



GARREY CARRUTHERS
GOVERNOR

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

Devon Nielson
P-32-25N-11W
Held 0-104 For
DD order
amendment @

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 1, 1990

Giant Exploration and Production Company
P.O. Box 2810
Farmington, NM 87499

Attention: John C. Corbett

RECEIVED
MAR 27 1991
OIL CON. DIV
DIST. 3

Administrative Order DD-47

Dear Mr. Corbett:

Under the provisions of General Rule 111 (c), (d) and (e), Giant Exploration and Production Company made application to the New Mexico Oil Conservation Division on October 1, 1990, for authorization to directionally drill its Devon Nielson Well No. 1, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 have either been or will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The application of Giant Exploration and Production Company for a directionally drilled well is hereby approved for its Devon Nielson Well No. 1 which has been drilled in the following manner:

- » Surface Location: ^{100'} 105' FSL - ^{193'} 125' FEL (Unit P) of Section 32, Township 25 North, Range 11 West, NMPM, San Juan County, New Mexico;
- » KOP - approximately 2200 feet;
- » Bottom-hole location in the Bisti-Lower Gallup Oil Pool at a true vertical depth of approximately 5000 feet at a standard bottom-hole oil well location for said pool (pursuant to Rule 3 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool as promulgated by Division Order No. R-1069, as amended) 400 feet from the North line and 425 feet from the East line (Unit A) of Section 5, Township 24 North, Range 11 West, NMPM, San Juan County, New Mexico.

(2) The applicant should provide a copy of the wellbore survey to the Aztec District Office of the Division.

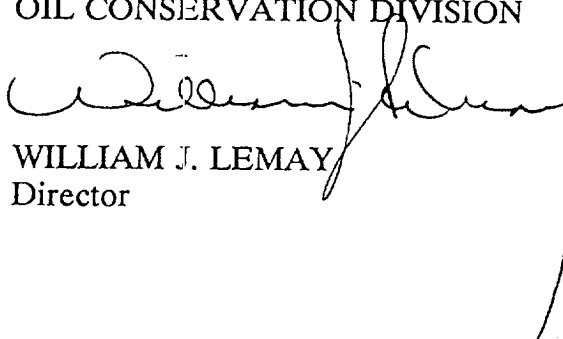
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The N/2 NE/4 of said Section 5 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

(5) Jurisdiction of this cause is 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington