



Oryx Energy Company
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August 25, 1992

Mr. William J. LeMay, Director
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Commission Hearing
Pro-Rated Gas Allowables
Indian Basin Plant

Gentlemen:

Please be advised that Oryx Gas Marketing Company currently markets approximately 20,000 MMBTU/D of its equity natural gas production from the Indian Basin plant. Over the course of the past 7 months, several fundamental changes have occurred in the nation's natural gas market, which have greatly increased the price since February in all areas of the country, including the Permian Basin.

As you know, NGPL is the only pipeline at the outlet of the Indian Basin plant, however, it has never experienced, over the past few years, capacity problems of any significant nature. In addition, NGPL can deliver this gas to a multitude of interstate and intra-state pipelines serving the West Coast, Mid-West and the state of Texas--all for around the same fee. Consequently, the Indian Basin plant has become an attractive "hub" in terms of marketing gas to a variety of markets at competitive prices.

As a result, Oryx welcomes any opportunity to increase its natural gas deliverability at the Indian Basin plant.

Thank you.

Very Truly Yours,


David M. Benninger
Staff Marketing Representative

Filed for the
COMMISSION
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ORYX ENERGY CO.
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