

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:**

**CASE NO. 13137
ORDER NO. R-11812-A**

**APPLICATION OF RICHARDSON PRODUCTION COMPANY TO AMEND
COMPULSORY POOLING ORDER NO. R-11812, SAN JUAN COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 9, 2003, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of November, 2003, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) By Order No. R-11812 issued in Case No. 12853 on August 15, 2002, the Division, upon the application of Richardson Production Company, pooled all uncommitted mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 of Section 8, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, in the following manner:

the S/2, forming a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include, but are not necessarily limited to, the Basin-Fruitland Coal Gas Pool; and

the SW/4, forming a standard 160-acre gas spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent, which presently include, but are not necessarily limited to, the Twin Mounds-Pictured Cliffs Gas Pool.

These units were to be dedicated to the applicant's proposed ROPCO "8" Well No. 3 (API No. 30-045-30459) to be drilled at a standard well location 936 feet from the South line and 1276 feet from the West line (Unit N) of Section 8.

(3) Pursuant to the provisions of Order No. R-11812, drilling operations on the ROPCO "8" Well No. 3 were to have been commenced by November 30, 2002, unless the operator obtained a time extension from the Division Director for good cause.

(4) Division records demonstrate that several extensions of the drilling deadline for the ROPCO "8" Well No. 3 have been applied for by the applicant, and granted by the Division. The latest extension expires on November 28, 2003.

(5) The applicant, Richardson Production Company, seeks to amend Division Order No. R-11812 to:

- (a) authorize a change of well location for the ROPCO "8" Well No. 3, such that the order shall state that the well shall be drilled at a standard well location within the SW/4 of Section 8; and
- (b) authorize a new drilling deadline date for the ROPCO "8" Well No. 3.

(6) This case was styled such that *"In the absence of objection, this application will be taken under advisement."*

(7) The applicant appeared at the hearing through legal counsel.

(8) The record in this case demonstrates that the ROPCO "8" Well No. 3 has been moved from its original location due to objections from adjacent property owners.

(9) No interest owner or other party appeared at the hearing in opposition to the application.

(10) The application should be approved.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Richardson Production Company, Ordering Paragraphs No. 1 through 3 of Division Order No. R-11812, dated August 15, 2002, are hereby amended to read as follows:

"(1) Pursuant to the application of Richardson Production Company, all uncommitted mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 of Section 8, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, are hereby pooled, as follows:

the S/2, forming a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include, but are not necessarily limited to, the Basin-Fruitland Coal Gas Pool; and

the SW/4, forming a standard 160-acre gas spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent, which presently include, but are not necessarily limited to, the Twin Mounds-Pictured Cliffs Gas Pool.

These Units shall be dedicated to the applicant's proposed ROPCO "8" Well No. 3 (API No. 30-045-30459) to be drilled at a standard well location within the SW/4 of Section 8.

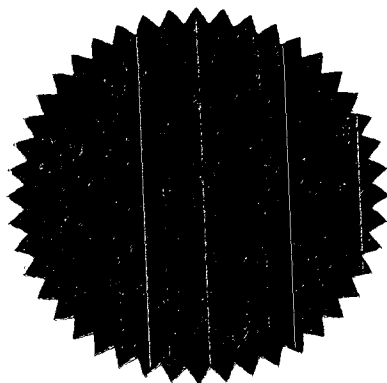
(2) The operator of the Units shall commence drilling the proposed well on or before February 15, 2004, and shall thereafter continue drilling the well with due diligence to test the Pictured Cliffs formation.

(3) In the event the operator does not commence drilling the proposed well on or before February 15, 2004, Ordering Paragraph No. (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause."

(2) With the exception of Ordering Paragraphs No. 1 through 3, all other provisions of Division Order No. R-11812 shall remain in full force and effect.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director