LAW OFFICES

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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

10585

Attn: William J. Lemay, Director

Applications for Compulsory Pooling Re: SG Interests I, Ltd.

San Juan County, New Mexico

Gentlemen:

OF COUNSEL

Charles M. Tansey

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

Tommy Roberts

Robin D. Strother Karen L. Townsend

Haskell D. Rosebrough

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:

- N/2 of Section 2, Township 29 North, Range 9 West 1)
- 2) S/2 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
- W/2 of Section 26, Township 29 North, Range 11 West 9)
- E/2 of Section 30, Township 30 North, Range 8 West 10)

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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OF COUNSEL Charles M. Tansey

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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 10585

Attn: William J. Lemay, Director

Re: Application for Compulsory Pooling

SG Interests I, Ltd.

W/2 of Section 26, Township 29 North, Range 11 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 W/2 of Section 26, Township 29 North, Range 11 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 a well, not yet named, the cated at a standard coal das legislation 790 feet from the south line and 1,620 the the west line of said Section 26. 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.

Jommy Roberts

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