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Mailing Address: P. O. Box 1020 Farmington, N.M. 87499

October 26, 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 for Compulsory Pooling
SG Interests I, Ltd.
S/2 of Section 21, Township 29 North, Range 10 West,
N.M.P.M., San Juan County, New Mexico

Gentlemen:

Please consider this letter the formal application of SG Interests I, Ltd. for an order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Section 21, 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, to be dedicated to its Trujillo 29-10-21 #2 Well to be drilled at a standard coal gas well location 1,165 feet from the South line and 645 feet from the West line of said Section 21. SG Interests I, Ltd. requests that such order designate SG Interests I, Ltd. as the operator of the proposed well, and that it provide for the recovery by the joining working interest owners of the cost of drilling, completing, equipping and operating the proposed well, together with a reasonable charge for risk involved in drilling the well. In addition, SG Interests I, Ltd. requests that the order establish a reasonable charge for the supervision of the well during the drilling and production stages.

State of New Mexico Oil Conservation Division Page 2 October 26, 1992

Please place this application on the November 19, 1992 docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

Sincerely,

Tommy Roberts,

Attorney for

SG Interests I, Ltd.

Journy Roberto

TR:mkc

Cc: Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

cc: James B. Fullerton,
 Consulting Landman on behalf
 of SG Interests I, Ltd.
 1645 Court Place, Suite 406
 Denver, Colorado 80202

Called in by Jansy Law Herm

Memo Florene Davidson

OC Staff Specialist

Jo November 19, 1992

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Compulsory Pooling

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Oil Conservation Division Santa Fe, New Mexico 87504-2088 827-5802

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October 26, 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: Applications for Compulsory Pooling

SG Interests I, Ltd.

San Juan County, New Mexico

Gentlemen:

Enclosed please find Applications for Compulsory Pooling filed on behalf of SG Interests I, Ltd. for the following lands, all located in San Juan County, New Mexico:

- 1) N/2 of Section 24, Township 29 North, Range 10 West
- 2) W/2 of Section 28, Township 29 North, Range 10 West
- 3) N/2 and N/2S/2 of Section 19, Township 29 North, Range 9 West
- 4) S/2 of Section 21, Township 29 North, Range 10 West

Please place these applications on the November 19, 1992 docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

Sincerely,

Tommy Roberts, Attorney for

SG Interests I, Ltd.

Muny Roberts

State of New Mexico Oil Conservation Division Page 2 October 26, 1992

TR:mkc

cc: Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

cc: James B. Fullerton,
 Consulting Landman on behalf
 of SG Interests I, Ltd.
 1645 Court Place, Suite 406
 Denver, Colorado 80202

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