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OIL CONSERVATION
COMMISSION
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July 27, 1995

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

Re: Prorated Gas Allowable (October 1995-March 1996)
Indian Basin (Upper Penn) Gas Pool
Eddy County, New Mexico

Dear Mr. LeMay:

Texaco Exploration & Production, Inc. supports the Oil Conservation Commission's proposed allowable assignment that results in a monthly acreage allocation factor of 200,000 mcf. TEPI currently operates 1 well and owns interest in another that are capable of producing at or above the proposed allowable. TEPI feels that an allowable of 200,000 mcf per month will protect our interest and the other operators in the subject gas pool. If you have any questions concerning TEPI's position on the issue please feel free to contact me at (505) 397-0413.

Sincerely,

Kirk W. Spilman
Texaco Exploration & Production, Inc.