



RICHARDSON PRODUCTION COMPANY

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May 11, 2000

Ms. Michelle Chavez
State Director
Bureau of Land Management
P.O. Box 27115
Santa Fe, NM 87502-0115

Via Fax (505) 438-7452 and Mail

Dear Ms. Chavez:

This letter is to advise that Richardson Production Company protests Coal Lease Sale NMNM 99144. We regard this as a highly illegal sale which we foresee the BLM ultimately having to defend in a court of law.

We do not support BHP's demands for immediate issuance of a deep coal lease in this area. Timing is a serious issue. As everyone is aware, Richardson is actively drilling coalbed methane gas wells under the terms of our oil and gas leases. It can easily be shown that natural gas production is adversely affected as mining operations approach within 1500 feet of a producing gas well. According to the BHP timeline set forth in our March 23, 2000 meeting, underground mining could interfere with our wells as soon as 2005.

The citizens of the United States and the environment of our country would be better served if the gas operator would be allowed to degasify the coal seams prior to commencement of underground mining operations. BHP's statement that its strip mining operations will become non-economic in two to three years, when electricity is deregulated, is mere speculation. At this time, the affects of electrical deregulation are unknown. As an active operator of existing gas leases, we are alarmed the BLM would allow us to be penalized by BHP's poor management decisions. BHP is negligently wasting the coal resource by adding to the overburden in an otherwise mineable area. To add insult to injury, they are now trying to drive the gas producers off their leases and then vent the natural gas.

Finally, BHP's offers to work with and accommodate the gas producers are weak, at best. Their plan to temporarily place our water and natural gas gathering systems on the surface during the period of subsidence won't work, it is a dangerous plan, and would likely paralyze all of our wells in the Township. The Protocol for the Mediation of Adverse Impacts on Oil and Gas Revenues was written without any consideration to comments from the gas producers, and is unacceptable as written. We strongly object to the BLM mandating compliance to same as a special stipulation of newly issued leases.

Again, we urge you to cancel this sale for at least five years, giving us a chance to further develop our oil and gas resources. Any attempt to compromise our position will be rigorously challenged, using all available legal avenues.

RICHARDSON PRODUCTION COMPANY

David B. Richardson
President

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 12734
Exhibit # **A-15**
Submitted By: Richardson Oper. Co.
Hearing Date: October 28 & 30, 200

Application of Richardson Operating
Co.
Record on Appeal, 783.