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November 25, 1996

**HAND DELIVERED**

Mr. William J. LeMay, Director  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87502

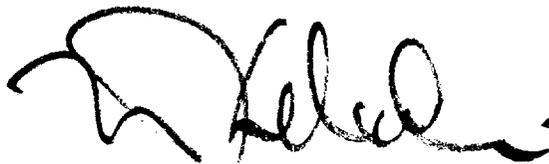
Re: NMOCD Case 11570 Order R-10656  
ROPCO "15" GW "A"-PC/"B"-FC Well No. 1  
E/2 & NE/4 Section 15, T29N, R13W, NMPM  
Application of Richardson Operating Company  
to Re-Instate the Compulsory Pooling Provisions  
of Order R-10656, San Juan County, New Mexico

*Case 11681*

Dear Mr. LeMay:

On behalf of Richardson Operating Company, please find enclosed our application to re-instate the compulsory pooling provisions of Order R-10656 which we request be set for hearing on the Examiner's docket now scheduled for December 19, 1996. Also enclosed is our proposed notice of publication for this case.

Very truly yours,



W. Thomas Kellahin

Enclosure:

cc: Richardson Operating Company  
attn: Cathy Colby

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

IN THE MATTER OF THE APPLICATION  
OF RICHARDSON OPERATING COMPANY TO  
RE-INSTATE THE COMPULSORY POOLING PROVISIONS  
OF ORDER R-10656, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11681

**A P P L I C A T I O N**

Comes now RICHARDSON OPERATING COMPANY, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order re-instating the compulsory pooling provision of Order R-10656 which pooled all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico, forming standard 160-acre and 320-acre spacing and proration units, respectively. Said units are to be dedicated to Richardson Operating Company's ROPCO "15" GW "A"-PC/"B"-FC Well No. 1 which is to be located at an unorthodox gas well location 2171 feet from the North line and 775 feet from the East line of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool.

In support of its application, Richardson Operating Company ("Richardson") states:

1. Richardson has a working interest ownership in the oil and gas minerals underlying the NE/4 and the E/2 of Section 15, T29N, R13W, NMPM, San Juan County, New Mexico.

2. On August 20, 1996, the New Mexico Oil Conservation Division issued Order R-10656 which:

(a) authorized Richardson to drill and complete its ROPCO "15" GW "A"-PC/"B"-FC Well No. 1 at an unorthodox well location within a drilling window not closer than 790 feet to the north line of Section 15, nor closer than 790 feet to the western boundary of the NE/4, nor closer than 469 feet to the southern boundary of the NE/4 nor closer than 775 feet to the East line all of Section 15;

(b) authorized the downhole commingling of Fruitland coal gas and Pictured Cliffs' gas production within this wellbore; and

(c) authorized compulsory pooling of certain mineral interests provided the subject well was commenced on or before November 15, 1996.

3. Because Richardson was unable to commence the subject well by November 15, 1996 and also failed to request an extension of the pooling provision of Order R-10656 prior to November 15, 1996, the compulsory pooling provisions of that order expired.

4. Richardson still has been unable to obtain a written voluntary agreement from certain unleased mineral interest owners.

5. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of production from the subject well and these spacing units, Richardson needs an order of the Division pooling the identified and described mineral interests of those certain unleased mineral interest owners set forth on Exhibit "A" in order to protect correlative rights and prevent waste.

6. In accordance with the Division's notice requirements, a copy of this application has been sent to all those owners listed on Exhibit "A".

7. Richardson requests that this matter be set for a hearing before the Division on the next available Examiner's docket now scheduled for December 19, 1996.

WHEREFORE, Richardson, as applicant, requests that this application be set for hearing on December 19, 1996 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order reinstating the compulsory pooling of the mineral interest described in this spacing unit for the drilling, completion and operations of the subject well, which include:

- (1) Richardson Operating Company be named operator;
- (2) provisions for each working interest owner to participate in any production by reimbursing the applicant for the value of the costs of drilling, completing, equipping and operating said well;
- (3) In the event a working interest owner fails to elect to participate, then provisions be made to recover out of production, reimbursement to the applicant for the costs of drilling, completing, equipping and operating the well, including a risk factor penalty of 200 % for Pictured Cliffs and 156 % for the Fruitland coal gas.

(4) Provision for overhead rates of \$3500 per month drilling and \$450 per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS; and

(5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

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