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August 20, 1993

Case 10833

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 Authority to Drill Infill
Well and for Unorthodox Coal Gas Well Location
Frank Foster No. 2 Well
San Juan County, New Mexico

Gentlemen:

Please consider this letter the formal application of Giant Exploration & Production Company for an exception to the requirements of Rule No. (4) of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by Division Order No. R-8768, as amended, to allow the drilling of a second well on a standard 320-acre spacing and proration unit.

Specifically, Giant seeks an order of the New Mexico Oil Conservation Division allowing the drilling of a second coal gas well in the E/2 of Section 29, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, at a location 1850 feet from the South line and 790 feet from the East line of said Section 29.

In addition, inasmuch as the proposed location for said second well is unorthodox, Giant Exploration & Production Company hereby applies for an order of the New Mexico Oil

Conservation Division approving an unorthodox coal gas well location for said well.

Please place this application on the September 23, 1993 Examiner Hearing docket. Please advise should you require any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Tommy Roberts".

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
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