

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: NMNM 99144 3400 (93200-itv)

February 01, 2000

CERTIFIED-RETURN RECEIPT REQUESTED

Mr. David B. Richardson Richardson Production Company 1700 Lincoln, Suite 1700 Denver, Colorado 80203

Dear Mr. Richardson:

The Bureau of Land Management has carefully reviewed and considered the points outlined in your protest letter of January 10, 2000. The Bureau is currently addressing your concerns. All reasonable actions will be taken to ensure protection of valid existing gas rights during the development of the coal resource.

The Bureau's policy is to promote multiple use of Federal resources. The National Environmental Policy Act is the regulatory mechanism to anticipate, evaluate, and mitigate possible conflicts between coal and gas resources. In cases such as this, protection of valid existing rights is essential in the development of these mineral resources. The conflict protocols, which are contained in the Resource Management Plan Amendment/Environmental Assessment of April 1998, were developed to address this conflict. Input from Dugan Production and Richardson Production were instrumental in the development of these protocols.

The Coal Lease Sale, which had been scheduled for January 12, 2000, was canceled by Notice dated January 11, 2000, so that the Bureau may assess new information concerning resource values in the area to be leased. We intend to offer the coal resources referenced in the Lease Sale Notice of December 2, 1999, as soon as possible.

If you have any questions concerning this matter, please contact Mr. Carsten Goff, Deputy State Director, Division of Resource Planning, Use and Protection, at (505) 438-7488.

Sincerely

l Enclosure: Notice of Cancellation

BEFORE THE OIL CONSERVATION DIVISION Case No. 12734 Exhibit No. <u>A</u>~& Submitted By: *Richardson Operating Company* Hearing Date: November 11,2001