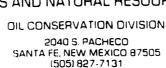


STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT



July 27, 1995

Giant Exploration & Production Company P. O. Box 2810 Farmington, New Mexico 87499

Attention: Gregory E. McIntosh, P.E.

NEBU#52 T-10-30-16

Administrative Order NSL-3549

Dear Mr. McIntosh:

Reference is made to your application dated June 14, 1995, for five unorthodox oil well locations for the purpose of completing an efficient injection/production pattern within your Northeast Hogback Waterflood Project Area, established by Division Order No. R-2026, dated July 13, 1961 and amended by Order No. R-6172 dated November 2, 1979.

These five wells are to be located in Township 30 North, Range 16 West, NMPM, Horseshoe-Gallup Oil Pool, Northeast Hogback Unit Area, San Juan County, New Mexico as further described in Exhibit "A" of this order.

By the authority granted me under the provisions of General Rule 104 F.(1), the unorthodox oil well locations herein are hereby approved.

Sincerely,

William J. LeMa

Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec

U.S. Bureau of Land Management - Farmington

Exhibit "A" Division Administrative Order NSL-3549

Giant Exploration & Production Company Northeast Hogback Waterflood Project Township 30 North, Range 16 West, NMPM San Juan County, New Mexico

Well No.	Footage Location	Section	Unit	Dedicated 40-Acre Tract
52	2180' FSL - 1040' FEL	10	I	NE/4 SE/4
53	1350' FSL - 1120' FEL	10	i, I '-	NE/4 SE/4
55	300' FNL - 1050' FWL	14	D	NW/4 NW/4
56	1570' FSL - 2090' FWL	11	K	NW/4 SW/4
57	1300' FNL - 375' FEL	10	A	NE/4 NE/4