

LAW OFFICES

TANSEY, ROSEBROUGH, GERDING & STROTHER, P.C.

RECEIVED
OIL CONSERVATION DIVISION

621 WEST ARRINGTON
FARMINGTON, NEW MEXICO 87401

TELEPHONE: (505) 325-1801

OF COUNSEL
Charles M. Tansey

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TELECOPIER:
(505) 325-4675

Douglas A. Echols
Richard L. Gerding
Randall T. Holmes
Connie R. Martin
Michael T. O'Loughlin
James B. Payne
Tommy Roberts
Haskell D. Rosebrough
Robin D. Strother

Mailing Address:
P. O. Box 1020
Farmington, N.M. 87499

October 23, 1990

State of New Mexico
Energy, Minerals & Natural Resources Department
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501-2088

10146

Attn: William J. LeMay, Director

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

Gentlemen:

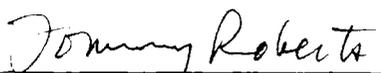
Please consider this letter the formal application of Giant Exploration & Production Company for an order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 1 and 2, S/2NE/4 and SE/4 (E/2 equivalent) of Section 5, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, forming a standard 319.92 acre coal gas spacing and proration unit for said pool, to be dedicated to its Bisti Coal 5 Com No. 1 Well to be drilled at a standard coal gas well location 850' FNL and 1630' FEL (Unit B) of said Section 5. Giant Exploration & Production Company requests that such order designate Giant Exploration & Production Company as the Operator of the proposed well and that it provide for the recovery by Giant Exploration & Production Company and other joining parties of the costs of drilling, completing, equipping and operating the proposed well, together with a reasonable charge for risk involved in drilling the well. In addition, Giant Exploration & Production Company requests that such 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 November 14, 1990 Examiner Hearing Docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

Sincerely,

TANSEY, ROSEBROUGH, GERDING
& STROTHER, P.C.



TOMMY ROBERTS, Attorney
for Giant Exploration & Production Company

TR:nk

c: Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

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