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April 18, 1994

State of New Mexico
Energy, Minerals & Natural Resources Dept.
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Attn: William J. Lemay, Director

Re: Application for Compulsory Pooling
Giant Exploration & Production Company
San Juan County, New Mexico

Gentlemen:

Please consider this letter the formal application of Giant Exploration & Production Company for an Order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 28, Township 26 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, forming a standard 320.00 acre coal gas spacing and proration unit for said pool, to be dedicated to the Buena Suerte 28-M #1 Well which has been drilled and completed at a standard coal gas well location 795' FSL and 1210' FWL of said Section 28.


Giant Exploration & Production Company requests that the Order designate Giant Exploration & Production Company as the Operator of the well and that it provide for the recovery by the joining working interest owners of the costs of drilling, completing, equipping and operating the well, together with a reasonable charge for risk involved in drilling the well. In addition, Giant Exploration & Production Company requests that the Order establish a reasonable charge for the supervision of the well during the drilling and production stages.

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Please place this application on the May 12, 1994 Examiner Hearing Docket. Please advise should you require any additional information.

Sincerely,



TOMMY ROBERTS
Attorney for Giant Exploration & Production Company

TR:nk

cc: SUPERVISOR - DISTRICT III OFFICE
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Steven K. Smith, Senior Landman
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