



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

June 25, 2002

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*Application of Richardson Operating
Co.
Record on Appeal, 1248.*

Re: The New Mexico Oil Conservation Commission: Case No. 12734, Application of Richardson Operating Company to establish a special "infill well" area within the Basin-Fruitland Coal Gas Pool, *de novo*

Dear Counsel,

The Director has before her San Juan Coal Company's application for a stay of Division Order No. R-11775. This matter should be disposed of before other matters are taken up. Would counsel inform the undersigned whether the application is opposed? If the application is opposed, please file any response no later than July 3, 2002 and any reply no later than July 10. If fact issues arise that need resolution prior to a decision on the application, an evidentiary hearing will be scheduled thereafter.

Mr. Bruce's suggestion that the Commission schedule a separate hearing date for this matter seems sensible. The Commission's July 19 docket is already full and it would be problematic to hear this application at that time. Also, the Commission has requested that

Counsel, Application of Richardson Operating Company
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a pre-hearing conference be scheduled in this matter. Once the application for stay is resolved, I will contact your offices to arrange for the conference.

As always, if you have any questions, please do not hesitate to give me a call at 476-3451.

Sincerely,



Stephen C. Ross
Assistant General Counsel

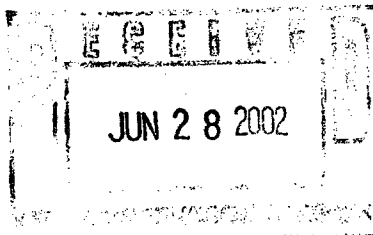
Cc: Florene Davidson, Commission Secretary

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June 26, 2002

Via Fax and U.S. Mail

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

MS

Re: Case 12734/Order No. R-11775 de novo (Richardson
Operating Company ("Richardson"))

Case No. 12888 (Basin-Fruitland Coal Gas Pool infill
case)

Dear Mr. Stogner:

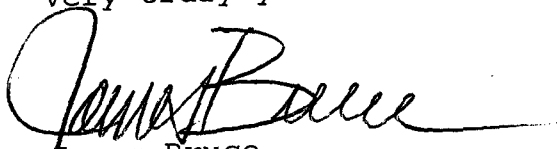
As you know, the Fruitland Coal infill case is scheduled for two days of hearings, commencing July 9th. The Richardson case, which is on appeal to the Commission, covers a small area on the northwest fringe of the Pool. San Juan Coal Company ("SJCC") desires to protect its rights, while minimizing time spent on the infill hearing. To achieve this goal, SJCC proposes excepting from the infill case the acreage involved in the Richardson case. Granting this request will avoid having both Richardson and SJCC re-present their cases on July 9th and 10th, and will allow the *de novo* review of the Richardson order to move forward. SJCC's request is similar to how the Cedar Hill-Fruitland Basal Coal Gas Pool was excepted out of the Basin-Fruitland Coal Gas Pool due to an ongoing dispute involving the Cedar Hill pool.

Mr. Kellahin has informed me that Richardson opposes SJCC's request.

If a formal motion is necessary, please advise. Thank you for your consideration of this request.

*Application of Richardson Operating
Co.
Record on Appeal, 1250.*

Very truly yours,



James Bruce

Attorney for San Juan Coal Company

cc: David K. Brooks (via fax)
Stephen C. Ross (via fax)
W. Thomas Kellahin (via fax)
John A. Dean, Jr. (via U.S. Mail)
Charles E. Roybal (via U.S. Mail)
Larry P. Ausherman (via U.S. Mail)