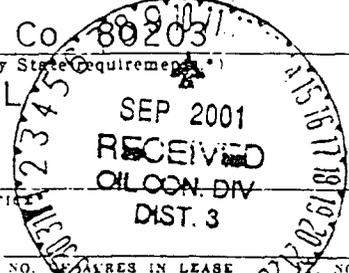
8. FARM OR LEASE NAME, WELL NO.
23339
WF Federal 30 #3

9. API WELL NO.
30-045-30727

10. FIELD AND POOL, OR WILDCAT
Fr. Coal & Tw. Mo. PC

11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA
30-30n-14w NMPM

12. COUNTY OR PARISH 13. STATE
San Juan NM



16. NO. OF ACRES IN LEASE 960
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 & 160

19. PROPOSED DEPTH 1,000'
20. ROTARY OR CABLE TOOLS Rotary

22. APPROX. DATE WORK WILL START
Aug. 10, 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	K-55 7"	20	120'	≈36 cu. ft. & to surface
6-1/4"	K-55 4-1/2"	10.5	1,000'	≈185 cu. ft. & to surface

Archaeology report LAC-2001-28b filed 6-12-2001.

This action is subject to technical and procedural review pursuant to 43 CFR 3166.3 and appeal pursuant to 43 CFR 3166.4.

DEVELOPMENTAL RIGHTS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

RECEIVED
2001 SEP - 6 AM 7:59
C/O BLM

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12734 Exhibit No. A18
Submitted By:
Richardson Operating Company
Hearing Date: November 11, 2001

cc: BLM, Colby, OCD (via BLM)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Consultant (505) 466-8120 7-2-01

SIGNED: _____ TITLE: _____ DATE: _____

PERMIT NO. _____ APPROVAL DATE: 9/5/01

Application approval does not warrant or certify that 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
/s/ Joel Farrell

APPROVED BY: _____ DATE: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK
a. TYPE OF WELL
OIL WELL GAS WELL OTHER
DEEPEN DRILL
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Richardson Operating Co. (303) 830-8000

3. ADDRESS AND TELEPHONE NO.
1700 Lincoln St., Suite 1700, Denver, Co. 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 732' FNL & 928' FWL
At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
3 air miles N of Kirtland

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
732'

16. NO. OF ACRES IN LEASE
9.60

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.
3354'

19. PROPOSED DEPTH
1,000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,495' ungraded

22. APPROX. DATE WORK WILL START*
Aug. 5, 2001

6. LEASE DESIGNATION AND SERIAL NO.
NMNM-99003

8. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
23339 N/A

8. FARM OR LEASE NAME, WELL NO.
WF Federal 30 #4

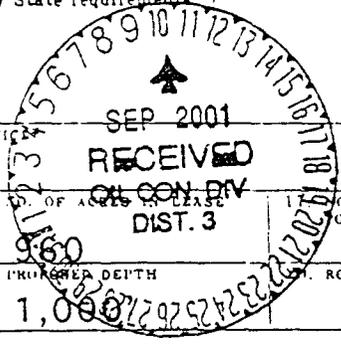
9. AP WELL NO.
30-045-30725

10. FIELD AND POOL, OR WILDCATS
Twin Mounds Pic. Cif.

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
0 30-30n-14w NMPM

12. COUNTY OR PARISH
San Juan

13. STATE
NM



PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	K-55 7"	20	120'	≈36 cu. ft. & to surface
6-1/4"	K-55 4-1/2"	10.5	1,000'	≈185 cu. ft. & to surface

Archaeology report LAC-2001-28b filed 6-12-2001.

This APD is also serving as a BLM road right-of-way application to amend NMNM-99904. The 30' x 259.9' long road right-of-way will cross 0.18 acres in the NWNW 30-30n-14w.

This action is subject to treatment and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3105.4.

ALL OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

cc: BLM, Colby, OCD (via BLM)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED: [Signature] TITLE: Consultant (505) 466-8120 DATE: 7-1-01

PERMIT NO. _____ APPROVAL DATE: 9/5/01

Application approval does not warrant or certify that 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:
18/ Joel Farrell

APPROVED BY: _____ TITLE: _____ DATE: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL DEEPEN

2. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

3. NAME OF OPERATOR

Richardson Operating Co. (303) 830-8000

4. ADDRESS AND TELEPHONE NO.

1700 Lincoln St., Suite 1700, Denver, Co. 80203

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 809' FNL & 1395' FEL

At proposed prod. zone Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

2 air miles N of Kirtland

7. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

1395'

8. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.

1660'

9. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,360' ungraded

10. LEASE DESIGNATION AND SERIAL NO.
NMNM-99003

11. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

12. UNIT AGREEMENT NAME
28838 N/A

13. FARM OR LEASE NAME, WELL NO.
WF Federal 31 #1

14. AP WELL NO.
30-045-30716

15. FIELD AND POOL OR FLOODED
Fr. Coal & Tw. Mo. PC

16. SEC., T., R., W., OR BLK. AND SURVEY OR AREA
31-30n-14w NMPM

17. COUNTY OR PARISH 18. STATE
San Juan NM

19. NO. OF ACRES IN DIST. 3
960

20. PROPOSED DEPTH
1,000'

21. NO. OF ACRES ASSIGNED TO THIS WELL
320 & 160

22. ROTARY OR CABLE TOOLS
Rotary

23. APPROX. DATE WORK WILL START
Aug. 1, 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	K-55 7"	20	120'	≈36 cu. ft. & to surface
6-1/4"	K-55 4-1/2"	10.5	1,000'	≈185 cu. ft. & to surface

Archaeology report LAC-2001-28a filed 6-12-2001.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED AND SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

RECEIVED
2001 JUL -5 PM 1:51
070 FIELD SECTION, NM

cc: BLM, Colby, OCD (via BLM)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Consultant (505) 466-8120 DATE 6-30-01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 9/5/01

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

SEP - 5

/s/ Joel Farrell

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL

DEEPEEN

b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

Richardson Operating Co. (303) 830-8000

3. ADDRESS AND TELEPHONE NO.

1700 Lincoln St., Suite 1700, Denver, Co. 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At SURFACE

890' FNL & 909' FWL

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

2 air miles N of Kirtland

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest delg. unit line, if any)

909'

16. NO. OF ACRES OWNED

960

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

2,646'

19. PROPOSED DEPTH

1,000'

20. TYPE OF DRILLING EQUIPMENT

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,360' ungraded

22. APPROX. DATE WORK WILL START*

Aug. 15, 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	K-55 7"	20	120'	≈36 cu. ft. & to surface
6-1/4"	K-55 4-1/2"	10.5	1,000'	≈185 cu. ft. & to surface

Archaeology report LAC-2001-28b filed 6-12-2001.

This action is subject to Departmental procedural review pursuant to 43 CFR 3160.3 and appeal pursuant to 43 CFR 3160.4.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

RECEIVED
2001 JUL - 6 AM 7:59
OCD PERMITTING UNIT

cc: BLM, Colby, OCD (via BLM)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED: [Signature] TITLE: Consultant (505) 466-8120 DATE: 7-3-01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE: 9/5/01

Application approval does not warrant or certify that 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:

1st Joel Farrell

SEP - 5