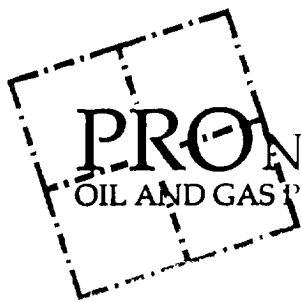




NEW MEXICO INC.
OIL AND GAS PRODUCTION AND PROPERTIES

CONFIRMATION COPY OF FACSIMILE

VIA TELEFAX
(505) 599-8998

JAN 23 1996
OIL CON. DIV.
BUREAU OF LAND MGMT.

January 24, 1996

Mr. Ken Townsend
Drilling & Production Technical Advisor
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

RE: Basin Dakota 24B Com 1
Section 24, T25N, R11W
San Juan County, New Mexico

Dear Mr. Townsend:

Pro New Mexico has just discovered that Giant Exploration & Production Company has obtained a permit to drill a Basin Dakota well in the NE/4, Section 24, T25N, R11W, San Juan County, New Mexico. The application was designated by Giant as "confidential".

Our company holds oil and gas leases on the W/2 and SE/4 of that Section 24. Ostensibly Giant is attempting to include our leasehold in the SE/4 as part of the necessary 320 acres for dedication to the proposed Dakota well. This action has been taken without any effort to communitize the E/2 of Section 24; indeed, without even notifying Pro New Mexico.

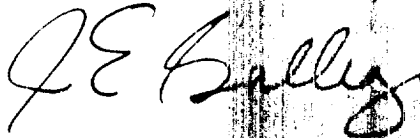
Giant's filing with the Bureau of Land Management and New Mexico Oil Conservation Division is incomplete in that it does not designate the lease numbers or leasehold interests. It intentionally misrepresents that Giant controls the proration unit acreage on the dedication plat, fails to conform to the requirements of Rule 1102 of the Oil Conservation Commission and violates the instructions on the Form C-102.

Ken Townsend
Bureau of Land Management
Page 2
January 24, 1996

Pro New Mexico opposes the drilling of the subject well. Pro New Mexico asks that the subject Permit (copy enclosed for your reference) be revoked or, at least, suspended, until this matter can be decided by formal hearing before the NMOCD.

Very truly yours,

PRO NEW MEXICO, INC.

By 

J. E. Gallegos
President

cc(via telefax):

John Corbett, Vice President Operations, Giant
William LeMay, Director, NMOCD
Frank Chavez, District Supervisor, NMOCD

BUREAU OF LAND MANAGEMENT

NM-96042

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

A. TYPE OF WORK

DRILL ☒DEEPEN ☐

B. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐SINGLE ZONE ☒MULTIPLE ZONE ☐

C. NAME OF OPERATOR

Giant Exploration & Production Company (505) 326-3325

D. ADDRESS AND TELEPHONE NO.

P.O. Box 2810, Farmington, NM 87499

E. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

850' FNL & 1700' FEL

At proposed prod. zone

Same

CONFIDENTIAL

F. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 air miles S of Bloomfield, NM

G. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)

850'

H. NO. OF ACRES IN LEASE

160

I. NO. OF ACRES ASSIGNED TO THIS WELL

320

J. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

N/A

K. PROPOSED DEPTH

6,200'

L. ROTARY OR CABLE TOOLS

Rotary

M. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,480' ungraded ground

N. APPROX. DATE WORK WILL START*

Feb. 15, 1996

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24# (J-55)	320'	~325 sx and to surface
7-7/8"	4-1/2"	10.5# (K-55)	6,200'	~720 sx and to surface

WILL COMMUNITIZE WITH SE4.

CONFIDENTIAL

PLEASE KEEP CONFIDENTIAL. PLEASE KEEP CONFIDENTIAL. PLEASE KEEP CONFIDENTIAL. PLEASE KEEP CONFIDENTIAL.

RECEIVED
JAN 12 1996
BLM/HILL
55 DEC 12 PM 12:28
UFO INFORMATION, NM

cc: BLM (3+2 for OCL)

ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or open directionally, give pertinent data on subsurface location and measured and true vertical depths. Give blowout preventer program, if any.

APPROVED

Area Engineer

12-5-95

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would be transferred thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

DISTRICT MANAGER

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED
SURVEILLANCE ROOM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 26 645 2643	Pool Code 71599	Pool Name C/O BASIN DAKOTA, NM
Property Code 18320	Property Name BASIN DAKOTA 243 COM	Well Number 243 COM #1
OCUID No. 18320	Operator Name GIANT EXPLORATION AND PRODUCTION	Elevation 6480

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25N	11W		850	NORTH	1700	EAST	SAN JUAN

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acre 3.10	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N 89° 52' 00" E 2630.76	N 89° 48' 00" E 2638.68	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Printed Name Gregory E. McIntosh Title Area Engineer Date December 5, 1995	
			18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge. November 12, 1995 Date of Survey Signature Cecil B. Tullis Certificate Number 9672
N 89° 51' 00" W 26622.84	N 89° 59' 00" W 2632.74		

