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

March 15, 2002

Forrest Elkins and Patricia Elkins 1303 Lacy Lane San Marcus, TX 78666

> Certified Mail 7000 1670 0011 3736 5245 Return Receipt Requested

RE: Fruitland Coal and Pictured Cliffs Well Proposal

F-RPC 21-3

W/2 Section 21, Township 29 North, Range 13 West

San Juan County, New Mexico

Dear Mr. and Mrs. Elkins:

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 net acre unleased mineral interest within the spacing unit. The well will be located in the SW/4 of Section 21, Township 29 North, Range 13 West. The spacing unit for the Fruitland Coal formation will be the W/2 of Section 21 and the spacing unit for the Pictured Cliffs formation will be the SW/4 of Section 21.

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 April 2, 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:

Fruitland Coal and Pictured Cliffs Well Proposal F-RPC 21-3 Forrest Elkins and Patricia Elkins Page 2

- 1. Enter into an oil and gas lease that provides for a five year primary term with bonus consideration based on \$50.00 per net acre and a 12.5% royalty in the event of production. An Oil and Gas Lease is enclosed for your execution should you choose this option.
- 2. Sell all of your mineral interest for \$100.00 per net mineral acre.

Your response is respectfully requested by .

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.

Pelerce E. Van Blarecer

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 \$50.00 per net mineral acre, with lease to provide for five year primary term and a 12.5% royalty in the event of production.
	Sell mineral rights for \$100.00 per net mineral acre.

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Richard Elkins and Cassandra Elkins 23115 Summers Drive San Antonio, TX 78258	3. Service Type Gertified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes	ement Required) ted Delivery Fee ement Required) Post Richard Elkins and 23115 Summers E San Antonio, TX	d Cassandra Elkins Orive
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Form 3811 July 1000

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Forrest Elkins and Patricia 1303 Lacy Lane		If YES, enter delivery address below: No	Postage \$ Certified Fee teturn Receipt Fee isement Required)	Postmark Here
1303 Lacy Lane San Market X 78666	MAR g	3. Service Type Competitive of the principle of the pr	ricted Delivery Fee prsement Required) at P To Forrest Elkins and Patricia 1303 Lacy Lane	{ a Elkins
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First National Bank Iowa City, Iowa, Trustee 204 West Washington	=======================================	Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required)
Iowa City, IA 52244	3. Service Type 2. Certified Mail	First National Bank Iowa City, Iowa, Trust Street, Apt. No. Street, Apt. No. Iowa City, IA 52244
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Z. Strainuryumanunuman --- -- -- ---Your response is respectfully requested by . 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, Relecce E. Way Blurcum Rebecca E. Van Blaricom Land Manager __ 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 \$50.00 per net mineral acre, with lease to provide for a five year primary term and a 12.5% royalty in the event of production. Sell mineral rights for \$100.00 per net mineral acre. ENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. Also complete Received by (Please Print Clearly) B. Date of Delivery **Postal Service** Item 4 if Restricted Delivery is desired. 3-20 J USNO A KEITH RTIFIED MAIL RECEIPT Print your name and address on the reverse so that we can return the card to you. estic Mail Only; No Insurance Coverage Provided) ☐ Agent Attach this card to the back of the mailpiece, ☐ Addressee or on the front if space permits. Is delivery address different from item 1? Article Addressed to: If YES, enter delivery address below: Postage City of Farmington Postmark 800 Municipal Drive Here Farmington, NM 87401 ement Required) 3. Service Type ted Delivery Fee ement Required) Certified Mail ☐ Express Mail ☐ Registered Return Receipt for Merchandise Insured Mail ☐ C.O.D. City of Farmington 4. Restricted Delivery? (Extra Fee) ☐ Yes 800 Municipal Drive Farmington, NM 87401 Article Number (Copy from service label) 1000 3736 1610 S Form 3811, July 1999 **Domestic Return Receipt** 102595-00-M-0952

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	Participate in the proposed drilling and completion attempt, executed AFE is returned herewith.
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Farmington, NM 87402	3. Service Type Certified Mail	ed Delivery Fee ment Required)
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Fruitland Coal and Pictured Cliffs Well Proposal F-RPC 21-3 William R. Amos, Trustee Page 2

1. Enter into an oil and gas lease that provides for a five year primary term with bonus consideration based on \$50.00 per net acre and a 12.5% royalty in the event of production. An Oil and Gas Lease is enclosed for your execution should you choose this option.

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Should you have as 830-8000 or by e-m	ny questions, please contact me at either the letterhead address, by telephone at (303) ail at rvanblaricom@richardsonoil.com.
Very truly yours, Relecce E Rebecca E. Van Bla Land Manager	Uw Blaccion aricom
On this	lay of, 2002, we/I elect the following:
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Mr. William R. Amos, Trustee	If YES, enter delivery address below:	Certified Fee Postmark Beturn Receipt Fee Sement Required
Farmington, NM 87401	3. Service Type Certified Mail	ht Pos Mr. William R. Amos, Trustee H. Ap. 610 West Animas

Fruitland Coal and Pictured Cliffs Well Proposal F-RPC 21-3 Dr. William A. Hall Page 2

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Very truly yours,

Rebecca E. Van Blaricom
Land Manager

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

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2S Form 3811, July 1999 Domestic Rel					

--- proposed driving and completion attempt, executed AFE is returned

herewith.

Richardson Production Company



To:	Mike Sullivan		From:	Rebecca \	/an Blarico	m			
Fax:	505-599-1299		Pages:	10					
Phone	X		Date:	3/19/02					
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