

RICHARDSON PRODUCTION COMPANY

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May 22, 1998

Via Fed Exp
to both offices

PROPRIETARY AND CONFIDENTIAL

Director (W.O. 210)
Bureau of Land Management
Attention: Brenda Williams
1849 C Street NW
Washington, D.C. 20240

BLM Farmington Field Office
Attn: Robert Moore
1235 La Plata Highway, Suite A
Farmington, NM 87401

Gentlemen:

With regard to Proposed Coal Leasing Area RMP Amendment / Environmental Assessment dated April 1998, please be advised that Richardson Production Company continues to object to new coal leases being issued on lands requested by San Juan Coal Company for the reasons set forth in our letter dated October 31, 1997, copy of which is attached.

It is our belief that the rights of all parties would be protected if the oil and gas lessee is allowed to degasify the coal, by producing the gas, prior to mining operations.

San Juan Coal Company appears to be driven solely by their own agenda. To illustrate, Richardson was asked to review and comment on SJCC's Protocol for the Mediation of Adverse Impacts on Oil and Gas Revenues. In a telephone conference, we addressed many of our concerns with the protocol. Although we were told our comments were valuable in helping them understand the oil and gas lessee's perspective, not a one of our recommendations was incorporated into the protocol submitted to the BLM.

Please keep us promptly advised on all developments concerning this issue. Richardson is actively drilling gas wells on the lands being considered for underground coal mining. Simultaneous operations for development of gas and coal do not appear to be compatible.

Sincerely,

RICHARDSON OPERATING COMPANY

Cathleen Colby

Cathleen Colby
Land Manager

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12734 Exhibit No. A-5
Submitted By:
Richardson Operating Company
Hearing Date: November 11, 2001