

Ernie Busch

From: Ernie Busch
To: Mike Stogner
Subject: GIANT SOUTH BISTI 32G #1 (NSL)
Date: Tuesday, July 25, 1995 10:49AM
Priority: High

SOUTH BISTI 32G #1
2310' FNL; 2310' FEL
G-32-26N-13W
RECOMMEND: APPROVAL



P.O. Box 2810
Farmington, New Mexico
87499

505
326-3325

June 29, 1995

Mr. William J. LeMay
Division Director
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

RECEIVED
JUL - 3 1995
OIL CON. DIV.
DIST. 3

Subject: South Bisti 32G Well No. 1
2310' FNL, 2310' FEL
Sec. 32, T26N, R13W
San Juan County, New Mexico

Dear Mr. LeMay,

Giant Exploration & Production Company requests administrative approval from the New Mexico Oil Conservation Division for an unorthodox location for the subject well. This well is currently shut in due to uneconomic producing rates from the First South Bisti Sand of the Bisti Lower Gallup field. Giant Exploration & Production intends to recomplete this well in the Fruitland Coal formation. The proposed proration dedication for this well would be the 320 acres of the East Half (E/2). However, due to the location of the existing wellbore, this well would fall in an unorthodox location for a Fruitland Coal gas well.

The option of recompleting this well in the Fruitland Coal formation would be the most economical. Log analysis of the coal in this area indicates that decent potential exists for commercial gas rates from the Fruitland. Recompletion of the existing wellbore would be in the best interest of conservation.

Giant Exploration & Production Company is the lessee for all of Section 32. All offset leases are Federal and would carry the same royalty rate. Therefore, correlative rights would be protected. Notification was given to the Bureau of Land Management for informational purposes and no objection was received for the subject well and proposed action.

If you have any further questions or need any more information, please do not hesitate to call me at (505)326-3325.

Sincerely,

Paul R. Williams
Area Engineer

Enclosure

cc: NMOCD, Aztec

