



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



May 3, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

SG Interests I, Ltd.
c/o Walsh Engineering & Production Co.
204 N. Auburn
Farmington, NM 87401

Attention: Paul C. Thompson

Administrative Order NSL-3234

Dear Mr. Thompson:

Reference is made to your application on behalf of SG Interests I, Ltd. dated March 29, 1993 for a non-standard coal gas well location for the Trujillo 29-10-21 Well No. 2 which was drilled in November 1992 and located 1165 feet from the South line and 645 feet from the West line (Unit M) of Section 21, Township 29 North, Range 10 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico. The S/2 of said Section 21 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
W. Thomas Kellahin - Farmington
File: Case No. 10610
NGPA Section 107 Application