1700 Lincoln, Suite 1700

Denver, Colorado 80203 (303) 830-8000 Fax (303) 830-8009

June 14, 2001

JUN 1 8 2001

Ms. Lori Wrotenbery, Director Oil Conservation Division

New Mexico Energy, Mineral &

Natural Resources Department 1220 South St. Francis Drive

Santa Fe, New Mexico 87504

Re:

Case No. 12643, Order No. R-11577

ROPCO 8-3 Well

S/2-Section 8-T29N-R\4W

San Juan County, New Mexico

Dear Ms. Wrotenbery:

In accordance with the captioned Order, enclosed are copies of estimated costs to drill and complete the captioned well, which have been sent to all non-consenting working interest owners.

Please let us know if you need anything further in this regard.

Sincerely,

RICHARDSON PRODUCTION COMPANY

Cathleen Colby

Cathleen Colly

Land Manager

June 14, 2001

Mr. and Mrs. Herbert Smith 2011 Troy King Road #175 Farmington, New Mexico 87401

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. and Mrs. Smith:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs

Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

1.	Drilling Costs (Included Run Casi	ing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits			3,000		1,500	1.500
	Title Opinion			3,000		1,500	1,500
•	Drilling (incl. water and mud) 100			15,000		6,375	8,625
	BOP Rental			750		375	375
	Dirt Work			4.000		2.000	ł
							2,000
	Pit Lining			2,800		1,400	1,400
	Surface Casing 200' @ 7.18/ft		1.436			718	718
	Casing Head		1.500			750	750
	Cement Surface			2,300	i	1.150	1,150
	Power Tongs			1,000		500	500
	Casing 1000' @ 5.50/ft		5,500			2,338	3,163
	Trucking			3.000		1,500	1,500
	Logs			3,750		1,875	1,875
	Engineering			5,000	į	2,500	' 1
							2,500
	Cement Longstring			4,000		1,700	2.300
	Total Cost to Run Casing		8,436	47,600	56,036	26,181	29,856
	5.9375% Farmington, NM T.	ax			3.327	1.554	1,773
	10% Contingency				5.936	2,773	3.163
	Grand Total to Run Casing			_	65.299	30,508	34.791
11.					00,233	30,300	54.751
11.	Completion Costs			750	j	275	275
	Rig Anchors			750	-	375	375
	Logs			3,000		1.500	1.500
	Perf- · · · · · · · · · · · · · · · · · · ·			3.500		1.750	1,750
	Wellhead & Fittings		4,000			2,000	2.000
	Tubing 1000' @ 2.50/ft		2,500			1.063	1,438
	Stimulation			42,000	ł	21,000	21,000
	Tool Rental			2.300		1,150	1.150
	Trucking			3,000		1,500	1,500
	Battery Installation			6,000		3,000	3,000
				3.500	1		1
	Restore Location			i i		1.750	1,750
	Engineering			5.8001		2,900	2.900
	Treator, Separator		5.300		!	2.650	2.650
	Flowline		4.000			2.000	2,000
	Tank & Fittings		4.500			2,250	2,250
	Gravel			3,000		1,500	1,500
	Workover Rig			10,000		5,000	5,000
	Completion Fluids			2.000		1,000	1,000
	Pipeline Hookup- · · · · · · · ·			13,000		6,500	6,500
	Division Order Opinion · · · · · ·			1,500		750	750
	Frac Tank Rental						i
				2.500	Į	1.250	1,250
	Flowback		2 222	2.000		1.000	1.000
	Fence Location		3.300			1.650	1.650
	Total Completion Costs		23,600	103.850	127,450	63,538	63,913
	5.9375% Farmington, NM T	ax			7,567	3,773	3,795
	10% Contingency		,		13,502	6,731	6,771
	Drilling Costs				65,299	30,508	34,791
	9					104,550	
	Grand Total Well Costs				213.819	104,550	109,269
FRUITLAND							
	RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$104425
0.119539	6 HERBERT SMITH	DATE	APPROVED				\$125
	EVELYN SMITH	DATE	APPROVED			FO TOTAL	\$104550
						0 0:46	210-330
PICTURED	CLIFFS						
	RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$109008
	HERBERT SMITH	DATETAG	APPROVED				\$261
	EVELYN SMITH	DATE	APPROVED				
						PC TOTAL	\$109269
				HERBERT & EVELYN	SMITH TOTAL		\$386

June 14, 2001

Ms. Julia Clah P.O. Box 762 Shiprock, New Mexico 87420

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Ms. Clah:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

Survey and Perms	1.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
• Drilling (Incit water and muc) 1000 © 15.00/th. 15,000 6.375 8.625 BOP Retals 756 375 375 Dirt Work 4,000 2,000 2,000 PL Linng 2,800 1 1400 1,400 Surface Casing 200° @ 7.18/th. 1,500 750 750 Camer Surface 1,500 500 1,500 1,500 Dewer Tongs 1,000 500 500 500 Casing 1000° @ 550/tt. 5,500 2,338 3,163 Trucking 3,000 1,000 1,500 Logs 3,750 1,275 1,875 Engineering 5,000 2,338 3,163 Total Cost to Run Casing 8,436 47,600 5,006 26,101 SS 20° Engineering 8,436 47,600 50,006 26,101 General Longist ing 8,436 47,600 50,006 26,101 Jose Farmington NM Tax 3,000 50,000 20,000 General Longist ing Local Information of the Casing Information				. (1,500	1,500
BOP Rental		Title Opinion		3.000	į	1,500	1,500
Drt Work		* Drilling (incl. water and mud) 1000' @ 15.00/ft		15,000	į	6,375	8,625
Pit Liming					ļ	375	375
Surface Casing 200' @ 7.18/th.				4.000	i	2,000	2,000
Casing Head				2,800	ļ	1,400	1.400
Cement Surface- 2,300			1.436		!	718	718
Power Tongs		Casing Head	1,500	ĺ	}	750	750
Casing 1000° ⊕ 550/th. 5500 2.338 3.163				2,300	j	1,150	1,150
Trucking		Power Tongs		1,000	}	500	500
Logs		Casing 1000' @ 5.50/ft	5,500	Ì	Ì	2,338	3,163
Engineering: Cement Longstring:		Trucking		3,000	İ	1.500	1,500
Cement Longstrings		Logs		3,750		1.875	1,875
Total Cost to Run Casing 8,436 47,600 56,036 26,181 29,856 5,9375 Farmington NM Tax 10% Contingency 5,936 2,773 3,163 1,773 10% Contingency 5,936 2,773 3,163 3,751 1,773 1,775 1,775 1,750 1,50		Engineering- · · · · · · · · · · · · · · · · · · ·		5,000		2,500	2,500
Total Cost to Run Casing 8,436 47,600 56,036 26,181 79,856 59,375% 58 mington NM Tax 3,327 1,554 1,773 10% Contingency 5,936 2,773 3,163 65,299 30,508 34,791 750		Cement Longstring		4,000	ļ	1,700	2.300
S 9375% Farmington NM Tax S 327 1.554 1.773		Total Cost to Run Casing	8,436	47,600	56,036	26,181	29,856
10% Contingency		5.9375% Farmington, NM Tax			3,327	1.554	
Section Costs Section Cos				į	5,936		L L
Completion Costs Rig Anchors 750 375 375 1500					65.2991	30.508	34.791
Rig Anchors Logs Logs Logs Rig Anchors Logs Rig Anchors Logs Rig Anchors Logs Rig Anchors Reft Rig S Rig Anchors Reft Rig S Rig Rig S Rig	11.	<u> </u>					. , }
Logs				750	į	375	375
Perf.				1		1	1
Wellhead & Fittings 4,000 2,000 2,000 Tubing 1000 @ 2,50/ft 2,500 1,063 1,438 Stimulation 42,000 21,000 21,000 Tool Rental 2,300 1,150 1,150 Trucking 3,000 1,500 3,500 3,000 Battery Installation 6,000 3,000 3,000 Restore Location 3,500 1,750 1,750 Engineering 5,800 2,900 2,900 Treator, Separator 5,800 2,900 2,900 Towline 4,000 2,000 2,000 Towline 4,500 2,250 2,250 Gravel 3,000 1,500 1,500 Workover Rig 10,000 5,000 5,000 Objection Fluids 2,000 1,000 1,000 Pipeline Hookup 13,000 6,500 5,000 Division Order Opinion 1,500 750 750 Frac Tank Rental 2,500 1,000 1,		Perí			[i i	1.750
Tubing 1000° @ 2 50/ft. 2.500		Wellhead & Fittings	4,000		}	2.000	2,000
Stimulation			2.500		ì	,	
Trucking 3,000				42.000		21,000	21,000
Trucking 3,000		Tool Rental		2,300	Ì	. 1	· · · · · · · · · · · · · · · · · · ·
Battery Installation				1	and the same of th	N .	
Restore Location		3				l l	
Engineering		•			(
Treator, Separator 5.300 2.650 2.650 Elowine 4.000 2.0					ļ	2,900	2,900
Flowline			5,300			2,650	2,650
Gravel 3,000 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,250 1,250 1,250 1,250 1,250 1,250 1,250 1,250 1,250 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,050 1,650 1,			4.000]		2.000	2,000
Gravel 3,000 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,250 1,250 1,250 1,250 1,250 1,250 1,250 1,250 1,250 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,050 1,650 1,		Tank & Fittings	4,500	į		2,250	2,250
Workover Rig.				3,000	ļ	1.500	1,500
Completion Fluids		Workover Rig		10,000		5,000	5,000
Pipeline Hookup-				2,000		1.000	1.000
Division Order Opinion				13.000		6.500	
Frac Tank Rental				1.500		750	
Flowback				2,500		1.250	1.250
Fence Location							
5.9375% Farmington, NM Tax 7.567 3,773 3,795 10% Contingency 13,502 6,731 6,771 6,771 Drilling Costs 65.299 30,508 34,791 6,791		Fence Location	3,300				1,650
5.9375% Farmington, NM Tax 7.567 3,773 3,795 10% Contingency 13,502 6,731 6,771 6,771 Drilling Costs 65.299 30,508 34,791 6,791		Total Completion Costs	23.600	103,850	127,450	63,538	63,913
Drilling Costs 65.299 30,508 34,791							
Drilling Costs 65.299 30,508 34,791		10% Contingency	•		13,502	6.731	6,771
Crand Total Well Costs 213.819 104.550 109,269					65,299	30,508	34,791
### PROVED ### P					213.819	104.550	109,269
### 39 86375% RICHARDSON OPERATING CO ET AL DATE APPROVED \$104407 10 13625% JULIA CLAH DATE	FRUITLAN						
### DATE ### APPROVED FC TOTAL \$142 PICTURED CLIFFS 99 81813% RICHARDSON OPERATING CO ET AL DATE ### APPROVED ### \$109070 DATE ### DATE ### APPROVED ### \$109070 \$199			APPROVED				\$104407
PICTURED CLIFFS 99.81813% RICHARDSON OPERATING CO ET AL DATE APPROVED \$109070 0.18188% JULIA CLAH DATE APPROVED PC TOTAL	0 13625	% JULIA CLAH DATE	APPROVED			CO TOTAL	
### 39 81813% RICHARDSON OPERATING CO ET AL DATE APPROVED \$109070 3.18188% JULIA CLAH DATE APPROVED PC TOTAL \$109269						FC TOTAL	\$104550
99 81813% RICHARDSON OPERATING CO ET AL DATE	PICTURE) CLIFFS					
PC TOTAL \$109269	99.81813	% RICHARDSON OPERATING CO ET AL DATE					• • •
	0.18188		APPROVED			DO TOTAL	
JULIA CLAH TOTAL \$341						FU (DIAL	2103503
				JULIA CLAH TOTAI	L		\$341

June 14, 2001

Mrs. Callie P. Renfro #2 County Road 6212 Kirtland, New Mexico 87417

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mrs. Renfro:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby

Cathleen Colla

Land Manager

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs and Fruitland Coal

ı.	Drilling Costs (Included Run Casing)		Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits			3,000		1.500	1,500
	Title Opinion			3,000		1,500	1,500
	* Drilling (incl. water and mud) 1000' @	15.00/ft		15,000		6,375	8,625
	BOP Rental			750		375	375
	Dirt Work			4,000		2,000	2,000
	Pit Lining.			2,800			· 1
	-		1.426	2,800	ļ	1,400	1,400
	Surface Casing 200' @ 7.18/ft		1,436			718	718
	Casing Head		1,500			750	750
	Cement Surface			2,300		1,150	1,150
	Power Tongs			1,000		500	500
	Casing 1000' @ 5.50/ft		5.500			2,338	3,163
	Trucking		0,000	3.000		1,500	1,500
	Logs			3,750		1.875	
	9					1	1,875
	Engineering			5,000		2.500	2,500
	Cement Longstring			4,000		1.700	2.300
	Total Cost to Run Casing		8,436	47,600	56,036	26,181	29,856
	5.9375% Farmington, NM Tax				3.327	1,554	1,773
	10% Contingency				5.936	2,773	3,163
	,,						
	Grand Total to Run Casing				65.299	30.508	34.791
И.	Completion Costs			1	}		
	Rig Anchors		!	750		375	375
	Logs			3.000		1.500	1.500
	Perf			3,500		1.750	1.750
	Wellhead & Fittings		4,000	0,0001		2.000	2,000
	<u> </u>						
	Tubing 1000' @ 2.50/ft		2.500	40.000		1.063	1,438
	Stimulation			42.000		21,000	21,000
	Tool Rental			2,300		1,150	1,150
	Trucking			3,000		1,500	1.500
	Battery installation			6,000		3,000	3,000
	Restore Location			3,500		1,750	1,750
	Engineering			5.800		2,900	2,900
	Treator, Separator		= 200	3,000		1	
			5.300			2.650	2,650
	Flowline		4,000			2.000	2,000
	Tank & Fittings		4,500			2,250	2,250
	Gravel			3,000		1,500	1,500
	Workover Rig			10,000		5,000	5,000
	Completion Fluids			2,000		1,000	1.000
	Pipeline Hookup		Ì	13,000		6,500	6,500
	Division Order Opinion			1.500		750	750
	Frac Tank Rental			1			1
				2.500		1,250	1,250
	Flowback			2.000		1.000	1,000
	Fence Location- · · · · · · · · · · · · · · · · · · ·		3.300	· · · · · · · · · · · · · · · · · · ·		1.650	1,650
	Total Completion Costs		23.600	103.8501	127.450	63,538	63,913
	5.9375% Farmington, NM Tax				7,567	3,773	3,795
	10% Contingency		'	;	13,502	6,731	6,771
	Drilling Costs				1	30.508	34.791
	-			_	65,299		
	Grand Total Well Costs				213,819	104.550	109,269
FRUITLAN	D COAL						
99.88281	% RICHARDSON OPERATING CO ET AL DA	TE	APPROVED				\$104427
	% LOWELL E. RENFRO DA	TE	APPROVED				\$123
		ATE	APPROVED				
						FO TOTAL	\$104550
PICTURE	CLIFFS						
		ATE	APPROVED				\$109269
	% LOWELL E. RENFRO DA	TE	APPROVED				\$
		ATE	APPROVED				•
	-					PC TOTAL	\$109269
				LOWELL RENFRO &	CALLIE RENFRO		\$123

June 14, 2001

Conseco Finance Servicing Corp. 111 Lomas Boulevard, N.W., Suite 500 Albuquerque, New Mexico 87102

Re:

Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Gentlemen:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

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

Location: T29N R14W

Location: T29N R14W
Proposed Depth: 850' Fruitland Coal
1000' Pictured Cliffs 1000' Pictured Cliffs

Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits		3,000	_	1.500	1.50
	Title Opinion		3,000		1,500	1,5
1	* Drilling (incl. water and mud) 1000' @ 15.00/ft		15,000		6,375	8.6
	BOP Rental		750	ļ	375	3
	Dirt Work- · · · · · · · · · · · · · · · · · · ·	Í	4.000		2.000	2,0
	Pit Lining		2,800		1.400	1,4
	Surface Casing 200' @ 7.18/ft	1,436			718	7
	Casing Head	1,500			750	7
	Cement Surface	ł	2.300	ł	1,150	1,1
	Power Tongs		1,000		500	5
	Casing 1000' @ 5.50/ft	5,500	}	1	2,338	3.1
	Trucking		3,000		1,500	1,5
	Logs	ļ	3,750		1,875	1.8
	Engineering	İ	5,000		2,500	2,5
	Cement Longstring		4.000		1,700	2.3
	Total Cost to Run Casing	8.436	47.600	56,036	26.181	29.8
	5.9375% Farmington, NM Tax	5,450	47.000	3,327	1.554	1,7
	10% Contingency:			5.936		
	ů j				2.773	3.1
	Grand Total to Run Casing	}		65.299	30.508	34.7
I.	Completion Costs	1				
	Rig Anchors		750		375	3
	Logs- · · · · · · · · · · · · · · · · · · ·		3.0001		1.500	1,5
	Perf		3.5001		1.750	1.7
	Wellhead & Fittings	4.000	į		2.000	2.0
	Tubing 1000' @ 2.50/ft.	2,500			1.063	1.4
	Stimulation		42,000		21,000	21,0
	Tool Rental·····		2,300		1.150	1,1
	Trucking		3.000		1,500	1,5
	Battery Installation		6.000		3.000	3.0
	Restore Location		3,500		1.750	1,7
	Engineering		5.800		2.900	2.9
	Treator, Separator · · · · · · · · · · · · · · · · · · ·	5.300	3,233		2,650	2,6
	Flowline	4.000			2,000	2,0
	Tank & Fittings	4,500			2,250	2,2
	Gravel	-,500	3,000		1,500	1.5
	Workover Rig-		10.000		5,000	5.0
	Completion Fluids		2,000		1,000	1,0
	Pipeline Hookup		13,000		6,500	6,5
	·	Ì	1,500		750	7
	Division Order Opinion · · · · · · · · · · · · · · · · · · ·	1	2.500	ĺ	1,250	1,2
		1	and the second s			
	Flowback	2 200	2.000	}	1,000	1.0
	Fence Location	3.300			1.650	1,6
	Total Completion Costs	23.600	103.850	127.450	63.538	63,9
	5.9375% Farmington, NM Tax			7.567	3,773	3,7
	10% Contingency			13.502	6.731	6,7
	Drilling Costs		<u></u>	65.299	30,508	34,7
	Grand Total Well Costs			213.819	104,550	109,2
LAND	COAL		<u> </u>			
	% RICHARDSON OPERATING CO ET AL DATE	APPROVED				\$104
	6 CONSECO FINANCE SERVICING CORP DATE	APPPCVED				\$.
,	· ·				FO TOTAL	31045
	CLIFFS 6 RICHARDSON OPERATING CO ET AL DATE	APPROVED .				\$109
	6 CONSECO FINANCE SERVICING CORP DATE	APPROVED				\$105
/	^				PC TOTAL	\$1092

June 14, 2001

Mr. and Mrs. Joe G. Singleton P.O. Box 1665 Kirtland, New Mexico 87417

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. and Mrs. Singleton:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colly

AUTHORITY FOR EXPEDITURES

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal

1000' Pictured Cliffs

Date: 01/11/2001

Objective Formation: Commingled Picturea Cliffs

I.	Drilling Costs (Included Run Casi	ng)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits · · · · · · · · ·			3.000		1,500	1,500
	Title Opinion · · · · · · · · · · · · · · · · · · ·			3,000		1,500	1.500
	* Drilling (incl. water and mud) 100	0' @ 15.00/ft.···		15,000		6,375	8,625
	BOP Rental			750		375	375
	Dirt Work			4,000		2,000	2,000
	Pit Lining · · · · · · · · · · · · · · · · · · ·			2,800		1,400	1,400
	Surface Casing 200' @ 7.18/ft.		1,436	2,000		718	718
	Casing Head · · · · · · · · · · · · · · · · · · ·		1,500			750	
	Cement Surface		1,500	2 200		1	750
				2,300		1,150	1,150
	Power Tongs		5 500	1,000		500	500
	Casing 1000' @ 5.50/ft		5.500			2,338	3,163
	Trucking- · · · · · · · · · · · · · · · · · · ·			3,000		1,500	1,500
	Logs			3,750		1,875	1,875
	Engineering			5,000		2,500	2,500
	Cement Longstring			4.000		1,700	2,300
	Total Cost to Run Casing		8,436	47,600	56,036	26,181	29,856
	5.9375% Farmington, NM Ta				3,327	1,554	1,773
	10% Contingency				5.936	2.773	3.163
	Grand Total to Run Casing			-	65.299		
	<u> </u>				05.299	30,508	34,791
II.	Completion Costs			750			
	Rig Anchors			750	1	375	375
	Logs			3.000		1,500	1,500
	Perf		,	3.500		1.750	1,750
	Wellhead & Fittings		4.000	İ		2,000	2.000
	Tubing 1000' @ 2.50/ft		2,500			1,063	1,438
	Stimulation			42,000		21,000	21,000
	Tool Rental			2,300		1,150	1,150
	Trucking			3,000		1,500	1,500
	Battery Installation			6,000		3,000	3,000
	Restore Location			3,500		1,750	1,750
	Engineering			5,800		2,900	2,900
	Treator, Separator · · · · · · · · · · · · · · · · · · ·		5,300	3,000		2,650	2,650
	Flowline		4.000			2,000	2,000
	Tank & Fittings		4,500				
			4,300	2.000		2,250	2,250
	Gravel			3,000		1,500	1,500
	Workover Rig			10.000		5,000	5,000
	Completion Fluids			2,000		1,000	1,000
	Pipeline Hookup			13,000		6,500	6,500
	Division Order Opinion			1,500		750	750
	Frac Tank Rental			2,500	į	1,250	1,250
	Flowback			2.000		1,000	1,000
	Fence Location		3,300			1,650	1.650
	Total Completion Costs		23,600	103,850	127.450	63,538	63,913
	5.9375% Farmington, NM Ta		·		7.567	3,773	3,795
	10% Contingency		'		13.502	6,731	6,771
	Drilling Costs · · · · · · · · · ·				65.299	30.508	34.791
	•			<u></u>			
	Grand Total Well Costs			<u></u>	213.819	104,550	109,269
RUITLAN							
	% RICHARDSON OPERATING CO ET AL		APPROVED				\$104255
0.28125	% JOE G. SINGLETON	DATE	APPROVED				\$294
	PATRICIA B. SINGLETON	UA16	APPROVED			FC TOTAL	\$104550
HOTUBER	CLIEFS						
PICTURED	% RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$109269
	% JOE G. SINGLETON	DATE	APPROVED				\$103203
	PATRICIA B SINGLETON	DATE	APPROVED				•
		- 				PC TOTAL	\$109269
				JOE & PATRICIA SIN	IGLETON TOTAL		\$294

June 14, 2001

Mr. and Mrs. William Crosby, Jr. P.O. Box 686
Waterflow, New Mexico 87421

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. and Mrs. Crosby:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cothleen Colla

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

1.	Drilling Costs (Included Run Casi	ng)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits · · · · · · · · ·			3.000		1,500	1,500
	Title Opinion			3.000	j	1,500	1.500
	* Drilling (incl. water and mud) 100	0' @ 15.00/ft		15,000		6.375	8,625
	BOP Rental·····			750	1	375	375
	Dirt Work			4,000		2,000	2.000
	Pit Lining			2,800	Ī	1,400	1,400
	Surface Casing 200' @ 7.18/ft.		1,436			718	718
	Casing Head		1,500			750	750
	Cement Surface		-,	2,300		1.150	1,150
	Power Tongs · · · · · · · · · · · · · · · · · · ·			1,000		500	500
	Casing 1000' @ 5.50/ft.		5.500	1,500		2,338	3.163
	Trucking		3.300	3,000		1,500	1.500
	Logs			3,750	}	1,875	1,875
	Engineering			5,000		2,500	2,500
	Cement Longstring			4,000		1,700	2.300
			0.426		50.000		
	Total Cost to Run Casing		8.436	47.600	56.036	26.181	29,856
	5.9375% Farmington, NM Ta				3.327	1,554	1.773
	10% Contingency · · · · · · ·				5,936	2,773	3,163
	Grand Total to Run Casing-				65,299	30,508	34,791
11.	Completion Costs					·	
	Rig Anchors			750		375	375
	Logs			3.000		1.500	1,500
	Perf			3,500	ĺ	1.750	1,750
	Wellhead & Fittings		4.000			2,000	2,000
	Tubing 1000' @ 2.50/ft		2,500			1,063	1,438
	Stimulation- · · · · · · · · · · · · · · · · · · ·			42,000	ŀ	21,000	21,000
	Tool Rental			2,300		1,150	1,150
	Trucking		ĺ	3,000		1,500	1,500
	Battery Installation			6,000		3,000	3,000
	Restore Location			3,500		1,750	1,750
	Engineering			5.800		2,900	2,900
	Treator, Separator		5.300	3.500	ļ	2,650	2,650
	Flowline		4.000			2,000	2,000
	Tank & Fittings		4,500			2,250	2,250
	Gravel		4,500	3.000	[1,500	1,500
	Workover Rig			10.000		5,000	5,000
	Completion Fluids			2.000		1.000	1,000
	Pipeline Hookup			13,000	ì	6.500	6,500
	Division Order Opinion			1.500		750	750
	Frac Tank Rental			2,500		1.250	1,250
	Flowback			2,000		1.000	1,000
	Fence Location		3.300	2.0001		1,650	1,650
				100.050	107.450		
	Total Completion Costs		23.600	103,850	127,450	63.538	63,913
	5.9375% Farmington, NM Ta		1		7,567	3,773	3,795
	10% Contingency				13.502	6,731	6,771
	Drilling Costs				65,299	30,508	34,791
	Grand Total Well Costs				213,819	104,550	109,269
FRUITLAN	ID COAL						
99.88266	% RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$104427
0 11734	% WILLIAM CROSBY, JR.	DATE	APPROVED				\$123
	ROSINDA CROSBY	DATE	APPROVED			FC TOTAL	\$104550
							+10 .000
PICTURE	OCLIFFS RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$109269
	% WILLIAM CROSBY, JR.	DATE	APPROVED				\$100203
0.50000	ROSINDA CROSBY	DATE	APPROVED				·
						PC TOTAL	\$109269
				WILLIAM & ROSIND	A CROSBY TOTAL		\$123

June 14, 2001

Mr. Fred Rebele #3 County Road 6212 Kirtland, New Mexico 87417

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. Rebele:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathlan Collay

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal

1000' Pictured Cliffs

Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

l,	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits	-	3,000		1.500	1.500
	Title Opinion		3,000		1,500	1,500
	* Drilling (incl. water and mud) 1000' @ 15.00/ft		15,000		6.375	8,625
	BOP Rental		750		375	375
	Dirt Work		4,000	j	2.000	2,000
	Pit Lining		2.800		1,400	1,400
	Surface Casing 200' @ 7.18/ft.	1,436	Ì	ì	718	718
	Casing Head	1,500			750	750
	Cement Surface		2,300		1.150	1,150
	Power Tongs		1.000		500	500
	Casing 1000' @ 5.50/ft	5,500			2.338	3,163
	Trucking		3,000		1,500	1,500
	Logs		3,750		1,875	1,875
	Engineering		5,000		2,500	2,500
	Cement Longstring		4.000		1,700	2,300
	Total Cost to Run Casing	8.436	47,600	56,036	26,181	29,856
	5.9375% Farmington, NM Tax	0.430	47,000	3,327	1,554	1,773
	10% Contingency · · · · · · · · · · · · · · · · · · ·			5.936	2,773	3,163
			<u></u>			
	Grand Total to Run Casing		1	65.299	30,508	34,791
П.	Completion Costs		750		275	0.75
	Rig Anchors		750		375	375
	Logs		3.000	j	1.500	1.500
	Perf		3.500		1.750	1,750
	Wellhead & Fittings	4.000	İ	l	2,000	2,000
	Tubing 1000' @ 2.50/ft.	2.500		1	1.063	1,438
	Stimulation		42,000		21,000	21,000
	Tool Rental		2,300	ì	1,150	1,150
	Trucking		3.000		1.500	1,500
	Battery Installation		6,000		3,000	3,000
	Restore Location		3,500		1.750	1,750
	Engineering		5,800		2,900	2,900
	Treator, Separator	5,300			2,650	2,650
	Flowline	4.000			2,000	2,000
	Tank & Fittings	4.500			2,250	2,250
	Gravel		3,000		1,500	1,500
	Workover Rig		10,000		5,000	5,000
	Completion Fluids		2,000	(1,000	1,000
	Pipeline Hookup		13,000		6,500	6,500
	Division Order Opinion	{	1,500		750	750
	Frac Tank Rental		2,500		1,250	1,250
	Flowback		2.000		1,000	1,000
	Fence Location	3,300			1.650	1,650
	Total Completion Costs	23,600	103,850	127,450	63,538	63,913
	5.9375% Farmington, NM Tax	20,000	200,000	7,567	3.773	3,795
	10% Contingency · · · · · · · · · · · · · · · · · · ·	ı		13.502	6.731	6,771
	Drilling Costs.			65.299	30.508	34,791
	Grand Total Well Costs			213.819	104,550	109,269
			<u></u>	213.019	104,330	109,209
FRUITLAN		APPROVED				\$104426
	% RICHARDSON OPERATING CO ET AL DATE 0% FRED REBELE DATE	APPROVED				\$104-20
3.1103.	7% THE STEEL 37.1 C	141740.00			FC TOTAL	\$104550
PICTURE		10000000				#100010
	% RICHARDSON OPERATING CO ET AL DATE DATE	APPROVED APPROVED				\$109010 \$259
0.23/19	9% FRED REBELE DATE	A. CROVED			PC TOTAL	\$109269
			FRED REBELE TO	ITAL		\$383

June 14, 2001

Mr. Ronald J. Johnson and Ms. Leona R. Begay P.O. Box 3517 Shiprock, New Mexico 87420-3517

Re:

Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. Johnson and Ms. Begay:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cathleen Colley

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

١.	Drilling Costs (Included Run Casi	ng)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits · · · · · · · · ·			3,000		1,500	1,500
	Title Opinion			3.000		1,500	1,500
*	Drilling (incl. water and mud) 100	0'@15.00/ft	,	15.000	J	6.375	8,625
	BOP Rental			750		375	375
	Dirt Work- · · · · · · · · · · · · · · · · · · ·			4,000		2,000	2,000
	Pit Lining			2,800		1,400	1,400
	Surface Casing 200' @ 7.18/ft		1,436]	718	718
	Casing Head		1,500			750	750
	Cement Surface			2,300	i	1,150	1,150
	Power Tongs			1,000		500	500
	Casing 1000' @ 5.50/ft		5,500			2,338	3,163
	Trucking			3,000		1.500	1,500
	Logs			3,750	İ	1,875	1,875
	Engineering		İ	5,000	}	2,500	2,500
	Cement Longstring			4,000		1,700	2,300
	Total Cost to Run Casing		8.436	47,600	56.036	26,181	29,856
	5.9375% Farmington, NM Ta				3.327	1.554	1,773
	10% Contingency · · · · · ·				5.936	2,773	3,163
	Grand Total to Run Casing			-	65.299	30,508	34,791
II.	Completion Costs				03.233	30,308	54,751
***	Rig Anchors			750		375	375
	Logs			3.000		1,500	1,500
	Perf			3.500		1,750	1,750
	Wellhead & Fittings		4.000	3.300		2,000	2,000
	Tubing 1000' @ 2.50/ft.		2,500	İ	Í	1.063	1,438
	Stimulation		2,300	42,000		21,000	21,000
	Tool Rental			2,300		1,150	1,150
	Trucking			3,000		1,500	1,500
	Battery Installation			6,000	1	3.000	3,000
	Restore Location			3,500		1,750	1,750
	Engineering			5.800		2,900	2.900
	_		5,300	3,500		2,900	2,650
	Treator, Separator · · · · · · · · · · · · · · · · · · ·		4,000	i		2,000	2,000
	Tank & Fittings		4,500	1		2,250	2,000
	Gravel		4.300	3,000		1,500	1,500
	Workover Rig			10,000		5,000	5,000
	Completion Fluids			2,000		1,000	1,000
	Pipeline Hookup			13,000		6,500	6,500
	Division Order Opinion			1.500	Ì	750	750
	Frac Tank Rental			2,500	ļ	1,250	1,250
	Flowback			2,000		1,000	1,000
	Fence Location		3,300	2,000	ĺ	1.650	1,650
				102.8501	107.450		
	Total Completion Costs		23.600	103.850	127,450	63,538 3,773	63,913 3,795
	5.9375% Farmington, NM Ta		l		7,567 13,502	6,731	6,771
	10% Contingency					1	
	Drilling Costs			<u> </u>	65,299	30,508	34,791
	Grand Total Well Costs				213,819	104.550	109.269
RUITLAND	COAL						
	RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$104407
0.13625%	; RONALD J. JOHNSON LEONA R. BEGAY	DATE	APPROVED APPROVED				\$142
	LEUNA R. BEGAT	DATE	AFFROVED			FC TOTAL	\$104550
PICTURED	CLIFFS						
99.81813%	RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$109070
0.18188%	RONALD J. JOHNSON	DATE	APPROVED				\$199
	LEONA R. BEGAY	DATE	APPROVED			PC TOTAL	\$109269
				DONALD TOURSON	LIFONA DECAY		\$341
				RONALD JOHNSON 8	X LEUNA BEGAT	TOTAL	4241

June 14, 2001

Mr. Gary C. Soza and Ms. Viola I. Blanton #12 County Road 6212 Kirtland, New Mexico 87417

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. Soza and Ms. Blanton:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby Land Manager

Cuthleen Colly

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

1.	Drilling Costs (Included Run Casi		Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits		ì	3.000	Ì	1,500	1.500
	Title Opinion			3,000		1,500	1,500
	* Drilling (incl. water and mud) 100	0' @ 15.00/ft.···		15,000		6,375	8,625
	BOP Rental······			750		375	375
	Dirt Work			4,000	1	2,000	2,000
	Pit Lining			2,800]	1,400	1,400
	Surface Casing 200' @ 7.18/ft		1.436		Ì	718	718
	Casing Head		1,500		ĺ	750	750
	Cement Surface			2,300	1	1,150	1,150
	Power Tongs			1.000		500	500
	Casing 1000' @ 5.50/ft.		5.500			2,338	3,163
	Trucking		3.333	3.000		1,500	1,500
	Logs			3.750		1,875	1,875
	Engineering			5.000		2,500	2,500
	Cement Longstring		ĺ	4,000	1	1,700	2,300
			8.436		56.026		
	Total Cost to Run Casing		0,430	47,600	56,036	26.181	29,856
	5.9375% Farmington, NM Ta				3.327	1.554	1,773
	10% Contingency				5.936	2.773	3.163
	Grand Total to Run Casing				65.299	30.508	34.791
11.	Completion Costs						
	Rig Anchors			750		375	375
	Logs			3,000		1,500	1,500
	Perf- · · · · · · · · · · · · · · · · · · ·			3.500	l	1.750	1,750
	Weilhead & Fittings		4.000		1	2.000	2,000
	Tubing 1000' @ 2.50/ft,		2.500			1.063	1,438
	Stimulation		į	42,000		21.000	21,000
	Tool Rental			2,300		1,150	1,150
	Trucking			3,000]	1,500	1,500
	Battery Installation			6.000		3,000	3.000
	Restore Location			3.500		1,750	1,750
	Engineering			5,800		2,900	2,900
	Treator, Separator		5,300			2,650	2.650
	Flowline		4.000			2.000	2.000
	Tank & Fittings		4.500	Í	İ	2,250	2,250
	Gravel			3.000		1,500	1,500
	Workover Rig			10.000		5,000	5.000
	Completion Fluids			2.000		1,000	1,000
	Pipeline Hookup			13,000		6.500	6,500
	Division Order Opinion			1,500		750	750
	Frac Tank Rental			2.500		1,250	1.250
	Flowback			2.000	1	1,000	1,000
	Fence Location		3,300	2,000	ĺ	1.650	1,650
				102.050	107.4501		
	Total Completion Costs		23,600	103.850	127.450	63,538	63,913
	5.9375% Farmington, NM Ta				7.567	3,773	3,795
	10% Contingency				13.502	6.731	6,771
	Drilling Costs			<u></u>	65.299	30.508	34,791
	Grand Total Well Costs			<u></u>	213.819	104,550	109,269
PICTURE	CLIFFS						
99.76563	% RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$104304
0.23438	% GARY C. SOZA	DATE	APPROVED				\$245
	VIOLA I. BLANTON	DATE	APPROVED			PC TOTAL	\$104550
RUITLAN	ID COAL						
	% RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$109141
	% GARY C. SOZA	DATE	APPROVED				\$128
	VIOLA I. BLANTON	DATE	APPROVED				
				GARY SOZA & VIOLA		FO TOTAL L	\$109269 \$373

June 14, 2001

Mr. Myron E. Shorty and Ms. Vangie Randall #1 County Road 6212 Kirtland, New Mexico 87417

Re:

Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County. New Mexico

Dear Mr. Shorty and Ms. Randall:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colby

Cathleen Colly

Land Manager

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal 1000' Pictured Cliffs Date: 01/11/2001

Objective Formation: Commingled Pictured Cliffs

l.	Drilling Costs (Included Run Casin		Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits · · · · · · · · ·		}	3.000		1,500	1,500
	Title Opinion			3,000		1.500	1,500
	 Drilling (incl. water and mud) 1000 	'@15.00/ft		15,000		6.375	8,625
	BOP Rental		1	750		375	375
	Dirt Work			4,000		2,000	2,000
	Pit Lining		}	2,800		1,400	1,400
	Surface Casing 200' @ 7.18/ft.		1,436	_,		718	718
	Casing Head-		1,500	ĺ		750	750
	Cement Surface		1,5001	2 200		1	
				2,300		1,150	1,150
	Power Tongs		= = = =	1.000		500	500
	Casing 1000' @ 5.50/ft.		5.500			2,338	3,163
	Trucking			3,000		1,500	1,500
	Logs			3,750		1.875	1,875
	Engineering			5.000		2,500	2,500
	Cement Longstring			4,000		1,700	2,300
	Total Cost to Run Casing		8,436	47,6001	56,036	26,181	29,856
	5.9375% Farmington, NM Tax			,	3,327	1,554	1,773
	10% Contingency				5.936	2.773	3.163
				 			
	Grand Total to Run Casing				55.299	30.508	34,791
11.	Completion Costs						}
	Rig Anchors			750		375	375
	Logs			3.000		1,500	1,500
	Perf			3,5001	Í	1,750	1,750
	Wellhead & Fittings		4,000		•	2.000	2,000
	Tubing 1000' @ 2.50/ft		2.500	1		1.063	1,438
	Stimulation			42,000		21,000	21,000
	Tool Rental			2.300		1,150	1,150
			1	3,000		1,500	1,500
	Trucking					1	
	Battery Installation			6,000		3,000	3,000
	Restore Location			3,500		1,750	1,750
	Engineering			5,800		2.900	2,900
	Treator, Separator · · · · · · · · · · · · · · · · · · ·		5,300			2,650	2,650
	Flowline		4,000			2,000	2,000
	Tank & Fittings		4,500			2,250	2,250
	Gravel			3,000		1,500	1,500
	Workover Rig			10,000		5,000	5,000
	Completion Fluids			2,000		1.000	1,000
	Pipeline Hookup			13.000		6,500	6,500
				1,500		750	750
	Division Order Opinion · · · · · · ·		ì	ſ	ĺ	í	ſ
	Frac Tank Rental			2.500		1,250	1,250
	Flowback			2.000		1,000	1,000
	Fence Location		3,300	·		1.650	1.650
	Total Completion Costs		23,600	103,850	127.450	63.538	63,913
	5.9375% Farmington, NM Tax	(7.567	3,773	3,795
	10% Contingency				13.502	6.731	6,771
	Drilling Costs				65.299	30,508	34,791
	Grand Total Well Costs			-	213.819	104,550	109,269
	• • • • • • • • • • • • • • • • • • • •				213.013	104,550	103,203
RUITLAN		0.477	40000VED				\$104422
	% RICHARDSON OPERATING CO ET AL	DATE	APPROVED APPROVED				\$104423 \$127
U 12109	% MYRON E. SHORTY VANGIE RANDALL	DATE	APPROVED				712/
	VANGIC NATURCE	0015	43 . 110 . 25			FC TOTAL	\$104550
PICTURED	CLIEFE						
	& RICHARDSON OPERATING CO ET AL	DATE	APPROVED				\$109269
	6 MYRON E. SHORTY	DATE	APPROVED				\$
3.55550	VANGIE RANDALL	DATE	APPROVED				·
						PC TOTAL	\$109269
				MYRON SHORTY & V	ANGIE RANDALL	, TOTAL	\$127

June 14, 2001

CLR, LLC

Attn: Mr. Doug Leming

P.O. Box 1564

Kirtland, New Mexico 87417

Re: Fruitland Coal/Pictured Cliffs Well Proposal

ROPCO #8-3 Well

S/2-Section 8-T29N-R14W San Juan County, New Mexico

Dear Mr. Leming:

Enclosed is copy of New Mexico Oil Conservation Division Case No. 12643, Order No. R-11577, pertaining to your interest in the captioned well. Also enclosed for your review, is an AFE itemizing the estimated costs for drilling and completing said well.

In the event you elect to participate as a working interest owner in the drilling and completion attempt, please forward your share of the estimated well costs within 30 days from the date hereof. In the alternative, you may be designated as a non-consenting working interest owner as provided for in the Order.

Should you have any questions, feel free to write or call.

RICHARDSON PRODUCTION COMPANY

Cathleen Colly

Cathleen Colby Land Manager

KICHAKUSUN OPEKATING CUMPANI AUTHORITY FOR EXPEDITURES

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

Location: T29N R14W

Proposed Depth: 850' Fruitland Coal

1000' Pictured Cliffs

Date: 01/22/2001

Objective Formation: Commingled Pictured Cliffs

i.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits · · · · · · · · · · · · · · · · · · ·		3,000		1,500	1,50
	Title Opinion		3,000		1,500	1,50
	* Drilling (incl. water and mud) 1000' @ 15.00/ft		15,000	1	6,375	8,62
	BOP Rental· · · · · · · · · · · · · · · · · · ·		750		375	37
	Dirt Work- · · · · · · · · · · · · · · · · · · ·	ļ	4.000		2.000	2.00
	Pit Lining		2,800		1,400	1,40
	Surface Casing 200' @ 7.18/ft.	1,436	,	ļ	718	71
	Casing Head.	1,500			750	75
	Cement Surface	1,500	2,300	1	- 1	
	Power Tongs · · · · · · · · · · · · · · · · · · ·				1,150	1,15
		5 500	1,000	j	500	5(
	Casing 1000' @ 5.50/ft,	5.500	2.000		2,338	3,16
	Trucking		3,000		1,500	1,50
	Logs		3,750		1,875	1,8
	Engineering- · · · · · · · · · · · · · · · · · · ·		5,000		2,500	2,50
	Cement Longstring		4,000		1,700	2,30
	Total Cost to Run Casing	8,436	47,600	56.036	26,181	29.85
	5.9375% Farmington. NM Tax			3,327	1.554	1,7
	10% Contingency · · · · · · · · · · · · · · · · · · ·			5.936	2.773	3.1
						ه کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون کارون
	Grand Total to Run Casing			65,299	30.508	34,7
11.	Completion Costs	1	1			
	Rig Anchors.		750		375	3
	Logs		3,000		1,500	1,5
	Perf		3,500		1,750	1,7
	Wellhead & Fittings	4.000			2,000	2,0
	Tubing 1000' @ 2.50/ft	2,500			1,063	1,4
	Stimulation	_,	42,000		21.000	21.0
	Tool Rental-		2.300		1.150	1,1
	Trucking		3.000		1,500	1.5
	3					
	Battery Installation		6.000		3,000	3,00
	Restore Location		3,500		1,750	1,7
	Engineering		5.800		2,900	2,9
	Treator, Separator	5,300			2.650	2,6
	Flowline	4,000			2,000	2,0
	Tank & Fittings	4.500			2.250	2.2
	Gravel		3,000		1,500	1,5
	Workover Rig		10.000	ľ	5,000	5,0
	Completion Fluids		2.000		1,000	1,0
	Pipeline Hookup		13.000		6,500	6,5
	•					7
	Division Order Opinion · · · · · · · · · · · · · · · · · · ·		1,500		750	
	Frac Tank Rental·····		2,500		1,250	1,2
	Flowback		2.000	ì	1,000	1,0
	Fence Location	3,300			1.650	1,6
	Total Completion Costs	23,600	103,850	127.450	63,538	63,9
	5.9375% Farmington, NM Tax			7.567	3,773	3,7
	10% Contingency	·		13.502	6,731	6,7
	Drilling Costs			65.299	30,508	34,7
	Grand Total Well Costs			213.819	104,550	109.2
			-	213.019	104,330	103,2
	D COAL					****
	% RICHARDSON OPERATING CO ET AL DATE	APPROVED				\$104
87039	% CLR LLC DATE	APPROVED				\$
					FC TOTAL	\$104
	CLIFFS					
	% RICHARDSON OPERATING CO ET AL DATE % CLR LLC DATE	APPROVED APPROVED				\$108 \$
					PC TOTAL	\$109