10610

#### LAW OFFICES

### TANSEY, ROSEBROUGH, GERDING & STROTHER, 400 SERVING ON DIVISION RECE VED

**621 WEST ARRINGTON** 

FARMINGTON, NEW MEXICO 87401 TELEPHONE: (505) 325-1801

'92 NO 75 AM 9

OF COUNSEL Charles M. Tansey

Douglas A. Echols Richard L. Gerding Connie R. Martin Michael T. O'Loughlin James B. Payne Tommy Roberts Haskell D. Rosebrough Robin D. Strother Karen L. Townsend

TELECOPIER: (505) 325-4675

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

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

M5. Case 10610

Attn: William J. Lemay, Director

Application of SG Interests I, Ltd. for Compulsory

Pooling, San Juan County, New Mexico

Case No. 10610

Dear Mr. Lemay:

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

Sincerely,

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. 10610

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        |
| Houston, Texas 77002                    | Farmington, NM 87499 |
| 713/951-0100                            | 505/325-1801         |
| 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 |                      |

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#### 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 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. Said unit is to be dedicated to its Trujillo 29-10-21 #2 Well which was recently drilled at a location 1,165 feet from the South line and 645 feet from the West line (Unit M) of said Section 21. 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 made a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT APPLICABLE

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#### PROPOSED EVIDENCE

### APPLICANT

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

#### OPPOSITION

WITNESSES EST. TIME EXHIBITS (Name and expertise)

NOT APPLICABLE

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# PROCEDURAL MATTERS (Please identify any procedural matters which need to be resolved prior to the hearing)

NONE

TOMMY ROBERTS, Attorney for

Jommy Roberts

SG Interests I, Ltd.

Dated: November 12, 1992