

P. O. BOX 2219

ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

November 15, 1993

Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240

Attn: Mr. Jerry Sexton

Reference: Surface Commingling to Test San Andres Formation

Dear Mr. Sexton:

We have recently plugged back our Elliott "B" Well #7, located in unit letter J, Section 6, Township 22 South, Range 37 East, Lea County, NM, to the San Andres formation in order to determine if production from this zone would be commercial. Higher than anticipated water volumes have caused a number of delays in testing this well's potential. Changes in the pumping system and required modifications to surface equipment have prolonged our test period. A decision was made on November 13, 1993, to temporarily abandon this well pending further evaluation. Therefore, our plans to request surface commingling have changed. We will not make application at this time.

Thank you for your assistance.

Yours very truly,



Don Bratton