

**Application of SG Interests I, Ltd. for
compulsory pooling, San Juan County,
New Mexico.**

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Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the [redacted] of Section [redacted], Township [redacted] North, Range [redacted] West, forming a standard 320.00-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 [redacted]. 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 [redacted] miles ^{southeast by east} ~~east by south~~ of Bloomfield, New Mexico.

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November 4, 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 20, Township 28 North, Range 8 West, N.M.P.M.,
San Juan County, New Mexico

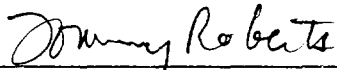
Gentlemen:

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 20, Township 28 North, Range 8 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 a well, as yet unnamed, to be drilled at a standard coal gas well location in the SW/4 of said Section 20. 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.

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Oil Conservation Division
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Please place this application on the December 3, 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.

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

SECTION 20

TOWNSHIP 28 North

RANGE 8 West