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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

August 1, 1995

HAND DELIVERED

Mr. William J. LeMay, Chairman
Oil Conservation Commission
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

RECEIVED

AUG 1 1995

Oil Conservation Division

Re: REQUEST FOR STAY OF ORDER R-10418

NMOCD CASE 11244

*Application of Amoco Production Company
for Compulsory Pooling, San Juan County,
New Mexico*

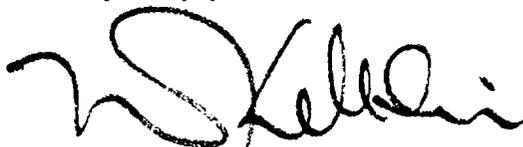
NMOCD Case 11246

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

Dear Mr. LeMay:

On behalf of Richardson Operating Company, please find enclosed our request for a Stay of Order R-10418 pending a final order before the New Mexico Oil Conservation Commission to be entered in these two cases.

Very truly yours,



W. Thomas Kellahin

cc: ~~Michael E. Stogner, OCD-Hearing Examiner~~
cc: William F. Carr, Esq., Esq.
cc: Richardson Operating Company
Attn: Kathy Colby

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 11244

APPLICATION OF RICHARDSON OPERATING
COMPANY FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 11246

ORDER NO. R-10418

**APPLICATION OF
RICHARDSON OPERATING COMPANY
FOR A STAY OF ORDER R-10418
PENDING HEARING DE NOVO**

RECEIVED

AUG 1 1995

Oil Conservation Division

Richardson Operating Company ("Richardson") pursuant to Division Memorandum 3-85 requests that the Division Stay Order No. R-10418 issued by William J. LeMay, Director of the New Mexico Oil Conservation Division ("NMOCD") on July 17, 1995, and as grounds therefore states:

(1) On April 20, 1995, the Division Examiner heard four (4) compulsory pooling applications, two by Richardson and two by Amoco concerning the drilling of two Pictured Cliffs gas wells with one of those wells to be commingled with the Fruitland Coal Gas Pool all for the development of the W/2 of Section 12, T29N, R13W, San Juan County, New Mexico.

(2) Two of those pending cases (Nos. 11244 and 11246) were decided on July 17, 1995, when the NMOCD entered its Order No. R-10418 denying the application of Richardson and granting the application of Amoco Production Company ("Amoco") for the well to be drilled in the NW/4 of said Section 12.

(3) No order has been issued on the remaining two cases (Nos. 11243 and 11247) involving the SW/4 and the W/2 of Section 12.

(4) Richardson has timely filed an Application for Hearing DeNovo in Cases 11244 and 11246 (Order R-10418) which is pending a hearing before the Commission.

(5) Richardson submits that the central issue involved in all four cases is whether Richardson or Amoco is designated the operator for the W/2 of Section

(6) Failure to stay Order R-10418 pending the Hearing DeNovo would allow Amoco to immediately begin to drill its proposed well and thus deny Richardson its statutory right to a "**de novo**" hearing on that critical issue.

(7) If a Stay is not granted, Richardson would suffer irreparable harm by losing its statutory right to such a hearing and having to make potential election for a well it contends it should operate.

(8) Until the Division has decided all four cases, then it is premature to allow one party to commence action under the order issued for two of the four cases.

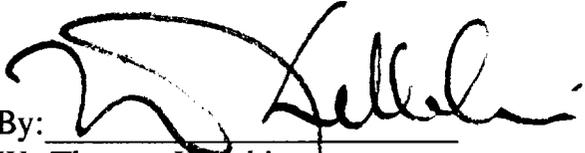
Application for a Stay
Richardson Operating Company
Page 3.

(9) Unless the stay is granted, Richardson will not be afforded a meaningful opportunity to have this matter heard denovo before the Commission.

(10) No harm will inure to Amoco by granting the requested Stay.

WHEREFORE, Richardson respectfully requests that the NMOCDC enter an order staying Order R-10418 until the matter can be heard and decided De Novo by the Commission. A copy of a proposed order granting the stay is enclosed.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin

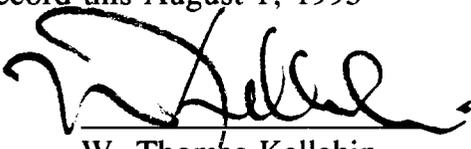
P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

CERTIFICATION OF SERVICE

I hereby certify that a copy of this Motion and proposed order were hand delivered to opposing counsel of record this August 1, 1995


W. Thomas Kellahin

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 11244

APPLICATION OF RICHARDSON OPERATING
COMPANY FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 11246

ORDER NO. R-10418

ORDER OF THE DIVISION
STAYING ORDER R-10418

BY THE DIVISION:

This matter having come before the Division upon the request of Richardson Operating Company for a Stay of Division Order R-10418 and the Division Director having considered the request and being fully advised in the premises,

NOW, on this ___ day of August, 1995, the Division Director,

FINDS THAT:

(1) Division Order No. R-10418 was entered on July 17, 1995, denying the application of Richardson and granting the application of Amoco Production Company ("Amoco") for the well to be drilled in the NW/4 of Section 12, T29N, R13W, San Juan County, New Mexico.

(2) The Division has not yet decided companion cases 11243 and 11247 which are competing compulsory pooling applications between the same partes involving the balance of the W/2 of Section 12.

(3) On August 1, 1995, Richardson Operating Company filed with the Division a request for a DeNovo Hearing in Cases 11244 and 11246 which is pending hearing before the Commission.

(4) Richardson Operating Company has complied with the provisions of Division Memorandum 3-85 and has filed its request for a stay on August 1, 1995.

(5) That under the circumstances of these four cases, a stay should be entered in order to maintain the status quo between the parties, to prevent waste and protect correlative rights.

(6) Division Order R-10418 should be stayed until further notice or until the Oil Conservation Commission has entered an order in Case Nos. 11224 and 11246.

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-10418 is hereby stayed in its entirety.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

