

**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 PURPOSES OF CONSIDERING:**

CASE NO. 13322

**APPLICATION OF RICHARDSON OPERATING COMPANY
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

AFFIDAVIT OF ANNE JONES

**STATE OF NEW MEXICO §
 § ss.
COUNTY OF SAN JUAN §**

Before me, the undersigned authority, personally Anne Jones appeared and being first duly sworn stated:

A. My name and qualification as expert are as follows:

Anne Jones

Education: AA Business NM State University

Experience: Practicing Landman for 10 years in New Mexico,

I am over the age of majority and competent to make this Affidavit.

I am responsible for and involved in preparing the necessary documents for submittal to the New Mexico Oil Conservation Division for this case.

I am personally knowledgeable and familiar with the facts and circumstances of this case and the following factual statements.

This affidavit has been prepared in accordance with the New Mexico Oil Conservation Division Rule 1207.A(1)(b).

C. My expert opinions are based on the following facts and events:

**Affidavit of Anne Jones
NMOCD Case 13322
-Page 1-**

**BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13322
Exhibit # 1
Submitted By: Richardson Oper. Co.
Hearing Date: September 16, 2004**

CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS

Richardson Operating Company ("Richardson") has a working interest ownership in the oil and gas minerals underlying the E/2 of Section 15, T29N, R13W, San Juan County, New Mexico.

Richardson has drilled and has completed its ROPCO "15" Well No. 2 at an unorthodox location 476 feet from the South line and 1800 feet from the East line of this section (Unit O) for production from the Pictured Cliff formation and from the Basin Fruitland Coal-Gas Pool. The 160-acre GPU is dedicated to the Pictured Cliff production that was compulsory pooled pursuant to Division Order R-10624. The unorthodox well location was approved by Administrative Order NSL-4907, dated June 27, 2003. See Exhibit "B" attached

This well is an optional infill coal-gas well located in the opposite 160-acre portion of the 320-acre standard GPU for coal-gas production from the parent well, the ROPCO "15" Well No. 1 that is a downhole commingled wellbore for Pictured Cliff and Fruitland coal-gas production with both GPUs being compulsory pooled pursuant to Division Order R-10656-A. Richardson now seeks to amend Division Order R-10656-A to made provision for the ROPCO "15" Well No. 2 as an optional "infill" coal-gas well."

Based upon an oil & gas title opinion, Richardson believes that the parties listed on the attached Exhibit "B" may own an unleased mineral interest in the subject units

Richardson has submitted a written well proposal and AFE to the unleased mineral owners, and we have had the following additional contact:

- (1) Certified Letters mailed to last known address
- (2) Attempted phone contact.
- (3) Checked phone books and internet for current addresses

Despite its good faith efforts, Richardson has been unable to obtain a voluntary agreement with the parties referenced herein.

In addition and in accordance with Division Rule 1208.B, Richardson has published notice in The Daily Times, a newspaper of general circulation on San Juan County and located in Farmington, New Mexico. See Exhibit "C" attached

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Richardson needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

In accordance with Division Rule 1207.A(1)(b) attached the following statements and exhibits in support of this case:

No opposition for the hearing is expected because none of these parties has filed the required pre-hearing statement. See Division Rule 1208.B

Map: (a) outlining the spacing unit to be pooled which is the E/2 of Section 13, T29N, R13W, NMPM, San Juan County, New Mexico and (b) showing the well location and (c) percentage of ownership interest. See Exhibit "A" attached

The name and last known address of the party to be pooled with the nature and percent of their interest; I attest that a diligent search has been conducted of all public records in the county where the well is located and the party has been contacted on our behalf on several occasions. See Exhibit "D" attached

The names of the formations and pools to be pooled are as follows:
The vertical limits of the Basin Fruitland Coal-Gas Pool within the E/2 of this section.

The pooled unit is for gas.

Written evidence of attempts to reach voluntary agreement including letters and summaries of telephone calls are included herein. See Exhibits "E" and "F"

The maximum 200% risk factor penalty was justified prior to drilling the well in accordance with Commission Order R-11992

The well costs overhead rates of \$3,500.00/month drilling and \$450.00/month producing well rates that were awarded in Order R-10656-A should continue to apply for this case. See Order R-10656-A

Copy of Division form C-102 showing the well location and the proposed depth of the well. See Exhibit "G"

Copy of the AFE in the amount of \$66,155.63 completed well costs for this well, which we conclude, is fair, reasonable and current for wells of this type in this area. See Exhibit "H"

Copy of the allocation method for apportioning the costs/production associated with the Fruitland coal-gas portion of this wellbore. See Exhibit "I"

Copy of the subsequent operations provisions that Richardson proposes be included in this amended order. See Exhibit "J"

I recommend that a compulsory pooling order be entered which provides that:

Richardson Operating Company be named Operator;

Affidavit of Anne Jones

NMOCD Case 13322

-Page 3-

Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping, and operating the well;

In the event a working interest owner fails to elect to participate, then provisions be make to recover out of production the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty; and

Provisions for overhead rates of \$3,500.00 per month drilling and \$450.00 per month operating and a provision for an adjustment method of the overhead rates as provided by COPAS;


I have formed the following opinions based upon my expertise and upon the foregoing chronology of events:

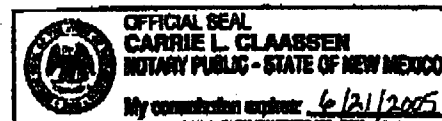
That Richardson has been able to locate the owners of the interest to be pooled and the application is not expected to be opposed by those owners.

That the approval of Richardson's application in this case is necessary in order to consolidate the interest ownership within this spacing unit for the drilling, completing, and producing the subject well, will not violate correlative rights and will help prevent waste and promote the conservation of natural resources.

That the New Mexico Oil Conservation Division should enter an order amending Order R-10656-A to add the ROPCO "15" Well No. 2 that was drilled and downhole commingled for production from the Pictured Cliff formation and the Basin Fruitland Coal-Gas Pool as an optional "infill wellbore" including provisions for subsequent operators.

FURTHER AFFIANT SAYETH NOT:


Anne Jones




STATE OF NEW MEXICO

§
§
§

COUNTY OF SAN JUAN

SUBSCRIBED AND SWORN TO before me this 15 day of September 2004, by
Anne Jones

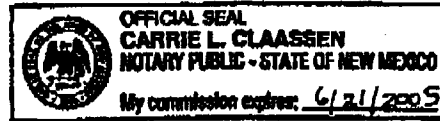

Notary Public

ACKNOWLEDGMENT

STATE OF NEW MEXICO)

SS:

COUNTY OF SAN JUAN)



BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 15 day of September, 2004, personally appeared Anne Jones to me known to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Carrie L. Claassen

Notary Public

My Commission expires:

June 21, 2005

DISTRICT 3
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT 2
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT 11
1000 Rio Brazos Rd., Artesia, N.M. 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

Exhibit "A"
For Richardson Operating NSL Application
SANTA FE, N.M. 87504-2088
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number <u>30-045-28383</u>	² Pool Code <u>71629/79680</u>	³ Pool Name <u>Basin Fruitland Coal / West Kutz Pictured Cliff</u>
⁴ Property Code <u>19023</u>	⁵ Property Name <u>ROPCO 15 GW PC</u>	⁶ Well Number <u>No. 2</u>
⁷ OGED No. <u>19219</u>	⁸ Operator Name <u>RICHARDSON OPERATING</u>	⁹ Elevation <u>5322</u>

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<u>0</u>	<u>15</u>	<u>T-29-NR-13-W</u>			<u>476</u>	<u>SOUTH</u>	<u>1800</u>	<u>EAST</u>	<u>SAN JUAN</u>

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres <u>320/160</u>	¹³ Joint or Infill <u>N</u>	¹⁴ Consolidation Code <u>P</u>	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16 S 89-54 E</p> <p>Various Leases (See Attached)</p> <p>271' FNL</p> <p>Existing ROPCO 15 GW APC REC</p> <p>775' FEL</p> <p>Fd. MAIL IN ROAD</p> <p>ROPCO 15 GW PC No. 2</p> <p>1800'</p> <p>476'</p> <p>S 89-24-58 W 2655'</p> <p>Fd. R.R. SPIKE IN STREET</p> <p>RECEIVED AUG - 9 1996</p> <p>OIL CON. DIV. DIST. 3</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Bruce E. Delventhal</u> Signature <u>Bruce E. Delventhal</u> Printed Name <u>Agent</u> Title <u>June 18, 1996</u> Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown 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><u>JUNE 14, 1996</u> Date of Survey <u>[Signature]</u> Signature and Seal of Registered Surveyor <u>8894</u> Richardson Professional Land Surveyor Certificate Number</p>
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EXHIBIT

A



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 27, 2003

Richardson Operating Company
501 Airport Drive – Suit 119
Farmington, New Mexico 87401

Attention: Paul Lehrman
plehrman@digii.net

Administrative Order NSL-4907

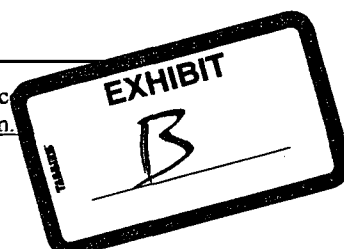
Dear Mr. Lehrman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on May 21, 2003 (*administrative application reference No. pKRV0-314336512*); and (ii) the Division's records in Aztec and Santa Fe, including the files in Division Cases No. 11569 and 11680: all concerning Richardson Operating Company's ("Richardson") request for an unorthodox infill coal gas well location for its existing ROPCO "15" GW/PC Well No. 2 (API No. 30-045-29383), located 476 feet from the South line and 1800 feet from the East line (Unit O) of Section 15, Township 29 North, Range 13 West, NMPM, Basin-Fruitland Coal (Gas) Pool (71629), San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

According to the Division's well records the above-described ROPCO "15" GW/PC Well No. 2 was initially drilled in late 1996 and completed at an unorthodox gas well location (approved by Division Orders No. R-10624, issued in Case No. 11569 on July 22, 1996, and R-10624-A, issued in Case No. 11680 on January 13, 1997) within the West Kutz-Pictured Cliffs Pool (79680) within a standard 160-acre gas spacing unit comprising the SE/4 of Section 15.

It is our understanding that Richardson now indents to recomplete the ROPCO "15" GW/PC Well No. 2 to include the Basin-Fruitland Coal (Gas) Pool; however, pursuant to Rule 7 (a) (1) of the Basin-Fruitland coal gas special pool rules the location of this infill coal gas well is considered to be unorthodox for the existing 320-acre stand-up gas spacing unit comprising the E/2 of Section 15.



Richardson Operating Company

June 27, 2003

Page 2

Division Administrative Order NSL-4907

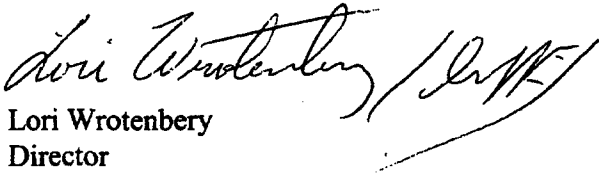
This unit is currently dedicated to Richardson's ROPCO "15" GW A-PC/B-FC Well No. 1 (API No. 30-045-29407), located at standard coal gas well location 2171 feet from the North line and 775 feet from the East line (Unit H) of Section 15.

By the authority granted me under the applicable provisions of these special pool rules the above-described unorthodox infill coal gas well location for the ROPCO "15" GW/PC Well No. 2 is hereby approved.

Further, Richardson is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from both its ROPCO "15" GW A-PC/B-FC Well No. 1 and ROPCO "15" GW/PC Well No. 2.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

AFFIDAVIT OF PUBLICATION

Ad No. 50316

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Thursday, August 12, 2004.

And the cost of the publication is \$151.58.

Connie Pruitt

ON 8-12-04 CONNIE PRUITT
appeared before me, whom I know personally
to be the person who signed the above
document.

Gunny Beck
My Commission Expires April 2, 2008.

COPY OF PUBLICATION

918

Legals

NOTICE OF PUBLICATION

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on September 2, 2004, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by August 27, 2004. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public, including the following:

Ida L. Casaus, Darrell Gene Hardy, Steve and Richardson Hodgson, Fern Knight Lane, Fred and Risita Shorty, F and E Dickens, Clarene Everett Hodgson Estate, Lois P. Hodgson, Fern Knight, Wayne B and Martha C. Lane, B Tyler, Justine Gordon Trust, Don Hodgson, Bernard W. and Clara Koski, Roy M. Pichford, John Dent Lamar, E.M.Inc. and T. & G. Roe.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13322:

Application of Richardson Operating Company to amend Division Order R-10656-A for compulsory pooling and an unorthodox coal-gas well location, San Juan County, New Mexico. Applicant in the above-styled cause seeks to amend this compulsory pooling order to add its ROPCO "15" Well No. 2 that was drilled as a Pictured Cliff formation well at an approved unorthodox well location 476 feet from the South line and 1800 feet from the East line (Unit O) as an optional infill coal-gas well and to pool all uncommitted mineral interest within the vertical limits of the Basin Fruitland Coal Gas Pool for a standard 320-acre gas spacing unit consisting of the E/2 of Section 15, T29N, R13W, NMPM.

Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled units, designation of Richardson Operating Company as operator of the well and a charge for risk involved in drilling said well. Said area is located within Farmington, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E., Director

Legal No. 50316 published in The Daily Times, Farmington, New Mexico on Thursday, August 12, 2004.



WI OWNERSHIP / MINERAL OWNERSHIP ROPCO 15-1 & 15-2 FRUITLAND COAL

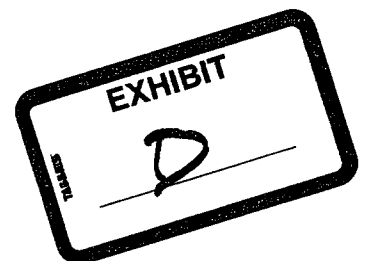
NAME / ADDRESS	% FC INFILL
IDA L. CASAUS	0.069700%
DARRELL GENE HARDY	0.236700%
STEVE & RICHARDSON HODGSON	0.028800%
FERN KNIGHT LANE	0.091400%
FRED & RISITA SHORTY	0.078700%
F & E DICKENS	0.020100%
CLARENCE EVERETT HODGSON EST	0.416800%
LOIS P HODGSON	0.111900%
FERN KNIGHT, WAYNE B & MARTHA C. LANE	0.091400%
B TYLER	0.020100%
JUSTINE GORDON, TTE	0.119100%
DON HODGSON	0.063700%
BERNARD W. & CLARA KOSKI	0.768300%
ROY M. PICHFORD	0.099800%
E. M. INC.	0.268250%
T. ROE	0.040188%
JOHN DENT LAMAR	0.213300%
CHRISTMAN MINERAL COMPANY	10.660700%
DIAMOND HEAD PROPERTIES	10.660700%
RODERICK ALLEN MARKHAM	5.330400%
HERD PARTNERS, INC.	7.107100%
MANON MARKHAM MC MULLEN	5.330400%
JAMES & SANDRA RICHARDSON	27.409815%
RICHARDSON PRODUCTION COMPANY	30.762648%
	<hr/> <hr/> 100.000000%

WI MINERAL OWNERSHIP NE/4 PC ROPCO 15-1

CHRISTMAN MINERAL COMPANY	11.816100%
DIAMOND HEAD PROPERTIES	11.816100%
RODERICK ALLEN MARKHAM	5.908100%
HERD PARTNERS, INC.	7.877400%
MANON MARKHAM MC MULLEN	5.908100%
JAMES & SANDRA RICHARDSON	25.503390%
RICHARDSON PRODUCTION COMPANY	31.170810%
	<hr/> <hr/> 100.000000%

WI MINERAL OWNERSHIP SE/4 PC ROPCO 15-2

IDA L. CASAUS	0.139400%
DARRELL GENE HARDY	0.473400%
STEVE & RICHARDSON HODGSON	0.057600%
FERN KNIGHT LANE	0.182800%
FRED & RISITA SHORTY	0.157400%
F & E DICKENS	0.040200%
CLARENCE EVERETT HODGSON EST	0.833600%
LOIS P HODGSON	0.223800%
FERN KNIGHT, WAYNE B & MARTHA C. LANE	0.182800%
B TYLER	0.040200%
JUSTINE GORDON, TTE	0.238200%



DON HODGSON	0.127400%
BERNARD W. & CLARA KOSKI	1.536600%
ROY M. PICHFORD	0.199600%
E. M. INC.	0.536500%
T. ROE	0.080375%
JOHN DENT LAMAR	0.426600%
CHRISTMAN MINERAL COMPANY	9.505310%
DIAMOND HEAD PROPERTIES	9.505310%
RODERICK ALLEN MARKHAM	4.752700%
HERD PARTNERS, INC.	6.336800%
MANON MARKHAM MC MULLEN	4.752700%
JAMES & SANDRA RICHARDSON	29.316195%
RICHARDSON PRODUCTION COMPANY	30.354510%
	<u>100.000000%</u>

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5240 0268

B. Tyler
809 Baird Circle
Aztec, NM 87410

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Expenditure ("AFE").

We would appreciate receiving your reply within 20 days of the date of this letter.

Yours truly,

Anne Jones



RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 8992

John Dent Lamar
585 Seranade
Grand Junction, CO 87504

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Ex

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

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:

Postm
Here

John Dent Lamar
585 Seranade
Grand Junction, CO 87504

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

7002 0510 0002 5239 8992

2ACPRI-03-Z

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5240 0343

Fred & Rosita Shorty
1201 Mountview Ave.
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Div
authorized one option "infill" coalbed gas well in an existing
coal well.

In the referenced spacing unit (E/2 Section 15), Richardson

1. the ROPCO 15-1 located in the NE/4 dedicated to
Fruitland Coal Gas Pool (E/2). This production is d
consolidated by Division compulsory pooling order
2. the ROPCO 15-2 located in the SE/4 dedicated to
compulsory pooling order R-10624, dated July 22,

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may
acre spacing units;
- (b) That Richardson plans to add the coal-ga
formation in its existing ROPCO 15-2 wel
well for the existing 320-acre spacing uni
- (c) That you are entitled to participate in a st
by prepaying your share of the costs of th
Authority for Expenditure ("AFE").

4/2/03 4-7

UNCLAIMED
RETURNED TO SENDER
Fred & Rosita Shorty
1201 Mountview Ave.
Farmington, NM 87401

Richardson Operating Company
501 Airport Drive, Suite 119
Farmington, NM 87401

CERTIFIED MAIL

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

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

Postmark
Here

Total Paid
Sent To
Fred & Rosita Shorty
1201 Mountview Ave.
Farmington, NM 87401

Street, Ap
or PO Box
City, State



METER 170
047

EHED 0425 2000 0150 2002

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9210

Roy M. Pitchford
901 Alpine Pl.
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Expenditure ("AFE").

We would appreciate receiving your

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

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

Total
Sent
Roy M. Pitchford
901 Alpine Pl.
Farmington, NM 87401

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Roy M. Pitchford
901 Alpine Pl.
Farmington, NM 87401

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Roy M. Pitchford* ☐ Agent
B. Received by (Printed Name) *Roy Pitchford* ☐ Address
C. Date of Delivery *4-8*
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

7002 0510 0002 5239 9210

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9456

Fern Knight, Wayne B. & Martha C. Lane
PO Box 822
Farmington, NM 87499

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Div
authorized one option "infill" coalbed gas well in an existing
coal well.

In the referenced spacing unit (E/2 Section 15), Richardson

1. the ROPCO 15-1 located in the NE/4 dedicated to
Fruitland Coal Gas Pool (E/2). This production is
consolidated by Division compulsory pooling order
2. the ROPCO 15-2 located in the SE/4 dedicated to
compulsory pooling order R-10624, dated July 22,

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may
acre spacing units;
- (b) That Richardson plans to add the coal-gas
formation in its existing ROPCO 15-2 well
well for the existing 320-acre spacing unit
- (c) That you are entitled to participate in a sha
by prepaying your share of the costs of this
Authority for Expenditure ("AFE").

in 20 days of th

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

OFFICIAL USE

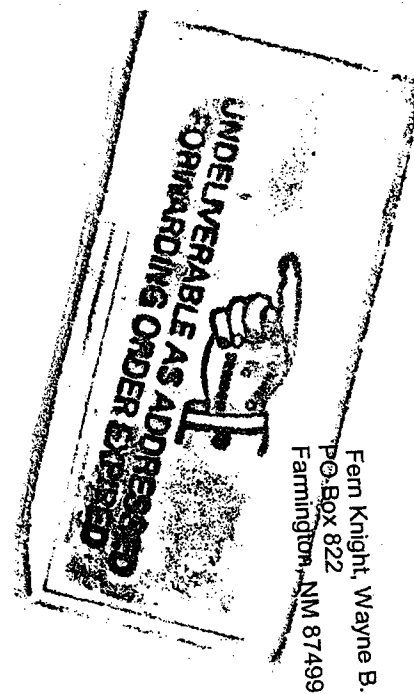
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
Here

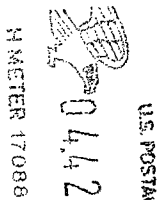
Sent **Fern Knight, Wayne B. & Martha C. Lane**
PO Box 822
Farmington, NM 87499

PS Form 3800, January 2001

See Reverse for Instructions



7002 0510 0002 5239 9456



Richardson Operating Company
501 Airport Drive, Suite 119
Farmington, NM 87401

accl ccs 2000 0150 2002

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9463

Fern Knight Lane
PO Box 822
Farmington, NM 87499

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division authorized one optional "infill" coalbed gas well in an existing coal well.

In the referenced spacing unit (E/2 Section 15), Richardson

1. the ROPCO 15-1 located in the NE/4 dedicated to Fruitland Coal Gas Pool (E/2). This production is consolidated by Division compulsory pooling order
2. the ROPCO 15-2 located in the SE/4 dedicated to compulsory pooling order R-10624, dated July 22,

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may acre spacing units;
- (b) That Richardson plans to add the coal-gas formation in its existing ROPCO 15-2 well for the existing 320-acre spacing unit
- (c) That you are entitled to participate in a share by prepaying your share of the costs of the Authority for Expenditure ("AFE").

We would appreciate receiving your reply within 20 days of

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

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

Total P.

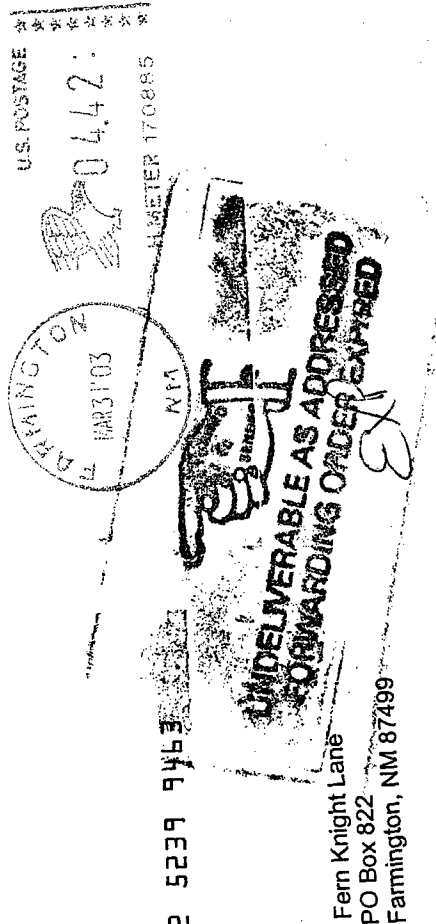
Sent To

Street, Apt
or PO Box
City, State

Fern Knight Lane
PO Box 822
Farmington, NM 87499

Postmark
Here

Richardson Operating Company
501 Airport Drive, Suite 119
Farmington, NM 87401



7002 0510 0002 5239 9463

7002 0510 0002 5239 9463

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9470

Bernard W. & Clara L. Koski
1008 Kopra
Truth or Consequences, NM 87901

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Expenditure ("AFE").

We would appreciate receiving your response.

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

OFFICIAL USE

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

Sent To
Bernard W. & Clara L. Koski
1008 Kopra
Truth or Consequences, NM 87901
Street, A or PO Box
City, State

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:

Bernard W. & Clara L. Koski
1008 Kopra
Truth or Consequences, NM 87901

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

- A. Signature
☒ Clara L. Koski ☐ Agent ☒ Addressee
- B. Received by (Printed Name)
CLARA KOSKI
- C. Date of Delivery
4-3-03
- 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

7002 0510 0002 5239 9470

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9579

Lois P. Hodgson
RR1 Box 212
Blanco, NM 87412

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Expenditure ("AFE").

We would appreciate receiving your

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

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

Total

Sent 1

Street
or PO
City, S

Lois P. Hodgson
RR1 Box 212
Blanco, NM 87412

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:

Post
He

Lois P. Hodgson
RR1 Box 212
Blanco, NM 87412

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

- A. Signature
☒ Agent
☐ Address
Bethany Whitley
- B. Received by (Printed Name)
Bethany Whitley
- C. Date of Delivery
4/2/03
- 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

7002 0510 0002 5239 9579

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9586

Steve & Richard Hodgson
1018 E. Murray Drive
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

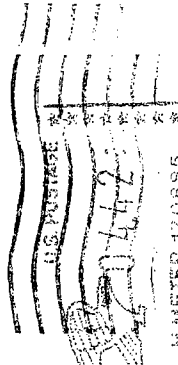
On October 15, 2002, the New Mexico Oil Conservation Division authorized one optional "infill" coalbed gas well in an existing coal well.

In the referenced spacing unit (E/2 Section 15), Richardson

1. the ROPCO 15-1 located in the NE/4 dedicated to Fruitland Coal Gas Pool (E/2). This production is consolidated by Division compulsory pooling order
2. the ROPCO 15-2 located in the SE/4 dedicated to compulsory pooling order R-10624, dated July 22

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have acre spacing units;
- (b) That Richardson plans to add the coalbed gas formation in its existing ROPCO 15-2 well for the existing 320-acre spacing unit
- (c) That you are entitled to participate in a spacing unit by prepaying your share of the costs of the Authority for Expenditure ("AFE").



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

OFFICIAL USE

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

Total F
Sent To
Steve & Richardson Hodgson
1018 E. Murray Drive
Farmington, NM 87401

Street, P
or PO B
City, Sta

Postmark
Here

Operating Company
Drive, Suite 119
NM 87401

7002 0510 0002 5239 9586

RETURNED TO
Steve & Richard Hodgson
1018 E. Murray Drive
Farmington, NM 87401
UNCLAIMED

4-1-03
4-1-03
4-1-03

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9951

Ida L. Casaus
1113 Mountview Ave.
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Expenditure ("AFE").

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

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:

Ida L. Casaus
1113 Mountview Ave.
Farmington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Ida L. Casaus

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Ida L. Casaus

C. Date of Delivery

4/2/03

D. Is delivery address different from item 1?

if YES, enter delivery address below:

☐ Yes

☐ 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

(Transfer from service label)

7002 0510 0002 5239 9951

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

Total Price

Sent To

Ida L. Casaus
1113 Mountview Ave.
Farmington, NM 87401

Street, Apt.
or PO Box

City, State

PS Form 3849

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9777

F. & E. Dickens
PO Box 223
Aztec, NM 87410

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for E

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

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:

F. & E. Dickens
PO Box 223
Aztec, NM 87410

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *FR Dickens* ☐ Agent ☐ Addressee
B. Received by (Printed Name) *FR Dickens* C. Date of Delivery *4-4-03*
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

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

Total
Sent To
F. & E. Dickens
PO Box 223
Aztec, NM 87410

Street,
or PO Box
City, State, ZIP+4

7002 0510 0002 5239 9777

7002 0510 0002 5239 9777

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002-0510-0002-5240-1081

Justine Gordon, Trustee
809 E. Main Street
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division authorized one optional "infill" coalbed gas well in an existing coal well.

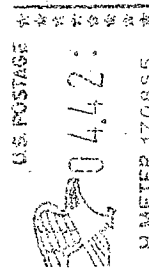
In the referenced spacing unit (E/2 Section 15), Richardson

1. the ROPCO 15-1 located in the NE/4 dedicated to Fruitland Coal Gas Pool (E/2). This production is consolidated by Division compulsory pooling order
2. the ROPCO 15-2 located in the SE/4 dedicated to compulsory pooling order R-10624, dated July 22,

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may acre spacing units;
- (b) That Richardson plans to add the coal-gas formation in its existing ROPCO 15-2 well well for the existing 320-acre spacing unit
- (c) That you are entitled to participate in a share by prepaying your share of the costs of the Authority for Expenditure ("AFE").

We would appreciate receiving your response in 20 days of



Vacant

*1509 N. Cortez
326-5467*

*4203 Goodview
564-2045*

Justine Gordon, Trustee
809 E. Main Street
Farmington, NM 87401

JP BR

7002 0510 0002 5240 1081

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

OFFICIAL USE

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

Postmark
Here

Total Price

Justine Gordon, Trustee
809 E. Main Street
Farmington, NM 87401

Sent To

Street, Apt.
or PO Box

City, State

Richardson Operating Company
501 Airport Drive, Suite 119
Farmington, NM 87401

7002 0510 0002 5240 1081

Not Delivered As Addressed

Unable to Forward

Insufficient Address

Moved, Left No Address

Unclaimed

Refused

Attempted - Not Known

No Such Street

Vacant

No Mail Recipient

No Box

Postage Due

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9678

Darrell Gene Hardy
c/o Jonathan L. Hardy
512 Northgate Ln
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth in the

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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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:

Darrell Gene Hardy
c/o Jonathan L. Hardy
512 Northgate Ln
Farmington, NM 87401

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent
☒ *L. Hardy* ☐ Addressee
- B. Received by (Printed Name) *L. Hardy* C. Date of Delivery *4/2/03*
- 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

7002 0510 0002 5239 9678

Total \$
Sent To
Darrell Gene Hardy
c/o Jonathan L. Hardy
512 Northgate Ln
Farmington, NM 87401

PS Form

See Reverse

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9609

Clarence Everett Hodgson Est
c/o Mrs. Evelyn L. Tyler, trustee
1018 E. Murray Drive
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Board authorized one optional "infill" coalbed gas well in an existing coal well.

In the referenced spacing unit (E/2 Section 15), Richardson

1. the ROPCO 15-1 located in the NE/4 dedicated to the Fruitland Coal Gas Pool (E/2). This production is consolidated by Division compulsory pooling order
2. the ROPCO 15-2 located in the SE/4 dedicated to compulsory pooling order R-10624, dated July 22

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have acre spacing units;
- (b) That Richardson plans to add the coalbed gas formation in its existing ROPCO 15-2 well to the well for the existing 320-acre spacing unit;
- (c) That you are entitled to participate in a spacing unit by proposing your own well at the costs of the well (E/2).

20 days of

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

OFFICIAL USE

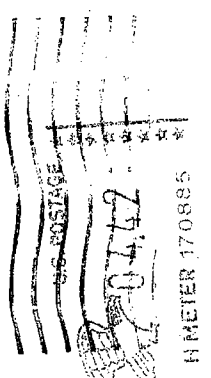
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	

Postmark
Here

Sent To
Street, Apt.
or PO Box
City, State, Zip

Clarence Everett Hodgson Est
c/o Mrs. Evelyn L. Tyler, trustee
1018 E. Murray Drive
Farmington, NM 87401

PS Form 3800



CERTIFIED MAIL

Richardson Operating Company
501 Airport Drive, Suite 119
Farmington, NM 87401

7002 0510 0002 5239 9609

RETURN TO: Clarence Everett Hodgson Est
c/o Mrs. Evelyn L. Tyler, trustee
1018 E. Murray Drive
Farmington, NM 87401
UNCLAIMED

Handwritten signature and date: 4-7/2/03

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5239 9593

Don Hodgson
1018 E. Murray Drive
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to a share of any gas production from the coal-gas pool by prepaying your Authority for Expenses.

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:

Don Hodgson
1018 E. Murray Drive
Farmington, NM 87401

2. Article Number
(Transfer from service label)

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature
* *Carolyn Hicks* ☐ Agent ☐ Addressee
B. Received by (Printed Name)
Carolyn Hicks C. Date of Delivery

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



7002 0510 0002 5239 9593

Domestic Return Receipt

U.S. Postal Service
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OFFICIAL U

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

Total P
Sent To
Don Hodgson
1018 E. Murray Drive
Farmington, NM 87401
Street, Apt.
or PO Box
City, State

7002 0510 0002 5239 9593

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 31, 2003

CERTIFIED MAIL 7002 3150 0002 0906 5741

E. M. Inc.
Ernie Martin
515 E. Main
Farmington, NM 87401

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W, NMPM
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768-C authorizing one optional "infill" coalbed methane gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) AND THE Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997,
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) that Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) that you are en

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Total Paid
Sent To
Street, Apt. or PO Box
City, State

E. M. Inc.
Ernie Martin
515 E. Main
Farmington, NM 87401

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Postmaster

E. M. Inc.
Ernie Martin
515 E. Main
Farmington, NM 87401

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature <i>Ernie Martin</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>AND OWENS</i>	C. Date of Delivery <i>4-2-03</i>
D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below: <input type="checkbox"/> No	

3. Service Type
<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7002 3150 0002 0906 5741

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

March 28, 2003

CERTIFIED MAIL 7002 0510 0002 5240 0268

B. Tyler
809 Baird Circle
Aztec, NM 87410

Re: Richardson Operating Company
Well Proposal for an optional "infill" coal gas well
E/2 Section 15, T29N-R13W
San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for Expenditure ("AFE").

We would appreciate receiving your response to this letter by March 31, 2003.

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

OFFICIAL

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

Total Postage

Sent To
Street, Apt
or PO Box
City, State,

B. Tyler
809 Baird Circle
Aztec, NM 87410

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:

B. Tyler
809 Baird Circle
Aztec, NM 87410

2. Article Number

COMPLETE THIS SECTION ON DELIVERY

A. Signature X <i>B. Tyler</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
B. Received by (Printed Name) B TYLER	C. Date of Delivery 4/2/03
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	

3. Service Type	
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7002 0510 0002 5240 0268

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

July 27, 2004

CERTIFIED MAIL 7002 0510 0002 5239 9326

T ROE & G ROE
 1209 E. 18th Street
 Farmington, NM 87401

Re: Richardson Operating Company
 Well Proposal for an optional "infill" coal gas well
 E/2 Section 15, T29N-R13W
 San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to a share of the production from the coal-gas pool

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:

T Roe & G. Roe
 1209 E 18th St
 Farmington, NM 87401

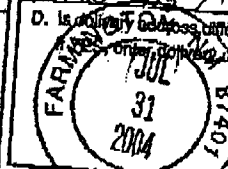
2. Article Number
 (Transfer from service label)

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
☒ Addressee
 B. Received by (Printed Name) ☐ Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
☐ No
 If different, print 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

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Domestic Return Receipt

2ACPR1-03-Z-0085

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$

Postage Here

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or PO Box No.

City, State ZIP+4

PS Form 3811, August 2001

RICHARDSON OPERATING COMPANY
501 AIRPORT DRIVE, SUITE 119
FARMINGTON, NM 87401

Phone (505) 564-8115

FAX (505) 564-8334

July 27, 2004

CERTIFIED MAIL 7002 0510 0002 5239 9319

E. M. INC.
 515 E. Main
 Farmington, NM 87401

Re: Richardson Operating Company
 Well Proposal for an optional "infill" coal gas well
 E/2 Section 15, T29N-R13W
 San Juan County, New Mexico

Dear Owner:

On October 15, 2002, the New Mexico Oil Conservation Division ("Division") entered Order R-8768.C that authorized one option "infill" coalbed gas well in an existing 320-acre gas spacing unit already dedicated to a coal well.

In the referenced spacing unit (E/2 Section 15), Richardson operates two existing wells:

1. the ROPCO 15-1 located in the NE/4 dedicated to both the Pictured Cliffs formation (NE/4) and the Fruitland Coal Gas Pool (E/2). This production is downhole commingled and the interest consolidated by Division compulsory pooling order R-10656-A, dated January 13, 1997, and
2. the ROPCO 15-2 located in the SE/4 dedicated to the Pictured Cliffs formation (SE/4). Division compulsory pooling order R-10624, dated July 22, 1996 has consolidated the interests in this well.

The purpose of this letter is to notify you that:

- (a) Richardson records indicate that you may have an interest in either the 160-acre or 320-acre spacing units;
- (b) That Richardson plans to add the coal-gas formation by perforating and fracturing that formation in its existing ROPCO 15-2 well and dedicating it as the approved option infill well for the existing 320-acre spacing unit consisting of the E/2 of this section; and
- (c) That you are entitled to participate in a share of any gas production from the coal-gas pool by prepaying your share of the costs of this additional work as set forth on the enclosed Authority for:

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

OFFICIAL USE

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

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:

Em Inc
 515 E Main
 Farmington, NM 87401

2. Article Number
 (Transfer from service label)

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature X <i>[Signature]</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>[Signature]</i>	C. Date of Delivery <i>7/28/04</i>	
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 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	

7002 0510 0002 5239 9319

Domestic Return Receipt 152 DAK

ZACPR1-03-Z-0085

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. 11681
ORDER NO. R-10656-A

APPLICATION OF RICHARDSON
OPERATING COMPANY FOR
COMPULSORY POOLING,
DOWNHOLE COMMINGLING, AND AN
UNORTHODOX GAS WELL
LOCATION, SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 19, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of January, 1997, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) At the time of the hearing this case was consolidated with Case No. 11680 for the purpose of testimony.
- (3) At the request of the applicant, the record, evidence and testimony presented in Case No. 11570, heard by the Division on July 11, 1996, are hereby incorporated by reference in this case.



(4) The applicant, Richardson Operating Company ("Richardson"), seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the NE/4 of Section 15, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico and all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the E/2 of said Section 15, thereby forming a standard 160-acre and a standard 320-acre gas spacing and proration unit for both pools, respectively. Both units are to be dedicated to its ROPCO "15" GW "A"-PC/"B"-FC Well No. 1 to be drilled and completed at an unorthodox gas well location for both intervals 2171 feet from the North line and 775 feet from the East line (Unit H) of said Section 15.

(5) Applicant further seeks authorization to commingle conventional Pictured Cliffs gas production with coal gas production from the Basin-Fruitland Coal (Gas) Pool within the wellbore of the proposed well.

(6) The E/2 of said Section 15 consists of some 76 different fee tracts all within the City of Farmington, New Mexico.

(7) Richardson has proposed to all unleased mineral owners and working interest owners the formation of the two subject spacing units and the drilling of the proposed well and has obtained the voluntary agreement of more than 96% of the interest ownership within the 160-acre spacing unit and more than 91% of the interest ownership within the 320-acre spacing unit; however, the remaining balance of the interest owners in the proposed units have not agreed to pool their interests.

(8) Richardson has the right to drill for and develop those minerals underlying both the proposed 160-acre and 320-acre units. Further, Richardson has made a good faith effort to reach a voluntary agreement with all mineral interest owners underlying the two subject tracts and is therefore entitled to seek compulsory pooling.

(9) The subject well location is within the boundaries of the Basin-Fruitland Coal (Gas) Pool which is governed by Special Rules and Regulations as promulgated by Division Order No. R-8768, as amended, which require standard 320-acre gas spacing and proration units with wells to be located within the NE/4 or SW/4 of a section and no closer than 790 feet from any outer boundary of the spacing unit nor closer than 130 feet from any quarter section line nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary. The proposed well site is also located within three-fourths of a mile from the West Kutz-Pictured Cliffs Pool which is subject to **Rule 104 C(3)** of the Division's statewide rules and regulations, which currently provides for 160-acre spacing and proration units with wells to be located no closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section or subdivision inner boundary.

(10) In accordance with the applicable Division notice rules, Richardson has provided adequate notice to all interested and affected parties regarding those matters associated with downhole commingling and the proposed unorthodox location. Mr. Merrill Kempton, of Farmington, New Mexico, a royalty owner, who has agreed to join his interest of approximately 40 acres within the E/2 of said Section 15, is the owner of the surface at which the well is to be located and has entered his appearance by letters dated June 29, 1996 and July 16, 1996 in Case No. 11570 in opposition to the applicant but failed to appear at either the July 11, 1996 or the July 25, 1996 hearings. No other party has appeared in opposition to the subject application.

(11) Because of a combination of various surface use limitations imposed by "in-town drilling", Richardson is unable to locate its well at a standard gas well location within the NE/4 of said Section 15 that satisfies the location requirements of both the Basin-Fruitland Coal (Gas) Pool and Undesignated West Kutz-Pictured Cliffs Pool, and therefore seeks the proposed unorthodox location which it anticipates will satisfy all the requirements imposed by the City of Farmington.

(12) In support of its unorthodox location request, Richardson introduced an aerial photograph, tract maps, and geologic evidence, including a stratigraphic cross-section and isopach map of the Upper Pictured Cliffs Sandstone which demonstrates that:

- (a) the proposed unorthodox location is due to surface topographical conditions and surface use limitations imposed by the City of Farmington;
- (b) the proposed unorthodox location will serve to minimize surface disturbance within the NE/4 of said Section 15 by being in close proximity to a well pad currently being used by Conoco Inc. for its Farmington "B" Com Well No. 1 (API No. 30-045-08330), located 2300 feet from the North line and 1150 feet from the East line (Unit H) of said Section 15;
- (c) that in this instance there is no significant geological differences between the closest standard location and the proposed unorthodox location; and,
- (d) Richardson's proposed unorthodox gas well will serve to provide for a suitable well location for both intervals.

(13) To date the City of Farmington has not yet issued a permit to Richardson for the proposed well location and should it be necessary for Richardson to relocate its well in the event the City of Farmington requires it to be moved for whatever reason, a special administrative procedure should be adopted in this particular instance to provide for a "drilling window" within which Richardson may drill this well. Such a provision will serve to avoid any undue regulatory burden imposed upon Richardson of having to reappear before a Division hearing examiner in order to modify this well location.

(14) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste, and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense his just and fair share of the production in any pool completion resulting from this order, the application of Richardson to pool all mineral interests, whatever they may be, within said 160-acre and 320-acre units should be approved.

(15) Richardson Operating Company should be designated the operator of the subject well and units.

(16) Technical evidence presented to support Richardson's request to downhole commingle both Fruitland coal gas and Pictured Cliffs gas production within the subject well demonstrates that:

- (a) expected Fruitland coal gas production is insufficient to economically justify a well solely for production from that interval;
- (b) the producing characteristics of both formations will necessitate the installation of two artificial lift systems within a dually completed wellbore, which could present certain mechanical difficulties;
- (c) downhole commingling will serve to efficiently recover Fruitland coal gas and Pictured Cliffs gas reserves underlying each respective proration and spacing units;
- (d) there will be no crossflow between the two commingled pools;
- (e) neither commingled zone exposes the other to damage by produced fluids if any is encountered;

- (f) the fluids from each zone are compatible with the other;
- (g) the value of the commingled production is not less than the sum of the values of the individual production;
- (h) while the ownership in each spacing unit is different, the allocation formula proposed by the applicant is fair and equitable and will afford each interest owner the right to receive its just and appropriate share of production.

(17) Approval of the proposed downhole commingling will allow the applicant the opportunity to recover the gas reserves in the Fruitland and Pictured Cliffs formations underlying each respective proration unit thereby preventing waste and will not violate correlative rights.

(18) Subsequent to completion, the applicant proposes to conduct a production test on each of the subject zones in order to obtain initial production data.

(19) The production tests should be of sufficient duration in order to obtain stabilized producing rates. In addition, the applicant should notify the supervisor of the Aztec district office of the Division prior to conducting such production tests in order that such tests may be witnessed.

(20) The applicant should present the results of the production tests to the supervisor of the Aztec district office of the Division in order that the results may be verified and approved for use in its allocation formula.

(21) Due to the nature of the Basin-Fruitland coal gas production, straight allocation of gas volumes from both zones is not appropriate. The applicant therefore seeks the adoption of a monthly allocation formula, as shown on Exhibit "A" attached hereto and made a part hereof.

(22) The operator should be responsible for reporting the monthly gas production from said well by utilizing the proposed allocation formula.

(23) An annual report should be submitted by the operator to both the Aztec and Santa Fe offices of the Division showing the complete computation for each month.

(24) Any condensate production from the subject well should be allocated entirely to the Pictured Cliffs interval.

(25) Any change in the method of gas allocation between the two pools should be made only after due notice and hearing.

(26) To afford the Division an opportunity to assess the potential of waste and to expeditiously order the appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for seven consecutive days.

(27) Any non-consenting working interest owner should be afforded the opportunity to pay his share of the estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(28) At the time of the hearing the applicant requested and presented testimony for a maximum risk penalty factor of 200 percent to be assessed in the drilling of the proposed well. However, said testimony was insufficient to support assessing a maximum 200 percent risk penalty factor in this instance, therefore, based on precedent established in compulsory pooling cases in the Basin-Fruitland Coal Gas Pool, a 156 percent risk penalty has been established as being proper for wells within said coal gas pool.

(29) Any non-consenting working interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(30) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(31) \$3,500.00 per month while drilling and \$ 450.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(32) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(33) Upon the failure of the operator of said pooled units to commence the drilling of the well to which said units are dedicated on or before April 15, 1997, the order pooling said units should become null and void and of no effect whatsoever.

(34) Should all the parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(35) The operator of the well and units shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, in the Undesignated West Kutz-Pictured Cliffs Pool underlying the NE/4 of Section 15, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico and all mineral interests, whatever they may be, in the Basin-Fruitland Coal (Gas) Pool underlying the E/2 of said Section 15, are hereby pooled to form a standard 160-acre and a standard 320-acre gas spacing and proration unit, respectively, for both pools. Both units are to be dedicated to the proposed ROPCO "15" GW "A"-PC/"B"-FC Well No. 1 to be drilled and completed at an unorthodox gas well location for both intervals 2171 feet from the North line and 775 feet from the East line (Unit H) of said Section 15.

PROVIDED HOWEVER THAT, the operator is authorized to relocate said well at any surface location that is within a "drilling window" being an area within the NE/4 of said Section 15: (i) not closer than 790 feet to the North line of said Section 15; (ii) not closer than 790 feet to the western boundary of the NE/4 of said Section 15; (iii) nor closer than 469 feet to the southern boundary of the NE/4 of said Section 15; (iv) nor closer than 775 feet to the East line of said Section 15.

PROVIDED HOWEVER THAT, the operator of said units shall commence the drilling of said well on or before the 15th day of April, 1997, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pictured Cliffs formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 15th day of April, 1997, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

(2) Subsequent to completion, the applicant shall conduct a production test on each of the subject zones in order to obtain initial stabilized producing rates. In addition, the applicant shall notify the supervisor of the Aztec district office of the Division prior to conducting such production tests in order that such test may be witnessed.

(3) The applicant shall present the results of the production tests to the supervisor of the Aztec district office of the Division in order that the results may be verified and approved for use in its allocation formula.

(4) The allocation of gas produced from both zones shall be in accordance with the allocation formula adopted for this well as further described in Exhibit "A" attached hereto and made a part hereof.

(5) The operator is responsible for reporting the monthly gas production from the subject well to the Division by utilizing the allocation formula adopted herein. An annual report shall be submitted by the operator to both the Aztec and Santa Fe offices of the Division showing the complete computation for the previous twelve month period.

(6) Condensate production from the subject well shall be allocated entirely to the Pictured Cliffs formation. Water production shall be reported in a manner acceptable to the supervisor of the Aztec district office of the Division.

(7) Any variance in the method of gas allocation between the two pools shall be made only after due notice and hearing.

(8) The operator shall immediately notify the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present to the Division a plan for remedial action.

(9) Any change in the method of gas allocation between the two pools should be made only after due notice and hearing.

(10) Richardson Operating Company is hereby designated the operator of the subject well and units.

(11) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject units an itemized schedule of estimated well costs.

(12) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting unleased mineral owner or uncommitted working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(13) The operator shall furnish the Division and each known unleased mineral owner or working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(14) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated well costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(15) The operator is hereby authorized to withhold the following costs and charges from production:

- (a) the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him; and,
- (b) as a charge for the risk involved in the drilling of the well, 156 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(16) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(17) \$3,500.00 per month while drilling and \$ 450.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest. The operator is hereby authorized to make annual adjustments of said combined fixed rates as of the first day of April each year in accordance with the COPAS accounting schedule utilized by the industry.

(18) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(19) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(21) Should all the parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(22) The operator of the well and units shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(23) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

S E A L

Exhibit "A"
CASE NO. 11681
DIVISION ORDER NO. R-10656-A

ROPCO "15" GW "A"-PC/"B"-FC Well No. 1
MONTHLY GAS PRODUCTION ALLOCATION FORMULA
GENERAL EQUATION

$$Q_t = Q_{ftc} + Q_{pc}$$

WHERE:

Q_t = TOTAL MONTHLY PRODUCTION FROM WELL (MCF/MONTH)
 Q_{ftc} = FRUITLAND COAL (FTC) MONTHLY PRODUCTION (MCF/MONTH)
 Q_{pc} = PICTURED CLIFFS (PC) MONTHLY PRODUCTION (MCF/MONTH)

REARRANGING THE EQUATION TO SOLVE FOR Q_{ftc} :

$$Q_{ftc} = Q_t - Q_{pc}$$

ANY PRODUCTION RATE OVER WHAT IS CALCULATED FOR THE PICTURED CLIFFS (PC) USING THE APPLIED FORMULA IS FRUITLAND COAL (FTC) PRODUCTION.

ICTURED CLIFFS (PC) FORMATION PRODUCTION FORMULA IS:

$$Q_{pc} = Q_{pci} * e^{-\{D_{pc}\}(t)}$$

WHERE:

Q_{pci} = INITIAL PC MONTHLY FLOW RATE (CALCULATED FROM FLOW TEST)
 D_{pc} = PICTURED CLIFFS MONTHLY DECLINE RATE CALCULATED

FROM:

$(Q_{pci} - Q_{pcabd}) / N_{p(pc)}$
See Determination of Q_{pci} and Pictured Cliffs Estimated Ultimate Recovery ($N_{p(pc)}$)
 $Q_{pcabd} = 300$ mcf/d

WHERE:

$N_{p(pc)}$ = PICTURED CLIFFS ESTIMATED ULTIMATE RECOVERY (EUR)
 $P * 9.5 \text{ MMCF/psi} * R_f$

P = INITIAL RESERVOIR PRESSURE (7 day SIBHP)

R_f = RECOVERY (FIELD ANALOGY): = 0.85

"9.5" IS DETERMINED FROM MATERIAL BALANCE (FIELD ANALOGY) AND VOLUMETRIC RESERVES (LOG ANALYSIS)

By calculating $N_{p(pc)}$ from SIBHP and determining Q_{pci} , D_{pc} can then be calculated utilizing the previously described parameters.

THUS: $Q_{ftc} = Q_t - Q_{pci} * e^{-\{D_{pc}\}(t)}$

WHERE: (t) = TIME (MONTHS) FROM INITIAL PRODUCTION

REFERENCE: Thompson, R. S., and Wright, J. D., "Oil Property Evaluation", pages 5-2, 5-3, 5-4.

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. 30-045-29383
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> X
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Ropco 15 GW PC
7. Well No. #2
9. Pool name or Wildcat Basin Fruitland Coal
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5322' GR

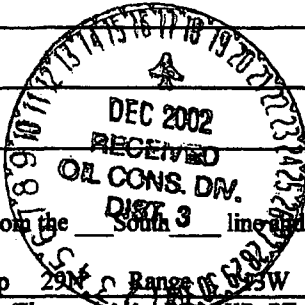
SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Richardson Operating Company

3. Address of Operator
3100 La Plata Highway Farmington, NM 87401

4. Well Location
Unit Letter O : 476 feet from the South line and 1800 feet from the East line
Section 15 Township 29N Range 16W NMPM County San Juan



11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: Propose adding zone: Basin Fruitland Coal (71629)

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Richardson Operating Company proposes adding the Basin Fruitland Coal (71629) pursuant to Order No. R-8768-C.

Please find the attached plats for both the subject well (Ropco 15 #2) and the original Basin Fruitland Coal well in this spacing unit (Ropco 15 #1). The Basin Fruitland Coal allocation is defined by the dark outlined area on both plats.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Drew Carnes TITLE Operations Manager DATE 12-17-02

Type or print name Drew Carnes
(This space for State use)

Telephone No. 505-564-3100

APPROVED BY [Signature] TITLE _____
Conditions of approval, if any:

DEPUTY OIL & GAS INSPECTOR, DIST. #3

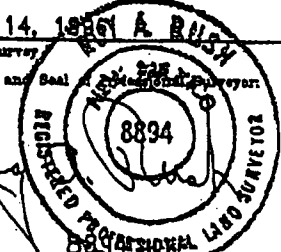
DEC 17 2002
DATE

HOLD C104 FOR NSL Fruitland coal



Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

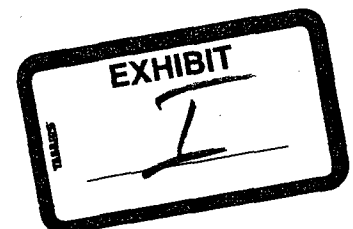
18 S 89-54 E			Fd. REBAR	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
		Various Leases (See Attached)		<u>Bruce E. Delventhal</u> Signature <u>Bruce E. Delventhal</u> Printed Name <u>Agent</u> Title <u>June 18, 1996</u> Date
RECEIVED AUG - 9 1996 OIL CON. DIV. DIST. 3			Fd. NAIL IN ROAD 475' 1800' S 89-24-58 W 2655'	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown 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. <u>JUNE 14, 1996 A. BUSH</u> Date of Survey Signature and Seal of Surveyor:  Certificate Number

RICHARDSON EXHIBIT "I"
FOR
NMOCD CASE 13322

The ROPCO "15" Well No. 2 (API # 30-045-29407) located in the SE/4 of Section 15 was completed on March 4, 1997 in the Pictured Cliff formation and has production sufficient volumes of hydrocarbons to achieve "pay-out" and was recompleted on July 7, 2003 in the Basin Fruitland Coal Gas Pool with the Pictured production abandoned at an uneconomical rate of 13-15 mfcgpd.

Richardson has allocated to the working interest owners in this gas spacing unit ("GPU") only those costs directly associated with the recompletion into the Basin Fruitland Coal Gas Pool. All of the coal-gas production to being credited to the owners in the E/2 of Section 15.

The ROPCO "15" Well NO. 1 (API # 30-045-29383) located in the NE/4 of Section 15 was completed as a downhole commingling Pictured Cliff (160-acre GPU, being the NE/4) and Basin Fruitland Coal Gas Pool well (320-acre GPU, being the E/2) with the working interest owners in the 160-acre and the 320-acre GPU each being charge within 50% of the costs of the wellbore.



ARTICLE VI

continued

1 If, in Operator's judgment, the well will not produce oil or gas in paying quantities, and it wishes to plug and abandon the
2 well as a dry hole, the provisions of Article VI.E.1. shall thereafter apply.
3
4

B. Subsequent Operations:

5
6
7
8 1. Proposed Operations: Should any party hereto desire to drill any well on the Contract Area other than the well provided
9 for in Article VI.A., or to rework, deepen, / or plug back a dry hole drilled at the joint expense of all parties or a well jointly owned by all
10 the parties and not then producing in paying quantities, the party desiring to drill, rework, deepen, / or plug back such a well shall give the
11 other parties written notice of the proposed operation, specifying the work to be performed, the location, proposed depth, objective forma-
12 tion and the estimated cost of the operation. The parties receiving such a notice shall have thirty (30) days after receipt of the notice
13 within which to notify the party wishing to do the work whether they elect to participate in the cost of the proposed operation. If a drill-
14 ing rig is on location, notice of a proposal to rework, plug back, / or drill deeper may be given by telephone and the response period shall be
15 limited to forty-eight (48) hours, / ^{inclusive} ~~exclusive~~ of Saturday, Sunday, and legal holidays. Failure of a party receiving such notice to reply within
16 the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation. Any notice or
17 response given by telephone shall be promptly confirmed in writing.
18
19
20

21 If all parties elect to participate in such a proposed operation, Operator shall, within ninety (90) days after expiration of the notice
22 period of thirty (30) days (or as promptly as possible after the expiration of the forty-eight (48) hour period when a drilling rig is on loca-
23 tion, as the case may be), actually commence the proposed operation and complete it with due diligence at the risk and expense of all par-
24 ties hereto; provided, however, said commencement date may be extended upon written notice of same by Operator to the other parties,
25 for a period of up to thirty (30) additional days if, in the sole opinion of Operator, such additional time is reasonably necessary to obtain
26 permits from governmental authorities, surface rights (including rights-of-way) or appropriate drilling equipment, or to complete title ex-
27 amination or curative matter required for title approval or acceptance. Notwithstanding the force majeure provisions of Article XI, if the
28 actual operation has not been commenced within the time provided (including any extension thereof as specifically permitted herein) and
29 if any party hereto still desires to conduct said operation, written notice proposing same must be resubmitted to the other parties in accor-
30 dance with the provisions hereof as if no prior proposal had been made.
31
32

EXHIBIT