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November 12, 1992

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

10630

Attn: William J. Lemay, Director

Re: Application for Compulsory Pooling
Giant Exploration & Production Company
E/2 of Section 22, Township 25 North, Range 13 West,
N.M.P.M., 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 E/2 of Section 22, Township 25 North, Range 13 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 West Bisti Coal 22 Com No. 1 Well to be drilled at a standard coal gas well location 1,250 feet from the North line and 1,850 feet from the East line of said Section 22. 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 the joining working interest owners 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 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 December 17, 1992 docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

Sincerely,



Tommy Roberts, Attorney
for Giant Exploration &
Production Company

TR:mkc

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

cc: Charles O. Foster
Giant Exploration & Production Company
P.O. Box 2810
Farmington, New Mexico 87499