

PNHANDLE ROYALTY COMPA

GRAND CENTRE - SUITE 210
5400 NW GRAND BLVD.
OKLAHOMA CITY, OK 73112-5688
PH. (405) 948-1560 FAX (405) 948-2038

December 13, 1994

Mr. Tim Gum
New Mexico Oil Conservation Division
811 South 1st Street
Artesia, NM 88210

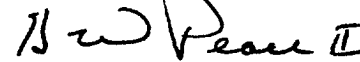
Re: Ross Ranch 22 #2 Well
Sec. 22-19S-25E
Eddy Co., NM

Dear Mr. Gum:

Panhandle Royalty Company owns 45 net mineral acres under the referenced well. We have a 9.375% working interest and 13.51% royalty interest. As a mineral and working interest owner, we object to the continued injection of salt water by Anadarko into a known productive formation. We believe it puts the formation at risk and may possibly damage, or may have already damaged, the ultimate oil and gas recovery of the productive formation.

We believe it is a priority that the productive formation be protected from any possible damage and we request that the New Mexico Oil Conservation Division require Anadarko to cease its disposal operations in the Cisco/Canyon formation.

Sincerely,



H W Peace II
President

HWPII/wct