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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 13, 2003

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Re: Appeal to the Secretary of the Energy, Minerals and Natural Resources Department from the Oil Conservation Commission decision in the APPLICATION OF RICHARDSON OPERATING COMPANY TO ESTABLISH A SPECIAL INFILL WELL AREA WITHIN THE BASIN-FRUITLAND COAL (GAS) POOL AS AN EXCEPTION FROM RULE 4 OF THE SPECIAL RULES FOR THIS POOL, SAN JUAN COUNTY, NEW MEXICO, CASE No. 12734

Gentlemen:

Thank you for meeting with us last Thursday to discuss the proposed procedures for an appeal to the Secretary of the Energy, Minerals and Natural Resources Department in this matter. As we discussed, this matter is on an extremely fast track given the statutory requirement that a hearing be held within twenty days from the filing of the appeal. We appreciate your cooperation in moving forward very quickly.

The timeline below sets forth when certain tasks should be accomplished. As you are aware, a Motion for Rehearing in the Richardson case was filed on January 8, 2003. Assuming the Oil Conservation Commission takes no action on the Motion, it will be deemed denied on January 23, 2003. The following day is the first day of the twenty days allowing for rehearing. In addition, the time for filing an appeal with the district court is thirty days from the date of the denial of the Motion for Rehearing, which is February 24, 2003. The "days" referred to below commence on the day following the day rehearing by the Commission is denied (whether affirmatively or by operation of law) or the day following issuance of an order on rehearing.

OUTLINE OF PROCEEDINGS FOR SECRETARIAL REVIEW

Application Due: Day 1

The application should request a hearing, define what is meant by public interest, address the standard for determining public interest, and argue the public interest at stake in this case.

Response to Application: Day 3

The response should address the opposing position on the points identified above.

Decision on Application: Day 4

Publication: Day 7

Witness List Due: Day 7

The list should include information and qualifications (if proposed as an expert) about each witness and a summary of the testimony.

Exhibits Due: Day 10

Provide copies of all exhibits not already in the record to the Secretary and all parties.

Pre-Hearing Statement Due: Day 10

The statement needs to identify the portions of the record from the Commission hearing which are relevant to the issues in this review.

Applications for Party Status Due, with Witness Lists, Exhibits and Pre-Hearing Statement: Day 12

Objections to Witnesses and Exhibits Due: Day 13

Objections to Applications for Party Status Due: Day 14

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<u>Response to Objections:</u>	Day 17
<u>Hearing (two days):</u>	Day 17
<u>Order of the Secretary</u>	As soon as Possible
<u>Commission Action on Order of Secretary:</u>	22 days after Order of the Secretary
<u>Appeal to the District Court:</u>	Within 30 days of Commission Action

Should the appeal go forward, it is likely a pre-hearing order will be entered. Such an order will work out the problems with deadlines on weekend days.

Thank you very much for your cooperation in this matter.

Sincerely,



Carol Leach
General Counsel

CL/m