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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Road
P. O. Box 27115

Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO:
1614 (930)

OCT 5 1998

Ms. Cathleen Colby
Richardson Operating Company
1700 Lincoln, Suite 1700
Denver, Colorado 80203

Dear Ms. Colby:

We have been asked by our Washington office to respond to the concerns raised in your May 22, 1998 letter on the Proposed Coal Leasing Area Resource Management Plan Amendment/Environmental Assessment for the Farmington Field Office.

The issue raised in your letter was that the rights of the oil and gas lessees were not adequately protected by the protocols that San Juan Coal Company (SJCC) signed and agreed to follow.

In summary the commitments agreed to in the protocols included: (a) take all reasonable steps to avoid adverse impacts on oil and gas production; (b) if adverse impacts can not be avoided, then SJCC will pay fair market value for appropriate mitigative measures, including lost production; (c) to enter into binding arbitration using a mutually agreeable third party, in the event SJCC and the oil and gas interest holder do not agree on a value for mitigation.

Your letter did not include specific information on how to improve the protocols. However, several changes were made in the protocols based on other comments received on the Proposed Coal Leasing Area Resource Management Plan Amendment/Environmental Assessment. You will or may already have received a copy with the Decision Record for the amendment.

Thank you for your interest in our planning process.

Sincerely,

M. J. Chávez
State Director

cc:
NM (931, J. W. Whitney)
NM (070, Bob Moore)

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12734 Exhibit No. A-7
Submitted By:
Richardson Operating Company
Hearing Date: November 11, 2001