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July 26, 2000

Via Fax and U.S. MailWilliam F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504Re: Case No. 12452; application of Pogo Producing Company
(McMillan-Morrow Gas Pool)Case No. 12473; application of HEYCO for a non-standard
unit, etc.

Dear Bill:

Pogo's case requests an amendment of the special pool rules for the McMillan-Morrow Gas Pool, including one operator per well unit (per the Division's statewide rules). HEYCO is requesting a non-standard unit for the N $\frac{1}{2}$ S7-20S-27E. Please be advised that Pogo has no objection to HEYCO's application, and further Pogo does not seek to become the operator of HEYCO's well unit. Please let me know if you need anything further in this matter.

Very truly yours,


James Bruce