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October 1, 2001

Via Fax and U.S. Mail

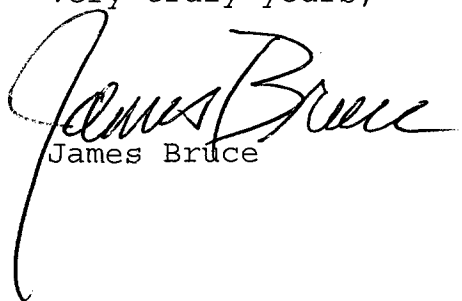
Lori Wrotenbery
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 12734; application of Richardson Operating Company

Dear Ms. Wrotenbery:

Enclosed is a Motion for a Continuance in the above case. The Division's prompt attention to this matter is appreciated. Thank you.

Very truly yours,


James Bruce

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DIVISION

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

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DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF RICHARDSON OPERATING
COMPANY TO ESTABLISH A SPECIAL
"INFILL WELL" AREA WITHIN THE BASIN-
FRUITLAND COAL GAS POOL AS AN EXCEPTION
TO RULE 4 OF THE SPECIAL RULES FOR THIS
POOL, SAN JUAN COUNTY, NEW MEXICO.

Case No. 12734

ENTRY OF APPEARANCE AND MOTION FOR A CONTINUANCE

I. Entry of Appearance.

The undersigned counsel enter their appearance in the above matter on behalf of San Juan Coal Company ("SJCC").

II. Motion for a Continuance.

SJCC requests that the above matter, which is scheduled for hearing on October 4, 2001, be continued to the Examiner hearing scheduled for December 6, 2001. As grounds therefor, SJCC states:

1. Richardson Operating Company ("Richardson") filed its application with the Division at approximately 3:00 p.m. on September 11, 2001. The application seeks approval to drill additional wells on lands subject to coal leases owned by SJCC, and alleges that SJCC's Mining Plan will "unreasonably interfere with Richardson's ability and right to produce the coalbed methane gas within the Fruitland Coal-Gas formation."

Application, ¶14;

2. Although the focus of the application is SJCC's leases and Mining Plan, SJCC was not given notice of the application. SJCC independently learned of the application on September 18,

2001;

3. SJCC is a coal mining company, not an oil and gas operator, and it is in the process of developing the necessary expertise to evaluate Richardson's application. SJCC only recently involved experts to review the effect of the application on its operations, and they have not had sufficient time to review all necessary data and prepare for hearing; and

4. The matters at issue are complex, and one of SJCC's potential witnesses is from Australia. Thus, timing and coordinating preparation and a hearing date are more difficult than is normal in a case before the Division.

This matter presents an issue of great consequence to SJCC, which requires thorough investigation and preparation. SJCC has made a substantial investment in the development of its underground Mining Plan, which is characterized as unreasonable in Richardson's application. SJCC has concerns about the compatibility of the development of coalbed methane and the coal itself, which are heightened by the number of additional wells which could be drilled if the application is approved.

If the continuance is not granted, SJCC will seek to have the matter heard *de novo* before the Oil Conservation Commission. However, SJCC believes that all issues in this matter should first be heard and decided by the Division.

SJCC has sought the concurrence of opposing counsel, but concurrence has not yet been given.

Respectfully submitted,



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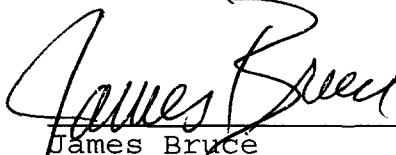
Attorneys for San Juan Coal Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 1st day of October, 2001:

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