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November 12, 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. 10609

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: Frederick L. Lilly, Jr.

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:

CASE NO. 10609

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

ATTORNEY

SG INTERESTS I, LTD.

Tommy Roberts

811 Dallas, Suite 1505

P.O. Box 1020

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Farmington, NM 87499

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name, address, phone  
and contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

Frederick L. Lilly, Jr.

Unknown

2895 Brighton Road

Shaker Heights, OH 44120

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 the N/2 of Section 24, Township 29 North, Range 10 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. Said unit is to be dedicated to its Archunde 29-10-24 Well No. 1 which was recently drilled at a previously approved unorthodox coal gas well location 1,030 feet from the North line and 640 feet from the East line (Unit A) of said Section 24 (Division Administrative Order NSL-3173). 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.

OPPOSITION OR OTHER PARTY

(Please make 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 other as deemed necessary

OPPOSITION

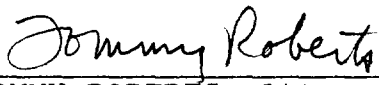
	WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
NOT APPLICABLE			

Pre-hearing Statement  
NMOCD Case No. 10609  
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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: November 11, 1992