



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 27, 1995

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

Attention: Paul R. Williams

Administrative Order NSL-3548

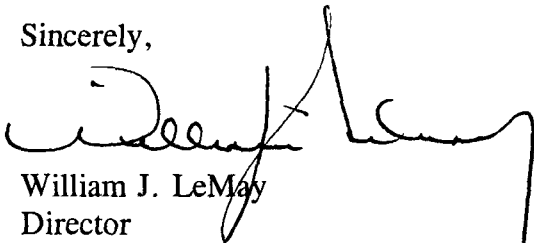
Dear Mr. Williams:

Reference is made to your application dated June 29, 1995 for a non-standard Basin-Fruitland coal gas well location for your existing South Bisti "32-G" Well No. 1 (API No. 30-045-28484) which was drilled in January, 1991 and completed in the Bisti Lower Gallup Oil Pool at a standard oil well location 2310 feet from the North and East lines (Unit G) of Section 32, Township 26 North, Range 13, West, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup oil zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division order No. R-8768, as amended, is unorthodox. Further, the E/2 of said Section 32 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington