



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

February 4, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Richardson Operating Company
c/o Permits West, Inc.
37 Verano Loop
Santa Fe, New Mexico 87505
Attention: **Brian Wood**
brian@permitswest.com

Telefax No. (505) 466-9682

Administrative Order NSL-4835

Dear Mr. Wood:

Reference is made to the following: (i) your application on behalf of the operator, Richardson Operating, Inc. ("Richardson"), that was submitted to the New Mexico Oil Conservation Division ("Division") on January 14, 2003 (**application reference No. pKRV0-301454350**); and (ii) the Division's records in Santa Fe and Aztec: all concerning Richardson's request for an unorthodox gas well location in both the Undesignated West Kutz-Pictured Cliffs Pool (Gas 79680) and Basin-Fruitland Coal Pool (Gas 71629) for its proposed F-RPC 29 Well No. 3 (**API No. 30-045-31327**) to be drilled 2210 feet from the South line and 1530 feet from the West line (Unit K) of Section 29, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is our understanding that Richardson intends to dually complete this well and that: (i) the W/2 of Section 29, being a standard 320-acre, more or less, stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool, "Low Productivity Area"; and (ii) the SW/4 equivalent of Section 29, being a standard 160-acre, more or less, gas spacing unit for the Undesignated West Kutz-Pictured Cliffs (Gas) Pool, are to be dedicated to the proposed F-RPC 29 Well No. 3. This well will be the first Pictured Cliffs well in this 160-acre SW/4 spacing unit and the first Fruitland Coal well in this 320-acre W/2 spacing unit.

It is also our understanding that this location was necessary due to topographic reasons and that affected parties have all been notified and have not objected.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; and (ii) the applicable provisions of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended.

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By the authority granted me under the provisions of Division Rule 104.F (2) and Rule 8 of the special Basin-Fruitland Coal (Gas) Pool rules, the above-described unorthodox Fruitland coal and Pictured Cliffs gas well location for Richardson's proposed F-RPC 29 Well No. 3 is hereby **approved**.

Jurisdiction of this case is retained for the entry of such further orders as the Division deems necessary.

Sincerely,



Lori Wrotenbery
Director

LW/wvjj

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington