OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

August 4, 1955

Southern Union Gas Company Burt Building Dallas 1, Texas

Attention: Mr. A. S. Grenier

Gentlemen:

Reference is made to your application of July 15, 1955 for approval of a non-standard drilling and gas proration unit in the Aztec-z ictured Cliffs Gas Pool for your Zachry Well No. 11, located in Section 10, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

Due to the fact that this proposed proration unit would cross section lines, it would be impossible for this office to approve your application administratively. As you are no doubt aware, no decision has been rendered in Case No. 903 with regard to examiner hearings, therefore to prevent further delay in the processing of your application I am placing this application on the docket for the September 15th hearing.

I regret the delay that has taken place in the handling of your application but I had hoped that we might have had Rules of Procedure for the examiner hearings and that your application might have been handled in this manner.

Very truly yours.

C. M. RIEDER, District Engineer