

MW PETROLEUM CORPORATION

August 24, 1992

Mr. William J. LeMay
Oil Conservation Commission
State Land Office Building
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Prorated Gas Allowables (October 1992 - March 1993)
Indian Basin (Upper Penn) Gas Pool
Eddy County, New Mexico

MW Petroleum Corporation operates 4 producing gas wells and is a working interest owner in 14 additional active producers in the Indian Basin (Upper Penn) Gas Pool. Although we will be unable to attend the August 27, 1992, commission hearing, we would like to express our support for the NMOCD's preliminary proposal regarding gas allowables for the Indian Basin (Upper Penn) Gas Pool.

MW Petroleum Corporation supports an allowable of 173,328 MCF per month. We believe this will permit equitable sharing between the owners in this gas pool based on the present production capacity of the producers in the pool. MW Petroleum has invested significantly in equipment and in the drilling of two wells to maximize our production in the Indian Basin (Upper Penn) Gas Pool, and we do not have any one producer capable of more than 150,000 MCF per month. An allowable of 173,328 MCF per month represents a significant increase over the 1992 summer allowable and will benefit those operators who have made investments to attain production increases while maintaining parity in the field.

Sincerely yours,

Ceci Searls Leonard

Ceci Searls Leonard
MW Petroleum Corporation

cc: Chevron (Al Bohling) -
Marathon (Ron Folse)
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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10526 Exhibit No. 5

Submitted by Chevron

Hearing Date 8-27-92