

**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**  
99.872% RICHARDSON OPERATING CO ET AL  
0.128% Unleased Mineral Owner

Approved by: _____	Date: _____	\$108367
Approved by: _____	Date: _____	\$138
FC TOTAL		\$108506

**PICTURED CLIFFS**  
100.00% RICHARDSON OPERATING CO ET AL  
0.00% Unleased Mineral Owner

Approved by: _____	Date: _____	\$112922
Approved by: _____	Date: _____	\$
PC TOTAL		\$112922
Unleased Mineral Owner	TOTAL	\$138

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12813 Exhibit No. **5**  
Submitted By:  
Richardson Operating Company  
Hearing Date: March 21, 2002  
RECORD THE