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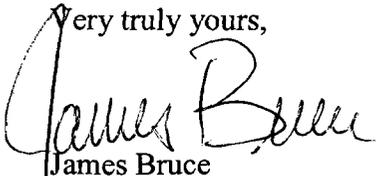
David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 13,663/Synergy Operating, LLC/W½ §8-29N-11W

Dear Mr. Catanach:

This letter responds to one point of the Smith/Robbins Post-Hearing Memorandum, submitted on July 6th. At the bottom of page 2, reference is made to a "pending motion for reconsideration" of Commission Order No. R-12376-C (pooling the first well in this well unit and designating Synergy as operator). That motion for reconsideration was filed by Smith/Robbins in March 2006. Under NMSA 1978 §70-2-25.A, if the Commission does not act upon the motion within 10 days of filing it is considered denied. The Commission never acted upon the motion, it was considered denied several months ago, and the Commission's order was not appealed to District Court. Therefore, Order No. R-12376-C is final and unappealable.

Very truly yours,


James Bruce

Attorney for Synergy Operating, LLC

cc: Counsel of record