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March 27, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Case 12643

CI REC'D 27 PM 01:59
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Re: Application of Richardson Production Company for compulsory pooling, San Juan
County, New Mexico.
ROPCO Well No. 8-3

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Richardson Production Company in the above-referenced case as well as a copy of the legal advertisement. Richardson Production Company requests that this matter be placed on the docket for the April 19, 2001 Examiner hearings.

Very truly yours,



Michael H. Feldewert

Enclosures

cc: Ms. Cathleen Colby (w/enclosures)
Land Manager
Richardson Production Company
1700 Lincoln, Suite 1700
Denver, Colorado 80203

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

**IN THE MATTER OF THE APPLICATION
OF RICHARDSON PRODUCTION COMPANY,
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 12643

APPLICATION

RICHARDSON PRODUCTION COMPANY ("Richardson"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units located in Section 8, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Twin Mounds Fruitland Sand-Pictured Cliffs Pool, and in support of its application states:

1. Richardson is a working interest owner in the S/2 of Section 8 and has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration units to its ROPCO Well No. 8-3 to be drilled at a standard location 936 feet from the South line and 1276 feet from the West line (Unit M) of said Section 8.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from the interest owners in the S/2 of Section 8 identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Richardson Operating Company should be designated the operator of the well to be drilled.

WHEREFORE, Richardson Production Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 19, 2001 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Richardson Operating Company operator of these units and the well to be drilled thereon,
- C. authorizing Richardson to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the

drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 

Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR RICHARDSON PRODUCTION
COMPANY

EXHIBIT A
APPLICATION OF RICHARDSON PRODUCTION COMPANY
FOR COMPULSORY POOLING
SECTION 8, TOWNSHIP 29 NORTH, RANGE 14 WEST
SAN JUAN COUNTY, NEW MEXICO

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CLR, LLC
Attention: Doug Leming
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Kirtland, New Mexico 87417

CASE 12643: **Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units in Section 8 Township 29 North, Range 14 West, NMPM, as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Twin Mounds Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 8-3 to be drilled at a standard location 936 feet from the South line and 1276 feet from the West line of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Richardson Operating Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico.