OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

September 25, 1972

Oil Reports & Gas Services, Inc. W. L. Smith, Agent for Corinne Grace P. O. Box 763 Hobbs, New Mexico 88240

Gentlemen:

Your request for an exception to Rule 402 for the Grace-City of Carlsbad No. 1, South Carlsbad-Morrow Gas Pool, has been referred to this office by Mr. Gressett.

This letter will serve as your authority for an exception to the shut-in requirements of Rule 402 until such time as the Commission reaches a decision in Case 4796 now pending for a hearing October 18, 1972.

Very truly yours,

ELVIS A. UTZ Gas Engineer

EAU/dr Bell Acenal M.

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D. C. C. ARTEBIA, OFFICE