ALSO ADMITTED IN ARIZONA

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September 14, 1993

Mr. William J. LeMay Chairman New Mexico Oil Conservation Commission P.O. Box 2088 Santa Fe, NM 87504-2088

Re: Application of Pronghorn SWD System for Salt Water Disposal - Case No. 10693 De Novo

Dear Mr. LeMay:

The above matter is presently set for hearing before the New Mexico Oil Conservation Commission on September 22, 1993. Since a request is to be made of the Los Alamos National Laboratory for review of the scientific study performed by Pronghorn of salt water disposal into the Capitan Reef, and since it is unknown how long this review will take, it does not appear that it would be in the best interests of either the State or Pronghorn to proceed with the hearing, at this time.

Pronghorn requests that this matter be continued indefinitely on the Commission's docket until such time as the results of the LANL review are available. We hope to receive the necessary data from LANL in a timely fashion, so that this case can then proceed to hearing.

By copy of this letter, I am informing Robert Stovall, counsel for the New Mexico Oil Conservation Division, of this request. I am also sending a copy to Ann Finley Wright, attorney with the State Engineer Office. Even though the State Engineer is not a party to the case, employees of that agency were scheduled to testify, and Ms. Wright has been asked to provide certain data to us in anticipation of the hearing.

Sincerély

ka/mm xc: Larry Scott Ann Finley Wright Robert Stovall