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June 26, 2002

Via Facsimile

Mr. Michael E. Stogner, Hearing Examiner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: NMOCD Case 12734**Order R-11775****Application of Richardson Operating Company
to establish a Special "Infill Well" Area within
the Basin-Fruitland Coal Gas Pool,
San Juan County, New Mexico****NMOCD Case 12888****Application of the Fruitland Coalbed Methane
Committee to amend Rule 4 and 7 of the
Special Rules and Regulations of the
Basin-Fruitland Coal Gas Pool**

Dear Mr. Stogner:

On behalf of Richardson Operating Company, I have just received a copy of a letter, dated June 26, 2002, to you from James Bruce, attorney for San Juan Coal Company ("SJCC"), in which he requests that the Richardson portion of the Basin-Fruitland Coal Gas Pool in which the Division has authorized infill drilling should now be excluded from the Rule Case considering infill drilling for the rest of the pool.

SJCC is not an operator of coalbed methane gas wells in this pool and therefore has no standing to object and its request should be denied.

Oil Conservation Division

June 26, 2002

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The coal leasing area is larger than the area approved for Richardson's infill program. Are we to understand that only the Richardson portion of the coal leasing area is being opposed by SJCC for infill drilling?

There is no coalbed methane gas reservoir reason to treat the SJCC coal leasing area any differently from the rest of the pool. The fact that SJCC wants the Division to limit the well drilled in the coal leasing area does not give SJCC standing to object.

Very truly yours,



W. Thomas Kellahin

cc: David Brooks, Esq. Division Attorney
James Bruce, Esq.,
Larry P. Ausherman, Esq.
Attorneys for San Juan Coal Company
Richardson Operating Company
Attn: David Richardson

JAMES BRUCE
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JUN 28 2002

June 26, 2002

Via Fax and U.S. Mail

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 12734/Order No. R-11775 *de novo* (Richardson
Operating Company ("Richardson"))

Case No. 12888 (Basin-Fruitland Coal Gas Pool infill
case)

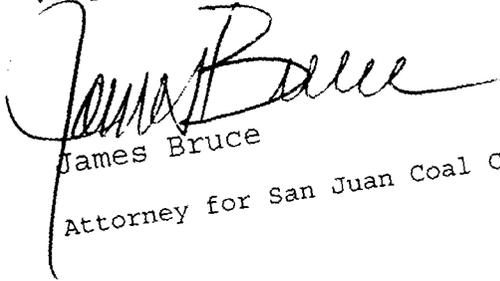
Dear Mr. Stogner:

As you know, the Fruitland Coal infill case is scheduled for two days of hearings, commencing July 9th. The Richardson case, which is on appeal to the Commission, covers a small area on the northwest fringe of the Pool. San Juan Coal Company ("SJCC") desires to protect its rights, while minimizing time spent on the infill hearing. To achieve this goal, SJCC proposes excepting from the infill case the acreage involved in the Richardson case. Granting this request will avoid having both Richardson and SJCC re-present their cases on July 9th and 10th, and will allow the *de novo* review of the Richardson order to move forward. SJCC's request is similar to how the Cedar Hill-Fruitland Basal Coal Gas Pool was excepted out of the Basin-Fruitland Coal Gas Pool due to an ongoing dispute involving the Cedar Hill pool.

Mr. Kellahin has informed me that Richardson opposes SJCC's request.

If a formal motion is necessary, please advise. Thank you for your consideration of this request.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for San Juan Coal Company

cc: David K. Brooks (via fax)
Stephen C. Ross (via fax)
W. Thomas Kellahin (via fax)
John A. Dean, Jr. (via U.S. Mail)
Charles E. Roybal (via U.S. Mail)
Larry P. Ausherman (via U.S. Mail)