LAW OFFICES

TANSEY, ROSEBROUGH, GERDING & STROTHER ARE ERECT ON DIVISION

621 WEST ARRINGTON
FARMINGTON, NEW MEXICO 87401

RECEIVED

OF COUNSEL Charles M. Tansey

Douglas A. Echols Richard L. Gerding Connie R. Martin Michael T. O'Loughlin James B. Payne

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October 2, 1992

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

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

10578

Attn: William J. Lemay, Director

Re: Applications for Compulsory Pooling

SG Interests I, Ltd.

San Juan County, New Mexico

Gentlemen:

Enclosed please find Applications for Compulsory Pooling filed on behalf of SG Interests I, Ltd. for the following lands, all located in San Juan County, New Mexico:

- 1) N/2 of Section 2, Township 29 North, Range 9 West
- 2) S/Z of Section 2, Township 29 North, Range 9 West
- 3) S/2 of S/2 of Section 19 and N/2 of Section 30, Township 29 North, Range 9 West
- 4) E/2 of Section 15, Township 29 North, Range 10 West
- 5) N/2 of Section 21, Township 29 North, Range 10 West
- 6) S/2 of Section 22, Township 29 North, Range 10 West
- 7) E/2 of Section 27, Township 29 North, Range 10 West
- 8) E/2 of Section 31, Township 29 North, Range 10 West
- 9) W/2 of Section 26, Township 29 North, Range 11 West
- 10) E/2 of Section 30, Township 30 North, Range 8 West

State of New Mexico Oil Conservation Division Page 2 October 2, 1992

- 11) S/2 of Section 17, Township 30 North, Range 9 West
- 12) E/2 of Section 18, Township 30 North, Range 9 West
- 13) S/2 of Section 25, Township 30 North, Range 9 West
- 14) N/2 of Section 25, Township 30 North, Range 9 West

Please place these applications on the October 29th, 1992 docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

Sincerely,

Tommy Roberts,

Attorney for

SG Interests I, Ltd.

TR:tlm

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

cc: James B. Fullerton,
Consulting Landman on behalf
of SG Interests I, Ltd.
1645 Court Place, Suite 406
Denver, Colorado 80202

LAW OFFICES

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

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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

Case 10578

Attn: William J. Lemay, Director

Re: Application for Compulsory Pooling
SG Interests I, Ltd.
S/2 of Section 2, Township 29 North, Range 9 West
San Juan County, New Mexico

Gentlemen:

Please consider this letter the formal application of SG Interests I, Ltd. for an order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Section 2, Township 29 North, Range 9 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 its State 29-9-2 #2 Well to be drilled at a standard coal gas well location 1,725 feet from the south line and 1,190 feet from the west line of said Section 2. Interests I, Ltd. requests that such order designate SG Interests I, Ltd. as the operator of the proposed well, and that it provide for the recovery by the joining working interest owners of the cost of drilling, completing, equipping and operating the proposed well, together with a reasonable charge for risk involved in drilling the well. In addition, SG Interests I, Ltd. requests that the order establish a reasonable charge for the supervision of the well during the drilling and production stages.

State of New Mexico
Oil Conservation Division
Page 2
October 2, 1992

Please place this application on the October 29th, 1992 docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

Sincerely,

Tommy Roberts,
Attorney for

SG Interests I, Ltd.

TR:tlm

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

cc: James B. Fullerton,
 Consulting Landman on behalf
 of SG Interests I, Ltd.
 1645 Court Place, Suite 406
 Denver, Colorado 80202