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October 2, 1992

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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 10580

Attn: William J. Lemay, Director

Re: Application for Compulsory Pooling
SG Interests I, Ltd.
E/2 of Section 15, Township 29 North, Range 10 West
San Juan County, New Mexico

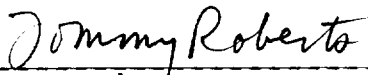
Gentlemen:

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 E/2 of Section 15, Township 29 North, Range 10 West, N.M.P.M., San Juan County, New Mexico, forming an approved non-standard 319.62 acre coal gas spacing and proration unit for said pool, ~~and dedicated to a well, not yet named, to be drilled at the~~ **coal gas well location in the NE/4 of said Section 15.** SG 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.

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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,
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of SG Interests I, Ltd.
1645 Court Place, Suite 406
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