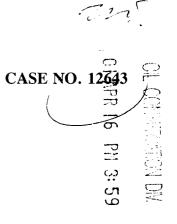
STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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



PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

<u>APPLICANT</u>

Richardson Production Company Attention: Cathleen Colby, Land Manager 1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000

ATTORNEY

Michael H. Feldewert Holland & Hart LLP and Campbell & Carr Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause 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 8 Township 29 North, Range 14 West, NMPM, as follows: the S/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 Twin Mounds Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 8-3 to be drilled at a standard location 936 feet from the South line and 1276 feet from the West line of said Section 8. 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.

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--------------------------------|------------|-----------------|
| Cathleen Colby (Land) | 10 Minutes | Approximately 5 |
| David Richardson (Geologist) | 10 Minutes | Approximately 4 |

PROCEDURAL MATTERS

Applicant requests that this case be consolidated with Case No. 12644.

Michael H. Feldewert

Attorney for Richardson Production Company