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January 23, 2002

HAND DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: ROPCO Well No. 9-2
SE/4 Section 9, T29N, R14W
Application of Richardson Production
Company for compulsory pooling
San Juan County, New Mexico**

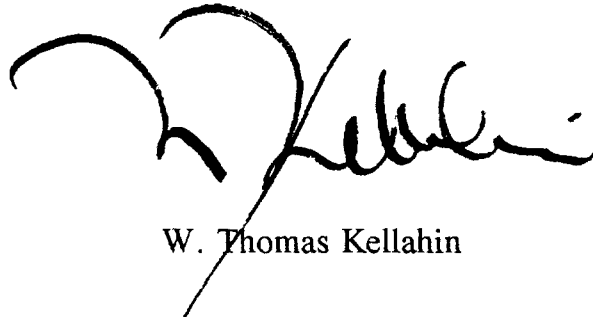
Case 12814

02 JAN 24 PM 11:23
OIL CONSERVATION DIV.

Dear Ms. Wrotenbery:

On behalf of Richardson Production Company, please find enclosed the referenced application which we request be advertised for hearing on the Examiner's docket now scheduled for February 21, 2002. Also enclosed is our proposed advertisement of this case for that docket.

Very truly yours,



W. Thomas Kellahin

cc: Richardson Production Company
Attn: Rebecca E. Van Blaricom

PROPOSED ADVERTISEMENT FOR NMOCD DOCKET

CASE 12814: Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks to reinstate Order R-11549 in Case 12598 which pooled certain mineral interests from the surface to the base of the Pictured Cliffs formation underlying the SE/4 of Section 9, T29N, R14W, NMPM, San Juan County, New Mexico, forming standard 160-acre spacing and proration unit to be dedicated to its ROPCO Well No. 9-2 which is to be located in Unit P of Section 9. Also to be considered will be the costs of participation in the well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of Richardson Operating Company as the operator of the well. The well is located approximately 3 miles East from Kirtland, New Mexico.

02 JAN 24 11:11:25
02 JAN 24 11:11:25

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

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

CASE NO. 12814

RECEIVED
OIL CONSERVATION DIV.
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APPLICATION

Comes now RICHARDSON PRODUCTION 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 reinstating Order R-11549 in Case 12598 which pooled certain mineral interests from the surface to the base of the Pictured Cliffs formation underlying the SE/4 of Section 9, T29N, R14W, NMPM, San Juan County, New Mexico, forming standard 160-acre spacing and proration unit to be dedicated to its ROPCO Well No. 9-2 which is to be located in Unit P of Section 9. Also to be considered will be the costs of participation in the well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of Richardson Operating Company as the operator of the well.

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

1. Richardson has acquired a right to drill for the oil and gas minerals underlying the SE/4 of Section 9, T29N, R14W, NMPM, San Juan County, New Mexico.
2. Despite its good faith efforts, Richardson has been unable to obtain a written voluntary agreement from those owners as shown on Exhibit "A".
3. On March 15, 2001, the Division entered Order R-11549 in Case 12598 which compulsorily pooled the interests set forth in paragraph 2 above in so far as they covered the 160-acre gas spacing unit (Pictured Cliffs formation) for the ROPCO Well No. 9-2
4. This order provided for a drilling commencement date of July 1, 2001, which was extended by the Division to October 1, 2001 and then to January 1, 2002.

5. The order had been extended due to difficulties encountered by Richardson concerning rights of way for the ROPCO Well No. 9-2.

6. As a result of a clerical oversight, Richardson failed to timely apply for a further extension of this order which has now expired.

7. Pursuant to NMSA 1978, Section 70-2-17.C and in order to obtain its just and equitable share of production from the subject well and these spacing units, Richardson requests that the Division re-instate Order R-11549 which pooled the identified and described mineral interests in order to protect correlative rights and prevent waste.

8. In accordance with the Division's notice requirements, a copy of this application has been sent to those interest owners.


9. Richardson requests that this matter be set for a hearing before the Division on the next available Examiner's docket now scheduled for February 21, 2002.

WHEREFORE, Richardson, as applicant, requests that this application be set for hearing on February 21, 2002 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order reinstating the pooling the mineral interest described in these spacing units for the drilling, completion and operations of this well upon terms and conditions 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 this 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 %;
- (4) Provision for overhead rates of \$5000 per month drilling and \$500 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.

W. THOMAS KELLAHIN
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EXHIBIT "A"

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