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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

Attn: William J. LeMay, Director

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

Gentlemen:

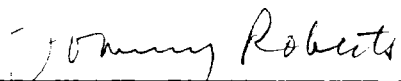
Please consider this letter the formal application of Giant Exploration & Production Company for an order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 15, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, forming a standard 320 acre coal gas spacing and proration unit for said pool, to be dedicated to its Carson Unit 323-15 Well which has been drilled at a standard coal gas well location 1610' FSL and 1560' FWL (Unit K) of said Section 15. Giant Exploration & Production Company requests that such order designate Giant Exploration & Production Company as the Operator of said 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 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

Giant

Underlying the W/2, Section
15, Township 25 North,
Range 12 West

San Juan

320-acre coal gas spacing
& proration unit.

dedicated - Carson Unit
323-15 Well which has
been drilled at a standard
coal gas well location
1650 ft - SL
1560 ft - WL
Sec. 15

called - J. Roberts
10 23-90