

LAW OFFICES

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

621 WEST ARRINGTON
FARMINGTON, NEW MEXICO 87401
TELEPHONE: (505) 325-1801

OF COUNSEL
Charles M. Tansey

Douglas A. Echols
Richard L. Gerding
Michael T. O'Loughlin
James B. Payne
Tommy Roberts
Haskell D. Rosebrough
Robin D. Strother
Karen L. Townsend

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TELECOPIER:
(505) 325-4675

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

August 20, 1993

Case 10812

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

Attn: William J. Lemay, Director

Re: Application of Giant Exploration & Production Company for Compulsory Pooling
Buena Suerte 33-G Com No. 1 Well
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 from the surface of the earth to the base of the Basin-Fruitland Coal (Gas) formation underlying the N/2 of Section 33, Township 26 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, forming a standard 320-acre coal gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Basin-Fruitland Coal (Gas) Pool. The spacing and proration unit will be dedicated to the Giant Exploration & Production Company Buena Suerte 33-G Com No. 1 Well to be drilled at a standard coal gas well location 1675 feet from the North line and 2230 feet from the East line of said Section 33.

Giant Exploration & Production Company requests that such order designate Giant as the operator of the proposed well, and that it provide for the recovery by Giant 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 requests that such order establish a reasonable charge for the supervision of the well during the drilling and production stages.

By telephone communication on August 17, 1993, this application was verbally transmitted to Florene Davidson in the Oil Conservation Division Office, with the request that it be placed on the September 9, 1993 Examiner Hearing docket. My client now requests that the hearing on this application be continued to the September 23, 1993 Examiner Hearing docket.

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

Charles Orin Foster, Vice President
Giant Exploration & Production Company
P.O. Box 2810
Farmington, New Mexico 87499