

RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 12797/98 Cons. Exhibit No. 8
Submitted by:
Richardson Production Company
Hearing Date: February 7, 2002

Well Name: RPC 17-3 (PC) & (FC) well
Location: T29N R13W Section 17 SW/4
Spacing: Pictured Cliffs SW/4; Fruitland CL S/2
Proposed Depth: 960' Fruitland CL; 1150' Pictured Cliffs

Date: 12/5/01
Objective Formation:
Commingled Pictured Cliffs and Fruitland Coal

I.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal	Pictured Cliffs
	Survey and Permits - - - - -		3,000		1,500	1,500
	Title Opinion & Land - - - - -		3,000		1,500	1,500
	Damages- - - - -		2,000		1,000	1,000
	* Drilling (incl. water & mud) 1200' @ 15.00/ft.-		17,250		7,200	10,050
	BOP Rental- - - - -		750		375	375
	Dirt Work- - - - -		4,000		2,000	2,000
	Pit Lining- - - - -		2,800		1,400	1,400
	Surface Casing 200' @ 7.65/ft.- - - - -	1,530			765	765
	Casing Head- - - - -	1,500			750	750
	Cement Surface- - - - -		2,300		1,150	1,150
	Power Tongs- - - - -		1,000		500	500
	Casing 1200' @ 5.00/ft.- - - - -	6,325			2,640	3,685
	Trucking- - - - -		3,000		1,500	1,500
	Logs- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Cement Longstring- - - - -		4,000		1,670	2,330
	Total Cost to Run Casing- - - - -	9,355	52,100	61,455	28,450	33,005
	10% Contingency- - - - -			6,146	2,845	3,301
	Grand Total to Run Casing			67,601	31,295	36,306
II.	Completion Costs					
	Rig Anchors- - - - -		750		375	375
	Logs- - - - -		3,000		1,500	1,500
	Perf- - - - -		4,000		2,000	2,000
	Wellhead & Fittings- - - - -	4,000			2,000	2,000
	Tubing 1200' @ 2.10/ft.- - - - -	2,875			1,200	1,675
	Stimulation- - - - -		50,000		25,000	25,000
	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- - - - -		4,000		2,000	2,000
	Engineering- - - - -		5,000		2,500	2,500
	Treater, Separator - - - - -	6,000			3,000	3,000
	Flowline- - - - -	4,000			2,000	2,000
	Tank & Fittings- - - - -	5,000			2,500	2,500
	Gravel- - - - -	3,000			1,500	1,500
	Workover Rig- - - - -		12,000		6,000	6,000
	Completion Fluids- - - - -		2,000		1,000	1,000
	Pipeline Hookup- - - - -		13,000		6,500	6,500
	Division Order Opinion - - - - -		2,000		1,000	1,000
	Frac Tank Rental- - - - -		2,000		1,000	1,000
	Flowback - - - - -		2,000		1,000	1,000
	Fence Location- - - - -	5,000			2,500	2,500
	Total Completion Costs- - - - -	29,875	111,050	140,925	70,225	70,700
	10% Contingency- - - - -			14,093	7,023	7,070
	Drilling Costs- - - - -			67,601	31,295	36,306
	Grand Total Well Costs			222,618	108,543	114,076

		Share of costs:	
FRUITLAND COAL (FC)	Date:	Approved BY:	
	5-Dec-01		\$12,279.04
		Total FC Costs	\$96,263.46
PICTURED CLIFFS (PC)			\$3,119.25
	5-Dec-01		\$110,956.25
		Total PC Costs	\$114,075.50
Total Costs of Commingled PC/FC Well:			
Uncommitted			\$15,398.29
Richardson Operating Company et als			\$207,219.71
			\$222,618.00