# Exhibit 3.A-1



1700 Lincoln, Suite 1700 Denver, Colorado 50203 (303) 830 Fax (303) 830-8009

September 28, 2000

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

Certified Mail 7000 0520 0023 4373 2882

Re: Fruitland Coal and Pictured Cliffs Well Proposal

ROPCO =9-1 Well

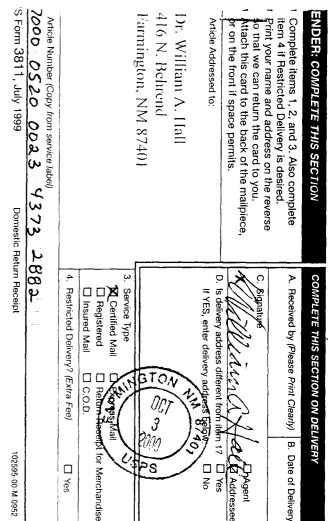
E/2-Section 9-T29N-R14W San Juan County, New Mexico

Dear Dr. Hall:

Richardson Production Company proposes to drill a downhole commingled Fruitland Coal and Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a 30.00 net acre unleased mineral interest within the spacing unit. The ROPCO #9-1 well will be located in the NE/4NE/4 of Section 9-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 9, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 9.

Enclosed for your review is an AFE itemizing the estimated costs for the weil. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by October 20, 2000. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% nonconsent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:



Dr. William A. Hall September 28, 2000 Page 2

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

Your response is respectfully requested by October 20, 2000.

Should you have any questions, please do not hesitate to call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

On this	day of	. 2000. I hereby elect the following:
<del> </del>	Participate in propo herewith.	osed drilling and completion attempt, executed AFE is returned
	_	Gas Lease for \$30.00 per net mineral acre, with lease to provide mary term and 12.5% royalty in the event of production.
	Sell mineral rights	for \$70.00 per net mineral acre.
By:		<del></del>
Printed Nai	me:	

Well Name: ROPCO =9-1 SECTION 9 PC NE/4 FC E/2

Location: T29N R14W

Proposed Depth: 900' Fruitland Coal 1200' Pictured Cliffs

Date: 09/28/2000

Objective Formation: Commingled Pictured Oliffs

and Fruitland Coa-

I.	Drilling Costs (Included Run Casin	ıg)	Tangible	Intangible	Total	Fruitland Coal	Picturea Cliffs
	Survey and Permits		,	3.000	!	1.500	1.500
	Title Opinion			3,000	-	1 500	1,500
	* Drilling (incl. water and muc) 1200		Ì	18,000	ļ	6.750	11.250
	BOP Rentai			750		375	375
	Dirt Work		ļ	4.000		2.000	2.000
	Pit Lining		ļ	2,800		1 400	1,400
	Surface Casing 2001 @ 7.18/ft		1,436			718	718
	Casing Head		1,500		ĺ	750	750
	Cament Surface			2.300		1.150	1,150
	Power Tongs			1.000		500	500
	Casing 1200' @ 5 50/ft.		5.500	i	i	2.475	4.125
	Trucking			3,000		1.500	1,500
	Logs			3.750		1.375	1.875
	Engineering		,	5.000		2.500	2.500
	Cament Longstring			4.0001		1.500	2.500
	Total Cost to Run Casing		9.536	50.600	60.136T	25.493	33,643
l	5 9375% Farmington, NM Ta	x			3.571	1.573	1,998
	10% Contingency		ļ		5.371	2.807	3.564
	Grand Total to Run Casing-			-	73.3771		39.205
II.	Completion Costs				. 3.07	30.07	33.233
'''	Rig Anchors			750	į	375	375
	Logs		Į.	3.000	Ī	1.500	1,500
	⊃eri			3.5001	}	1.750	1.750
	Wellhead & Fittings		4,000	3.300	:	2.000	2.000
	Tubing 1200' @ 2.50/ft.		3.000		ļ	1.125	1,875
	Stimulation		3.300	42.000	ļ	21.000	21.000
	Tool Rental			2,300		1.1501	1.150
	Trucking			3.000		1.500	1.500
	Battery Installation			5.000	i	3.000	3,000
	Restore Location			3.500		1.750	1.750
	Engineering		!	5.800		2.900	2.900
	Treator, Separator		5.300		1	2.5501	2.550
	≈!owncer		4.0001	1		2.000	2.000
	Tank & Fittings		± 500	i i	:	2,250	2,250
	Grave:		= 5001	3.000	į	1.500	1,500
	Workover Rig			10.000		5.000	5,000
	Completion Fluids			2.000	:	1.000	1,000
	Pipeline Hookup		!	13,000	į	5.500	6.500
	Division Order Opinion			1.500		750	750
	Frac Tank Rental			2.500	ĺ	1.250	1.250
	Flowback			2.000	!	1.000	1,000
	Fence Location		3,300	2.000		1 650	:.550
				102.2521	: 07 0501		
	Fotal Completion Costs		24.100	103,8501	127.950		64.350
	5.9375% Farmington NM Ta				7.597	1	3.821
	10ಇ Contingency- · · · · · ·			Í	13,5551		6.817
	Orilling Costs Grand Total Well Costs			<u> </u>	70,077		39.205
				<u>`</u>	219.179	104 980	114,192
FRUITLAN		2175	12020453				395144
	場 RICHARDSON OPERATING CO ET AL 場 DRI WILLIAM AL HALL	DATE DATE,	APPROVED CBYORPS44				\$95144 \$9842
5 3 1 2	g an marama acc	J1.1 L				FO TOTAL	\$104986
PICTURE	DICLIFFS 캠 RICHAPSSON OPERATING CO ET AL	2172	CEVORGGE				, 3107055
	ማ REPARDSON OPERATING DO ET AL ማ DRI WILLIAM A. HAEL	DATE	75660AED				\$7137
1	g on meaning mea		3,23			PO TOTAL	\$114192
İ						HALL TOTAL	\$16980
1							

## OIL AND GAS LEASE

THIS AGREEMENT, Made and en	tered into this 28th	day of	September	2000	, by and between
Dr. Willia	m A. Hall, a married mai	a dealing in his	sole and separate [	property	
Whose post office address is 416 N. Behrei	id, Farmington, New Mexico	87401		hereinafter called Le	ssor (whether one
or more) and Richardson Production Co	ompany whose post office addr	ess is <u>1700 Lincol</u>	n, Suite 1700, Denver	; CO 80203, heremafte	r called Lessee
WITNESSETH, That the Lessor, for an acknowledged, and the covenants and agreen exclusively unto the said Lessee, the land he operating for and producing therefrom oil and to produce, save and take care of said products	nents hereinafter contained, has g reinafter described, with the exch all gas of whatsoever nature or kim	ranted, demised, lea isive right for the pi d, with rights of way	ised and let, and by these urpose of mining, explori and casements for laying	epresents does grant, den ing by geophysical and ot pipe lines, and crection of	rise, lease and let her methods, and structures thereon
Township 29 North	ı - Range 14 West, N.M.P.M	<u>.</u>			
Section 9: See E	xhibit "A", attached hereto	and made a part	hereof		
and containing 120.0	0 acres, more or less * three (3)				
1 It is agreed that this lease shall remain if from said leased premises or on acreage pooles oil or gas is not being produced on the leased lease shall continue in force as long as operaconsidered to be continuously prosecuted if operations for the drilling of a subsequent well cause after the primary term, this lease shall no of production or from date of completion of different of this lease, this lease shall continue in 1.  2. This is a PAID-UP LEASE. In consideronmence or continue any operations during the said land and as to any strata or stratum by the acreage surrendered.	in force for a term of five (5) years of therewith, or drilling operations a premises or on acreage pooled thations are being continuously promot more than ninely (90) days. I, If after discovery of oil or gas of terminate if Lessee commences by hole. If oil or gas shall be discovered to be the first of the down cash payment, he primary term. Lessee may at an	the continued as here erewith but Lessee i secuted on the lease secuted on the lease in said land or on acradditional drilling or vered and produced eed from the leased. Lessor agrees that I y time or times during the lease of the lease of the lease of the lease of times during the lease of	cinafter provided. If, at the s than engaged in drilling d premises or on acreage in the completion or aban reage pooled therewith, the re-working operations we as a result of such operation premises or on acreage pro- cessee shall not be obligating or after the primary term.	expiration of the primary of re-working operations; pooled therewith; and o dominent of one well and e production thereof shou (thin ninety (90) days fron ions at or after the expirationled therewith.  Ited, except as otherwise programmender this lease as to	term of this lease, thereon, then this perations shall be the beginning of ld cease from any i date of cessation ion of the primary royided herein, to all or any portion
3 In consideration of the premises the sa 1st To deliver to the credit of Lessor, fr		Lessee may connec	t wells on said land, the ed	jual one-eighth (1/8) part o	of all oil produced
and saved from the leased premises.  2nd To pay Lessor one-eighth (1/8) of	• •	•			•
used off the premises, and if used in the manu 3rd. To pay Lessor for gas produced fro of the proceeds, at the mouth of the well, paya	facture of gasoline a royalty of on on any oil well and used off the pro	e-eighth (1/8), payal emises or in the man	ole monthly at the prevails	ng market rate for gas	
4. Where gas from a well capable of procace retained hereunder, such payment or tend well is shut in and thereafter on or before the a	er to be made on or before the anr unniversary date of this lease durin	iversary date of this	lease next ensuing after t	he expiration of 90 days f	rom the date such
that gas is being produced within the meaning 5. If said Lessor owns a less interest in the herein provided for shall be paid the Lessor or 6. Lessee shall have the right to use, free 7. When requested by Lessor, Lessee shall 8. No well shall be drilled nearer than 200	above described land than the entity in the proportion which Lessor of cost, gas, oil and water produce II bury Lessee's pipe line below pl	's interest bears to the ed on said land for L ow depth.	e whole and undivided fe essee's operation thereon.	e. except water from the we	
9. Lessee shall pay for damages caused b 10. Lessee shall have the right at any time 11. The rights of Lessor and Lessee hereu binding on Lessee until Lessee has been furn complete chain of record title from Lessor, than on Lessee. No present or future division of Les- of Lessee, and all Lessee's operations may be	y Lessee's operations to growing of e to remove all machinery and fixt uder may be assigned in whole or ished with notice, consisting of c other only with respect to paymen ssor's ownership as to different po- conducted without regard to any s	crops on said land, mes placed on said p part. No change in crtified copies of all ts thereafter made. No rtions or parcels of s	premises, including the rig ownership of Lessor's im recorded documents and to other kind of notice, wh aid land shall operate to e	ght to draw and remove ca terest (by assignment or o other information necess other actual or constructive olarge the obligations or d	therwise) shall be sary to establish a c, shall be binding infinish the rights
for any act or omission of any other leasehold  12. Lessee, at its option is hereby given to part of the land described herein and as to any with other land, lease or leases in the immedianceessary or advisable to do so, and irrespective to include formations not producing oil or gas by Lessee executing and filing of record a declar well has therefore been completed or upon vinifor want of a market anywhere on a unit when for want of a market under this lease. In lieu so pooled royalties only in the portion of such surface acres covered by this lease and include to unitize, pool, or combine all or any part of the into a cooperative or unit plan of development terminate any such plan or agreement and, in sand provisions of such approved cooperative or implied, shall be satisfied by compliance with the life of such plan or agreement. In the even development or operation whereby the product tract of land shall, for the purpose of computinit is allocated and not to any other tract of land formally express Lessor's consent to any cooper the same upon request of Lessee.	he right and power at any time an one or more of the formations her the vicinity for the production of octor of whether authority similar to the may be reformed to exclude such a ration of such unitization or refor which operations for drilling have ich includes all or a part of this lead of the royalties elsewhere herein a production allocated to this lead in the unit bears to the total man ice above described lands as to one and or operation approved by any goath event, the terms, conditions a for unit plan of development or operation approved by any goath the drilling and development ret that said above described lands of the formation and the drifferent is allocated to different the royalties to be paid hereing the royalties to be paid hereing and the royalty payments to be made as a second the royalty payments to be made as a second the royalty payments to be made as a second the royalty payments to be made as a second the royalty payments to be made as a second the royalty payments to be made as a second the royalty payments to be made as a second the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to be made as a second to the royalty payments to the royalty payments to be made as a second to the royalty payments to th	eunder, to pool or uril and gas, or separa is exists with respect in non-producing for a mation, which declaration, which declaration which declaration are shall be treated a specified, including a specified, including a more of the formation of surface acressor more of the formation and, particular quirements of such por any part thereof, sent portions of the lander to Lessor, he reade hereunder to Lesdon and because in the control of t	nitize the leasehold estate tely for the production of a to such other land, lease mations. The forming or mations shall describe the cumenced. Production, drifts if it were production, drifts if it were production of the shut-in gas royalties, Less all be that proportion of it in such unit. In additionations thereunder with other ity and, from time to time a lease shall be deemed murly, all drilling and developlan or agreement, and the hall hereafter be operated dic covered by said plan, the garded as having produce ssor shall be based upon produce.	and the mineral estate coverither, when in the Lesses of leases. Likewise, units performing of any unit shall unit. Any unit may include thing or reworking operations shall receive on production that the control of the foregoing. Lesses also the same generate, with like approval, to not office to conform to the topment requirements of the lasses shall not terminate under any such cooperate of from the production allocated from the particular tractoroduction only as so allocated to conform only as so allocated to conduction only as so allocated to conduction only as so allocated to the same generated to conduction only as so allocated to conform the particular tractoroduction only as so allocated to conform the particular tractoroduction only as so allocated to conform the particular tractoroduction only as so allocated the conformation of the production only as so allocated the conformation of the production only as so allocated the conformation of the production only as so allocated the conformation of the production only as so allocated the conformation of the production only as so allocated the conformation of the production only as so allocated the conformation of the production only as so allocated the conformation of the	rered by this lease e's judgment it is previously formed be accomplished bland upon which ons or a well shut tion from the unit e total number of hall have the right al area by entering nodify, change or terms, conditions, his lease, expresse or expire during two of unit plan of d to any particular of land to which ated. I essor shall
13 All express or implied covenants of terminated, in whole or in part, nor Lessee held	his lease shall be subject to all Fed	deral and State Laws	s, Executive Orders, Rule ompliance is prevented by	s or Regulations, and this	lease shall not be
Eaw. Order, Rule or Regulation 14. Lessor hereby warrants and agrees to oby payment, any mortgages, taxes or other lier thereof, and the undersigned Lessors, for them described herein, insofar as said right of dowe 15. Should any one or more of the parties it as Lessor. The word "Lessor" as used in this be binding on the heirs, successors and assigns IN WITNESS WHERFOF, this instrument	lefend the title to the lands herein of son the above described lands, it selves and their heirs, successors are and homestead may in any way a hereinabove named as Lessor fail lease, shall mean any one or more sol Lessor and Lessee.	described, and agree in the event of defaul and assigns, hereby si affect the purposes for the execute this lease, or all of the parties v	s that the Lessee shall hav t of payment by Lessor at urrender and release all rig or which this lease is mad it shall nevertheless be bi	e the right at any time to re ad be subrogated to the rig ght of dower and homester e, as recited herein ading upon all such partie	edeem for Lessor, ghts of the holder ad in the premises as who do execute
Dr. William A. Hall		<del>SS #</del>	<del></del>		

		ry Public, in and for said County and State, on thisday of
		peared
	me thathe	bed in and who executed the within and foregoing instrument of /she/they duly executed the same as his/her/their free and therein set forth.
IN WITNESS WHEI above written	REOF, I have hered	unto set my hand and affixed by notarial seal the day and year last
My Commission Expires		Address
		t .
STATE OF	18	Acknowledgment - Partnership/Trust
COUNTY OF	}	
		y Public, in and for said County and State, on this day of peared
	000, personally app	peared
as	000, personally apparts on that set forth.	peared
as	000, personally apparts on that set forth.	bed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and into set my hand and affixed by notarial seal the day and year last
as	000, personally apparts on that set forth.	bed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and
as	000, personally apparts on that set forth.	pearedbed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and into set my hand and affixed by notarial seal the day and year last
as	000, personally appart of that set forth set forth REOF, I have hereu	bed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and into set my hand and affixed by notarial seal the day and year lastAddress:
as	ooo, personally appart of person(s) described that stherein set forth.  REOF, I have hereu	pearedbed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and into set my hand and affixed by notarial seal the day and year last
as	ooo, personally appart of that stherein set forth.  REOF, I have hereu	bed in and who executed the within and foregoing instrument of
as	al personally apparent that stherein set forth.  REOF, I have hereus \$\} \}\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	bed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and into set my hand and affixed by notarial seal the day and year last  Address:
as	ooo, personally apparent hat stherein set forth.  REOF, I have hereus signed authority, thereing by me duly syment was signed authority and that the innent was signed authority and the signed authority.	bed in and who executed the within and foregoing instrument ofduly executed the same asfree and voluntary act and into set my hand and affixed by notarial seal the day and year last  Address:

and the second of

#### EXHIBIT "A"

Lease Description for Oil and Gas Lease dated September 28, 2000, by and between Dr. William. A. Hall, a married man dealing in his sole and separate property, Lessor, and Richardson Production Company, Lessee.

Township 29 North, Range 14 West, NMPM

Tract I:

Section 9: N/2N/2SW/4NE/4, SE/4NW/4SE/4, S/2SW/4SE/4,

S/2N/2SW/4SE/4, E/2N/2N/2SW/4SE/4, S/2N/2SW/4NE/4,

S/2SW/4NE/4 and

That part of the W/2NW/4SE/4 of said Section 9 described as follows: Beginning North 00 degrees 15 minutes East 324 feet from the Southwest corner of said W/2NW/4SE/4; Thence North 00 degrees 15 minutes East 996.0 feet; Thence East 658.68 feet;

Thence South 00 degrees 15 minutes West 996.0 feet; Thence West

658.68 feet to the point of beginning. Containing 100.00 acres, more or less

Tract II:

Beginning at a point which is 972.0 feet North 0 degrees 15 minutes East from the South 1/4 corner of said Section 9; Thence North 00 degrees 15 minutes East 661.70 feet; Thence East 658.68 feet; Thence South 00 degrees 15 minutes West 661.70 feet;

Thence West 658.68 feet to the point of beginning.

Containing 10.00 acres, more or less

Tract III:

Beginning North 0 degrees 15 minutes East 1969.70 feet and East 658.68 feet from the South 1/4 corner of said Section 9: Thence North 00 degrees 15 minutes East 660.00 feet; Thence East 660.00

feet; Thence South 00 degrees 15 minutes West 660.00 feet;

Thence West 660.00 feet to the point of beginning.

Containing 10.00 acres, more or less

San Juan County, New Mexico

SIGNED FOR IDENTIFICATION:

Dr William A Hall



### DR. WILLIAM A. HALL, O.D.

416 N. Behrend Ave. Farmington, NM 87401

Telephone: (505) 325-6350



October 4, 2000

Dear Ms. Colby,

This is in response to your lease proposal concerning my mineral interest in  $\rm E/2~Sect.~9-T29N-R14w$  for a proposed Fruitland and pictured cliffs well.

However, your offer is unacceptable as to the royalty interest of 12.5%. I have no zeal for your bonus money and propose instead a flat 25% royalty interest.

I would like nothing better than to see a productive well that would be of benefit to all concerned.

Sincerely,

William A Hall

1700 Lincoln, Suite 1700 Denver, Caiorado 80203 (303) 830-8000 Fax (303) 530-8009

October 16, 2000

Dr. William A. Hall 416 N. Behrend Avenue Farmington, NM 87401

Re:

Well Proposals

Section 9-T29N-R14W

San Juan County, New Mexico

Dear Dr. Hall:

We are in receipt of your two letters dated October 4, 2000, pertaining to well proposals made by Richardson as follows:

ROPCO 9-1 E/2 Fruitland Coal NE/4 Pictured Cliffs ROPCO 9-2 SE/4 Pictured Cliffs ROPCO 9-3 W/2 Fruitland Coal SW/4 Pictured Cliffs

The terms of your counterproposals are declined, however, our offers to you remain open as stated in the well proposals.

There is also an additional option available to you, which is to be pooled into the wells under the rules and regulations of the New Mexico Oil Conservation Division. In the absence of receiving an election from you in a reasonable amount of time, we will commence pooling the uncommitted interests.

Please feel to call if you have any questions or if you need additional information.

Sincerely,

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

Exhibit 3 A-2



1700 Eindoin, Suite 1700 Denver, Colorado 80203 (303) 830-8600 Fax (303) 830-8009

September 28, 2000

Mr. and Mrs. Sherman Singleton 2001 East Main Farmington, NM 87401

Certified Mail 7000 0520 0023 4373 2905

Re: Fruitland Coal and Pictured Cliffs Well Proposal

ROPCO #9-1 Well

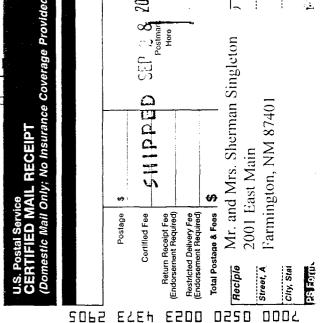
E-2-Section 9-T29N-R14W San Juan County, New Mexico

Dear Mr. and Mrs. Singleton:

Richardson Production Company proposes to drill a downhole commingled Fruitland Coal and Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a 2.50 net acre unleased mineral interest within the spacing unit. The ROPCO #9-1 well will be located in the NE/4NE/4 of Section 9-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 9, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 9.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by October 20, 2000. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300% 100% nonconsent penalty and \$5000 drilling \$500 producing overhead rates.

In the event you do not wish to participate. Richardson respectfully requests you elect one of the following options as to your interest:



Mr. and Mrs. Sherman Singleton September 28, 2000 Page 2

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

Your response is respectfully requested by October 20, 2000.

Should you have any questions, please do not hesitate to call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathlan Cottay

On this	day of	. 2000, we hereby elect the following:
	Participate in prop herewith.	osed drilling and completion attempt, executed AFE is returned
	-	Gas Lease for \$30.00 per net mineral acre, with lease to provide mary term and 12.5% royalty in the event of production.
	Sell mineral rights	for \$70.00 per net mineral acre.
By:		By:
Printed Nam	ne:	Printed Name:

# AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #9:1 SECTION 9 PC NE. 4 FC E 12 Location: T29N R14W Proposed Depth: 900' Fruitland Coal 1200' Pictured Cliffs

Date: 09/28/2000

Objective Formation: Comming ed Pictured 2.18s

and Fruitland Scai

1.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictures Offis
	Survey and Permits		3.000	-	1.8001	1.50
	Title Opinion		3,000	i	1.500	1,50
	* Drilling (not) water and muc) 12001@ 15 00/ft.		18.0001	i	6.750 l	11 28
	BOP Rental		750		3751	37
	Dirt Work		4.000	1	2.000	2,00
	Pit Lining		2.800	j	1.400	1.40
	Surface Casing 200' @ 7.18/ft.	1,436	2.000	!		
	Casing Head.	1			718	-
		1,500	0.500		750	75
	Cement Surface		2.300	ĺ	1.150	1.15
	Power Tongs		1.000		500	53
	Casing 1200'@ 5 50/ft	6.600		1	2,475	4.13
	Trucking	į	3,000		1.500	1.50
	Logs		3.750		1.875	1.87
	Engineering		5,000		2,500	2.50
	Cement Longstring		4.000	į	1.500	2.50
	Total Cost to Pun Casing	9.536	50.6301	50.1361	26 493	
		5.550	30.0001		i	33.64
	5 9375% Farmington, NM Tax	1	į	3.5711	1.573	1,99
	10% Contingency · · · · · · · · · · · · · · · · · · ·	;		6.3711	2,307	3.5
	Grand Total to Run Casing		į	70 077	30 873	39.20
11.	Completion Costs		i			
	Rig Anchors	1	750		375	37
	Logs		3.0001		1.500	1.50
	Pari		3,500		1.750	1.7
	Wellhead & Fittings	≟ 300 l	3.360		2.0001	2.00
	Tubing 12001 @ 2 50/ft	3 000	!		1,125]	
	Stimulation	3 200	10.000			1.8
			±2.000	:	21.000	21,00
	Tool Rental		2.300	1	1.150	1,15
	Trucking		3,000		1.500)	1,50
	Battery Installation		5.000 j		3.300	3,00
	Restore Location	1	3.500	1	1,7501	1,75
	Engineering	-	5.800		2.900	2.90
	Treator, Separator	5.300			2.550	2,63
	Flowine	4 000:	Í	1	2.000	2,00
	Tank & Fritings	4,500	1	!	2.250	
	Gravet	4.500	3.0004		· · · · · · · · · · · · · · · · · · ·	2.23
			3.0001	1	1.500	1,50
	Workover Rig	1	10.000	1	5,000	5,00
	Completion Fluids		2.000		1.000	1.00
	Рісеііле Ноокир		13.000	:	5.500	6.50
	Division Order Opinion	i	1.500	1	750	7
	Frac Tank Rentales es e		2.500+		1.250	1.25
	Flowpack		2.0001	:	1.300	1,00
	Fence Location	3.300	1		1.650	1.65
	Total Completion Costs	24,1001	103.8501	127,950:	63.5001	64.33
		24.1301	155.6501	7.597	3.776	3.82
	5.9375% Farmington, NM Tax	1				
	10% Contingency		į	13.5551	5.738	6.81
	Drilling Costs			70 0771	30.873	39.20
	Grand Total Well Costs		-	2.9 91	10- 2001	114.11
<del></del>	O COAL					
UITLAN	75 PICHARDSON OPERATING DO ET AL DATE	4PPPOVED _	·			\$1041
	- 3: 504441 4 5 51: 3:4:0: 5704 F 3:57	APPROVED _				\$8
213759	75 SHERMAN & HELEN SINGLETON LT CATE				TO TOTAL	51049
213759	% SHERMAN & RECENSINGLE. ON LT DATE			•	0.0172	3.0-3
018759 07 <b>8</b> 1259				·	0.0172	3.0-3
018759 0781259 CTURED	CLIFFS	100EOVED		·	0.0142	
018759 0781259 CTURED		42250VED			PO TOTAL	\$1141 \$1141

## OIL AND GAS LEASE

OIL AND GAS LEASI	
THIS AGREEMENT, Made and entered into this <u>28th</u> day of S Sherman Singleton and Helen Singleton, husband an	eptember 2000 by and between
whose post office address is 2001 East Main, Farmington, New Mexico 87401 or more) and Richardson Production Company whose post office address is 1700 Lincoln, S	hereinafter called Lessor (whether on
WITNESSETH, That the Lessor, for and in consideration of Fen and more (\$10 & more) acknowledged, and the covenants and agreements hereinafter contained, has granted, denised, leased exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpos operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and to produce, save and take care of said products, all that certain tract of land situated in the County of San	DOLLARS cash in hand paid, the receipt of which is hereby and let, and by these presents does grant, demise, lease and le- e of mining, exploring by geophysical and other methods, and assements for laying pipe lines, and erection of structures thereof
Township 29 North - Range 14 West, N.M.P.M.	
Section 9: Beginning North 0 degrees 15 minutes East 1969.70 feet Section 9; Thence North 00 degrees 15 minutes East 66 degrees 15 minutes West 660.00 feet; Thence West 660	0.00 feet; Thence East 660.00 feet; Thence South 00
and containing 10.00 acres, more or less.  * three (3)	
1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long from said leased premises or on acreage pooled therewith, or driffing operations are continued as hereinafted or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is that lease shall continue in force as long as operations are being continuously prosecuted on the leased preconsidered to be continuously prosecuted if not more than ninety (90) days shall clapse between the operations for the driffing of a subsequent well. If after discovery of oil or gas on said land or on acreage cause after the primary term, this lease shall not terminate if Lessee commences additional driffing or re-w of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased prem 2. This is a PAID-UP LEASE In consideration of the down cash payment, Lessor agrees that Lesse commence or continue any operations during the primary term. Lessee may at any time or times during or of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or relate acreage surrendered	er provided. If, at the expiration of the primary term of this lease rengaged in drilling or re-working operations thereon, then the imises of on acreage pooled therewith, and operations shall be completion or abandonment of one well and the beginning of pooled therewith, the production thereof should cease from any orking operations within ninety (90) days from date of cessation result of such operations at or after the expiration of the primary uses or on acreage pooled therewith exhall not be obligated, except as otherwise provided herein, to after the primary term surrender this lease as to all or any portion
3 In consideration of the premises the said Lessee covenants and agrees. Ist To deliver to the credit of Lessor, free of cost, in the pipe line to which I essee may connect well.	is on said land, the equal one-eighth (178) part of all oil produced
and saved from the leased premises.  2nd To pay Lessor one-eighth (1/8) of the gross proceeds each year, payable quarterly, for the gas	
used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8), payable m. 3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufact.	
of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.  4. Where gas from a well capable of producing gas is not sold or used. Lessee may pay or tender as acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease.	next ensuing after the expiration of 90 days from the date sucl
well is shut in and thereafter on or before the anniversary date of this lease during the period such well is that gas is being produced within the meaning of this lease.	
<ol><li>If said Lessor owns a less interest in the above described land than the entire and undivided fee sim herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the wh</li></ol>	ble and undivided fee
<ul> <li>Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee</li> <li>When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth</li> </ul>	· ·
<ol> <li>No well shall be drilled nearer than 200 feet to the house or barn now on said premises without wi</li> <li>Lessee shall pay for damages caused by Lessee's operations to growing crops on said land</li> </ol>	itten consent of Lessor
10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premi 11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in own binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all reco- complete chain of record title from Lessor, than then only with respect to payments thereafter made. No oth on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said la of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any for any act or omission of any other leasehold owner.	ership of Lessor's interest (by assignment or otherwise) shall be reed documents and other information necessary to establish a er kind of notice, whether actual or constructive, shall be binding and shall operate to enlarge the obligations or diminish the rights
12. Lessee, at its option is hereby given the right and power at any time and from time to time as a right part of the land described herem and as to any one or more of the formations hereinder. To pool or unitize with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to so to include formations not producing oil or gas, may be reformed to exclude such non-producing formation by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration a well has therefore been completed or upon which operations for drilling have theretofore been commen in for want of a market anywhere on a unit which includes aff or a part of this lease shall be treated as if it in for want of a market under this lease. In her of the royalties elsewhere herein specified, including shufsopooled royalties only in the portion of such production allocated to this lease; such allocation shall be surface acres covered by this lease and included in the unit bears to the total number of surface acres in sit to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations into a cooperative or unit plan of development or operation approved by any governmental authority and	the leasehold estate and the mineral estate covered by this least of the production of either, when in the Lessee's judgment it is uch other land, lease or leases. Etkewise, units previously formed is: The forming or reforming of any unit shall be accomplished in shall describe the unit. Any unit may include land upon which ed. Production, drilling or reworking operations or a well shut were production, drilling or reworking operations or a well shut were production, drilling or reworking operations or a well shut in gas royalties. I essor shall receive on production from the unit that proportion of the unit production that the total number of elumnt. In addition to the foregoing, Lessee shall have the right thereunder with other lands in the same general area by entering d, from time to time, with like approval, to modify, change or
terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this least and provisions of such approved cooperative or unit plan of development or operation and, particularly, a or implied, shall be satisfied by compliance with the drilling and development requirements of such plan is the life of such plan or agreement. In the event that said above described lands or any part thereof, shall be development or operation whereby the production therefrom is allocated to different portions of the laid contract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded it is allocated and not to any other tract of land, and the royalty payments to be made hereunder to Lessor's formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by the same upon request of Lessee.	all drilling and development requirements of this lease, express a agreement, and this lease shall not terminate or expire during icreafter be operated under any such cooperative or unit plan ered by said plan, then the production allocated to any particular discharing produced from the particular tract of land to which hall be based upon production only as so allocated. Lessor shall be
13 All express or implied covenants of this lease shall be subject to all Federal and State Laws, Excleriminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compl.	
Law, Order, Rule or Regulation.  14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of p thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surren described herein, insofar as said right of dower and homestead may in any way affect the purposes for what is as Lessor. The word "Lessor" as used in this lease, shall mean any one or more or all of the parties who debe hinding on the heirs, successors and assigns of Lessor and Lessoe.  IN WITNESS WIII:REOF, this instrument is executed as of the date first above written.	ayment by Lessor and be subrogated to the rights of the holder der and release all right of dower and homestead in the premises ich this lease is made, as recited herein all nevertheless be binding upon all such parties who do execute
•	
Sherman Singleton SS #	

 $\overline{SSH}$ 

Helen Singleton

STATE OF			
COUNTY OF	]	Acknowledgment - Individual	
		ary Public, in and for said County and State, on this ppcared	
to me known to be the identic writing and acknowledged to voluntary act and deed for the	me that <u>h</u>	ribed in and who executed the within and foregoing instrume/she/theyduly executed the same as his/hei/their_es therein set forth.	ent of _free and
IN WITNESS WHEI above written	REOF, I have here	eunto set my hand and affixed by notarial seal the day and ye	ear last
My Commission Expires:		Address	
STATE OF		taka waladan ant Data makin Mana	
COUNTY OF	}\$ }	Acknowledgment - Partnership/Trust	
BEFORE ME, the un	idersigned, a Nota 000, personally a	nry Public, in and for said County and State, on this	day of
asof		ppearedibed in and who executed the within and foregoing instrum	
to me known to be the identical writing and acknowledged to a deed for the uses and purposes	me that	duly executed the same asfree and volunt	ent of ary act and
IN WITNESS WHER above written.	CEOF, I have here	cunto set my band and affixed by notarial seal the day and yo	ear last
My Commission Expires:			
		Address:	
STATE OF		Acknowledgment - Corporation	
COUNTY OF	]	zicanom tagmem - Corporation	
		this day personally appeared	
to me personany known who b of	eing by me duty: and that th	sworn did say that he is the	
corporation and that said instru	iment was signed	and sealed in behalf of said corporation by authority of its for the free act and deed of said corporation	Board of
Sworn to and subscrib	oed before me, thi	isday of, 2000	
My commission Expires:			<del></del>

en de grandes de la composition della compositi

Exhibit 3B-1

September 29, 2000

Dr. William A. Hall

Farmington, NM 87401

416 N. Behrend

RICHARDSON PRODUCTIOI

700 Lincoin, Suite 170 Denver, Colorado 30203 (303) Fax (303) 330-8009

Article Number (Copy from service label) 416 N. Behrend Farmington, NM 87401 Dr. William A. Hall 000 0520 0023

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

IDER: COMPLETE THIS SECTION

A. Received by (Please Print Clearly)

D. Is delivery address different from item 1?

Z Yes Addressee

Agent

If YES, enter delivery address below:

COMPLETE THIS SECTION

B. Date of Delivery

102595-00-M-0952

2967

PS Form 3811, July 1999

Dornestic Return Receipt 4373

Restricted Delivery? (Extra Fec.) ☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

☐ Yes

Certified Mail
Registered
Insured Mail

Service Type

Re:

Pictured Cliffs Well Proposal

Certified Mail 7000 0520 0023 4373 2967

ROPCO =9-2 Well

SE/4-Section 9-T29N-R14W San Juan County, New Mexico

Dear Dr. Hall:

Richardson Production Company proposes to drill a Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a 20.00 net acre unleased mineral interest within the spacing unit. The ROPCO #9-2 well will be located in the SE/4SE/4 of Section 9-T29N-R14W. The spacing unit for the Pictured Cliffs formation will be the SE/4 of Section 9.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by October 20, 2000. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% nonconsent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate. Richardson respectfully requests you elect one of the following options as to your interest:

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

Your response is respectfully requested by October 20, 2000.

Should you have any questions, please do not hesitate to call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

On this	day of 2000, I hereby elect the following:	
	Participate in proposed drilling and completion attempt, executed AFE is returne herewith.	ed
	Enter into Oil and Gas Lease for \$30.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.	de
	Sell mineral rights for \$70.00 per net mineral acre.	
By:		
Printed Nam	€:	

#### RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Weil Name: ROPCO 9-2 | SECTION 9-SE/4 | Location: T29N R14W, San Juan County, NM

12.5000% OR WILL AM A HALL DATE\_\_\_\_\_

Proposea Depth: 1200

Date: 09/29/2000 Objective Formation: Pictured Oliffs

	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Actual
	Survey and Permits		3.000	i	
	Title Coinion		1.500		
	Drilling (incl. water and mud) 1200' @ 15.00/ft	Í	18.000		
	BOP Rental		750 i	•	
	Dirt Work		4 000		
	Pit Lining	j	2.800	j	
	Surface Casing 200' @ 7-18/ft.	1.436			
	Casing Head	1.500			
	Cement Surface	1	2.300	!	
	Power Tongs		1,000		
	Casing 12001 @ 5.50 /ft	5.500	1		
	Trucking		3 000	į	
	Logs		3.500	ļ	
	Engineering		3.300	!	
	Cament Longstring	ļ	3.000 i 4.000 i	ļ	
	~ ~	2 = 2 = 1			
	Total Cost to Run Casing.	9.536	46 850	56.386	
	5 9375% Farmington, NM Tax			3.348	
	10% Contingency	,	-	5.973	
	Grand Total to Run Casing			65.707	
	Completion Costs	l I			
	Rig Anchors		750:		
	_0gs	i	2.500	į	
	Parional	İ	2,300	†	
	Weilnead & Fittings	4.000∫		i	
	Tubing 1200' @ 2.50/ft.	3,0001	i		
	Stimulation	F T	22 000		
	Tool Rental	i	2.300	-	
	Trucking		3.000		
	Battery Instailation	· i	6.000	Ì	
	Restore Location		3.500	į	
	Engineering		3.250	į	
	Treator, Separator	5.300	3,230		
	Flowling	4.000		!	
	Tack & Fittings				
		≟.500  3.000	; ,		
	Graver	3,000	7.000		
	Norkover Rig.		5.000	:	
	Completion Fluids	i	1,0001	1	
	Division Order Calinion		1.000		
	Proeine Hookno	i	13.000	}	
	Frac Tank Rental	ļ	1.250		
	Flowpack		1.000	3	
	Fance Location	3.300	<u> </u>		
	Total Completion Costs	27,100]	67.550	94.6501	
	5.9375% Farmington, NM Tax			5.620	
	10% Contingency			10.027	
	Drilling Costs		1	65.707	
	Grand Total Well Costs		-	176,004	
	Grand Total Hell Costs			1,70,004,	
	21.50				
	CLIFFS	*0500/63			\$154
	GRICHARDSON OPERATING COMPANY DATE	4PP9OVED			3134
CUS	GIOR WILLIAM A HALL DATE	4PPROVED			32,

\$176.004

## OIL AND GAS LEASE

OIL AID GAS	LEAGE
THIS AGREEMENT, Made and entered into this 29th day	y of <u>September</u> . 2000 , by and between
Dr. William A. Hall, a married man dealing	in his sole and separate property
Whose post office address is 416 N. Behrend, Farmington, New Mexico 87401	hereinafter called I essor (whether one
or more) and Richardson Production Company whose post office address is 1700 WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10 acknowledged, and the covenants and agreements hereinafter contained, has granted, dem exclusively unto the said Lessee, the land hereinafter described, with the exclusive right to operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights to produce, save and take care of said products, all that certain tract of land situated in the Cov	<u>0.8. more</u> ) DOLLARS cash in hand paid, the receipt of which is hereby ised, leased and let, and by these presents does grant, denuse, lease and let or the purpose of mining, exploring by geophysical and other methods, and sof way and easements for laying pipe lines, and erection of structures thereon
Township 29 North - Range 14 West, N.M.P.M.	
Section 9: See Exhibit "A", attached hereto and made	a part hereof
and containing 80.00 acres, more or less * three (3)	
1. It is agreed that this lease shall remain in force for a term of five (5) years from this da from said leased premises or on acreage pooled therewith, or drilling operations are continued oil or gas is not being produced on the leased premises or on acreage pooled therewith but lease shall continue in force as long as operations are being continuously prosecuted on to considered to be continuously prosecuted if not more than ninety (90) days shall clapse operations for the drilling of a subsequent well. If after discovery of oil or gas on said land cause after the primary term, this lease shall not terminate if Lessee commences additional d of production or from date of completion of dry hole. If oil or gas shall be discovered and pitterm of this lease, this lease shall continue in force so long as oil or gas is produced from the 2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agree commence or continue any operations during the primary term. Lessee may at any time or time of said land and as to any strata or stratum by delivering to Lessor or by filing for record a the acreage surrendered.  3. In consideration of the premises the said Lessee covenants and agrees.	d as heremafter provided. If, at the expiration of the primary term of this lease, Lessee is than engaged in drilling or re-working operations thereon, then this he leased premises or on acreage pooled therewith; and operations shall be between the completion or abandonment of one well and the beginning of or on acreage pooled therewith, the production thereof should cease from any rilling or re-working operations within ninety (90) days from date of cessation roduced as a result of such operations at or after the expiration of the primary eleased premises or on acreage pooled therewith reschaft Lessee shall not be obligated, except as otherwise provided herem, to nes during or after the primary term surrender this lease as to all or any portion release or releases, and be relieved of all obligation thereafter accruing as to
1st To deliver to the credit of Lessor, free of cost, in the pipe line to which I essee may and saved from the leased premises.	
2nd To pay Lessor one-eighth (1/8) of the gross proceeds each year, payable quarterly used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8). 3rd. To pay Lessor for gas produced from any oil well and used off the premises or in of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.	B), payable monthly at the prevailing market rate for gas.
4 Where gas from a well capable of producing gas is not sold or used, Lessee may pay acre retained hereunder, such payment or tender to be made on or before the anniversary dat well is shut in and thereafter on or before the anniversary date of this lease during the period that gas is being produced within the meaning of this lease.	e of this lease next ensuing after the expiration of 90 days from the date such
5. If said Lessor owns a less interest in the above described fand than the entire and undi- herein provided for shall be paid the Lessor only in the proportion which Lessor's interest be 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said la 7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.	ears to the whole and undivided fee
8 No well shall be drilled nearer than 200 feet to the house or barn now on said premis	
9 Lessee shall pay for damages caused by Lessee's operations to growing crops on said 10 Lessee shall have the right at any time to remove all machinery and fixtures placed. 11 The rights of Lesser and Lessee hereunder may be assigned in whole or part. No clinding on Lessee until Lessee has been furnished with notice, consisting of certified copic complete chain of record title from Lessor, than then only with respect to payments thereafter on Lessee. No present or future division of Lessor's ownership as to different portions or par of Lessee, and all Lessee's operations may be conducted without regard to any such division for any act or omission of any other leasehold owner.  12. Lessee, at its option is hereby given the right and power at any time and from time part of the land described herein and as to any one or more of the formations hereunder, to p with other land, lease or leases in the immediate vicinity for the production of oil and gas, on necessary or advisable to do so, and irrespective of whether authority similar to this exists with to include formations not producing oil or gas, may be reformed to exclude such non-producing by Lessee executing and filing of record a declaration of such unitization or reformation, while	on said premises, including the right to draw and remove easing, nange in ownership of Lessor's interest (by assignment or otherwise) shall be es of all recorded documents and other information necessary to establish a made. No other kind of notice, whether actual or constructive, shall be binding cels of said land shall operate to enlarge the obligations or diminish the rights i. If all or any part of this lease is assigned, no leasehold owner shall be liable to time as a recurring right, either before or after production, as to all or any ool or unitive the leasehold estate and the inneral estate covered by this lease or separately for the production of either, when in the Lessee's judgment it is respect to such other land, lease or leases. Likewise, units previously formed ting formations. The forming or reforming of any unit shall be accomplished ich declaration shall describe the unit. Any unit may include land upon which
a well has therefore been completed or upon which operations for drilling have therefore bein for want of a market anywhere on a unit which includes all or a part of this lease shall be to in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, in so pooled royalties only in the portion of such production allocated to this lease, such allocasurface acres covered by this lease and included in the unit bears to the total number of surface unitize, pool, or combine all or any part of the above described lands as to one or more of the into a cooperative or unit plan of development or operation approved by any governmenta terminate any such plan or agreement and, in such event, the terms, conditions and provision and provisions of such approved cooperative or unit plan of development or operation and, or implied, shall be satisfied by compliance with the drilling and development requirements the life of such plan or agreement. In the event that said above described lands or any part if development or operation whereby the production therefrom is allocated to different portions of tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lesse it is allocated and not to any other tract of land, and the royalty payments to be made hereund formally express Lesson's consent to any cooperative or unit plan of development or operation to any unor tracted of largest of largest.	treated as if it were production, drilling or reworking operations or a well shut cluding shut-in gas royalties, Lessor shall receive on production from the unit ation shall be that proportion of the unit production that the total number of the accessing such unit. In addition to the foregoing, Lessee shall have the right are formations thereunder with other lands in the same general area by entering I authority and, from time to time, with like approval, to modify, change or as of this lease shall be deemed modified to conform to the terms, conditions, particularly, all drilling and development requirements of this lease, express of such plan or agreement, and this lease shall not terminate or expire during hereof, shall hereafter be operated under any such cooperative or unit plan of the land covered by said plan, then the production allocated to any particular in, be regarded as having produced from the particular tract of fand to which let to lessor shall be based upon production only as so allocated. Lessor shall
the same upon request of Lessee.  13. All express or implied covenants of this lease shall be subject to all Federal and Staterminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therever.	ate Laws, Executive Orders, Rules or Regulations, and this lease shall not be with, if compliance is prevented by, or if such failure is the result of, any such
Law, Order, Rule or Regulation.  14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and	nd agrees that the Lessee shall have the right at any time to redeem for Lessor,
by payment, any mortgages, taxes or other bens on the above described lands, in the event of thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, I described herein, insofar as said right of dower and homestead may in any way affect the put 15. Should any one or more of the parties hereinabove named as Lessor fail to execute that as Lessor. The word "Lessor" as used in this lease, shall mean any one or more or all of the be binding on the heirs, successors and assigns of Lessor and Lessee.  IN WITNESS WHEREOF, this instrument is executed as of the date first above written.	of default of payment by Lessor and be subrogated to the rights of the holder hereby surrender and release all right of dower and homestead in the premises rposes for which this lease is made, as recited herein its lease, it shall nevertheless be binding upon all such parties who do execute
Dr. William A. Hall	SS II

STATE OF			
COUNTY OF	I§	Acknowledgment - Individual	
		ary Public, in and for said County and State, on this ppeared	
and			
	me that he	ibed in and who executed the within and foregoing instress belong the same as his/her/their stherein set forth.	
IN WITNESS WHEN above written.	REOF, I have here	eunto set my hand and affixed by notarial seal the day and	l year last
My Commission Expires:		Address:	
		·	
STATE OF			
COUNTY OF	)§	Acknowledgment - Partnership/Trust	
BEFORE ME, the un	ndersigned, a Nota 000, personally ap	ry Public, in and for said County and State, on this	day of
writing and acknowledged to a deed for the uses and purposes	me thats therein set forth.	ibed in and who executed the within and foregoing instru- duly executed the same asfree and volu- unto set my hand and affixed by notarial seal the day and	intary act and
above written	•		
My Commission Expires:		Address	
STATE OF	} } }§	Acknowledgment - Corporation	
COUNTY OF		Acknowledgment - Corporation	
Before me, the unders	signed authority, the	his day personally appearedworn did say that he is the	·
of	and that the iment was signed a	e seal affixed to said instrument is the corporate seal of s and sealed in behalf of said corporation by authority of it e the free act and deed of said corporation	aid
Sworn to and subscrib	ped before me, this	sday of, 2000	
My commission Expires			

. . . .

#### EXHIBIT "A"

Lease Description for Oil and Gas Lease dated September 29, 2000, by and between Dr. William A. Hall, a married man dealing in his sole and separate property, Lessor, and Richardson Production Company, Lessee.

Township 29 North, Range 14 West, NMPM

Tract I:

Control of Landau Control of the Control of the Control

Section 9:

SE/4NW/4SE/4, S/2SW/4SE/4, S/2N/2SW/4SE/4,

E/2N/2N/2SW/4SE/4, and

That part of the W/2NW/4SE/4 of said Section 9 described as follows: Beginning North 00 degrees 15 minutes East 324 feet from the Southwest corner of said W/2NW/4SE/4; Thence North 00 degrees 15 minutes East 996.0 feet; Thence East 658.68 feet;

Thence South 00 degrees 15 minutes West 996.0 feet; Thence West

658.68 feet to the point of beginning. Containing 60.00 acres, more or less

Tract II:

Beginning at a point which is 972.0 feet North 0 degrees 15 minutes East from the South 1/4 corner of said Section 9; Thence North 00 degrees 15 minutes East 661.70 feet; Thence East 658.68 feet; Thence South 00 degrees 15 minutes West 661.70 feet;

Thence West 658.68 feet to the point of beginning.

Containing 10.00 acres, more or less

Tract III:

Beginning North 0 degrees 15 minutes East 1969.70 feet and East 658.68 feet from the South 1/4 corner of said Section 9; Thence North 00 degrees 15 minutes East 660.00 feet; Thence East 660.00

fect; Thence South 00 degrees 15 minutes West 660.00 feet;

Thence West 660.00 feet to the point of beginning.

Containing 10.00 acres, more or less

San Juan County, New Mexico

SIGNED FOR IDENTIFICATION:

Dr. William A. Hall



### DR. WILLIAM A. HALL, O.D.

416 N. Behrend Ave. Farmington, NM 87401

Telephone: (505) 325-6350



October 4, 2000

Dear Ms. Colby,

This is in response to your lease proposal concerning my mineral interest in  $\Xi/2$  Sect. 9-T29N-R14w for a proposed Fruitland and pictured cliffs well.

However, your offer is unacceptable as to the royalty interest of 12.5%. I have no zeal for your bonus money and propose instead a flat 25% royalty interest.

I would like nothing better than to see a productive well that would be of benefit to all concerned.

Sincerely,

William I Hali

1700 Lincoln, Suite 1700 Denver, Calorado 80203 (303) 830-3000 Fax (303) 830-8009

October 16, 2000

Dr. William A. Hall 416 N. Behrend Avenue Farmington, NM 87401

Re:

Well Proposals

Section 9-T29N-R14W

San Juan County, New Mexico

Dear Dr. Hail:

We are in receipt of your two letters dated October 4, 2000, pertaining to well proposals made by Richardson as follows:

ROPCO 9-1 E/2 Fruitland Coal NE/4 Pictured Cliffs
ROPCO 9-2 SE/4 Pictured Cliffs
ROPCO 9-3 W/2 Fruitland Coal SW/4 Pictured Cliffs

The terms of your counterproposals are declined, however, our offers to you remain open as stated in the well proposals.

There is also an additional option available to you, which is to be pooled into the wells under the rules and regulations of the New Mexico Oil Conservation Division. In the absence of receiving an election from you in a reasonable amount of time, we will commence pooling the uncommitted interests.

Please feel to call if you have any questions or if you need additional information.

Sincerely.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Cothy

Exhibit 3 B-2



1700 Lindo'h Suite 173 Denver, Colorado 80203 (303) Fax (303) 330-8009

September 29, 2000

Mr. and Mrs. Sherman Singleton 2001 East Main Farmington, NM 87401

Certified Mail 7000 0520 0023 4373 2950

Pictured Cliffs Well Proposal Re:

ROPCO ≠9-2 Well

SE/4-Section 9-T29N-R14W San Juan County, New Mexico

Dear Mr. and Mrs. Singleton:

Richardson Production Company proposes to drill a Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a 2.50 net acre unleased mineral interest within the spacing unit. The ROPCO #9-1 well will be located in the SE/4SE:4 of Section 9-T29N-R14W. The spacing unit for the Pictured Cliffs formation will be the SE/4 of Section 9.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by October 20, 2000. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% nonconsent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate. Richardson respectfully requests you elect one of the following options as to your interest:

Agent Addre B. Date of De Return Receipt for Mercifa á Is delivery address different fron litern 1? ☐ Express Mail ☐ Return Receip ☐ C.O.D. If YES, enter delivery address below: A. Received by (Please Brint Clagrly), Restricted Delivery? (Extra Fee) Service Type

Certified Mail

Registered
Insured Mail Domestic Return Receipt 2950 4373 so that we can return the card to you.
Attach this card to the back of the mailpiece, Print your name and address on the reverse Mr. and Mrs. Sherman Singleton 2. Article Number (Copy from service label) or on the front if space permits. ramington, NM 87401 200 7000 0520 PS Form 3811, July 1999 2001 Bast Main Article Addressed to: 7000

02595-00-M

Mr. and Mrs. Sherman Singleton September 29, 2000 Page 2

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

Your response is respectfully requested by October 20, 2000.

Should you have any questions, please do not hesitate to call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathlan Colly

On this	day of	, 2000, we hereby elect the following:
	Participate in pr herewith.	oposed drilling and completion attempt, executed AFE is returned
		nd Gas Lease for \$30.00 per net mineral acre, with lease to provide primary term and 12.5% royalty in the event of production.
	Sell mineral righ	hts for \$70.00 per net mineral acre.
Ву:		By:
Printed Name	e:	Printed Name:

#### RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Weil Name: RCPCC 9-2 | SECTION 9-SE, 4 Location: T29N R14W, San Juan County, NM

Proposed Depth: 1200'

Date: 09/29/2000

Objective Formation: Pictured 31 ffs

Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Actual
Survey and Permits		3,000)		
Title Opinion	i.	1 500}		
Drilling (incl. water and mud) 1200" @ 15.00/ft	į	13.000	}	
BOP Rentales exercises and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second and a second a second and a second a second and	!	750:	1	
Dirt Work	ķ	4.000	1	
Pit Lining		2,300	ļ	
Surface Casing 200' @ 7.18/ft.	1,436	2.500	ļ	
Casing Head-	1.500			
Cement Surface		2.3001		
	!		j	
Power Tongs	5.530	1,000;		
Casing 1290' @ 5 50/ft	5 600 <u>j</u>	:	į	
Trucking	!	3.0001		
Logs	1	3,500:	į	
Engineering		3.000		
Cement Longstring		- ocol		
Total Cost to Run Casing	9.5361	46.8501	56.3861	
5 9375% Farmington, NM Tax	3.555	-5.550	3.348	
10% Contingency- · · · · · · · · · · · · · · · · · · ·			5.973	
Grand Total to Run Casing	1	÷	65.707	
Completion Costs	:	:		
Rig Anchors		750)	ĺ	
40gs	i	2,5001	i	
Peri		2,0001	[	
Weithead & Fittings	4 300 j		İ	
Tubing 1200' @ 2.50/ft.	3.000	1		
Stimulation	3.300	22,000		
Tool Rental · · · · · · · · · · · · · · · · · · ·	!	2,300		
	į			
Trucking		3.000		
Battery Installation- · · · · · · · · · · · · · · · · · · ·		5.000	1	
Restore Location	:	3.500	;	
Engineering		3.250		
Treator, Separator	5 3001	!		
Fiowine	4 0001	•		
Tank & Fittings	4.500		İ	
Graveil	3.0001	1	1	
Workover Rig	3.3601	5.0001		
Completion Fluids		1.000	i	
Division Order Opinion				
	1	1.000		
Pipeline Hookup	;	13.000	ļ	
Frac Tank Rentai		1.250)	ì	
Flowback		1,0001		
Fence Location	<u>3,300 j</u>			
Total Completion Costs	27 1001	67 <b>53</b> 01	94,650	
5,9375% Farmington, NM Tax	-		5.620	
10% Contingency		i	10,027	
Oniling Costs		1	65,707	
		<u></u>		
Grand Total Well Costs		· 	176.004	
ED CLIFFS				
75% RICHARDSON OPERATING COMPANY DATE	ipaeoved			517
A Dig monombodis of C. Alinia bomeans - Date				- L

Producers 88 Rev

# OIL AND GAS LEASE

OIL AND GAS	LEASE
	ty of September 2000 by and between
Sherman Singleton and Helen Singleton, h	
Whose post office address is 2001 East Main, Farmington, New Mexico 87401	hereinafter called Lessor (whether one
or more) and Richardson Production Company—whose post office address is 1700 WITNESSETH, That the Lessor, for and in consideration of —Ten and more—(\$1) acknowledged, and the covenants and agreements hereinafter contained, has granted, der exclusively unto the said Lessee, the land hereinafter described, with the exclusive right operating for and producing therefrom oil and all gas of whatsoever nature or kind, with right to produce, save and take care of said products, all that certain tract of land situated in the Co	0 & more) DOLLARS cash in hand paid, the receipt of which is hereby mised, leased and let, and by these presents does grant, demise, lease and let for the purpose of mining, exploring by geophysical and other methods, and its of way and easements for laying pipe lines, and erection of structures thereon
Township 29 North - Range 14 West, N.M.P.M.	
Section 9; Thence North 00 degrees 15 min	1969.70 feet and East 658.68 feet from the South 1/4 corner of said utes East 660.00 feet; Thence East 660.00 feet; Thence South 00 ce West 660.00 feet to the point of beginning.
and containing 10.00 acres, more or less	
three (3)  It is agreed that this lease shall remain in force for a term of five (5) years from this d from said leased premises or on acreage pooled therewith, or drilling operations are continuously prosecuted on the leased premises or on acreage pooled therewith but lease shall continue in force as long as operations are being continuously prosecuted on considered to be continuously prosecuted if not more than ninety (90) days shall elapse operations for the drilling of a subsequent well. If after discovery of oil or gas on said laud cause after the primary term, this lease shall not terminate if Lessee commences additional of production or from date of completion of dry hole. If oil or gas shall be discovered and p term of this lease, this lease shall continue in force so long as oil or gas is produced from the 2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agreemmence or continue any operations during the primary term. Lessee may at any time or to of said land and as to any strata or stratum by delivering to Lessor or by filing for record a the acreage surrendered.	ed as hereinafter provided. If, at the expiration of the primary term of this lease, t Lessee is than engaged in drilling or re-working operations thereon, then this the leased premises or on acreage pooled therewith, and operations shall be a between the completion or abandonment of one well and the beginning of or on acreage pooled therewith, the production thereof should cease from any drilling or re-working operations within ninety (90) days from date of cessation produced as a result of such operations at or after the expiration of the primary in leased premises or on acreage pooled therewith rees that Lessee shall not be obligated, except as otherwise provided herein, to mes during or after the primary term surrender this lease as to after any portion
3 In consideration of the premises the said Lessee covenants and agrees. 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which I essee man.	ry connect wells on said land, the equal one-eighth (1/8) part of all oil produced
and saved from the leased premises.  2nd To pay Lessor one-eighth (1/8) of the gross proceeds each year, payable quarter used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/2 3rd fo pay Lessor for gas produced from any oil well and used off the premises or in	(8), payable monthly at the prevailing market rate for gas
of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate  4. Where gas from a well capable of producing gas is not sold or used. I essee may pay acre retained hereunder, such payment or tender to be made on or before the anniversary da well is shut in and thereafter on or before the anniversary date of this lease during the perior	ite of this lease next ensuing after the expiration of 90 days from the date such
that gas is being produced within the meaning of this lease.  5. If said Lessor owns a less interest in the above described land than the entire and und	
herein provided for shall be paid the Lessor only in the proportion which flessor's interest by 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said to 7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth. 8. No well shall be drifted nearer than 200 feet to the house or barn now on said premi	pears to the whole and undivided fee and for Lessee's operation thereon, except water from the welfs of Lessor
9 Lessee shall pay for damages caused by Lessee's operations to growing crops on sai 10. Lessee shall have the right at any time to remove all machinery and fixtures placed 11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No e binding on Lessee until Lessee has been furnished with notice, consisting of certified cop complete chain of record title from Lessor, than then only with respect to payments thereafter on Lessee. No present or future division of Lesser's ownership as to different portions or pa of Lessee, and all Lessee's operations may be conducted without regard to any such divisio for any act or omission of any other leasehold owner.	d land. I on said premises, including the right to draw and remove casing change in ownership of Lessor's interest (by assignment or otherwise) shall be bies of all recorded documents and other information necessary to establish a rimade. No other kind of notice, whether actual or constructive, shall be binding ireels of said land shall operate to enlarge the obligations or diminish the rights.
12 Lessee, at its option is hereby given the right and power at any time and from time part of the land described herein and as to any one or more of the formations hereunder, to p with other land, lease or leases in the immediate vicinity for the production of oil and gas, incressary or advisable to do so, and irrespective of whether authority similar to this exists with include formations not producing oil or gas, may be reformed to exclude such non-producing by I essee executing and filing of record a declaration of such unitization or reformation, what well has therefore been completed or upon which operations for drilling have theretofore in for want of a market anywhere on a unit which includes all or a part of this lease shall be in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, in so pooled royalties only in the portion of such production allocated to this lease, such alloc surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease with the difficult and so one or more of the surface acres covered by compliance with the driffing and development or operation and, or implied and to to any other tract	pool or unitize the leasehold estate and the mineral estate covered by this lease or separately for the production of either, when in the Lessee's judgment it is the respect to such other land, lease or leases. Likewise, units previously formed reing formations. The forming or reforming of any unit shall be accomplished high declaration shall describe the unit. Any unit may include land upon which been commenced. Production, drilling or reworking operations or a well shut treated as if it were production, drilling or reworking operations or a well shut including shut-in gas royalties. Lessor shall receive on production from the unit cation shall be that proportion of the unit production that the total number of face acres in such unit. In addition to the foregoing, Lessee shall have the right the formations thereunder with other lands in the same general area by entering al authority and, from time to time, with like approval, to modify, change or one of this lease shall be deemed modified to conform to the terms, conditions, particularly, all drilling and development requirements of this lease, express of such plan or agreement, and this lease shall not terminate or expire during thereof, shall hereafter be operated under any such cooperative or unit plan of of the land covered by said plan, then the production allocated to any particular for, be regarded as having produced from the particular tract of land to which der to Lessor shall be based upon production only as so allocated. Lessor shall on adopted by Lessee and approved by any governmental agency by executing tate Laws, Executive Orders, Rules or Regulations, and this lease shall not be
terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply there Law, Order, Rule or Regulation  14. Lessor hereby warrants and agrees to defend the title to the lands herein described, a	ewith, if compliance is prevented by, or if such failure is the result of, any such and agrees that the Lessee shall have the right at any time to redeem for Lessor,
by payment, any mortgages, taxes or other liens on the above described lands, in the event thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, described herein, insofar as said right of dower and homestead may in any way affect the pt 15. Should any one or more of the parties hereinabove named as Lessor fail to execute that as Lessor. The word "Lessor" as used in this lease, shall mean any one or more or all of the behinding on the heirs, successors and assigns of Lessor and Lessee.  IN WITNESS WHEREOF, this instrument is executed as of the date first above written.	hereby surrender and release all right of dower and homestead in the premises urposes for which this lease is made, as recited herein his lease, it shall nevertheless be binding upon all such parties who do execute e parties who execute this lease as I essor. All the provisions of this lease shall
Sherman Singleton	SS#
Helen Singleton	SS#

STATE OF	}		
COUNTY OF	]§ ]	Acknowledgment - Individual	
BEFORE ME, the un	idersigned, a Nota	ary Public, in and for said County and State, on this	
and	300, personarry ap	pened	·
to me known to be the identication	al person(s) descri ne that <u>he</u>	bed in and who executed the within and foregoing instru <u>/she/theyduly executed the same ashis/her/thei</u>	iment of
IN WITNESS WHER above written	tEOF, I have here	unto set my hand and affixed by notarial seal the day and	year last
My Commission Expires:		Address	
		t and the second second second second second second second second second second second second second second se	
STATE OF	1		
COUNTY OF	16	Acknowledgment - Partnership/Trust	
		ry Public, in and for said County and State, on this peared	
is of	, 1,	bed in and who executed the within and foregoing instru	
writing and acknowledged to n deed for the uses and purposes	ne that therein set forth.	bed in and who executed the within and foregoing instruction and second who executed the same asfree and volution in the second and affixed by notarial scal the day and	ntary act and
My Commission Expires:		All	
		Address:	
STATE OF	1		
COUNTY OF	}\$ }	Acknowledgment - Corporation	
o me personally known who be	eing by me duly so	his day personally appearedworn did say that he is the	
oforporation and that said instru	, and that the ment was signed a	e seal affixed to said instrument is the corporate seal of s and sealed in behalf of said corporation by authority of it e the free act and deed of said corporation	aid s Board of
Sworn to and subscrib	ed before me, this	sday of, 2000.	
My commission Expires.			

·	Exhibit 3.C	RICHARDSON PRODUCT  1700 Linabra, Suite Denver, Colorado 80203 (A Fax (303) 830-86	1700	S Form 38 / 1, July 1999	7000 0520 002		C	Dr. William A. Hall 416 N. Behrend Farmington, NM 87401	Article Addressed to:	eturn the lospace	Complete items 1, 2, and 3. / item 4 if Restricted Delivery is Print your name and address	
Octob	er 3, 2000			Domestic Return Receipt	service label) 5 0023 43:			all 87401			d 3. Also complete very is desired. dress on the reverse	
416 N Farmi	Tilliam A. Hall T. Behrend ngton, NM 87401		RE RE DA	aturn Receipt	73 2998	4. Restricted Delivery? (Extra Fee)	3. Service Type  A Certified Mail  Registered  Insured Mail		U. Is delivery address of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	Signature Mich	A. Received by (Please M S) M	
Certif	Fruitland Coal and ROPCO #9-3 Wel W 2-Section 9-T2 San Juan County.	l Pictured Cliffs Well Propos l 9N-R14W	al	102595-00-M-(		(Extra Fee)	☐ Express Mail☐ Return Receipt for Mercha☐ C.O.D.		ery address different from item 1?		e Print Clearly) B. Date of De	

Dear Dr. Hall:

Richardson Production Company proposes to drill a downhole commingled Fruitland Coal and Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a 10.00 net acre unleased mineral interest within the spacing unit. The ROPCO  $\pm 9-3$  well will be located in the NE/4SW/4 of Section 9-T29N-R14W. The spacing unit for the Fruitland Coal formation will be W/2 of Section 9, and the spacing unit for the Pictured Cliffs formation will be the SW/4 of Section 9.

Enclosed for your review is an AFE itemizing the estimated costs for the well. In the event you wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by October 24, 2000. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% nonconsent penalty and \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

Dr. William A. Hall October 3, 2000 Page 2

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

Your response is respectfully requested by October 24, 2000.

Should you have any questions, please do not hesitate to call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colly
Cathleen Colly
Land Manager

On this	day of	. 2000, I hereby elect the following:
	Participate in prop herewith.	osed drilling and completion attempt, executed AFE is returned
	<del></del>	Gas Lease for \$30.00 per net mineral acre, with lease to provide mary term and 12.5% royalty in the event of production.
	Sell mineral rights	for \$70.00 per net mineral acre.
By:		<del></del>
Printed Nar	ne:	

### . AUTHORITY FOR EXPEDITURES

#### REVISED 10/3/00

Well Name: ROPCO #9-3 | SECTION 9 | PC SW/4, FC W/2

Location: T29N R14W

Proposed Depth: 900' Fruitiand Coal 1200' Pictured Cliffs

Date: 10/03/2000

Objective Formation: Commingled Pictured Cliffs

and Fruitland Coal

	rilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	urvey and Permits	<del>-</del>	3.000	]	1.500	1.50
	itle Opinion		3.000		1,500	1.50
• 0	Frilling (incl. water and mud) 1200' @ 15.00/ft		18.000	1	6.750	11.25
	IOP Rentale		750		375	37
0	Pirt Work		4.000		2.000	2.00
	fit Lining		2.800		1,400	1,40
	urface Casing 200' @ 7.18/ft	1.436			718	71
С	lasing Head-	1.500			750	75
C	ement Surface		2.300		1.150	1.15
٩	ower Tongs		1,000		500	50
С	Casing 1200' @ 5.50/ft	5.600			2,475	4,12
	rucking		3.000		1.500	1.50
	ogs		3.750		1 875	1.87
	ingineering		5,000	3	2.500	2.50
	Sement Longstring		4 000		1 500	2.50
•		0.5361	50.600	60.135)	<del></del>	33.64
	Total Cost to Run Casing	9,536	30.660			
	5 9375% Farmington, NM Tax			3.571	1.573	1,99
	10% Cantingercy		ļ.	6,371;	2 807	3.56
	Grand Total to Run Casing	į	ļ	76.077	30.873	39.20
	Completion Costs			ı		
R	lig Anchors		750		375	37
L	ogs		3.000∫	:	1.500	1,50
P	'erf		3.500	ļ	1,750	1.75
W	Vellhead & Fittings	4.000			2,000	2,00
Ţ	ubing 1200' @ 2 50/ft.	3 000 8	!	İ	1.125	1.37
S	timulation		÷2.000	!	21.000	21.00
T	ool Rentair		2,300		1,150	1,15
	rucking		3.000	İ	1,500	1.50
	Sattery Installation		6.000	1	3.000	3,00
R	Pestore Location		3.500	1	1.750	1.75
	ingineering · · · · · · · · · · · · · · · · · · ·		5.800		2,900	2.90
	reator, Separator	5.300	3.000	ĺ	2.650	2.65
	lowline	4,000		:	2.000	2.00
	ank & Fittings	4,500		į	2.250	2,25
	Gravel	4.500	3.000		1.500	1.50
	Vorkover Rig.	i	10,000		5.000	5,00
	Completion Fluids	\ 	2,000		1.000	
				ļ	]	1.00
	Pipeline Hookup		13.000	İ	6.500	5.50
	Division Order Opinion · · · · · · · · · · · · · · · · · · ·	ļ	1.5001	í Ì	750	75
	rac Tank Rental		2.500	i	1.250	1.25
_	lowpack · · · · · · · · · · · · · · · · · · ·		2.0001	1	1.000	1.00
	ence Location.	3.300	·	: 	1.650	1.65
Ţ	otal Completion Costs	24.100	103.850	127.950	1	64.35
	5.9375% Farmington, NM Tax		,	7.597	3.776	3.82
	10% Contingency		!	13.555	6.738	5.81
	Orilling Costs			70.0771	30.873	39.20
	Grand Total Well Costs			2:5.1 9:	. ೮೭.೫೮೮)	1,14,15
UITLAND C						
	ICHARDSON OPERATING GO ET AL DATE	APPROVED				510170
3.125% 0	R. WILLIAM A. HALL DATE	₹56604ED			FO TOTAL	\$328 \$10498
					- J	210-30
TURED CLI						
	ICHARDSON OPERATING CO ET AL DATE	APPROVED				\$10705
5.25% 0	R. WILLIAM A HALL DATE	APPROVED				\$713
					PG T074_	\$11419
					HALL TOTAL	\$104

PU Lease 5/yr Term Producers 88 Rev

a series and a series of the continued of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of the series of th

# OIL AND GAS LEASE

THIS AGREEMENT, Made and entere		day of	October	2000 by and between
	William A. Hall, dealing in		separate proper	
Whose post office address is 416 N. Behrend,				hereinafter called Lessor (whether one
or more) and Richardson Production Comp	<del></del>	· · · · · · · · · · · · · · · · · · ·		
WITNESSETH, That the Lessor, for and a acknowledged, and the covenants and agreement exclusively unto the said Lessee, the land herein operating for and producing therefrom oil and all g to produce, save and take care of said products, all	ts hereinafter contained, has grante after described, with the exclusive gas of whatsoever nature or kind, wi	ed, demised, lease right for the purp thrughts of way an	d and let, and by the pose of mining, expl d casements for layin	se presents does grant, demise, lease and le oring by geophysical and other methods, and ig pipe lines, and crection of structures thereor
Township 29 North - I	Range 14 West, N.M.P.M.			
Section 9: SE/4SW/	/4			
and containing 40.00 acre				
I this agreed that this lease shall remain in for from said leased premises or on acreage pooled the oil or gas is not being produced on the leased preclease shall continue in force as long as operation considered to be continuously prosecuted if not operations for the drilling of a subsequent well. I cause after the primary term, this lease shall not tend production or from date of completion of dry hatern of this lease, this lease shall continue in force 2. This is a PAID-UP LEASE, in consideration memore or continue any operations during the pof said land and as to any strata or stratum by del the acreage surrendered.  3. In consideration of the premises the said by the acreage surrendered.	erewith, or drilling operations are edmises or on acreage pooled therewhis are being continuously prosecut more than ninety (90) days shall fafter discovery of oil or gas on sagminate if Lessee commences additioned If oil or gas shall be discovered eso long as oil or gas is produced to in of the down cash payment. Lesser imary term. Lessee may at any tim livering to Lessor or by filing for othersee covenants and agrees.	ontinued as herein ath but Lessee is to do n the leased clapse between to did and or on acrestional drilling or it do and produced as from the leased proson agrees that Lease or times during ecord a release or	after provided. If, at than engaged in drillippermises or on acreathe completion or able completion or able completion or able completion or acreating operations a result of such operations or on acreage size shall not be obliqued after the primary to releases, and be relied.	he expiration of the primary term of this lease ng or re-working operations thereon, then this ige pooled therewith, and operations shall be indomment of one well and the beginning of the production thereof should cease from any within ninety (90) days from date of cessation ations at or after the expiration of the primary pooled therewith gated, except as otherwise provided herein, to tim surrender this lease as to all or any portion exed of all obligation thereafter accruing as to
1st To deliver to the credit of Lessor, free cand saved from the leased premises.	of cost, in the pipe line to which I es	see may connect v	vells on said land, the	equal one-eighth (4/8) part of all oil produced
used off the premises, and if used in the manufact 3rd. To pay Lessor for gas produced from a of the proceeds, at the mouth of the well, payable	ture of gasoline a royalty of one-eig my oil well and used off the premise monthly at the prevailing market ra	hth (1/8), payable as or in the manufa ite.	monthly at the preva acture of gasoline or :	my other product a royalty of one-eighth (1/8)
4 Where gas from a well capable of product acre retained hereunder, such payment or tender to well is shut in and thereafter on or before the annithat gas is being produced within the meaning of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	o be made on or before the annivers versary date of this lease during the this lease.	sary date of this le e period such well	ase next ensuing after is shut in If such par	the expiration of 90 days from the date such sment or tender is made, it will be considered
<ol> <li>If said Lessor owns a less interest in the ab- herein provided for shall be paid the Lessor only i</li> <li>Lessee shall have the right to use, free of c</li> <li>When requested by Lessor, Lessee shall be</li> <li>No well shall be drilled nearer than 200 fe</li> </ol>	in the proportion which Lessor's intest, gas, oil and water produced on any Lessee's pipe line below plow d	crest bears to the said land for Less epth.	whole and undivided see's operation thereo	fee in, except water from the wells of Lesson
9. Lessee shall pay for damages caused by Le 10. Lessee shall have the right at any time to 11. The rights of Lessor and Lessee hereunde binding on Lessee until Lessee has been furnishe complete chain of record title from Lessor, than the on Lessee. No present or future division of Lessor of Lessee, and all Lessee's operations may be con-	essee's operations to growing crops remove all machinery and fixtures er may be assigned in whole of part ed with notice, consisting of certifi- en only with respect to payments the 's ownership as to different portion ducted without regard to any such o	on said land, placed on said pre t. No change in or ed copies of all re greafter made. No s or pareels of said	emises, including the vnership of Lessor's ecorded documents a other kind of notice, v I land shall operate to	right to draw and remove casing. interest (by assignment or otherwise) shall be nd other information necessary to establish a whether actual or constructive, shall be binding enlarge the obligations or diminish the rights
for any act or omission of any other leasehold owr 12. Lessee, at its option is hereby given the r part of the land described herein and as to any one with other land, lease or leases in the immediate successary or advisable to do so, and irrespective of to include formations not producing oil or gas, may be be be a feet and filling of record a declarat a well has therefore been completed or upon which in for want of a market under this lease. In lieu of so pooled royalties only in the portion of such prosurface acres covered by this lease and included into unitize, pool, or combine all or any part of the all into a cooperative or unit plan of development of erminate any such plan or agreement and, in such and provisions of such approved cooperative or unor implied, shall be satisfied by compliance with the life of such plan or agreement. In the event the development or operation whereby the production tract of land shall, for the purpose of computing this allocated and not to any other tract of land; and formally express Lessor's consent to any cooperative the same upon request of Lessee.  13. All express or implied covenants of this iterminated, in whole or in part, nor Lessee held hall. Law, Order, Rule or Regulation  14. Lessor hereby warrants and agrees to defe by payment, any mortgages, taxes or other liens of thereof, and the undersigned Lessors, for themselve.	ight and power at any time and Iroz or more of the formations bereind yieinty for the production of oil and whether authority similar to this ary be reformed to exclude such non-tion of such unitization or reformation of such unitization or reformation of such unitization or reformation of such unitization or reformation of such unitization part of this lease slithe royalties elsewhere herein special oduction allocated to this lease; such the unit bears to the total number move described lands as to one or more operation approved by any govern event, the terms, conditions and print plan of development or operation and allocated to different per her royalties to be paid hereunder to different paints and above described lands or anytherefrom is allocated to different per her royalties to be paid hereunder to different paints or unit plan of development or elease shall be subject to all Federal ble in damages, for failure to compliand the title to the lands herein described lands, in the	ler, to pool or united gas, or separatel usts with respect to-producing formation, which declarated for been committed by the treated as infed, including ship of surface acres in ore of the formatic immental authority rovisions of this ken and, particularly ments of such play part thereof, shapritons of the land of Lessor, be regardered to Lessor peration adopted and State Laws, by therewith, if confibed, and agrees the event of default of expertation adopted.	ze the leasehold estaty for the production of such other land, lease tions. The forming or tion shall describe the lenced. Production, of it were production, of it were production, of it were production, of the such unit. In additions thereunder with of and, from time to the sace shall be deemed by, all drilling and design or agreement, and libereafter be operated by said plan, ded as having product shall be based upon by Lessee and approving the control of the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he from the lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he lessee shall he l	the and the mineral estate covered by this lease of either, when in the Lessee's judgment it is conclused, when in the Lessee's judgment it is conclused. Likewise, units previously formed reforming of any unit shall be accomplished a unit. Any unit may include land upon which rilling or reworking operations or a well shut drilling or reworking operations or a well shut dilling or reworking operations or a well shut dilling or reworking operations or a well shut dilling or reworking operations or a well shut dissor shall receive on production from the unit. The unit production that the total number of the unit production that the total number of the foregoing. Lessee shall have the right ther lands in the same general area by entering one, with like approval, to modify, change or modified to conform to the terms, conditions, elopment requirements of this lease, express this lease shall not terminate or expire during ed under any such cooperative or unit plan of then the production allocated to any particular ced from the particular tract of land to which a production only as so allocated. Lessor shall red by any governmental agency by executing less or Regulations, and this lease shall not be by, or if such failure is the result of, any such reverted right at any time to redeem for Lessor, and be subrogated to the rights of the holder
described herein, insofar as said right of dower and 15. Should any one or more of the parties here it as Lessor. The word "Lessor" as used in this leas be binding on the heirs, successors and assigns of IN WITNESS WHEREOF, this instrument is	d homestead may in any way affect sinabove named as Lessor fail to ex- te, shall mean any one or more or al Lessor and Lessee	the purposes for ecute this lease, it for the parties wh	which this lease is mushall nevertheless be	nde, as recited herein binding upon all such parties who do execute
Dr. William A. Hall		SS #		

STATE OF	
COUNTY OF	}§ Acknowledgment - Individual}
, 2000,	signed, a Notary Public, in and for said County and State, on thisday of personally appeared
to me known to be the identical pe	rson(s) described in and who executed the within and foregoing instrument of writing  duly executed the same as free and voluntary act and deed for the
IN WITNESS WHEREO above written.	F, I have hereunto set my hand and affixed by notatial seal the day and year last
My Commission Expires:	Address
STATE OF	_} }\$
BEFORE ME, the unders	igned, a Notary Public, in and for said County and State, on this day of
as of to me known to be the identical per and acknowledged to me that uses and purposes therein set forth	rson(s) described in and who executed the within and foregoing instrument of writing duly executed the same asfree and voluntary act and deed for the
IN WITNESS WHEREOI written.	F, I have hereunto set my hand and affixed by notarial seal the day and year last above
My Commission Expires:	Address:
STATE OF	_} }§ Acknowledgment - Corporation
COUNTY OF	
to me personally known who being of	by me duly sworn did say that he is the, and that the seal affixed to said instrument is the corporate seal trument was signed and sealed in behalf of said corporation by authority of its Board instrument to be the free act and deed of said corporation.
Sworn to and subscribed b	pefore me, thisday of, 2000.
My commission Expires:	Notary Public

Secretaria de da mandamente a maneral da de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la conservación de la cons



### DR. WILLIAM A. HALL, O.D.

416 N. Behrend Ave. Farmington, NM 87401

Telephone: (505) 325-6350

RECLIVED COT 0 9 2000

October 4, 2000

Dear Ms. Frazier,

This letter is in reference to your lease proposal concerning my mineral interest in W/2 Sect. 9-T29N-R14W for a proposed Fruitland and pictured cliffs well.

However, your offer is unacceptable as to the royalty interest of 12.5%. I have no zeal for your bonus money and propose instead a flat 25% royalty interest.

I would like nothing better than to see a productive well that would be of benefit to all concerned.

Sincerely,

William A. Hall

1700 Lindoin, Suite 1700 Denver, Calorado 80203 (303) 330-3003 Fax (303) 330-8209

October 16, 2000

Dr. William A. Hall 416 N. Behrend Avenue Farmington, NM 87401

Re:

Well Proposals

Section 9-T29N-R14W

San Juan County, New Mexico

Dear Dr. Hall:

We are in receipt of your two letters dated October 4, 2000, pertaining to well proposals made by Richardson as follows:

ROPCO 9-1 E.2 Fruitland Coal NE/4 Pictured Cliffs ROPCO 9-2 SE/4 Pictured Cliffs ROPCO 9-3 W/2 Fruitland Coal SW/4 Pictured Cliffs

The terms of your counterproposals are declined, however, our offers to you remain open as stated in the well proposals.

There is also an additional option available to you, which is to be pooled into the wells under the tules and regulations of the New Mexico Oil Conservation Division. In the absence of receiving an election from you in a reasonable amount of time, we will commence pooling the uncommitted interests.

Please feel to call if you have any questions or if you need additional information.

Sincerely.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly