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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 1, 2001

Via Facsimile and Hand Delivery

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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OIL CONSERVATION DIV

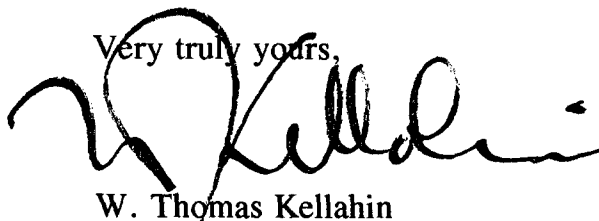
REPLY TO MOTION TO CONTINUE

Re: NMOCD Case: 12734
Application of Richardson Operating Company
to establish a Special "Infill Well" Area within
the Basin-Fruitland Coal Gas Pool as provided in
Rule of the special rule for this pool,
San Juan County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Richardson Operating Company please find enclosed our reply to San Juan Coal Company's motion to continue the referenced case to December 6, 2001. This case is currently set for hearing on October 4, 2001

Very truly yours,



W. Thomas Kellahin

cc: David R. Catanach
OCD Hearing Examiner
Steve Ross, Esq.
David Brooks, Esq.
Attorneys for the Division
James Bruce, Esq.,
Attorney for San Juan Coal Company
Richardson Operating Company
Attn: Cathy Colby

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
RICHARDSON OPERATING COMPANY TO
ESTABLISH A SPECIAL "INFILL WELL"
AREA WITHIN THE BASIN-FRUITLAND
COAL GAS POOL AS PROVIDED BY RULE 4
OF THE SPECIAL POOL RULES,
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 12734

**RICHARDSON OPERATING COMPANY'S
REPLY TO
SAN JUAN COAL COMPANY'S
MOTION TO CONTINUE**

Richardson Operating Company ("Richardson"), by its attorneys, Kellahin and Kellahin, replies in opposition to San Juan Coal Company's request to continue the referenced case to the Division Examiner's docket scheduled for December 6, 2001, and states:

Continuance

(1) None of the reasons expressed by San Juan Coal Company for requesting a continuance are justified and Richardson is opposed to a continuance to December 6, 2001. However, as an accommodation to San Juan Coal Company, Richardson will agree to continue Case 12734 to the next scheduled Examiner's hearing set for ~~October 18,~~
~~2001.~~

Lack of Standing

(2) San Juan Coal Company has no standing to participate in Case 12734. Richardson has filed this case in accordance with Rule 4 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool ("The Special Pool Rules") which provides a procedure for oil & gas operators and certain oil & gas interest owners to complain about if and how the optional infill well might cause waste of hydrocarbons or adversely affect oil & gas correlative rights. This case, as advertised, is not an opportunity for the San Juan Coal Company to complain about oil & gas exploration and development which is taking place in an area they now contend they want to mine.

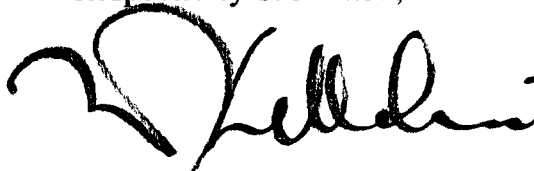
Not Entitled to Notice

(3) Richardson did not send notice of this hearing, or a copy of the application, to San Juan Coal Company because San Juan Coal Company was not entitled to notice. Rule 4(b) of the Special Pool Rules requires notice only to certain oil & gas operators, and in certain circumstances, to certain oil & gas working interest owners and unleased oil & gas mineral owners. This case is not the proper forum to address San Juan Coal Company's concerns.

Scope of Application

(4) San Juan Coal Company wants to substantially expand the scope of this case and to use this proceeding to seek the adoption of exploration, development and operational rules for oil & gas operations conducted within the area of its coal mining plan. San Juan Coal Company wants the Division to engage in such mining issues as the affects, if any, of hydraulic fracturing of coalbed methane wells on roof stability in San Juan Coal Company's underground mine; the potential, if any, for the migration of methane gas into a mine area including the potential, if any, for combustion of the methane; and potential waste of coal by the presence of existing and future wellbores.

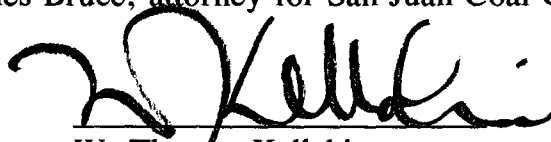
Respectfully submitted,



W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing pleading was transmitted by facsimile this 1st day of October, 2001 to James Bruce, attorney for San Juan Coal Company.



W. Thomas Kellahin