

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

IN THE MATTER OF THE APPLICATION  
OF RICHARDSON OPERATING COMPANY FOR  
COMPULSORY POOLING, DOWNHOLE COMMINGLING  
AND AN UNORTHODOX GAS WELL LOCATION,  
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11681

**APPLICATION**

Comes now RICHARDSON OPERATING COMPANY, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico, forming standard 160-acre and 320-acre spacing and proration units, respectively. Said units are to be dedicated to its ROPCO "15" GW "A"-PC/ "B"-FC Well No. 1 which is to be located at an unorthodox gas well location 2171 feet from the North line and 775 feet from the East line (Unit H) of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well.

In support of its application, Richardson Operating Company ("Richardson") states:

1. Richardson has a working interest ownership in the oil and gas minerals underlying the NE/4 and the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico.

2. In order to minimize surface disturbance within the NE/4 of said Section 15, Richardson seeks approval to locate its ROPCO "15" GW "A"-PC/ "B"-FC Well No. 1 at an unorthodox well location 2171 feet FNL and 775 feet FEL of said Section 15 so as to utilize a contiguous drilling site used for an existing Dakota producing well located in Unit H of said Section 15.

3. Richardson has proposed to the other working interest and unleased mineral interest owners that this well be drilled and completed as a "downhole commingled completion" for potential production from the Basin Fruitland Coal Gas Pool with any Pictured Cliffs production to be dedicated respectively to a 320-acre coal-gas spacing and proration unit consisting of the E/2 of Section 15 and to a 160-acre gas spacing and proration unit consisting of the NE/4 of said Section for production from either the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool.

4. In accordance with Division Rule 303, applicant has completed Division Form C-107-A, which is attached hereto and incorporated by reference.

5. Despite its good faith efforts, Richardson has been unable to obtain a written voluntary agreement from certain unleased mineral interest and leasehold owners as shown on Exhibit "A".

6. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of production from the subject well and these spacing units, Richardson needs an order of the Division pooling the identified and described mineral interests in order to protect correlative rights and prevent waste.

7. In accordance with the Division's notice requirements, a copy of this application has been sent to those interest owners.

8. In addition, in accordance with Rule 104.F, a copy of this application is being sent to all affected interest owners towards whom the subject well encroaches.

9. Richardson requests that this matter be set for a hearing before the Division on the next available Examiner's docket now scheduled for July 25, 1996.

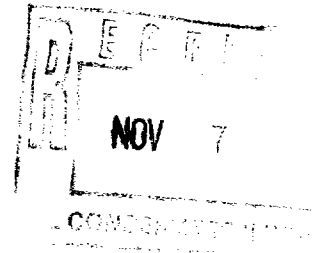
WHEREFORE, Richardson, as applicant, requests that this application be set for hearing on December 19, 1996 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in these spacing units for the drilling, completion and operations of the subject well for downhole commingled production at a potential unorthodox gas well location upon terms and conditions which include:

- (1) Richardson Operating Company be named operator;
- (2) provisions for each working interest owner to participate in any production by reimbursing the applicant for the value of the costs of drilling, completing, equipping and operating said well;
- (3) In the event a working interest owner fails to elect to participate, then provisions be made to recover out of production, reimbursement to the applicant for the costs of drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) Provision for overhead rates of \$3500 per month drilling and \$450 per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS; and
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

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

W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285



## PROPOSED ADVERTISEMENT FOR NMOCD DOCKET

**CASE** 11681 :Application of Richardson Operating Company for compulsory pooling, downhole commingling and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico, forming standard 160-acre and 320-acre spacing and proration units, respectively. Said units are to be dedicated to its ROPCO "15" GW "A"-PC/ "B"-FC Well No. 1 which is to be located at an unorthodox gas well location 2171 feet from the North line and 775 feet from the East line (Unit H) of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. Said well is located northeast the intersection of Southside River Road and View Meadow View Drive, Farmington, New Mexico.

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

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W. THOMAS KELLAHIN\*

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RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

November 27, 1996

**HAND DELIVERED**

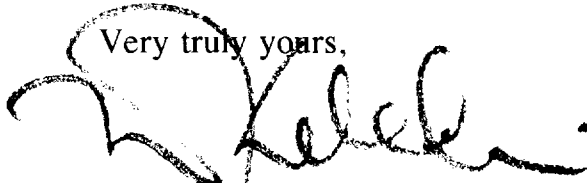
Mr. William J. LeMay, Director  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**Re: ROPCO "15" GW "A"-PC/ "B"-FC Well No. 1  
Application of Richardson Operating Company  
for compulsory pooling, downhole commingling and  
an unorthodox gas well location  
San Juan County, New Mexico**

Dear Mr. LeMay:

On behalf of Richardson Operating Company, please find enclosed the referenced application which we request be advertised for hearing on the Examiner's docket now scheduled for December 19, 1996. Also enclosed is our proposed amended advertisement of this case for that docket.

Very truly yours,



W. Thomas Kellahin

cc: Richardson Operating Company  
Attn: Cathy Colby