

CASE 12644 (REOPENED)

**IN THE MATTER OF THE APPLICATION
OF RICHARDSON PRODUCTION COMPANY
TO REOPEN CASE 12644 FOR THE PURPOSE
OF AMENDING ORDER NO. R-11578 BY
RECONSIDERING THE CHARGE FOR RISK
INVOLVED IN DRILLING A WELL IN THE
BASIN-FRUITLAND COAL (GAS) POOL AND
THE TWIN MOUNTAINS-FRUITLAND
SAND PICTURED-CLIFFS POOL,
SAN JUAN COUNTY, NEW MEXICO.**

PROPOSED FINDINGS

() The applicant requested that a risk penalty of 156 percent be assessed against non-consenting working interest owners with regards to the Basin Fruitland Coal Gas Pool completion and a risk penalty of 200 percent be assessed against non-consenting working interest owners with regards to the Twin Mounds -Fruitland Sand-Pictured Cliffs Gas Pool completion.

() Any non-consenting working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional:

- (a) 156 percent of the well costs attributable to a Fruitland Coal completion as a reasonable charge for the risk involved in drilling to and completing the Basin-Fruitland Coal Gas Pool; and
- (b) 200 percent of the well costs attributable to a Fruitland/Pictured Cliffs completion as a reasonable charge for the risk involved in drilling and completing the Twin Mounds-Fruitland Sand-Pictured Cliffs Gas Pool.