



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

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AUG 30 1995
OIL CON. DIV.
DIST. 3

August 28, 1995

SG Interests I, Ltd.
c/o Walsh Engineering & Production Corporation
204 N. Auburn
Farmington, NM 87401
Attention: Paul C. Thompson, P.E.

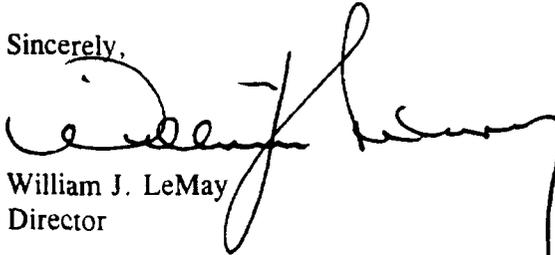
Administrative Order NSL-3572 (NSP)

Dear Mr. Thompson:

Reference is made to your application dated March 10, 1993 for a non-standard coal gas well location for your Florance Gas Com "H" Well No. 1 which was drilled in November 1992 2160 feet from the South line and 410 feet from the West line (Unit K) of irregular Section 30, Township 30 North, Range 9 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. Lots 1 through 4 and the E/2 W/2 of said Section 30 shall be dedicated to the well forming a non-standard 207.84-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rules 8 and 6 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 and non-standard gas spacing and proration unit are hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington