

RICHARDSON PRODUCTION COMPANY

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

March 1, 2002

Mr. Wallace H. Yazzie

COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete 4 if Restricted Delivery is desired. Write your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece. Do not write on the front if space permits.</p> <p>Article Addressed to:</p> <p>Wallace H. Yazzie P.O. Box 531 Huellana NM 87417</p>		<p>A. Received by (Please Print Clearly) B. Date of Delivery <i>Wallace H. Yazzie</i> <i>3/5/02</i></p> <p>C. Signature <i>Wallace H. Yazzie</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>Article Number (Copy from service label) 7000 1670 0006 8579 2435</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>Form 3811, July 1999</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	

7000 1670 000608579 2435
Return Receipt Requested

you asked me to commit to your minerals in the E/2 of

Gas Lease with you covering acre or \$120.00. You would the Fruitland Coal formation, net mineral acres or 4/320. interest.

RPC has also offered to purchase your four (4) net mineral acres for \$70.00 per net mineral acre (\$280.00).

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

participating in the drilling and completion of the ROPCO 7-interest ownership in the well would be 1.25%. If you have the well you will receive 1.25% of the production from some time in the future when the well is no longer abandoned and the lands will be restored. At that time giving and abandoning the well and restoring the lands.

conditions outlined above, RPC will go before the Oil and Natural Gas Commission seeking an order to "pool" the 320 acres in the area for the pooling of the acreage associated with the well. The chosen one of the options will be considered "Non-Consent". During the payout of the penalty percentage a non-rest, proportionately reduced to his net mineral acres. The consenting owners will become working interest owners and will share the costs for the well, as well as their share of the production of the land at a future date.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12813 Exhibit No. 4
Submitted By:
Richardson Operating Company
Hearing Date: March 21, 2002
BEFORE THE



RICHARDSON PRODUCTION COMPANY

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

March 1, 2002

Mr. Wallace H. Yazzie
P O Box 531
Kirtland, NM 87417

Certified Mail 7000 1670 000608579 2435
Return Receipt Requested

RE: ROPCO #7-1 Well
NW/4NE/4 Section 7, Township 29 North, Range 14 West
San Juan New Mexico

Dear Mr. Yazzie:

I enjoyed talking with you this morning. During our telephone conversation you asked me to commit to writing the effect of each of the options you have been offered relating to your minerals in the E/2 of Section 7, that is the Fruitland Coal spacing unit for the ROPCO 7-1 well.

Richardson Production Company ("RPC") has offered to enter into an Oil and Gas Lease with you covering your four (4) net mineral acres. RPC would pay you \$30.00 per net mineral acre or \$120.00. You would retain a 12.5% royalty interest and when the ROPCO 7-1 well is producing in the Fruitland Coal formation, you would be entitled to receive royalties on production based upon your net mineral acres or $4/320 \times 12.5\%$ (.00156250 royalty interest). The royalty interest is a non-cost bearing interest.

RPC has also offered to purchase your four (4) net mineral acres for \$70.00 per net mineral acre (\$280.00).

RPC has in addition offered you the option of participating in the drilling and completion of the ROPCO 7-1 well with your 4 net mineral acres. Your working interest ownership in the well would be 1.25%. If you elect to participate in the drilling and completion of the well you will receive 1.25% of the production from the Fruitland Coal formation. As we discussed, at some time in the future when the well is no longer economical to operate the well will be plugged and abandoned and the lands will be restored. At that time you will be responsible for 1.25% of the costs of plugging and abandoning the well and restoring the lands.

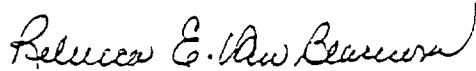
Should you not choose any of the three (3) options outlined above, RPC will go before the Oil Conservation Division ("OCD") of the State of New Mexico seeking an order to "pool" the 320 acres in the E/2 of Section 7. When the OCD grants an order for the pooling of the acreage associated with the Fruitland Coal production any party who has not chosen one of the options will be considered "Non-Consent". The OCD will impose a penalty percentage. During the payout of the penalty percentage a non-consenting owner will receive his 12.5% royalty interest, proportionately reduced to his net mineral acres. After payout of the penalty percentage the non-consenting owners will become working interest owners and be responsible for their share of monthly operational costs for the well, as well as their share of the costs of plugging and abandoning the well and restoration of the land at a future date.

Mr. Wallace H. Yazzie
March 1, 2002
Page Two

I am enclosing copies of the Oil and Gas Lease covering your 4 net mineral acres. Should you chose to enter into an Oil and Gas Lease with RPC please execute in the space provided and have your signature acknowledged before a notary public where indicated. I am enclosing a copy of the original letter sent to you on November 2, 2001 with the three (3) options and an attached Authority for Expenditure. Should you chose to participate in the drilling and completion of this well, please sign the Authority for Expenditure in the space provided and return one (1) copy to my attention. Should you chose to sell your minerals please indicate on the letter and return the election to my attention. For your convenience I am also enclosing a self-addressed and stamped envelope.

If you have any additional questions please do not hesitate to contact me.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

/revb
Enclosures

November 2, 2001

Wallace H. Yazzie
P O Box 531
Kirtland, NM 87417

Certified Mail • 7000 1670 0006 8579 3562

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.		<p>A. Received by (Please Print Clearly) <u>MICHELLE YAZZIE</u> B. Date of Delivery <u>11-20-01</u></p> <p>C. Signature <u>[Signature]</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
1. Article Addressed to:			
Wallace H. Yazzie P O Box 531 Kirtland, NM 87417		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

2. Article Number (Copy from service label) <u>7000 1670 0006 8579 3562</u>	
PS Form 3811, July 1999	Domestic Return Receipt 102595-00-M-0952

ed Fruitland Coal and records indicates that, The ROPCO #7-1 well unit for the Fruitland red Cliffs formation

well. In the event you in executed copy of the upon receipt of your executed AFE, or by prior 0 Joint Operating Agreement for your review 300%/100% nonconsent penalty and \$5000

son respectfully requests you elect one of the

7000 1670 0006 8579 3562

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	
Sent To	Wallace H. Yazzie
Street, Apt.	P O Box 531
City, State, Zip	Kirtland, NM 87417

PS Form 3811, July 1999

November 2, 2001

Wallace H. Yazzie
P O Box 531
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3562

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. Yazzie:

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 4.0 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)

Location: T29N R14W Sec. 7

Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 11/2/01

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- - - - -		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft.- - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 660' @ 5.50/ft.- - - - -	3,630			1,458	2,173
Trucking- - - - -		4,000		2,000	2,000
Logs- - - - -		5,000		2,500	2,500
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,600	2,400
Total Cost to Run Casing- - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency- - - - -			5,436	2,535	2,902
Grand Total to Run Casing- - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,500		1,750	1,750
Perf- - - - -		3,500		1,750	1,750
Wellhead & Fittings- - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.- - - - -	1,650			663	988
Stimulation- - - - -		42,000		21,000	21,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		4,000		2,000	2,000
Battery Installation- - - - -		8,000		4,000	4,000
Restore Location- - - - -		4,500		2,250	2,250
Engineering- - - - -		6,500		3,250	3,250
Treater, Separator- - - - -	6,500			3,250	3,250
Flowline- - - - -	5,000			2,500	2,500
Tank & Fittings- - - - -	5,000			2,500	2,500
Gravel- - - - -		4,000		2,000	2,000
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- - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,500		1,250	1,250
Flowback- - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency- - - - -			14,694	7,330	7,364
Drilling Costs- - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

98.906% RICHARDSON OPERATING CO ET AL
1.094% Wallace Yazzie

Approved by: _____ Date: _____ \$107319
Approved by: _____ Date: _____ \$1187

FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Wallace Yazzie

Approved by: _____ Date: _____ \$112922
Approved by: _____ Date: _____ \$

PC TOTAL \$112922

Wallace Yazzie TOTAL \$1187

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 1st day of November, 20 01, by and between Wallace H. Yazzie, a single man, whose post office address is P O Box 531, Krilland, New Mexico 87417, hereinafter called Lessor (whether one or more) and RICHARDSON PRODUCTION COMPANY, whose post office address is 1700 Lincoln, Suite 1700, Denver, Colorado 80203, hereinafter called Lessee.

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00 & more) DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of San Juan, State of New Mexico, described as follows, to-wit:

Township 29 North, Range 14 West, N.M.P.M.

Section 7: Two (2) tracts of land in SW/4SE/4, more particularly described on attached Exhibit "A"

and containing 4.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force as long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

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 Lessee may 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 quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) 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 royalty to the royalty owners One Dollar per year per net royalty 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 such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered 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 undivided fee simple therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded documents and other information necessary to establish a complete chain of record title from Lessor, then then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable 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 to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in the Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which 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 theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only in the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, 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 lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. All express or implied covenants of this lease shall be subject to all Federal and State 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 therewith, 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 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 of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor" as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall 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.

Tax ID No.:

Tax ID No.:

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated November 1st, 2001 between Wallace H. Yazzie, a single man, and Richardson Production Company.

Township 29 North, Range 14 West, N.M.P.M.

Section 7: 2.00 acres, more or less, in the Southwest Quarter of the Southeast Quarter (SW/4SE/4) of said Section 7, described as follows:
BEGINNING North 00 degrees 45' East 1010.87 feet from the Southwest corner of said SW/4SE/4;
THENCE North 00 degrees 45' East 225.23 feet;
THENCE North 89 degrees 30' East 385.32 feet;
THENCE South 225.21 feet;
THENCE South 89 degrees 30' West 388.28 feet to the point of beginning
Containing 2.00 acres, more or less,

AND

2.00 acres, more or less, in the Southwest Quarter of the Southeast Quarter (SW/4SE/4) of said Section 7, described as follows:
BEGINNING North 00 degrees 45' East 787.31 feet from the Southwest corner of said SW/4SE/4;
THENCE North 00 degrees 45' East 223.56 feet;
THENCE North 89 degrees 30' East 388.28 feet;
THENCE South 223.54 feet;
THENCE South 89 degrees 30' West 391.21 feet to the point of beginning
Containing 2.00 acres, more or less

END OF EXHIBIT "A"

November 2, 2001

James Spade
and Rita Spade
#13 CR 6427
Kirtland, NM 87417

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Re:	<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	A. Received by (Please Print Clearly)	B. Date of Delivery
		Anthony Spade	11-8-01
		C. Signature	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
		<i>James Spade</i>	
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	1. Article Addressed to:		
	I James Spade and Rita Spade #13 CR 6427 Kirtland, NM 87417		
	F	3. Service Type	
	yo:	<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail	
	well	<input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise	
	Fruit	<input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	form	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
	2. Article Number (Copy from service label)		
	7000 1670 0006 8577 3098		
	PS Form 3811, July 1999	Domestic Return Receipt	102595-00-M-0952

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

000 1670 0006 8577 3098

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

Total

Sent to: James Spade and Rita Spade
#13 CR 6427
Kirtland, NM 87417

Postmark
Here

Estimated costs for the well. In the event you attempt, please return an executed copy of the upon receipt of your executed AFE, or by prior 0 Joint Operating Agreement for your review 300%/100% nonconsent penalty and \$5000

son respectfully requests you elect one of the

November 2, 2001

James Spade
and Rita Spade
#13 CR 6427
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3098

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Spade:

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 .520 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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- - - - -		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft.- - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 660' @ 5.50/ft.- - - - -	3,630			1,458	2,173
Trucking- - - - -		4,000		2,000	2,000
Logs- - - - -		5,000		2,500	2,500
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,600	2,400
Total Cost to Run Casing- - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency- - - - -			5,436	2,535	2,902
Grand Total to Run Casing- - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,500		1,750	1,750
Perf- - - - -		3,500		1,750	1,750
Wellhead & Fittings- - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.- - - - -	1,650			663	988
Stimulation- - - - -		42,000		21,000	21,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		4,000		2,000	2,000
Battery Installation- - - - -		8,000		4,000	4,000
Restore Location- - - - -		4,500		2,250	2,250
Engineering- - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline- - - - -	5,000			2,500	2,500
Tank & Fittings- - - - -	5,000			2,500	2,500
Gravel- - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency- - - - -			14,694	7,330	7,364
Drilling Costs- - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.858% RICHARDSON OPERATING CO ET AL
 0.142% James & Rita Spade

Approved by: _____ Date: _____ \$108351
 Approved by: _____ Date: _____ \$154
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% James & Rita Spade

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922

James & Rita Spade

TOTAL

\$154

November 2, 2001

Anthony R. Silva
and Deborah Lee Silva
P O Box 777
Kirtland, NM 87417

Re: Fruitland Coal ar
ROPCO #7-1 W
E/2-Section 7-T2
San Juan Co

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Anthony R. Silva and Deborah Lee Silva
P O Box 777
Kirtland, NM 87417

Dear Mr. & Mrs. Si

Richardson Productio
Pictured Cliffs well o
you own a .7914 net
well will be located in
Fruitland Coal formati
formation will be the NE/4 of Section 7

2. Article Number (Copy from service label)

7000 1670 0006 8579 3581

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-MF095

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature ☒ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Enclosed for your review is an A
wish to participate in this drilling
AFE to the undersigned by Nove
written request, we will forward
and execution, providing for, am
drilling/\$500 producing overhea

In the event you do not wish to p
following options as to your inter

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

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

Postmark
Here

Total Pos Anthony R. Silva and Deborah Lee Silva
Sent To P O Box 777
Kirtland, NM 87417
Street, Apt.
City, State, Zip

November 2, 2001

Anthony R. Silva
and Deborah Lee Silva
P O Box 777
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3081

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROP CO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Silva:

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 .7914 net acre unleased mineral interest within the spacing unit. The ROP CO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY **AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)

Location: T29N R14W Sec. 7

Proposed Depth: 530' Fruitland Coal

660' Pictured Cliffs

Date: 11/2/01

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 - - - - -		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.785% RICHARDSON OPERATING CO ET AL
0.215% Anthony R & Deborah Silva

Approved by: _____ Date: _____ \$108272
Approved by: _____ Date: _____ \$233

FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Anthony R. & Deborah Silva

Approved by: _____ Date: _____ \$112922
Approved by: _____ Date: _____ \$

PC TOTAL \$112922

Anthony & Deborah Silva TOTAL \$233

November 2, 2001

David Vigil, Jr.
#9 CR 6299
Kirtland, NM 87417

Re: Fruitland Coal and P.
ROPCO #7-1 Well
E/2-Section 7-T29N-
San Juan County, Ne

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

David Vigil, Jr.
#9 CR 6299
Kirtland, NM 87417

Richardson Production Comp
Pictured Cliffs well on the cap
you own a .3444 net acre unle
well will be located in the NW
Fruitland Coal formation will
formation will be the NE/4 of

2. Article Number (Copy from service label)

7000 1670 0006 8579 3548

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Shannon Vigil 11-13-01

C. Signature

Shannon Vigil ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Enclosed for your review is an AFE itemizing the estir
wish to participate in this drilling and completion after
AFE to the undersigned by November 19, 2001. Upon
written request, we will forward an AAPL Form 610 J
and execution, providing for, among other things, a 30
drilling/\$500 producing overhead rates.

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

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

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

Postmark
Here

David Vigil, Jr.
#9 CR 6299
Kirtland, NM 87417

PS Form 3811, July 1999

Instructions

November 2, 2001

David Vigil, Jr.
#9 CR 6299
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3548

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. Vigil:

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 .3444 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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 - - - - -		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.906% RICHARDSON OPERATING CO ET AL
 0.094% David Vigil Jr.

Approved by: _____ Date: _____ \$108404
 Approved by: _____ Date: _____ \$102
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% David Vigil Jr.

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922
 TOTAL \$102

David Vigil Jr.

November 2, 2001

R. Sam Sewell
1405 Camina Sol
Farmington, NM 87401

SENDER: COMPLETE THIS SECTION:

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

1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY:

- A. Received by (Please Print Clearly) R. SAM SEWELL B. Date of Delivery NOV 2 2001
- C. Signature R. Sam Sewell ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Re: Fruitland Coal and Petroleum R. Sam Sewell
ROPCO #7-1 Well 1405 Camina Sol
E/2-Section 7-T29N-R Farmington, NM 87401
San Juan County, Nev

2. Article Number (Copy from service label)

7000 1670 0006 8579 3654

Dear Mr. Sewell:

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Richardson Production Company proposes to drill a downhole completion on the Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a 1.3543 x 1/3 net acre unleased mineral interest with #7-1 well will be located in the NW/4NE/4 of Section 7-T29 Fruitland Coal formation will be E/2 of Section 7, and the stratum formation will be the NE/4 of Section 7.

Enclosed for your review is an AFE itemizing the estimated cost to participate in this drilling and completion attempt. Upon receipt of AFE to the undersigned by November 19, 2001. Upon receipt of written request, we will forward an AAPL Form 610 Joint Lease Agreement and execution, providing for, among other things, a 300% drilling/\$500 producing overhead rates.

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

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

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

Total Postage

Sent To R. Sam Sewell
Street, Apt. 1405 Camina Sol
City, State Farmington, NM 87401

PS Form 3800, May 2000

See Reverse for Instructions

November 2, 2001

R. Sam Sewell
1405 Camina Sol
Farmington, NM 87401

Certified Mail: 7000 1670 0006 8579 3654

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. Sewell:

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 1.3543 x 1/3 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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 - - - - -		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax - - - - -			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax - - - - -			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.877% RICHARDSON OPERATING CO ET AL
 0.123% R. Sam Sewell

Approved by: _____ Date: _____ \$108372
 Approved by: _____ Date: _____ \$134

FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% R. Sam Sewell

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$

PC TOTAL \$112922

R. Sam Sewell TOTAL \$134

November 2, 2001

Chad Greenwade
and Cherree Greenwade
#10 CR 6427
Kirtland, NM 87417

Re: Fruitland Coal and Pi
ROPCO #7-1 Well
E/2-Section 7-T29N-
San Juan County, Ne

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

*Chad Greenwade
#8 Rd 6427
Kirtland NM 87417*

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) *C. Greenwade* B. Date of Delivery *12/20/01*
- C. Signature *X Cherree Greenwade* ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

Dear Mr. & Mrs. Greenwade

2. Article Number (Copy from service label)

7000 1670 0006 8579 2862

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Richardson Production Co

Pictured Cliffs well on the captioned lands. you own a .4212 net acre unleased mineral interest within the spacing unit. The spacing unit for the well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

Enclosed for your review is an AFE itemizing the estimate wish to participate in this drilling and completion attempt, AFE to the undersigned by November 19, 2001. Upon receipt of written request, we will forward an AAPL Form 610 Joint and execution, providing for, among other things, a 300% drilling/\$500 producing overhead rates.

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

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

Postage	\$
Certified Fee	
Return Receipt Fee	
Endorsement Required	
Restricted Delivery Fee	
Endorsement Required	
Total Postage & Fees	\$

Postmark
12/20/01

Sent To *Chad Greenwade*
Street, Apt. No., or PO Box No. *#8 Rd 6427*
City, State, ZIP+4 *Kirtland NM 87417*

PS Form 3800, May 2000

See Reverse for Instructions

November 2, 2001

Chad Greenwade
and Cherree Greenwade
#10 CR 6427
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3555

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Greenwade:

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 .4212 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY **AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)

Location: T29N R14W Sec. 7

Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 11/2/01

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 - - - - -		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.885% RICHARDSON OPERATING CO ET AL
0.115% Chad E. & Cherree Greenwade

Approved by: _____	Date: _____	\$108381
Approved by: _____	Date: _____	\$125
FC TOTAL		\$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Chad E. & Cherree Greenwade

Approved by: _____	Date: _____	\$112922
Approved by: _____	Date: _____	\$
PC TOTAL		\$112922

Chad & Cherree Greenwade	TOTAL	\$125
--------------------------	--------------	--------------

November 2, 2001

Antonio P. Herrera
and Rose Jean Herrera
Route 1, Box 11
Fruitland, NM 87416

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Antonio P. Herrera
Rose Herrera
15 Rd 6427
Kirtland Nm 87417

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

x Antonio P. Herrera ^{UEC} ☒ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
if YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Re: Fruitland Coal and
ROPCO #7-1 We.
E/2-Section 7-T29
San Juan County,

Dear Mr. & Mrs. Herrera:

2. Article Number (Copy from service label)

7000 1670 0006 8579 2879

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Richardson Production Co
Pictured Cliffs well on the captioned lands. A recent check of the county records indicates that you own a .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W Coal formation will be E/2 of Section 7, and the spacing unit will be the NE/4 of Section 7.

Enclosed for your review is an AFE itemizing the estimated wish to participate in this drilling and completion attempt, AFE to the undersigned by November 19, 2001. Upon receipt of your written request, we will forward an AAPL Form 610 Joint and execution, providing for, among other things, a 300% drilling/\$500 producing overhead rates.

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

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

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

Postmark Here

12/3/01

Sent To

Street, Apt. No., or Post Box No.

City, State, ZIP

PS Form 3800, May 2000

See Reverse for Instructions

November 2, 2001

Antonio P. Herrera
and Rose Jean Herrera
Route 1, Box 11
Fruitland, NM 87416

Certified Mail: 7000 1670 0006 8579 3142

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Herrera:

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 .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% nonconsent penalty and \$5000 drilling/\$500 producing overhead rates.

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2. Sell all of your mineral interest for \$70.00 per net acre

Your response is respectfully requested by November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft.		9,900		3,975	5,925
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		1,150	1,150
Power Tongs		1,000		500	500
Casing 660' @ 5.50/ft.	3,630			1,458	2,173
Trucking		4,000		2,000	2,000
Logs		5,000		2,500	2,500
Engineering		5,000		2,500	2,500
Cement Longstring		4,000		1,600	2,400
Total Cost to Run Casing	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency			5,436	2,535	2,902
Grand Total to Run Casing			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors		750		375	375
Logs		3,500		1,750	1,750
Perf.		3,500		1,750	1,750
Wellhead & Fittings	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.	1,650			663	988
Stimulation		42,000		21,000	21,000
Tool Rental		2,300		1,150	1,150
Trucking		4,000		2,000	2,000
Battery Installation		8,000		4,000	4,000
Restore Location		4,500		2,250	2,250
Engineering		6,500		3,250	3,250
Treater, Separator	6,500			3,250	3,250
Flowline	5,000			2,500	2,500
Tank & Fittings	5,000			2,500	2,500
Gravel		4,000		2,000	2,000
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		2,000		1,000	1,000
Frac Tank Rental		2,500		1,250	1,250
Flowback		2,000		1,000	1,000
Fence Location	5,000			2,500	2,500
Total Completion Costs	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency			14,694	7,330	7,364
Drilling Costs			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.863% RICHARDSON OPERATING CO ET AL
 0.137% Antonio & Rose Herrera

Approved by: _____ Date: _____ \$108357
 Approved by: _____ Date: _____ \$148
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% Antonio & Rose Herrera

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
PC TOTAL \$112922

Antonio & Rose Herrera **TOTAL** \$148

RICHARDSON PRODUCTION COMPANY

1700 Lincoln, Suite 1700
Denver, Colorado 80203 (303) 330-8000
Fax (303) 330-8009

January 14, 2002

James M. Sheridan
And Andrea M. Sheridan
P O Box 435
Kirtland, NM 87417

SENDER- COMPLETE THIS SECTION

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

Article Addressed to:

*James M. Sheridan
Andrea M. Sheridan*

RE: Fruitland Coal and Pict
ROPCO #7-1
E/2 Section 7, Township
San Juan County, New

Dear Mr. and Mrs. Sheridan:

Richardson Production Company
and Pictured Cliffs well on the c
own a .50 net acre unleased mine
in the NW/4NE/4 of Section 7,
Coal formation will be the E/2
the NE/4 of Section 7.

*P O Box 435
Kirtland NM 87417*

Article Number (Copy from service label)

7000 1670 0006 8579 3814

S Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

[Signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED JAN 22 2002

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Enclosed for your review is an Authority for Expenditure ("AFE") itemizing the estimated costs for this 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 January 28, 2002. Upon written request, we will forward an AAPL Form 610 Joint Operating Agreement, providing for, among other things, a 300%/100% non-producing overhead rates. Should you elect to participate Richardson Production Company, you participating in the drilling and completing of the well, including all plugging liabilities when the well is abandoned.

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

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

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Postmark
Here

Sent To

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, May 2000

See Reverse for Instructions



RICHARDSON PRODUCTION COMPANY

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

January 14, 2002

James M. Sheridan
And Andrea M Sheridan
P O Box 435
Kirtland, NM 87417

Certified Mail 7000 1670 0006 8579 3814
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1
E/2 Section 7, Township 29 North, Range 14 West
San Juan County, New Mexico

Dear Mr. and Mrs. Sheridan:

Richardson Production Company ("Richardson") 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 .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal formation will be the E/2 of Section 7 and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

Enclosed for your review is an Authority for Expenditure ("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 January 28, 2002. 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. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

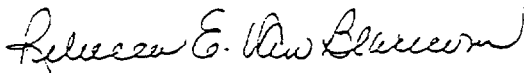
In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 mineral acre.

Your response is respectfully requested by January 23, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the proposed drilling and completion attempt, executed AFE is returned herewith.
- _____ Enter into Oil and Gas Lease for \$40.00 per net mineral acre, with lease to provide for a three year primary term and a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$70.00 per net mineral acre.

James M. Sheridan

Andrea M. Sheridan

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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 - - - - -		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.863% RICHARDSON OPERATING CO ET AL
 0.137% James & Andrea Sheridan

Approved by: _____ Date: _____ \$108357
 Approved by: _____ Date: _____ \$148
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% James & Andrea Sheridan

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922
TOTAL \$148

James & Andrea Sheridan

November 2, 2001

Orland C. Joe, Sr.
and Charlotte Joe
#25 CR 6427
Kirtland, NM 87417

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

Orland C. Joe, Sr. and Charlotte Joe
#25 CR 6427
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

ORLAND C. JOE 11/9/01

C. Signature

X *[Signature]* ☐ Agent ☒ Addressee

D. Is delivery address different from item 1? ☒ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number (Copy from service label)

7000 1670 0006 8579 3661

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

0 0006 8579 3661

angled Fruitland Coal and
ty records indicates that
nit. The ROPCO #7-1
spacing unit for the
for the Pictured Cliffs

Enclosed for your review is an AFE itemizing the est
wish to participate in this drilling and completion att
AFE to the undersigned by November 19, 2001. Upc
written request, we will forward an AAPL Form 610
and execution, providing for, among other things, a 3
drilling/\$500 producing overhead rates.

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

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

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		
Sent To	Orland C. Joe, Sr. and Charlotte Joe	
Street	#25 CR 6427	
City, S	Kirtland, NM 87417	

PS Form 3811, May 2000

November 2, 2001

Orland C. Joe, Sr.
and Charlotte Joe
#25 CR 6427
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3661

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Joe:

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 1.04 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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 -----		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs -----		1,000		500	500
Casing 660' @ 5.50/ft. -----	3,630			1,458	2,173
Trucking -----		4,000		2,000	2,000
Logs -----		5,000		2,500	2,500
Engineering -----		5,000		2,500	2,500
Cement Longstring -----		4,000		1,600	2,400
Total Cost to Run Casing -----	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax -----			3,047	1,421	1,626
15% Contingency -----			5,436	2,535	2,902
Grand Total to Run Casing -----			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors -----		750		375	375
Logs -----		3,500		1,750	1,750
Perf -----		3,500		1,750	1,750
Wellhead & Fittings -----	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. -----	1,650			663	988
Stimulation -----		42,000		21,000	21,000
Tool Rental -----		2,300		1,150	1,150
Trucking -----		4,000		2,000	2,000
Battery Installation -----		8,000		4,000	4,000
Restore Location -----		4,500		2,250	2,250
Engineering -----		6,500		3,250	3,250
Treater, Separator -----	6,500			3,250	3,250
Flowline -----	5,000			2,500	2,500
Tank & Fittings -----	5,000			2,500	2,500
Gravel -----		4,000		2,000	2,000
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 -----		2,000		1,000	1,000
Frac Tank Rental -----		2,500		1,250	1,250
Flowback -----		2,000		1,000	1,000
Fence Location -----	5,000			2,500	2,500
Total Completion Costs -----	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax -----			8,235	4,108	4,127
10% Contingency -----			14,694	7,330	7,364
Drilling Costs -----			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.716% RICHARDSON OPERATING CO ET AL
 0.284% Orland & Charlotte Joe

Approved by: _____ Date: _____ \$108197
 Approved by: _____ Date: _____ \$309
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% Orland & Charlotte Joe

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922
 TOTAL \$309

Orland & Charlotte Joe

November 2, 2001

Troy L. Guillory
and Margie G. Guillory
Box 903
Kirtland, NM 87417

Re: Fruitland Coal and
ROPCO #7-1 Well
E/2-Section 7-T29
San Juan County, NM

SENDER- COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Received by (Please Print Clearly) <u>Troy L. Guillory</u> B. Date of Delivery <u>11-15-01</u>	
1. Article Addressed to:		C. Signature <u>*Troy L. Guillory</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
Troy L. Guillory and Margie G. Guillory Box 903 Kirtland, NM 87417		D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No <u>11 Road 6346</u> <u>Kirtland NM 87417</u>	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

Dear Mr. & Mrs. Guillory

Richardson Production Co.
Pictured Cliffs well on the
you own a .74 net acre unl
will be located in the NW
Coal formation will be E/
will be

2. Article Number (Copy from service label)
7000 1670 0006 8579 3586

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

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

Enclo
wish t
AFE t
writte
and e:
drillir

In the
follow

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Po		
Sent To	Troy L. Guillory and Margie G. Guillory	
Street Ad	Box 903	
City, State	Kirtland, NM 87417	

PS Form 3800, May 2000 See Reverse for Instructions

costs for the well. In the event you
please return an executed copy of the
ipt of your executed AFE, or by prior
Operating Agreement for your review
00% nonconsent penalty and \$5000

ectfully requests you elect one of the

November 2, 2001

Troy L. Guillory
and Margie G. Guillory
Box 903
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3586

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Guillory:

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 .74 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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- - - - -		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft.- - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 660' @ 5.50/ft.- - - - -	3,630			1,458	2,173
Trucking- - - - -		4,000		2,000	2,000
Logs- - - - -		5,000		2,500	2,500
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,600	2,400
Total Cost to Run Casing- - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency- - - - -			5,436	2,535	2,902
Grand Total to Run Casing- - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,500		1,750	1,750
Perf- - - - -		3,500		1,750	1,750
Wellhead & Fittings- - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.- - - - -	1,650			663	988
Stimulation- - - - -		42,000		21,000	21,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		4,000		2,000	2,000
Battery Installation- - - - -		8,000		4,000	4,000
Restore Location- - - - -		4,500		2,250	2,250
Engineering- - - - -		6,500		3,250	3,250
Treater, Separator- - - - -	6,500			3,250	3,250
Flowline- - - - -	5,000			2,500	2,500
Tank & Fittings- - - - -	5,000			2,500	2,500
Gravel- - - - -		4,000		2,000	2,000
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- - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,500		1,250	1,250
Flowback- - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency- - - - -			14,694	7,330	7,364
Drilling Costs- - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.813% RICHARDSON OPERATING CO ET AL
 0.187% Troy & Margie Guillory

Approved by: _____ Date: _____ \$108303
 Approved by: _____ Date: _____ \$203
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% Troy & Margie Guillory

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922
 TOTAL \$203

Troy & Margie Guillory

RICHARDSON PRODUCTION COMPANY

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

January 21, 2002

Rhonda Medina and
Jose Valenzuela
#29 CR 6427
Kirtland, NM 87417

Certified Mail 7000 1670 0006 8579 3760
Return Receipt Requested

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

Proposal
14 West

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

Postmark
Here

Sent To
Street, Apt. No., or PO Box No.
City, State, ZIP+4

oses to drill a downhole commingled Fruitland Coal
cent check of the county records indicates that you
spacing unit. The ROPCO #7-1 well will be located
lange 14 West. The spacing unit for the Fruitland
acing unit for the Pictured Cliffs formation will be

PS Form 3800, May 2000

See Reverse for Instructions

ure ("AFE") itemizing the estimated costs for the
and completion attempt, please return an executed
Upon receipt of

execution, prov
producing over
you participatin
including all plu

In the event you
options as to you

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

Rhonda Medina
Jose Valenzuela
#29 CR 6427
Kirtland NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
Rhonda Medina 1-24-02
C. Signature
X Rhonda Medina ☐ Agent
☐ Addressee
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☒ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number (Copy from service label)

7000 1670 0006 8579 3760

Domestic Return Receipt

102595-00-M-0952

November 2, 2001

Rhonda Medina
and Jose Valenzuela
P O Box 995
Fruitland, NM 87416

Certified Mail: 7000 1670 0006 8579 3623

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Ms. Medina and Mr. Valenzuela:

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 .7392 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____



RICHARDSON PRODUCTION COMPANY

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

January 21, 2002

Rhonda Medina and
Jose Valenzuela
#29 CR 6427
Kirtland, NM 87417

Certified Mail 7000 1670 0006 8579 3760
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1
E/2 Section 7, Township 29 North, Range 14 West
San Juan County, New Mexico

Dear Ms. Medina and Mr. Valenzuela:

Richardson Production Company ("Richardson") 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 .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal formation will be the E/2 of Section 7 and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

Enclosed for your review is an Authority for Expenditure ("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 February 7, 2002. Upon receipt of you 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. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

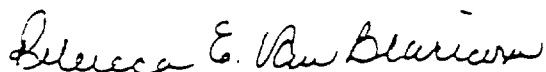
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Your response is respectfully requested by February 7, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the proposed drilling and completion attempt, executed AFE is returned herewith.
- _____ Enter into Oil and Gas Lease for \$30.00 per net mineral acre, with lease to provide for a three year primary term and a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$70.00 per net mineral acre.

Rhonda Medina

Jose Valenzuela



**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/2001
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 - - - - -		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rlg Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
Workover Rlg - - - - -		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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.798% RICHARDSON OPERATING CO ET AL
 0.202% Rhonda Medina & Jose Valenzuela

Approved by: _____ Date: _____ \$108286
 Approved by: _____ Date: _____ \$219
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% Rhonda Medina & Jose Valenzuela

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
PC TOTAL \$112922

Rhonda Medina & Jose Valenzuela **TOTAL** \$219

November 2, 2001

Randy J. Manning
and Dennise Manning

P O Box 25

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

Certified Mail: 7000 1670 0006 8579 3647

Oil Proposal

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total P

Postmark
Here

Sent To
Street, A
City, State

Randy J. and Dennise Manning
P O Box 25
Kirtland, NM87417

PS Form 3800, May 2000

See Reverse for Instructions

you own a .45 net acre interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

Enclosed for your review is a wish to participate in this drill AFE to the undersigned by No written request, we will forward and execution, providing for, drilling/\$500 producing overh

In the event you do not wish to following options as to your ir

Randy J. and Dennise Manning
P O Box 25
Kirtland, NM87417

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Dennise Manning 11-8-01

C. Signature ☐ Agent ☒ Addressee

X Dennise Manning

D. Is delivery address different from item 1? ☐ Yes ☒ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000 1670 0006 8579 3647

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

November 2, 2001

Randy J. Manning
and Dennise Manning
P O Box 25
Kirtland, NM87417

Certified Mail: 7000 1670 0006 8579 3647

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Manning:

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 .45 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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2. Sell all of your mineral interest for \$70.00 per net acre

Your response is respectfully requested by November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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_____ Participate in proposed drilling and completion attempt, executed AFE is returned herewith.

_____ 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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)

Location: T29N R14W Sec. 7

Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 11/2/01

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-----		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft.---		9,900		3,975	5,925
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		1,150	1,150
Power Tongs-----		1,000		500	500
Casing 660' @ 5.50/ft.-----	3,630			1,458	2,173
Trucking-----		4,000		2,000	2,000
Logs-----		5,000		2,500	2,500
Engineering-----		5,000		2,500	2,500
Cement Longstring-----		4,000		1,600	2,400
Total Cost to Run Casing-----	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency-----			5,436	2,535	2,902
Grand Total to Run Casing-----			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors-----		750		375	375
Logs-----		3,500		1,750	1,750
Perf-----		3,500		1,750	1,750
Wellhead & Fittings-----	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.-----	1,650			663	988
Stimulation-----		42,000		21,000	21,000
Tool Rental-----		2,300		1,150	1,150
Trucking-----		4,000		2,000	2,000
Battery Installation-----		8,000		4,000	4,000
Restore Location-----		4,500		2,250	2,250
Engineering-----		6,500		3,250	3,250
Treater, Separator-----	6,500			3,250	3,250
Flowline-----	5,000			2,500	2,500
Tank & Fittings-----	5,000			2,500	2,500
Gravel-----		4,000		2,000	2,000
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-----		2,000		1,000	1,000
Frac Tank Rental-----		2,500		1,250	1,250
Flowback-----		2,000		1,000	1,000
Fence Location-----	5,000			2,500	2,500
Total Completion Costs-----	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency-----			14,694	7,330	7,364
Drilling Costs-----			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.877% RICHARDSON OPERATING CO ET AL
0.123% Randy & Dennise Manning

Approved by: _____ Date: _____ \$108372
Approved by: _____ Date: _____ \$133
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Randy & Dennise Manning

Approved by: _____ Date: _____ \$112922
Approved by: _____ Date: _____ \$
PC TOTAL \$112922
TOTAL \$133

Randy & Dennise Manning

RICHARDSON PRODUCTION COMPANY

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

January 21, 2002

Vernon J Manning
And Jo Ann Manning
P O Box 405
Kirtland, NM 87417

RE: Fruitland Coal an
ROPCO #7-1
E/2 Section 7, Twp
San Juan County.

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

*Vernon J Manning
Jo Ann Manning
PO Box 405
Kirtland NM 87417*

2. Article Number (Copy from service label)

7000 1670 0006 8579 3579

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Jo Ann Manning 1-30-02

C. Signature

X Jo Ann Manning ☐ Agent ☐ Addressee

D. Is delivery address different from item 1?

☒ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Dear Mr. and Mrs. Manning:

Richardson Production Cor
and Pictured Cliffs well or

own a .50 net acre unleased mineral interest within the spacing unit in the NW/4NE/4 of Section 7, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal formation will be the E/2 of Section 7 and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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In the event you do not wish to participate, Richardson respects options as to your interest.

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

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To		
Street, Apt. No. or PO Box No.		
City, State, ZIP+4		
PS Form 3800, May 2000		

See Reverse for Instructions



RICHARDSON PRODUCTION COMPANY

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

January 21, 2002

Vernon J Manning
And Jo Ann Manning
P O Box 405
Kirtland, NM 87417

Certified Mail 7000 1670 0006 8579 3579
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1
E/2 Section 7, Township 29 North, Range 14 West
San Juan County, New Mexico

Dear Mr. and Mrs. Manning:

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Very truly yours,



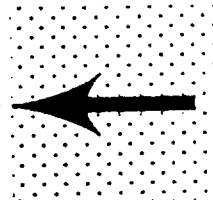
Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the proposed drilling and completion attempt, executed AFE is returned herewith.
- _____ Enter into Oil and Gas Lease for \$30.00 per net mineral acre, with lease to provide for a three year primary term and a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$70.00 per net mineral acre.

Vernon J. Manning

Jo Ann Manning



RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 11/2/01
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		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft.		9,900		3,975	5,925
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		1,150	1,150
Power Tongs		1,000		500	500
Casing 660' @ 5.50/ft.	3,630			1,458	2,173
Trucking		4,000		2,000	2,000
Logs		5,000		2,500	2,500
Engineering		5,000		2,500	2,500
Cement Longstring		4,000		1,600	2,400
Total Cost to Run Casing	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency			5,436	2,535	2,902
Grand Total to Run Casing			59,799	27,881	31,918
II. Completion Costs					
Rlg Anchors		750		375	375
Logs		3,500		1,750	1,750
Perf		3,500		1,750	1,750
Wellhead & Fittings	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.	1,650			663	988
Stimulation		42,000		21,000	21,000
Tool Rental		2,300		1,150	1,150
Trucking		4,000		2,000	2,000
Battery Installation		8,000		4,000	4,000
Restore Location		4,500		2,250	2,250
Engineering		6,500		3,250	3,250
Treater, Separator	6,500			3,250	3,250
Flowline	5,000			2,500	2,500
Tank & Fittings	5,000			2,500	2,500
Gravel		4,000		2,000	2,000
Workover Rlg		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		2,000		1,000	1,000
Frac Tank Rental		2,500		1,250	1,250
Flowback		2,000		1,000	1,000
Fence Location	5,000			2,500	2,500
Total Completion Costs	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency			14,694	7,330	7,364
Drilling Costs			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.811% RICHARDSON OPERATING CO ET AL
0.189% Vernon & Jo Ann Manning

Approved by: _____ Date: _____ \$10830
Approved by: _____ Date: _____ \$20
FC TOTAL \$10850

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Vernon & Jo Ann Manning

Approved by: _____ Date: _____ \$1129
Approved by: _____ Date: _____
PC TOTAL \$1129
TOTAL \$20

Vernon & Jo Ann Manning

November 2, 2001

Jeff S. Manning
and Tammie G. Manning
P O Box 1353
Kirtland, NM 87417

Certified Mail

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Manning:

Richardson Production Company proposes to drill a dov
Pictured Cliffs well on the captioned lands. A recent check of the
you own a .50 net acre unlease
will be located in the NW/4N
Coal formation will be E/2 of
will be the NE/4 of Section

Enclosed for your review i
wish to participate in this
AFE to the undersigned t
written request, we will f
and execution, providing
drilling/\$500 producing o

In the event you do not w
following options as to yo

Jeff S. and Tammie G. Manning
P O Box 1353
Kirtland, NM 87417

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

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

Postmark Here

Total P

Sent To Jeff S. and Tammie G. Manning
Street, Ac P O Box 1353
City, State Kirtland, NM 87417

PS Form 3800, May 2000
See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Jeff S. and Tammie G. Manning
P O Box 1353
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Tammie Manning 11-20-01

C. Signature

☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000 1670 0006 8579 3708

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

November 2, 2001

Jeff S. Manning
and Tammie G. Manning
P O Box 1353
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3708

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Manning:

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 .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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 - - - - -		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax - - - - -			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax - - - - -			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.863% RICHARDSON OPERATING CO ET AL
 0.137% Jeff & Tammie Manning

Approved by: _____ Date: _____ \$108357
 Approved by: _____ Date: _____ \$148
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% Jeff & Tammie Manning

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922
 TOTAL \$148

Jeff & Tammie Manning

November 2, 2001

Terry Sewell
1405 Camina Sol
Farmington, NM 87401

Certified Mail

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. Sewell:

Richardson Production Company proposes to drill a downh
Pictured Cliffs well on the captioned lands. A recent check
you own a 1.3543 x 1/3 net acre unleased mineral interest v
#7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the
Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs
formation will be the NE/4 of Section 7.

Enclosed for your review is an A
wish to participate in this drillin
AFE to the undersigned by No
written request, we will forwa
and execution, providing for,
drilling/\$500 producing overh

In the event you do not wish *
following options as to your

Terry Sewell
1405 Camina Sol
Farmington, NM 87401

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

Postage		3	Postmark Here
Certified Fee			
Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			
Total Post:			
Sent To		Terry Sewell	
Street, Apt.		1405 Camina Sol	
City, State		Farmington, NM 87401	

PS Form 3800, May 2000

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) T. Sewell B. Date of Delivery 11-14-01
C. Signature Terry Sewell ☐ Agent ☐ Addressee
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000 1670 0006 8579 3609

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

November 2, 2001

Terry Sewell
1405 Camina Sol
Farmington, NM 87401

Certified Mail: 7000 1670 0006 8579 3609

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. Sewell:

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 1.3543 x 1/3 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

RICHARDSON OPERATING COMPANY **AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 11/2/01
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 - - - - -		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft. - - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs - - - - -		1,000		500	500
Casing 660' @ 5.50/ft. - - - - -	3,630			1,458	2,173
Trucking - - - - -		4,000		2,000	2,000
Logs - - - - -		5,000		2,500	2,500
Engineering - - - - -		5,000		2,500	2,500
Cement Longstring - - - - -		4,000		1,600	2,400
Total Cost to Run Casing - - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency - - - - -			5,436	2,535	2,902
Grand Total to Run Casing - - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors - - - - -		750		375	375
Logs - - - - -		3,500		1,750	1,750
Perf - - - - -		3,500		1,750	1,750
Wellhead & Fittings - - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. - - - - -	1,650			663	988
Stimulation - - - - -		42,000		21,000	21,000
Tool Rental - - - - -		2,300		1,150	1,150
Trucking - - - - -		4,000		2,000	2,000
Battery Installation - - - - -		8,000		4,000	4,000
Restore Location - - - - -		4,500		2,250	2,250
Engineering - - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline - - - - -	5,000			2,500	2,500
Tank & Fittings - - - - -	5,000			2,500	2,500
Gravel - - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental - - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location - - - - -	5,000			2,500	2,500
Total Completion Costs - - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency - - - - -			14,694	7,330	7,364
Drilling Costs - - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.877% RICHARDSON OPERATING CO ET AL
0.123% Terry Sewell

Approved by: _____ Date: _____ \$108372
Approved by: _____ Date: _____ \$134
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Terry Sewell

Approved by: _____ Date: _____ \$112922
Approved by: _____ Date: _____ \$
PC TOTAL \$112922
TOTAL \$134

Terry Sewell

November 2, 2001

Todd Thunell
4269 Hwy 64
Kirtland, NM 87417

Re: Fruitland Coal and F
ROPCO #7-1 Well
E/2-Section 7-T29N
San Juan County, N

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Todd Thunell
4269 Hwy 64
Kirtland, NM 87417

2. Article Number (Copy from service label)

7000 1670 0006 8579 3593

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Todd Thunell 11/02/01

C. Signature

X Todd Thunell ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Dear Mr. Thunell:

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 two tracts, a 1.3543 x 1/3 & a .6432 net acre under spacing unit. The ROPCO #7-1 well will be located in the R14W. The spacing unit for the Fruitland Coal formation spacing unit for the Pictured Cliffs formation will be the N

Enclosed for your review is an AFE itemizing the estimate wish to participate in this drilling and completion attempt, AFE to the undersigned by November 19, 2001. Upon rec written request, we will forward an AAPL Form 610 Joint and execution, providing for, among other things, a 300% drilling/\$500 producing overhead rates.

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

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

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Post		
Sent To	Todd Thunell	
Street, Apt.	4269 Hwy 64	
City, State	Kirtland, NM 87417	

PS Form 3800, May 2000

See Reverse for Instructions

November 2, 2001

Todd Thunell
4269 Hwy 64
Kirtland, NM 87417

Certified Mail: 7000 1670 0006 8579 3593

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. Thunell:

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 two tracts, a 1.3543 x 1/3 & a .6432 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 11/2/01
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		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft.		9,900		3,975	5,925
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		1,150	1,150
Power Tongs		1,000		500	500
Casing 660' @ 5.50/ft.	3,630			1,458	2,173
Trucking		4,000		2,000	2,000
Logs		5,000		2,500	2,500
Engineering		5,000		2,500	2,500
Cement Longstring		4,000		1,600	2,400
Total Cost to Run Casing	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency			5,436	2,535	2,902
Grand Total to Run Casing			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors		750		375	375
Logs		3,500		1,750	1,750
Perf.		3,500		1,750	1,750
Wellhead & Fittings	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.	1,650			663	988
Stimulation		42,000		21,000	21,000
Tool Rental		2,300		1,150	1,150
Trucking		4,000		2,000	2,000
Battery Installation		8,000		4,000	4,000
Restore Location		4,500		2,250	2,250
Engineering		6,500		3,250	3,250
Treater, Separator	6,500			3,250	3,250
Flowline	5,000			2,500	2,500
Tank & Fittings	5,000			2,500	2,500
Gravel		4,000		2,000	2,000
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		2,000		1,000	1,000
Frac Tank Rental		2,500		1,250	1,250
Flowback		2,000		1,000	1,000
Fence Location	5,000			2,500	2,500
Total Completion Costs	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency			14,694	7,330	7,364
Drilling Costs			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.701% RICHARDSON OPERATING CO ET AL
0.299% Todd Thunell

Approved by: _____ Date: _____ \$108181
Approved by: _____ Date: _____ \$325
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Todd Thunell

Approved by: _____ Date: _____ \$112922
Approved by: _____ Date: _____ \$
PC TOTAL \$112922
TOTAL \$325

Todd Thunell

RICHARDSON PRODUCTION COMPANY

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

January 22, 2002

XTO Energy, Inc.
810 Houston Street, Suite 2000
Fort Worth, TX 76102-6298

RE: Fruitland Coal and Pi
ROPCO #7-1
E/2 Section 7, Townsh
San Juan County, Ne

Gentlemen:

Richardson Production Compar
and Pictured Cliffs well on the
own a .50 net acre unleased mi
in the NW/4NE/4 of Section 7
Coal formation will be the E/2.
the NE/4 of Section 7.

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

XTO Energy Inc.
810 Houston Street
Suite 2000

Fort Worth TX
76102-6298

2. Article Number (Copy from service label)

7000 1670 0006 8579 3739

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Enclosed for your review is a well. In the event you wish to participate in this drilling and completion attempt, please return the AFE, or by prior copy of the AFE to the undersigned by February 7, 2002. Upon written request, we will forward an AAPL Form 610 Joint Operating Agreement, providing for, among other things, a 300%/100% non-execution, providing for, among other things, a 300%/100% non-producing overhead rates. Should you elect to participate Richardson Production Company in the drilling and completing of the well, including all plugging liabilities when the well is abandoned.

In the event you do not wish to participate, Richardson respects your options as to your interest.

COMPLETE THIS SECTION ON DELIVERY

A. Recipient's Name **Steve Williams** B. Date of Delivery

C. Signature **Steve Williams** ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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

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

Postmark
Here

Sent To
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, May 2000

See Reverse for Instructions



RICHARDSON PRODUCTION COMPANY

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

January 22, 2002

XTO Energy, Inc.
810 Houston Street, Suite 2000
Fort Worth, TX 76102-6298

Certified Mail 7000 1670 0006 8579 3739
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1
E/2 Section 7, Township 29 North, Range 14 West
San Juan County, New Mexico

Gentlemen:

Richardson Production Company ("Richardson") 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 .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal formation will be the E/2 of Section 7 and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

Enclosed for your review is an Authority for Expenditure ("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 February 7, 2002. 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. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

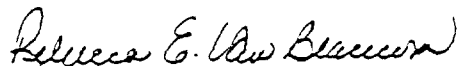
In the event you do not wish to participate, Richardson respectfully requests you elect one of the following options as to your interest:

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 mineral acre.

Your response is respectfully requested by February 7, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,



Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the proposed drilling and completion attempt, executed AFE is returned herewith.
- _____ Enter into Oil and Gas Lease for \$30.00 per net mineral acre, with lease to provide for a three year primary term and a 12.5% royalty in the event of production.
- _____ Sell mineral rights for \$70.00 per net mineral acre.

Ernest B. Lamone, a single man

RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/01
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 -----		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft. ---		9,900		3,975	5,925
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		1,150	1,150
Power Tongs -----		1,000		500	500
Casing 660' @ 5.50/ft. -----	3,630			1,458	2,173
Trucking -----		4,000		2,000	2,000
Logs -----		5,000		2,500	2,500
Engineering -----		5,000		2,500	2,500
Cement Longstring -----		4,000		1,600	2,400
Total Cost to Run Casing -----	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax -----			3,047	1,421	1,626
15% Contingency -----			5,436	2,535	2,902
Grand Total to Run Casing -----			59,799	27,881	31,918
II. Completion Costs					
Rlg Anchors -----		750		375	375
Logs -----		3,500		1,750	1,750
Perf -----		3,500		1,750	1,750
Wellhead & Fittings -----	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. -----	1,650			663	988
Stimulation -----		42,000		21,000	21,000
Tool Rental -----		2,300		1,150	1,150
Trucking -----		4,000		2,000	2,000
Battery Installation -----		8,000		4,000	4,000
Restore Location -----		4,500		2,250	2,250
Engineering -----		6,500		3,250	3,250
Treater, Separator -----	6,500			3,250	3,250
Flowline -----	5,000			2,500	2,500
Tank & Fittings -----	5,000			2,500	2,500
Gravel -----		4,000		2,000	2,000
Workover Rlg -----		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 -----		2,000		1,000	1,000
Frac Tank Rental -----		2,500		1,250	1,250
Flowback -----		2,000		1,000	1,000
Fence Location -----	5,000			2,500	2,500
Total Completion Costs -----	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax -----			8,235	4,108	4,127
10% Contingency -----			14,694	7,330	7,364
Drilling Costs -----			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.433% RICHARDSON OPERATING CO ET AL
 0.567% XTO Energy, Inc.

Approved by: _____ Date: _____ \$107890
 Approved by: _____ Date: _____ \$616
 FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% XTO Energy, Inc.

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
 PC TOTAL \$112922
 TOTAL \$616

11

TTTE 6258 9000 029T 00002



☐ No Objections As Attached

Unsure To Forward

☒ Instructed Not to

☐ Moved Left NO ADDRESS

☐ Unknown ☐ Refused

☐ No Stop Signs ☐ Not Known

☐ Varied ☐ No More Placards

☐ Bad Choice ☐ No Name

☐ Representing NO Write

☐ Possible Use

Richardson Production Co.
1700 Lincoln St., Suite 1700
Denver, CO 80203

Harry Jim and Karen Jim
P O Box 275
Cottonwood, AZ 86301

3m 40 sec
 15 sec
 40 sec
 15 sec
 40 sec

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Harry Jim and Karen Jim
P O Box 275
Fruitland, NM 87416

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

8. Date of Delivery

C. Signature

X

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ No

3. Service Type

 Certified Mail

☐ Express Mail

Registered

☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number: Copy from service label



RICHARDSON PRODUCTION COMPANY

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

November 2, 2001

Harry Jim and Karen Jim
P O Box 275
Fruitland, NM 87416

Certified Mail: 7000 1670 0006 8579 3111

Re: Fruitland Coal and Pictured Cliffs Well Proposal
ROPKO #7-1 Well
E/2-Section 7-T29N-R14W
San Juan County, New Mexico

Dear Mr. & Mrs. Jim:

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 1.1358 net acre unleased mineral interest within the spacing unit. The ROPKO #7-1 well will be located in the NW/4NE/4 of Section 7-T29N-R14W. The spacing unit for the Fruitland Coal formation will be E/2 of Section 7, and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

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 November 19, 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% 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 November 19, 2001.

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

RICHARDSON PRODUCTION COMPANY

Sheila A. Frazier

Sheila A. Frazier, CPL

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 \$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.

_____ Sell mineral rights for \$70.00 per net mineral acre.

Harry Jim

Karen Jim

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
 660' Pictured Cliffs

Date: 11/2/2001
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- - - - -		3,000		1,500	1,500
* Drilling (Incl. water and mud) 660' @ 15.00/ft.- - -		9,900		3,975	5,925
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		1,150	1,150
Power Tongs- - - - -		1,000		500	500
Casing 660' @ 5.50/ft.- - - - -	3,630			1,458	2,173
Trucking- - - - -		4,000		2,000	2,000
Logs- - - - -		5,000		2,500	2,500
Engineering- - - - -		5,000		2,500	2,500
Cement Longstring- - - - -		4,000		1,600	2,400
Total Cost to Run Casing- - - - -	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax			3,047	1,421	1,626
15% Contingency- - - - -			5,436	2,535	2,902
Grand Total to Run Casing- - - - -			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors- - - - -		750		375	375
Logs- - - - -		3,500		1,750	1,750
Perf- - - - -		3,500		1,750	1,750
Wellhead & Fittings- - - - -	5,000			2,500	2,500
Tubing 660' @ 2.50/ft.- - - - -	1,650			663	988
Stimulation- - - - -		42,000		21,000	21,000
Tool Rental- - - - -		2,300		1,150	1,150
Trucking- - - - -		4,000		2,000	2,000
Battery Installation- - - - -		8,000		4,000	4,000
Restore Location- - - - -		4,500		2,250	2,250
Engineering- - - - -		6,500		3,250	3,250
Treater, Separator - - - - -	6,500			3,250	3,250
Flowline- - - - -	5,000			2,500	2,500
Tank & Fittings- - - - -	5,000			2,500	2,500
Gravel- - - - -		4,000		2,000	2,000
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 - - - - -		2,000		1,000	1,000
Frac Tank Rental- - - - -		2,500		1,250	1,250
Flowback - - - - -		2,000		1,000	1,000
Fence Location- - - - -	5,000			2,500	2,500
Total Completion Costs- - - - -	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax			8,235	4,108	4,127
10% Contingency- - - - -			14,694	7,330	7,364
Drilling Costs- - - - -			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.689% RICHARDSON OPERATING CO ET AL
 0.311% Harry & Karen Jim, h/w

Approved by: _____ Date: _____ \$108169
 Approved by: _____ Date: _____ \$337
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
 0.00% Harry & Karen Jim, h/w

Approved by: _____ Date: _____ \$112922
 Approved by: _____ Date: _____ \$
PC TOTAL \$112922
TOTAL \$337

Harry & Karen Jim, h/w

RICHARDSON PRODUCTION COMPANY

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

February 13, 2002

Bryan Washburn and/or
Penny Washburn
P O Box 208
Kirtland, NM 87417

RE: Fruitland Coal and Pic
ROPCO #7-1
E/2 Section 7, Township
San Juan County, New

Dear Mr. and Mrs. Washburn:

Richardson Production Company
and Pictured Cliffs well on the ca
own a .50 net acre unleased miner
in the NW/4NE/4 of Section 7, T
Coal formation will be the E/2 of
the NE/4 of Section 7.

SENDER: COMPLETE THIS SECTION:

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

1. Article Addressed to:

BRYAN WASHBURN
AND/OR

PENNY WASHBURN
PO Box 208

Kirtland NM 87417

2. Article Number (Copy from service label)

7000 1670 0006 8529 2640

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1785

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature *Bryan Washburn* 3/1/02

☒ Is delivery address different from item 1? ☐ Agent
☐ Addressee

If YES, enter delivery address below: ☐ Yes ☒ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Enclosed for your review is an Authority for Expenditure ("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 February 28, 2002. Upon receipt of you 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. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well. you participating in the drilling and completing of the well is abandoned.

Richardson respectfully requests you elect one of the following

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

Postage	\$
Certified Fee	
Return Receipt Fee (if Required)	
Additional Delivery Fee (if Required)	
Postage & Fees	\$

Postmark Here

No. or PO Box No.



RICHARDSON PRODUCTION COMPANY

1700 Lincoln, Suite 1700
Denver, Colorado 80203 (303) 330-8000
Fax (303) 330-8009

February 13, 2002

Bryan Washburn and/or
Penny Washburn
P O Box 208
Kirtland, NM 87417

Certified Mail 7000 1670 0006 8579 2640
Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal
ROPCO #7-1
E/2 Section 7, Township 29 North, Range 14 West
San Juan County, New Mexico

Dear Mr. and Mrs. Washburn:

Richardson Production Company ("Richardson") 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 .50 net acre unleased mineral interest within the spacing unit. The ROPCO #7-1 well will be located in the NW/4NE/4 of Section 7, Township 29 North, Range 14 West. The spacing unit for the Fruitland Coal formation will be the E/2 of Section 7 and the spacing unit for the Pictured Cliffs formation will be the NE/4 of Section 7.

Enclosed for your review is an Authority for Expenditure ("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 February 28, 2002. Upon receipt of you 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. Should you elect to participate Richardson wants you to be aware not only are you participating in the drilling and completing of the well, but also the operating costs of the well, including all plugging liabilities when the well is abandoned.

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. An oil and gas lease is enclosed should you elect to lease your minerals to Richardson, as well as a W-9 Request for Tax Payer Identification and Certification.
2. Sell all of your mineral interest for \$70.00 per net mineral acre.

Your response is respectfully requested by February 28, 2002.

Should you have any questions, please contact me at either the letterhead address, by telephone at (303) 830-8000 or by e-mail at rvanblaricom@richardsonoil.com.

Very truly yours,

Rebecca E. Van Blaricom

Rebecca E. Van Blaricom
Land Manager

On this _____ day of _____, 2002, we/I elect the following:

- _____ Participate in the proposed drilling and completion attempt, executed AFE is returned herewith.
- _____ Enter into Oil and Gas Lease for \$30.00 per net mineral acre, with lease to provide for a three year primary term and a 12.5% royalty in the event of production, executed Oil and Gas Lease is returned herewith.
- _____ Sell mineral rights for \$70.00 per net mineral acre.

Bryan Washburn

Penny Washburn

RICHARDSON OPERATING COMPANY AUTHORITY FOR EXPEDITURES

Well Name: ROPCO #7-1 (PC NE/4), (FC E/2)
Location: T29N R14W Sec. 7
Proposed Depth: 530' Fruitland Coal
660' Pictured Cliffs

Date: 2/13/02
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 -----		3,000		1,500	1,500
* Drilling (incl. water and mud) 660' @ 15.00/ft. ---		9,900		3,975	5,925
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		1,150	1,150
Power Tongs -----		1,000		500	500
Casing 660' @ 5.50/ft. -----	3,630			1,458	2,173
Trucking -----		4,000		2,000	2,000
Logs -----		5,000		2,500	2,500
Engineering -----		5,000		2,500	2,500
Cement Longstring -----		4,000		1,600	2,400
Total Cost to Run Casing -----	6,566	44,750	51,316	23,926	27,391
5.9375% Farmington, NM Tax -----			3,047	1,421	1,626
15% Contingency -----			5,436	2,535	2,902
Grand Total to Run Casing -----			59,799	27,881	31,918
II. Completion Costs					
Rig Anchors -----		750		375	375
Logs -----		3,500		1,750	1,750
Perf -----		3,500		1,750	1,750
Wellhead & Fittings -----	5,000			2,500	2,500
Tubing 660' @ 2.50/ft. -----	1,650			663	988
Stimulation -----		42,000		21,000	21,000
Tool Rental -----		2,300		1,150	1,150
Trucking -----		4,000		2,000	2,000
Battery Installation -----		8,000		4,000	4,000
Restore Location -----		4,500		2,250	2,250
Engineering -----		6,500		3,250	3,250
Treater, Separator -----	6,500			3,250	3,250
Flowline -----	5,000			2,500	2,500
Tank & Fittings -----	5,000			2,500	2,500
Gravel -----		4,000		2,000	2,000
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 -----		2,000		1,000	1,000
Frac Tank Rental -----		2,500		1,250	1,250
Flowback -----		2,000		1,000	1,000
Fence Location -----	5,000			2,500	2,500
Total Completion Costs -----	28,150	110,550	138,700	69,188	69,513
5.9375% Farmington, NM Tax -----			8,235	4,108	4,127
10% Contingency -----			14,694	7,330	7,364
Drilling Costs -----			59,799	27,881	31,918
Grand Total Well Costs			221,428	108,506	112,922

FRUITLAND COAL

99.147% RICHARDSON OPERATING CO ET AL
0.853% Bryan Washburn and/or Penny Washburn

Approved by: _____ Date: _____ \$107580
Approved by: _____ Date: _____ \$926
FC TOTAL \$108506

PICTURED CLIFFS

100.00% RICHARDSON OPERATING CO ET AL
0.00% Bryan Washburn and/or Penny Washburn

Approved by: _____ Date: _____ \$112922
Approved by: _____ Date: _____ \$
PC TOTAL \$112922
TOTAL \$926

Bryan Washburn

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 13th day of February, 2002, by and between Bryan Washburn and/or Penny Washburn, husband and wife, whose post office address is P.O. Box 208, Kidland, New Mexico 87417, hereinafter called Lessor (whether one or more) and RICHARDSON PRODUCTION COMPANY, whose post office address is 1700 Lincoln, Suite 1700, Denver, Colorado 80203, hereinafter called Lessee.

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00 & more) DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of San Juan, State of New Mexico and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

Township 29 North, Range 14 West, N.M.P.M.,
Section 7: For legal description see Exhibit "A" attached hereto and made a part hereof

No well shall be drilled on the leased premises without first obtaining from Lessor their written consent

and containing 2.73 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force as long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

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 Lessee may 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 quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) 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 royalty to the royalty owners One Dollar per year per net royalty 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 such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered 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 undivided fee simple therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded documents and other information necessary to establish a complete chain of record title from Lessor, than then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable 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 to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or utilize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in the Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which 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 theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only in the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to utilize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, 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 lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. All express or implied covenants of this lease shall be subject to all Federal and State 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 therewith, 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 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 of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor" as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall 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.

Tax ID No.:

Bryan Washburn

EXHIBIT "A"

Attached to and made a part of that Oil and Gas Lease between Bryan Washburn and/or Penny Washburn, husband and wife, as Lessor, and Richardson Production Company, as Lessee, dated February 13, 2002.

Township 29 North, Range 14 West, N.M.P.M.

Section 7: A portion of Lots 1 and 2 and all of Lots 3 thru 7 of the Manning's Acre Subdivision, as shown on the plat of said subdivision filed for record in the office of the County Clerk of San Juan County, New Mexico, on February 16, 1973, being described as follows:

BEGINNING at the Northeast corner of said Lot 1;
THENCE South 89°47'00" West 756.00 feet along the North line of said subdivision;
THENCE South 200.00 feet to a point on the North line of Manning Drive;
THENCE 89°47'00" East 540.00 feet along said North line;
THENCE North 175.00 feet;
THENCE North 89°47'00" East 108.00 feet;
THENCE South 50.00 feet;
THENCE North 89°47'00" East 108.00 feet;
THENCE North 75.00 feet to the point of beginning.

Containing 2.73 acres, more or less
San Juan County, New Mexico

SIGNED FOR IDENTIFICATION

Bryan Washburn

Penny Washburn

END OF EXHIBIT "A"