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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 12855

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

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by RICHARDSON PRODUCTION COMPANY, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Richardson Operating Co. 1700 Lincoln, Suite 1700 Denver, Colorado 80203 (303) 830-8000 attn: David Richardson

ATTORNEY

W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285 NMOCD Case 12855 Richardson Production Company Page 2.

STATEMENT OF RICHARDSON PRODUCTION COMPANY

Richardson has a working interest ownership in the oil and gas minerals underlying the W/2 of Section 21, T29N, R13W, NMPM, San Juan County, New Mexico.

Richardson has proposed to the other interest owners that this well be drilled for downhole commingled production from any Pictured Cliffs formation to be dedicated to a 160-acre gas spacing and proration unit consisting of the SW/4 of Section 21 for this production and the W/2 for any production from the Basin Fruitland Coal Gas Pool to be dedicated to a 300-acre was spacing and proration unit consisting of the S/2 of Section 21 for production.

Despite its good faith efforts, Richardson has been unable to obtain a written voluntary agreement from all of the working interest and or mineral interest owners. Therefore, Richardson needs an order of the Division pooling the identified and described mineral interests in order to protect correlative rights and prevent waste.

Richardson requests that Richardson Operating Company to named the operator

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Anne Jones (landman)

15 min. @ 8 exhibits

David Richardson (geologist)

15 Min. @ 3 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285