

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

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)

July 23, 1996

VIA FACSIMILE

Mr. Michael E. Stogner
Mr. David R. Catanach
Hearing Examiners
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87502

Re: NMOCD Case 11570
ROPCO 15 GW "A" PC "B" FC Well No. 1
E/2 Section 15, T29N, R13W, NMPM
Application of Richardson Operating
Company for Compulsory Pooling,
Downhole Commingling and
an Unorthodox Gas Well Location,
San Juan County, New Mexico

Gentlemen:

This morning I received from the Division a copy of Mr. Kempton's letter dated July 16, 1996 received by the Division on July 22, 1996 in which Mr. Kempton seeks another continuance of this matter.

Richardson Operating Company is opposed to any further continuances and requests that the Division require Mr. Kempton to present his objections at the hearing set for July 25, 1996 for the following reasons:

(1) Mr. Kempton has been provided with adequate notice and an opportunity to appear:

(a) On June 18, 1996, Richardson filed its original application which was set for hearing on July 11, 1996 and sent copies by certified mail return receipt request to more than 140 individuals and companies;

Oil Conservation Division

July 23, 1996

Page 2

(b) On June 24, 1996, Mr. Kempton received a copy of the application;

(c) By letter dated June 29, 1996, received by the Division on July 2, 1996, Mr. Kempton sought a continuance to the July 25, 1996 hearing and complained that he did not get Exhibit "B" with his copy of the application;

(d) On July 2, 1996, Mr. Kempton was advised by Cathy Colby of Richardson that Exhibit "B" of the application was the notification list and it did not affect his position;

(e) On July 11, 1996 the Division heard Richardson's technical presentation and land testimony and the case was continued until July 25, 1996 in order to provide the offset operators with notification of a change in the location which was made necessary as a result of surface use complaints made by Mr. Kempton;

(f) Mr. Kempton elected not to appear at the July 11, 1996 hearing;

(g) By letter dated July 10, 1996, Examiner Stogner on behalf of the Division advised Mr. Kempton that he may appear at the July 25, 1996 hearing.

(2) Mr. Kempton has failed to timely request another continuance:

(a) Contrary to Division policy and despite being specifically notified to do so, Mr. Kempton failed to file a pre-hearing statements on or before 4:00 PM on either July 5, or July 19, 1996 which should have include a request for a continuance;

(b) On July 22, 1996, just two days before the July 25, 1996 hearing, the Division received Mr Kempton's request for another continuance;

Oil Conservation Division
July 23, 1996
Page 3

(c) Mr. Kempton knew as early as July 11, 1996, that the Richardson permit would again be heard by the Farmington Planning and Zoning Commission on July 25, 1996, and yet waited until July 16, 1996 to write the Division requesting another continuance;

(c) Mr. Kempton has chosen to advise the Division of his interest in this case and request for a continuance by regular mail, which is the least efficient means of timely communicating such information:

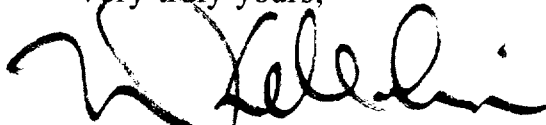
(d) In violation of Division Rule 1208, Mr. Kempton has elected not to call, fax or otherwise communicate with Richardson's attorney concerning either his objections or his request for a continuance.

(3) Mr. Kempton's participation before the Division does not involve the jurisdiction of the Division because Mr. Kempton objective is simply to cause delay and otherwise attempt to avoid having this well drilled anywhere upon the surface of land which is included in an oil and gas lease on which Richardson has the right to drill.

(4) Mr. Kempton has requested a hearing date of August 13, 1996 which is not a regularly scheduled hearing date for the Division.

Accordingly, Richardson request the Division deny Mr. Kempton's request for another continuance. Should the Division desire to call Mr. Kempton, his telephone number is (505) 326-4741.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cc: Richardson Operating Company
cc: Merrill Kempton