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GIANT EXPLORATION & PRODUCTION COMPANY

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Post Office Box 2810
Farmington, New Mexico
87499-2810

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April 28, 1995

Mr. Ken Townsend
Chief, Branch of Drilling and Production
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Dear Mr. Townsend,

This letter is in reference to your notice dated April 25, 1995 regarding (10) wells located in San Juan County, New Mexico. Four of the wells in question (CBU #WI-3, #WI-4, #WI-13, and #WI-78) are water injectors in Giant's existing Central Bisti Unit waterflood project. Due to recent work on other injection wells and injection flowlines in the field, the injection pressure is down from pressures which were experienced in early 1994 (the last time these wells had water injection). These wells are open to the system and are capable of taking water. Due to the changing quality of the reservoir in each wellbore, some wells will take water at lower pressures due to higher porosity and permeability values. For the four wells in question, the injection pressure would need to approach 750 psi before they will take water. The current average injection pressure is 500 psi. These wells have current Mechanical Integrity Tests (MITs).

Review of the remaining six wells on your notice (CBU #13, #37, #52, #73, #WI-5, and #WI-54) has indicated that these wells have suffered failures and were temporarily shut-in after the Five Year Plan of Development was established. These wells will be included in the Five Year Plan of Development which has been expanded (please refer to the attached list of wells).

Again, I would like to bring to your attention that although work has been slow in completing the list of wells on the Plan of Development for the Central Bisti and Carson Units, Giant Exploration & Production Company has not ignored its obligation to bring its shut-in wells to regulatory compliance. During 1994, Giant plug and abandoned 5 wells in San Juan County, Utah. Additionally, 10 Fruitland Coal wells and 2 Dakota wells were plugged in the vicinity of the Central Bisti and Carson Units. Every reasonable effort is being made to complete all of Giant's wells in a timely manner.

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

Sincerely,

Jeffrey R. Vaughan

APPROVED
MAY 04 1995
DISTRICT MANAGER

Enclosure
JRV:prw

NMOCD

Giant Exploration & Production Company
Plan of Development
Carson/Central Bisti Units

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	5 Year Plan	Well	Action
1	1993	†CBU #60	Return to Production
2	1993	†CBU #70	Return to Production
3	1993	†CU #14-14	Return to Production
4	1993	†CU #21-19	Return to Production
5	1993	†CU #42-13	Return to Production
6	1993	†CU #43-13	Return to Production
7	1993	†CBU #51	P & A
8	1993	†CBU #WS-3	P & A
9	1993	†CU #1-17	P & A
10	1993	†CU #23-18	P & A
11	1993	†CU #34-24	P & A
12	1993	†CU #41-19	P & A
13	1993	†CBU #77	Convert to Injection
14	1993	†CU #23-13	Convert to Injection
15	1993	†CU #33-13	Convert to Injection
16	1993	†CU #44-13	Convert to Injection
17	1994	†CBU #40	Return to Production
18	1994	†CBU #46	Return to Production
19	1994	†CBU #61	Return to Production
20	1994	†CBU #65	Return to Production
21	1994	†CU #32-17	Return to Production
22	1994	†CBU #WI-63	Convert to Injection
23	1995	CBU #11	Return to Production
24	1995	CBU #13	Return to Production
25	1995	CBU #16	Return to Production
26	1995	CBU #22	Return to Production
27	1995	CBU #52	Return to Production
28	1995	CBU #80	Return to Production
29	1995	CU #23-19	Return to Production
30	1995	CU #33-15	Return to Production
31	1995	CU #43-15	Return to Production
32	1995	CU #43-17	Return to Production
33	1995	CU #44-10	Return to Production
34	1995	CBU #26	Convert to Injection
35	1995	CBU #27	Convert to Injection
36	1995	CBU #29	Convert to Injection
37	1995	CBU #72	Convert to Injection
38	1995	CBU #WI-2	Convert to Injection
39	1995	CBU #WI-54	Convert to Injection
40	1995	CU #24-10	Convert to Injection
41	1995	CU #24-13	Convert to Injection
42	1995	CU #34-18	Convert to Injection
43	1996	CBU #1	Return to Production
44	1996	CBU #12	Return to Production
45	1996	CBU #25	Return to Production
46	1996	CBU #37	Return to Production
47	1996	CBU #73	Return to Production
48	1996	CU #12-18	Return to Production
49	1996	CU #21-13	Return to Production
50	1996	CU #21-14	Return to Production
51	1996	CU #31-13	Return to Production
52	1996	CU #34-14	Return to Production
53	1996	CU #34-19	Return to Production
54	1996	CU #42-14	Return to Production
55	1996	CBU #35	Convert to Injection
56	1996	CBU #36	Convert to Injection
57	1996	CBU #WI-5	Convert to Injection
58	1996	CBU #WI-21	Convert to Injection
59	1996	CU #11-14	Convert to Injection
60	1996	CU #31-15	Convert to Injection
61	1996	CU #32-15	Convert to Injection
62	1996	CU #33-14	Convert to Injection
63	1996	CU #34-10	Convert to Injection

†Projects which are completed.

Rev. 4/28/95