



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



BRUCE KING
GOVERNOR

October 1, 1992

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

ANITA LOCKWOOD
CABINET SECRETARY

SG Interests I. Ltd.
c/o Maralex Resources, Inc.
P.O. Box 421
Blanco, New Mexico 87412

Attention: A.M. O'Hare

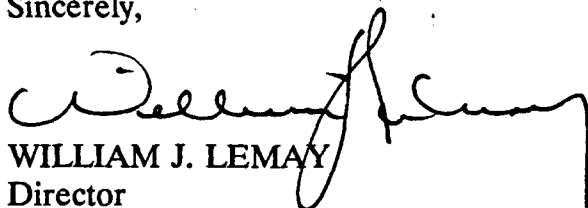
Administrative Order NSL-3173

Dear Mr. O'Hare:

Reference is made to your application on behalf of the operator SG Interests I. Ltd., by letter dated September 10, 1992 for a non-standard coal gas well location for the Archunde 29-10-24 Well No. 1 to be located 1030 feet from the North line and 640 feet from the East line (Unit A) of Section 24, Township 29 North, Range 10 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The N/2 of said Section 24 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

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/jc

cc: Oil Conservation Division - Aztec
NMSLO - Santa Fe