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October 8, 1992

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

Attn: William J. Lemay, Director

Re: Application of SG Interests I, Ltd. for Compulsory  
Pooling, San Juan County, New Mexico.  
Case No. 10567

Dear Mr. Lemay:

Enclosed please find Applicant's Pre-hearing Statement  
in the above-referenced matter.

Sincerely,

*Tommy Roberts*

Tommy Roberts

TR:mkc

Encl.

cc: Richard T. C. Tully, Esq.  
John McKenzie  
Don Moris Davis  
Tommy Key

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

RECEIVED

OCT 13 1992

OIL CONSERVATION DIVISION CASE NO. 10567

APPLICATION OF SG INTERESTS  
I, LTD. FOR COMPULSORY  
POOLING, SAN JUAN COUNTY,  
NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by SG Interests  
I, Ltd. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

SG INTERESTS I, LTD.

811 Dallas, Suite 1505

Houston, Texas 77002

713/951-0100

name, address, phone  
and contact person

ATTORNEY

Tommy Roberts

P.O. Box 1020

Farmington, NM 87499

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OPPOSITION OR OTHER PARTY

Milton F. Lechner and

Dorothy M. Lechner, Trustees

P.O. Box 34

Bloomfield, NM 87413

ATTORNEY

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c/o Don Henderson

6220 N.W. 83rd Street

Oklahoma City, OK 63132

Don Moris Davis

Not Known

c/o Texas Southwest Property

P.O. Box 163622

Austin, Texas 76716-3622

Tommy Key

Not Known

c/o Keys Ranch

Avery, Texas 75554

name, address, phone  
and contact person

**STATEMENT OF CASE**

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 3 and 4, the E/2SW/4 and the SE/4 (S/2 equivalent) of Section 30, Township 29 North, Range 10 West, forming a 319.80-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east-southeast of Bloomfield, New Mexico.

OPPOSITION OR OTHER PARTY

(Please made a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT APPLICABLE

PROPOSED EVIDENCE

APPLICANT

	WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
1)	James B. Fullerton Landman	20 min.	Land & ownership plats, correspondence, and others as deemed necessary
2)	Mickey O'Hare Petroleum Engineer	20 min.	Authority for Expenditure, Operating Agreement, exhibits applicable to the issue of risk, and others as deemed necessary

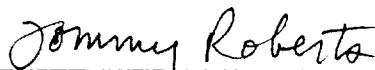
OPPOSITION

	WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
NOT APPLICABLE			

Pre-hearing Statement  
NMOCD Case No. 10567  
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PROCEDURAL MATTERS  
(Please identify any procedural matters which  
need to be resolved prior to the hearing)

NONE

  
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TOMMY ROBERTS, Attorney for  
SG Interests I, Ltd.

Dated: October 8, 1992