



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
BETTY RIVERA  
Cabinet Secretary

September 30, 2002

Lori Wrotenbery  
Director  
Oil Conservation Division

Richardson Operating Company  
c/o Permits West, Inc.  
37 Verano Loop  
Santa Fe, New Mexico 87505  
Attention: **Brian Wood**  
*brian@permitswest.com*

Telefax No. (505) 466-9682

*Administrative Order NSL-4785*

Dear Mr. Wood:

Reference is made to the following: (i) your application on behalf of the operator, Richardson Operating, Inc. ("Richardson"), that was submitted to the New Mexico Oil Conservation Division ("Division") on September 9, 2002 (**application reference No. pKRV0-225331843**); and (ii) the Division's records in Santa Fe and Aztec: all concerning Richardson's request for an unorthodox gas well location in both the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool (71629) and Basin-Fruitland Coal (Gas) Pool (86620) for its proposed ROPCO "16" Well No. 3 (**API No. 30-045-30994**) to be drilled 2506 feet from the South line and 1006 feet from the West line (Unit L) of Section 16, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

It is our understanding that Richardson intends to dually complete this well and that: (i) the W/2 of Section 16, being a standard 320-acre, more or less, stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool; and (ii) the SW/4 equivalent of Section 16, being a standard 160-acre, more or less, gas spacing unit for the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool, are to be dedicated to the proposed ROPCO "16" Well No. 3.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; and (ii) the applicable provisions of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended.

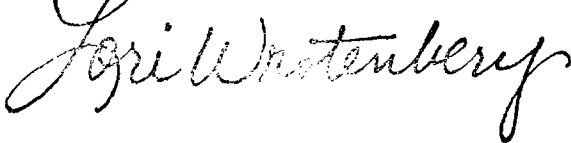
By the authority granted me under the provisions of Division Rule 104.F (2) and Rule 8 of the special Basin-Fruitland Coal (Gas) Pool rules, the above-described unorthodox Fruitland coal and Fruitland Sand/Pictured Cliffs gas well location for Richardson's proposed ROPCO "16" Well No. 3 is hereby approved.

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Jurisdiction of this case is retained for the entry of such further orders as the Division deems necessary.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenberg". The signature is written in dark ink and is positioned below the word "Sincerely,".

Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
New Mexico Oil Conservation Division - Santa Fe  
U. S. Bureau of Land Management - Farmington