



Oryx Energy Company
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February 21, 1995

Mr. William J. Lemay
Chairman and Director
New Mexico Oil Conservation Dept.
2040 South Pacheco
Santa Fe, NM 87505

RE: Prorated Gas Allowables for April 1995 to September 1995
Eumont/Yates/7 Rivers/Queen
Lea County, New Mexico

Dear Mr. Lemay:

Oryx Energy operates nine active gas wells on six proration units within the Eumont/Yates/7 Rivers/Queen pool. Although Oryx does not intend to present testimony on February 23, Oryx supports the Oil Conservation Division's proposed non-marginal well allowable rate of 38,000 mcf per month.

Oryx Energy has made significant expenditures in 1994 with further plans in 1995 to maximize production capacity from this pool. The allowable of 38,000 mcf per month will allow Oryx to continue investments to maximize production from this pool in 1995.

Oryx recognizes that this allowable is a continuation of the last proration period and believes that this rate schedule provides for equitable sharing of gas reserves between all interest owners.

Respectfully yours,

Mark A. Peavy
Operations Engineer