

**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 RICHARDSON PRODUCTION
COMPANY FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 12597)

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

CASE NO. 12598)

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

CASE NO. 12599)

Consolidated

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Richardson Production Company
Attention: Cathy Colby
1700 Lincoln, Suite 1700
Denver, Colorado 80203
(303) 830.8000

ATTORNEY

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Pre-Hearing Statement

NMOCD Case Nos. 12597, 12598 & 12599 Consolidated

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STATEMENT OF CASE

APPLICANT:

CASE 12597: Applicant 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 9, Township 29 North, Range 14 West, as follows: the E/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 NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 9-1 to be drilled at a standard location 835 feet from the North line and 860 feet from the East line of Section 9. 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.

CASE 12598: Applicant 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 unit in Section 9, Township 29 North, Range 14 West, as follows: the SE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said unit is to be dedicated to the ROPCO Well No. 9-2 to be drilled at a standard location 1075 feet from the South line and 715 feet from the East line of Section 9. 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 the risk involved in drilling said well. Said area is located approximately 1 1/2 miles northeast of Kirtland, New Mexico.

CASE 12599: Applicant 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 9, Township 29 North, Range 14 West, as follows: the W/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 Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 9-3 to be drilled at a standard location 1404 feet from the South line and 1508 feet from the West line of Section 9. 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 1 mile northeast of Kirtland, New Mexico.

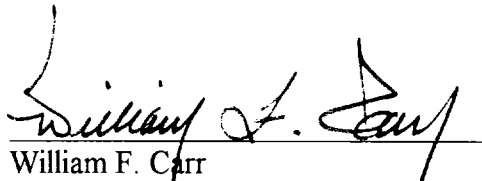
PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and Expertise) | ESTIMATED TIME | EXHIBITS |
|--|-----------------------|-----------------|
| Cathy Colby (Land Manager) | Approx. 15 Minutes | Approx. 6 |
| David Richardson (Geology) | Approx. 10 Minutes | Approx. 3 |

PROCEDURAL MATTERS

Richardson Production Company will request that Case Nos. 12597, 12598 and 12599 be consolidated for hearing.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for Richardson Production Company