HOLLAND & HART LLP CAMPBELL & CARR

ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1 110 NORTH GUADALUPE SANTA FE, NEW MEXICO 87501-6525 MAILING ADDRESS P.O. BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043 www.hollandhart.com

March 27, 2001

HAND-DELIVERED

Lori Wrotenbery, Director Oil Conservation Division New Mexico Energy, Minerals & Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87504 Case 12644

F G S

Re:

Application of Richardson Production Company for compulsory pooling, San Juan

County, New Mexico. ROPCO Well No. 8-4

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Richardson Production Company in the above-referenced case as well as a copy of the legal advertisement. Richardson Production Company requests that this matter be placed on the docket for the April 19, 2001 Examiner hearings.

Very truly yours,

Michael H. Feldewert

Enclosures

cc: Ms. Cathleen Colby (w/enclosures)

Land Manager

Richardson Production Company

1700 Lincoln, Suite 1700 Denver, Colorado 80203

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

IN THE MATTER OF THE APPLICATION OF RICHARDSON PRODUCTION COMPANY, FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 2644

APPLICATION

RICHARDSON PRODUCTION COMPANY ("Richardson"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration unit located in Section 8, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico: the SE/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, and in support of its application states:

- 1. Richardson is a working interest owner in the SE/4 of Section 8 and has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its ROPCO Well No. 8-4 to be drilled at a standard location 1607 feet from the South line and 1451 feet from the East line (Unit J) of said Section 8.
- 3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from the interest owners in the SE/4 of Section 8 identified on Exhibit A

to this application.

- 4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
- 5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Richardson Operating Company should be designated the operator of the well to be drilled.

WHEREFORE, Richardson Production Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 19, 2001 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating Richardson Operating Company operator of this unit and the well to be drilled thereon,
- C. authorizing Richardson to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP AND CAMPBELL & CARR

Michael H. Feldewert

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR RICHARDSON PRODUCTION COMPANY

EXHIBIT A

APPLICATION OF RICHARDSON PRODUCTION COMPANY FOR COMPULSORY POOLING SECTION 8, TOWNSHIP 29 NORTH, RANGE 14 WEST SAN JUAN COUNTY, NEW MEXICO

NOTICE LIST

Julia Clah Post Office Box 762 Shiprock, New Mexico 87420

Callie P. Renfro #2 County Road 6212 Kirtland, New Mexico 87417

Joe G. and Patricia B. Singleton Post Office Box 1665 Kirtland, New Mexico 87417

Yucca Incorporated No Address

Jessie C. Crowe No Address

Ronald J. Johnson and Leona R. Begay Post Office Box 3517 Shiprock, New Mexico 87420

Myron E. Shorty and Vangie Randall #1 County Road 6212 Kirtland, New Mexico 87417

William and Rosinda Crosby, Jr. Post Office Box 686
Waterflow, New Mexico 87421

CASE <u>/2644</u>:

Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant in the abovestyled 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 unit in Section 8 Township 29 North, Range 14 West, NMPM, 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 Twin Mounds Fruitland Sand-Pictured Cliffs Pool. Said unit is to be dedicated to the ROPCO Well No. 8-4 to be drilled at a standard location 1607 feet from the South line and 1451 feet from the East 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 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.