

TEXAS OIL & GAS CORP.

Inter-Office Memorandum

Date: April 12, 1985

To: SEE DISTRIBUTION

From J. L. Landrum

Dept./Dist. _____

Dept./Dist. General Accounting

Re: Revised Overhead Rates
Effective April 1, 1985

Effective April 1, 1985, COPAS has approved an increase of 2.7% for overhead rates in effect for contracts dated prior to April 1, 1985.

Accordingly, we have escalated the old rates and set forth below the rates which should be used for contracts developed April 1, forward.

<u>DISTRICT</u>	<u>DEPTH</u>	<u>EFFECTIVE RATE (\$)</u>	
		<u>4/1/85 - 3/31/86</u>	
		<u>DRILLING</u>	<u>OPERATING</u>
Gulf Coast	All	\$5,374	\$538
Southeastern	All	6,986	698
West Texas	0 - 4000'	3,941	394
	4000 - 12000'	5,374	538
	Over 12000'	6,986	698
North Louisiana	All	5,647	566
South Louisiana Non-Marine	0 - 8000'	5,656	566
	8000 - 12000'	6,417	642
	Over 12000'	7,613	761
Inland Marine	All	8,701	870
Mississippi	0 - 8000'	5,647	566
	Over 8000'	6,416	642
Alabama	0 - 4000'	2,893	457
	4000 - 8000'	3,334	533
	8000 - 12000'	3,554	601
	Over 12000'	4,334	698

TXO PRODUCTION CORP.

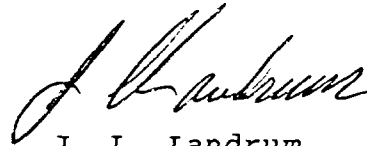
Case No. 8718

10/9/85 Examiner Hearing

Exhibit No. 5

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<u>DISTRICT</u>	<u>DEPTH</u>	<u>EFFECTIVE RATE</u> 4/1/85 - 3/31/85	
		<u>DRILLING</u>	<u>OPERATING</u>
North Texas	All	5,374	538
East Texas	All	6,986	698


J. L. Landrum

JLL:ckw

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