



Oryx Energy Company
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July 26, 1995

Mr. William J. Lemay
 Chairman and Director
 New Mexico Oil Conservation Commission
 State Land Office Building
 310 Old Santa Fe Trail, Room 206
 Santa Fe, NM 87503

Case 11358

RE: Prorated Gas Allowables (October 1995 – March 1996)
 Indian Basin (Upper Penn) Gas Pool
 Eddy County, New Mexico

Dear Mr. Lemay:

Oryx Energy Company operates six producing gas wells and has a working interest in three non-operated properties in the subject pool.

Oryx Energy supports the Oil Conservation Division's proposed acreage allocation factor of 200,000 MCF per month for the upcoming winter period.

Currently only one Oryx operated and one non-operated property are capable of producing at or above the proposed allowable. Oryx has plans to drill four wells within several properties to increase production to production allowables. Three of these wells were drilled and completed during June–July, 1995. These wells are currently cleaning up. Additional efforts regarding workovers and compressor installations are expected to maintain and improve existing production capabilities of Oryx interest wells. An allowable of 200,000 MCF per month will support continued Oryx activity within the field and should protect the working interests of parties within the pool.

Respectfully yours,

Mark A. Peavy

Mark A. Peavy
 Operations Engineer

c: Marathon Oil Company (Ron Folse)
 Chevron USA (Michelle L. LeVan)
 Texaco E & P (Kirk Spilman)