

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Dear Mrs. Henderson:

RE:

Please accept Richardson Production Company's sincerest co During our telephone conversation yesterday we discussed the ni

Company ("ROC") will need in order to enter into an Oil and uas L erse outimer in the two (2) lever dated December 5, 2001 to Howard E. Henderson from Sheila Frazier with Richardson Production Company.

You indicated you had a "Life Estate" to the properties and the properties would revert to Howard E Henderson's son upon your death. ROC will need the following:

- Copy of Death Certificate of Howard E. Henderson
- Copy of Last Will and Testament of Howard E. Henderson
- Copy of Letters Testamentary, if the Estate has not been closed .

If the Estate has not been closed, ROC will need to enter into an Oil and Gas Lease with the Estate and the signing party will be the Executor of the Estate.

Should you have any questions concerning the outlined information i can be contacted by telephone at (303) 830-8000, by e-mail at manufactor a menuresonoil com or at the letterness address.

Very truly yours.

eluca G. Di Burn

Rebecca E. Van Blaricom Administrative Landman



RICHARDSON PRODUCTION COMPANY

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

December 20, 2001

12-21-01 no ano.

(602)955-7969

Mrs. Howard E. Henderson 5809 N. 24th Place Phoenix, AZ 86016

RE: Pictured Cliffs & Fruitland Coal Well Proposal RPC #17-3 Well SW/4 Section 17, Township 29 North, Range 13 West Pictured Cliffs Proposal RPC #17-4 SE/4 Section 17, Township 29 North, Range 13 West San Juan County, New Mexico

Dear Mrs. Henderson:

Please accept Richardson Production Company's sincerest condolences on the death of your husband. During our telephone conversation yesterday we discussed the necessary documents Richardson Production Company ("ROC") will need in order to enter into an Oil and Gas Lease outlined in the two (2) letters dated December 5, 2001 to Howard E. Henderson from Sheila Frazier with Richardson Production Company.

You indicated you had a "Life Estate" to the properties and the properties would revert to Howard E Henderson's son upon your death. ROC will need the following:

- Copy of Death Certificate of Howard E. Henderson
- Copy of Last Will and Testament of Howard E. Henderson
- Copy of Letters Testamentary, if the Estate has not been closed

If the Estate has not been closed, ROC will need to enter into an Oil and Gas Lease with the Estate and the signing party will be the Executor of the Estate.

Should you have any questions concerning the outlined information 1 can be contacted by telephone at (303) 830-8000, by e-mail at <u>munblaricom a neburdsonoil com</u> or at the letterhead address.

Very truly yours,

eluca & Di Bui Blancom

Rebecca E. Van Blaricom Administrative Landman

Howard E. Henderson 5809 N. 24th Place Phoenix, AZ 86016

Certified Mail 7000 1670 0006 8579 2718

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

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 6.5 net acre unleased mineral interest within the spacing unit. The RPC #17-4 well will be located in the SW/4SE/4 of Section 17 and the 160 acre spacing unit covers the SE/4.

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 December 28, 2001. 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% non-consent 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 \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2rd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Howard E. Henderson December 5, 2001

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RE: RPC #17-4 PC Well Proposal SE/4 Section 17-T29N-R13W San Juan County, NM

Description of your unleased lands:

Section 17: E. 30/a of SESW; W2SWSE, W. 2/a NWSE

Containing 52.0 gross and 6.5 acres

On this ______ day of ______, 2001, we/I hereby elect the following:

- Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.

Sell mineral rights for \$100.00 per net mineral acre.

Howard E. Henderson

Date: 5-Dec-01

Well Name: RPC 17-4 (PC) well Location: T29N R13W Section 17 SE/4 Spacing: Pictured Cliffs SE/4 (160 acres) Proposed Depth: 1150' Pictured Cliffs

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Objective Formation:

Pictured Cliffs

	Drilling Costs (Included Run Casing) Survey and Permits Title Opinion & Land Damages Drilling (incl. water & mud) 1200' @ 15.00/ft BOP Rental		3,000 3,000	
•	Title Opinion & Land Damages Drilling (incl. water & mud) 1200' @ 15.00/ft			
•	Drilling (incl. water & mud) 1200' @ 15.00/ft			
•	•		2,000	
	BOP Rental-		17,250	
			750	
	Dirt Work		4,000	
	Pit Lining		2,800	
	Surface Casing 200' @ 7.65/ft	1,530		
	Casing Head	1,500		
	Cement Surface		2,300	
	Power Tongs		1,000	
	Casing 1200' @ 5.00/fL	6,325		
	Trucking	1	3,000	
	Logs	1	4,000	
	Engineering		4,500	
	Cement Longstring		4,000	
	Total Cost to Run Casing	9,355	51,600	60,95
	10% Contingency			6,09
	Grand Total to Run Casing			67,05
	Completion Costs		[[
	Rig Anchors		750	
	Logs		3,000	
	Perf		4,000	
	Weilhead & Fittings	4,000		
	Tubing 1200' @ 2.10/ft	2,875		
	Stimulation-		25,000	
	Tool Rental-		2,300	
	Trucking		3,000	
	Battery Installation		6,000	
	Restore Location	1	4,000	
	Engineering		5,000	
	Treator, Separator	6.000		
	Flowline	4.000		
	Tank & Fittings	5,000	()	
	Gravel	3.000		
	Workover Rig		12,000	
	Completion Fluids		2,000	
	Pipeline Hookup		13.000	
	Division Order Opinion		2.000	
	Frac Tank Rental		2,000	
	Flowback		2,000	
	Fence Location	5.000		
	Total Completion Costs	29.875	86,050	115,92
	10% Contingency			11,593
	Drilling Costs			67,051
	Grand Total Well Costs			194,568

PICTURED CLIFFS (PC)	Date:	, Approved by:	Share of WI Costs:
1.5039% Howard Henderson			\$2,926
98.4961% Richardson Operating Company et als			\$191,642
· · · · ·			\$194.568

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Julia Cremean Satterley P O Box 448 Wadsworth, IL 60083

Certified Mail 7000 1670 0006 8579 2787

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

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 1.0833 net acre unleased mineral interest within the spacing unit. The RPC #17-4 well will be located in the SW/4SE/4 of Section 17 and the 160 acre spacing unit covers the SE/4.

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 December 28, 2001. 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% non-consent 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 \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

RE: RPC #17-4 PC Well Proposal SE/4 Section 17-T29N-R13W San Juan County, NM

Description of your unleased lands:

Section 17: E. 30/a of the SESW; W/2SWSE, W. 2/a of NWSE

Containing 52.0 gross and 1.0833 net acres

On this ______day of ______, 2001, we/l hereby elect the following:

- Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- Sell mineral rights for \$100.00 per net mineral acre.

Julia Creamean Satterley

Well Name: RPC 17-4 (PC) well Location: T29N R13W Section 17 SE/4 Spacing: Pictured Cliffs SE/4 (160 acres) Proposed Depth: 1150' Pictured Cliffs

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Date:

5-Dec-01

Objective Formation:

Pictured Cliffs

Drilling Costs (Included Run Casing)	Tangible	Intangible	Total
Survey and Permits		3,000	
Title Opinion & Land		3,000	
Damages		2,000	
* Drilling (incl. water & mud) 1200' @ 15.00/ft		17,250	
BOP Rental	1	750	
Dirt Work		4,000	
Pit Lining		2,800	
Surface Casing 200' @ 7.65/ft	1,530	11	
Casing Head	1,500		
Cement Surface		2,300	
Power Tongs		1,000	
Casing 1200' @ 5.00/ft	6,325		
Trucking		3,000	
Logs		4,000	
Engineering		4.500	
Cement Longstring		4,000	
Total Cost to Run Casing	9.355	51,600	60,95
10% Contingency	5.000	51,000	6,09
•			
Grand Total to Run Casing			67,05
Completion Costs		750	
Rig Anchors		750	
Logs		3,000	
Perf.	1 202	4,000	
Wellhead & Fittings	4,000		
Tubing 1200' @ 2.10/ft	2,875		
Stimulation		25,000	
Tool Rental		2,300	
Trucking		3,000	
Battery Installation		6,000	
Restore Location		4.000	
Engineering		5,000	
Treator, Separator	6,000		
Flowline	4,000		
Tank & Fittings	5,000		
Gravel	3,000		
Workover Rig		12.000	
Completion Fluids		2,000	
Pipeline Hookup		13,000	
Division Order Opinion		2,000	
Frac Tank Rental		2,000	
Flowback		2,000	
Fence Location	5,000		
Total Completion Costs	29,875	86,050	115,92
10% Contingency			11,59
Drilling Costs			67.05
Grand Total Well Costs		, personal statements and the statements an	194.56

PICTURED CLIFFS (PC)	Date:	Approved by:	Share of WI Costs:
0.5012% Julia Cremean Satterly	·		975
99.4988% Richardson Operating Company et als			193,593
			194,568

December 5, 2001	orm od LL, July 1999	10- ğ	- 1	armington NM 8740	16 N. Behrend	Jm A. Hall	d to y of the its.	
William H. Hall	Dome	50		2			ou. malipiece	lete
416 N. Behrend Farmington, NM 87401	Domestic Return Receip	182			<u> </u>		, œ	
Certified Mail 7000 1670 0006 8579 2817	irn Receij	7	4. Rest	3. Service		•	C. Sign	A. Rec
Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W	2		Restricted Delivery? (Extra Fee)	Service Type Certified Mail Registered Insured Mail		If YES, enter delivery address beiow:	Signature	Received by (Please
San Juan County, New Mexico			ery? (Ext			So uners livery add	h	
Dear Mineral Owner:		-	a Fee)	Express Mail Return Receipt C.O.D.		dress bei	Jers	Print Closity)
Richardson Production Company proposes to drill a Pictur				lail ceipt		Non I		8
A recent check of the county records indicates that you ov	10259			for N				Date
interest within the spacing unit. The RPC #17-4 well will b 17 and the 160 acre spacing unit covers the SE/4.	02595-00-M-0952] Yes	for Merchandise		L No		e of Deliver
Enclosed for your review is an AFE itemizing the estimate.	~~~~	~					Ja	2 .

wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. 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% non-consent 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 \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerety,

William H. Hall 416 N. Behrend Farmington, NM 87401

Certified Mail 7000 1670 0006 8579 2817

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

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 5.0 net acre unleased mineral interest within the spacing unit. The RPC #17-4 well will be located in the SW/4SE/4 of Section 17 and the 160 acre spacing unit covers the SE/4.

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 December 28, 2001. 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% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

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- 1. Enter into an oil and gas lease that provides for a three year primary term with bonus consideration based on \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2rd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

William H. Hall December 5, 2001

RE: RPC #17-4 PC Well Proposal SE/4 Section 17-T29N-R13W San Juan County, NM

Description of your unleased lands:

Section 17: SE/4

Containing 40 gross and 5.0 net acres

On this ______ day of ______, 2001, we/l hereby elect the following:

- Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- Sell mineral rights for \$100.00 per net mineral acre.

William A. Hall

Weil Name: RPC 17-4 (PC) well Location: T29N R13W Section 17 SE/4 Spacing: Pictured Cliffs SE/4 (160 acres) Proposed Depth: 1150' Pictured Cliffs Date:

5-Dec-01

Objective Formation:

Pictured Cliffs

Drilling Costs (Included Run Casing)	Tangible	Intangible	Total
Survey and Permits		3,000	
Title Opinion & Land		3,000	
Damages		2,000	
Drilling (incl. water & mud) 1200' @ 15.00/ft		17,250	
BOP Rental		750	
Dirt Work		4,000	
Pit Lining		2,800	
Surface Casing 200' @ 7.65/ft	1,530		
Casing Head	1,500	11	
Cement Surface		2,300	
Power Tongs		1,000	
Casing 1200' @ 5.00/ft	6,325		
Trucking		3,000	
Logs-		4,000	
Engineering		4,500	
Cement Longstring		4,000	
	0.255		60.0
Total Cost to Run Casing	9,355	51,600	60,9
10% Contingency			6,0
Grand Total to Run Casing			67,0
Completion Costs			
Rig Anchors		750	
Logs		3,000	
Perf		4,000	
Wellhead & Fittings	4.000		
Tubing 1200' @ 2.10/ft	2.875		
Stimulation		25,000	
Tool Rental		2,300	
Trucking		3,000	
Battery Installation		6,000	
Restore Location		4,000	
Enginaenng		5,000	
Treator, Separator	6.000		
Flowline	4,000		
Tank & Fittings	5.000		
Gravel	3,000		
Workover Rig		12,000	
Completion Fluids-		2,000	
Pipeline Hookup		13,000	
Division Order Opinion		2,000	
Frac Tank Rental		2,000	
Flowback		2,000	
Fence Location	5.000	-,000	
Total Completion Costs	29,875	86,050	115,9
	20,010		
10% Contingency			11,59 67,09
Drilling Costs			

PICTURED CLIFFS (PC)	Date:	Approved by:	Share of WI Costs:
2.7344% William Hall	<u> </u>		\$5,320
97.2656% Richardson Operating Company et als			\$189,248 \$194,568

Elizabeth L. Fisk, Trustee P O Box 310 Farmington, NM 87499

Trust revised in = 1997 Certified Mail 7000 1670 0006 8579 2794

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a Pictur A recent check of the county records indicates that you ov interest within the spacing unit. The RPC #17-4 well will b 17 and the 160 acre spacing unit covers the SE/4.

Enclosed for your review is an AFE itemizing the estimated wish to participate in this drilling and completion attempt, p AFE to the undersigned by December 28, 2001. Upon rec written request, we will forward an AAPL Form 610 Joint C and execution, providing for, among other things, a 300%/ \$5000 drilling/\$500 producing overhead rates.

In the event you do not wish to participate, Richardson res the following options as to your interest:

- 102595-00-M-095; Enter into an oil and gas lease that provide: 1. bonus consideration based on \$50.00 per n event of production (lease form included for your review).
- Sell all of your mineral interest for \$100.00 per net acre 2.

Please execute and return the 2rd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

try 12 27-01 thurs after 9:20.20.20.20

try: nursing home

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Sheila A. Frazier. CPL

NDERF COMPLETE THIS SECTION em 4 if Restricted Delivery is desired and 3. Also complete hills state follow of a give Int Clearly) B. Date of Delivery

EXHIBIT 3-D

1011 W Murron Dr.

87401

[] 12a beth L.

Fist Trustee

Article Addressed to:

or on the front if space permits.

Attach this card to the back of the mailplece,

so that we can return the card to

You.

× σ

Addressee

Agent

Z, <u>,</u> Ω

Print your name and address on the reverse

arminaton Nm 8749

BA Certified Mail

C.O.D.

Express

Mal

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Return Receipt for Merchandise

Service

Restricted Delivery? (Extra Fee)

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Elizabeth L. Fisk, Trustee December 5, 2001

RE: RPC #17-4 PC Well Proposal SE/4 Section 17-T29N-R13W San Juan County, NM

Description of your unleased lands:

Section 17: 3.61 acre tract in the SESE less tract deeded to State of NM Highway Dept.

Containing 3.61 gross and 1.5406 net acres

On this ______day of ______, 2001, we/l hereby elect the following:

- Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.

Sell mineral rights for \$100.00 per net mineral acre.

Elizabeth L. Fisk, Trustee

Weil Name: RPC 17-4 (PC) weil Location: T29N R13W Section 17 SE/4 Spacing: Pictured Cliffs SE/4 (160 acres) Proposed Depth: 1150' Pictured Cliffs

-

Date:

5-Dec-01

Objective Formation:

Pictured Cliffs

Drilling Costs (Included	l Run Casing)	Tangible	Intangible	Total
Survey and Permits			3,000	
Title Opinion & Land			3,000	
Damages			2,000	
Drilling (incl. water & mu	d) 1200' @ 15.00/ft		17,250	
BOP Rental			750	
Dirt Work			4,000	
Pit Lining			2,800	
Surface Casing 200' @ 7	.65/ft	1,530	j]	
Casing Head		1,500		
Cement Surface			2,300	
Power Tongs			1,000	
Casing 1200' @ 5.00/ft		6,325		
Trucking			3,000	
Logs			4,000	
Engineering			4,500	
Cement Longstring			4,000	
Total Cost to Run Cas		9,355	51,600	60,95
10% Contingency	•	0,000		6.09
			 	67,05
Grand Total to R	un Casing			67,03
Completion Costs			750	
Rig Anchors				
Logs			3,000	
Perf		1 000	4,0001	
Wellhead & Fittings		4,000		
Tubing 1200' @ 2.10/ft		2,875	25 202	
Stimulation			25,000	
Tool Rental			2,300	
Trucking			3,000	
Battery Installation			6,000	
Restore Location			4,000	
Engineering			5,000	
Treator, Separator		6,000		
Flowline		4,000		
Tank & Fittings		5,000		
		3,000		
Workover Rig			12,000	
Completion Fluids			2.000	
Pipeline Hookup			13.000	
Division Order Opinion -			2,000	
Frac Tank Rental			2,000	
Flowback			2,000	
Fence Location		5,000		
Total Completion Costs-		29,875	86.050	115,92
10% Contingency				11,59
Drilling Costs				67,05
	Total Well Costs			194,56

PICTURED CLIFFS (PC)

0.8425% Elizabeth L. Fisk Trustee, uta dtd 11/29/88

99.1575% Richardson Operating Company et als

Share of WI Costs:	Approved by:	Date:	
\$1,639			
\$192,929			
\$194,568			

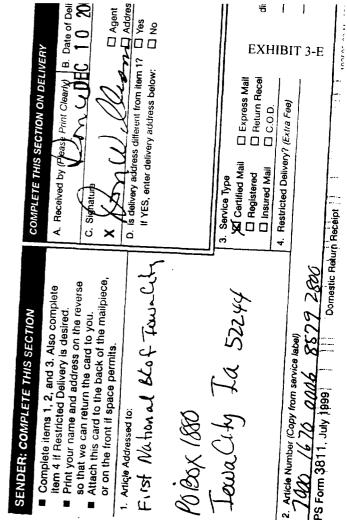
First National Bank of Iowa City, Iowa Trustee u/t/a dated Aug 6, 1966 P O Box 1880 Iowa City, IA 52244

Certified Mail 7000 1670 0006 8579 2800

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a Pic A recent check of the county records indicates that you interest within the spacing unit. The RPC #17-4 well wi 17 and the 160 acre spacing unit covers the SE/4.



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 December 28, 2001. 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% non-consent 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 \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

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Sincerely,

First National Bank of Iowa City, Iowa Trustee u/t/a dated Aug 6, 1966 P O Box 1880 Iowa City, IA 52244

Certified Mail 7000 1670 0006 8579 2800

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

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 **5.0** net acre unleased mineral interest within the spacing unit. The RPC #17-4 well will be located in the SW/4SE/4 of Section 17 and the 160 acre spacing unit covers the SE/4.

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 December 28, 2001. 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% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

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- 1. Enter into an oil and gas lease that provides for a three year primary term with bonus consideration based on \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2rd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

Sheila A. Frazier, CPL

First National Bank of Iowa City, Iowa December 5, 2001

RE: **RPC #17-4 PC Well Proposal** SE/4 Section 17-T29N-R13W San Juan County, NM

Description of your unleased lands:

Section 17: SE/4

Containing 40 gross and 5.0 net acres

On this ______day of ______, 2001, we/I hereby elect the following:

- Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- Sell mineral rights for \$100.00 per net mineral acre.

First National Bank of Iowa City, Iowa, Trustee

Printed Name & Title:

Well Name: RPC 17-4 (PC) well Location: T29N R13W Section 17 SE/4 Spacing: Pictured Cliffs SE/4 (160 acres) Proposed Depth: 1150' Pictured Cliffs

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11.

Date:

5-Dec-01

Objective Formation:

Pictured Cliffs

Drilling Costs (Included Run Casing)	Tangible	Intangible	Total
Survey and Permits		3,000	
Title Opinion & Land		3,000	
Damages		2,000	
Drilling (incl. water & mud) 1200' @ 15.00/ft		17,250	
BOP Rental-		750	
Dirt Work		4,000	
Pit Lining		2,800	
Surface Casing 200' @ 7.65/ft	1,530		
Casing Head	1,500		
Cement Surface		2,300	
Power Tongs		1,000	
Casing 1200' @ 5.00/ft	6,325		
		3,000	
Logs		4,000	
Engineering		4,500	
Cement Longstring		4,000	
Total Cost to Run Casing	9,355	51,600	60.95
-	3,000	31,000	6,09
10% Contingency			
Grand Total to Run Casing			67,05
Completion Costs			
Rig Anchors		750	
_0gs		3,000	
Perf		4,000	
Wellhead & Fittings	4,000		
Tubing 1200' 🤁 2.10/ft	2,875		
Stimulation		25,000	
Tool Rental		2,300	
Frucking		3,000	
Battery installation		6.000	
Restore Location		4,000	
Engineenng		5.000	
Freator, Separator	6.000		
Rowline	4.000		
Tank & Fittings	5,000		
Gravel	3.000		
Norkover Rig		12,000	
Completion Fluids		2,000	
Pipeline Hookup		13,000	
Division Order Opinion		2,000	
rac Tank Rental		2,000	
Nowback		2,000	
ence Location	5.000	[]	
Total Completion Costs	29.875	86,050	115,925
10% Contingency			11,59
Driling Costs			67.05
annund anam			194,568

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2.7344% First National Bank of Iowa City. IA Trustee

97.2656% Richardson Operating Company et als

Date:	Approved by:	Share of WI Costs:
		\$5,320
		\$189,248
		\$194,568

New Mexico State Highway and Transportation Dept P O Box 1149 Santa Fe, New Mexico 87504-1149

Certified Mail 7000 1670 0006 8579 3732

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

Richardson Production Company proposes to drill a Pict A recent check of the county records indicates that you (interest within the spacing unit. The RPC #17-4 well will 17 and the 160 acre spacing unit covers the SE/4.

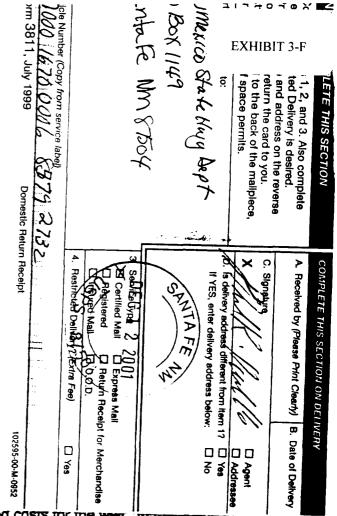
Enclosed for your review is an AFE itemizing the estimated costs for the went. In the overit your wish to participate in this drilling and completion attempt, please return an executed copy of the AFE to the undersigned by December 28, 2001. Upon receipt of your executed AFE, or by prior written request, we will forward an AAPL Form 610 Joint Operating Agreement for your review and execution, providing for, among other things, a 300%/100% non-consent 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 \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2nd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,



Lestr (is norce (sos) 827.5257

December 5, 2001

New Mexico State Highway and Transportation Dept P O Box 1149 Santa Fe, New Mexico 87504-1149

Certified Mail 7000 1670 0006 8579 3732

Re: Pictured Cliffs Well Proposal RPC #17-4 Well SE/4-Section 17-T29N-R13W San Juan County, New Mexico

Dear Mineral Owner:

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 **1.0733** net acre unleased mineral interest within the spacing unit. The RPC #17-4 well will be located in the SW/4SE/4 of Section 17 and the 160 acre spacing unit covers the SE/4.

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 December 28, 2001. 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% non-consent penalty and \$5000 drilling/\$500 producing overhead rates.

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- 1. Enter into an oil and gas lease that provides for a three year primary term with bonus consideration based on \$50.00 per net acre and a 12.5% royalty in the event of production (lease form included for your review).
- 2. Sell all of your mineral interest for \$100.00 per net acre

Please execute and return the 2rd page of this letter offer indicating your intentions with regard to Richardson's above options. A self-addressed envelope is provided for for your convenience. Your response is respectfully requested by December 28, 2001. Should you have any questions please contact the undersigned at (303) 830-8000.

Sincerely,

RE: RPC #17-4 PC Weil Proposal SE/4 Section 17-T29N-R13W San Juan County, NM

Description of your unleased lands:

Section 17: Two (2) tracts in the SE/4 of Section 17; more particularly described by metes and bounds

Containing 1.0733 acres

On this ______day of ______, 2001, we/l hereby elect the following:

- Participate in proposed drilling and completion attempt, executed AFE is returned herewith.
- Enter into Oil and Gas Lease for \$50.00 per net mineral acre, with lease to provide for a three year primary term and 12.5% royalty in the event of production.
- Sell mineral rights for \$100.00 per net mineral acre.

New Mexico State Highway and Transportaion Dept

by_____

Printed Name & Title

Well Name: RPC 17-4 (PC) well Location: T29N R13W Section 17 SE/4 Spacing: Pictured Cliffs SE/4 (160 acres) Proposed Depth: 1150' Pictured Cliffs

.

Date:

5-Dec-01

Objective Formation:

Pictured Cliffs

۱.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total
	Survey and Permits		3,000	
	Title Opinion & Land		3,000	
	Damages		2,000	
	* Drilling (incl. water & mud) 1200' @ 15.00/ft		17,250	
	BOP Rental		750	
	Dirt Work		4,000	
	Pit Lining		2,800	
	Surface Casing 200' @ 7.65/ft	1,530		
	Casing Head	1,500		
	Cement Surface		2,300	
	Power Tongs		1,000	
	Casing 1200' @ 5.00/ft	6,325		
			3,000	
	Logs		4,000	
	Engineering		4,500	
	Cement Longstring		4.000	
		9,355	51,600	60.00
	Total Cost to Run Casing	9,355	51,000	60,95
	10% Contingency			6,09
	Grand Total to Run Casing			67,05
I .	Completion Costs			
	Rig Anchors		750	
	Logs		3,000	
	Perf		4.000	
	Wellhead & Fittings	4,000		
	Tubing 1200' @ 2.10/ft	2.875		
	Stimulation		25,000	
	Tool Rental		2.300	
	Trucking		3.000	
	Battery Installation		6.000	
	Restore Location		4,000	
	Engineering		5,000	
	Treator, Separator	6,000		
	Flowline	4,000		
	Tank & Fittings	5,000		
	Gravei	3,000		
	Workover Rig		12,000	
	Completion Fluids		2,000	
	Pipeline Hookup		13.000	
	Division Order Opinion		2.000	
	Frac Tank Rental	1	2,000	
	Flowback		2.000	
	Fence Location-	5.000	2,000	
	Total Completion Costs	29.875	86,050	115.92
	-			a manager of the second se
	10% Contingency			11.59
	Drilling Costs			67.05
	Grand Total Well Costs		L	194,56

PICTURED CLIFFS (PC)	Date:	Approved by:	Share of WI Costs:
0.5869% State of New Mexico Highway Dept.			\$1,142
99.4131% Richardson Operating Company et als			\$193,426
			\$194,568