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August 14, 1995

HAND-DELIVERED

Rand Carroll, Esq.
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

*Amoco/
Richardson*

CONSERVATION DIVISION

Re: Case 11244: Application of Amoco Production Company for Compulsory Pooling, San Juan County, New Mexico

Case 11246: Application of Richardson Operating Company for Compulsory Pooling and an Unorthodox Gas Well Location, San Juan County, New Mexico

Order No. R-10418

Dear Mr. Carroll:

On July 17, 1995, the Oil Conservation Division entered Order No. R-10418 granting the application of Amoco Production Company in Case 11244 for compulsory pooling of the NW/4 of Section 12, Township 29 North, Range 13 West, San Juan County, New Mexico. This order also denied the application of Richardson Operating Company in companion Case No. 11246.

Amoco intends to proceed with the development of the NW/4 of Section 12 during the fourth quarter of 1995 and hopes to drill on this acreage prior to the onset of winter weather.

As you are aware, on August 1, 1995, Richardson Operating Company filed an application for hearing **De Novo** in this case and for a stay of Order No. R-10418. At your request, I

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have reviewed the motion for stay with Amoco and am authorized to advise you that Amoco will not oppose Richardson's Application for Stay of Order No. R-10418 if this case can be heard by the Commission on September 28, 1995.

Furthermore, we anticipate that Richardson will also seek a **De Novo** hearing in Cases 11243 and 11247 which also involved companion compulsory pooling cases covering the W/2 of said Section 12. These cases were also decided in favor of Amoco by Division Order No. R-10433 entered on August 9, 1995. Amoco also requests that if Richardson desires Commission review of this order, it also be set on September 28, 1995.

It is Amoco's belief that the requested stay and a September 28, 1995 **De Novo** review by the Commission of the issues concerning the development of the W/2 of Section 12, will meet the concerns of both Amoco and Richardson in this dispute and will also permit the timely development of the reserves under this acreage.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr", followed by the word "for" written in a similar cursive style.

WILLIAM F. CARR
ATTORNEY FOR AMOCO PRODUCTION COMPANY
WFC:mlh

cc: Bill Hawkins
Pam Staley
W. Thomas Kellahin, Esq.