



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

RECEIVED JAN 19 2001

IN REPLY REFER TO:
3160 (07100)
3400

JAN 16 2001

Dugan Production Corporation
PO Box 420
Farmington, NM 87499

Richardson Operating Company
1700 Lincoln Street, Suite 1700
Denver, CO 80203

Mr. Lynn Woormer
Project Coordinator
San Juan Mine
PO Box 561
Waterflow, NM 87421

Gentlemen:

During the November 5, 2000, meeting it was agreed that there is a definite need to expedite development of the gas reserves underlying the Deep Lease in and adjacent to the San Juan Coal underground area.

It was also agreed that Dugan Production Corporation and Richardson Operating Company would each provide the Bureau of Land Management (BLM) their respective plans of development prior to meeting again.

It is imperative that we continue with this cooperative effort in order to minimize potential development conflict between the coal and gas resources and to establish a master plan of development that all stake holders are aware of and understand.

We request that you or your representative be present at our next meeting scheduled on January 25, 2001, at the BLM office at 10:00 AM. If you have not submitted your plan of development, please do so by January 19, 2001, so we may review it prior to the meeting.

Sincerely,

Vince R. Balderaz
Acting, Assistant Field Manager (Minerals)

also meet w/
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BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12734 Exhibit No. A-16
Submitted By:
Richardson Operating Company
Hearing Date: November 11, 2001