

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEET

DATE: August 15, 1996

NUMBER OF PAGES: -2-
(including cover sheet)

TIME: 6:55 AM

TO: FLORENE DAVIDSON
OF: NMOCD

FROM: W. THOMAS KELLAHIN, Esq.

FAX NO: (505) 827-8177

REF: OCD Case 11594
Gas Allowable Hearing

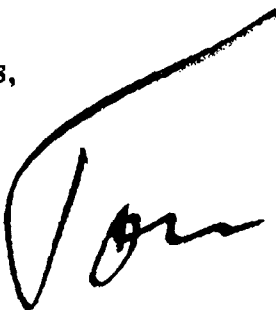
MESSAGE:

Dear Florene:

I will not be able to attend the gas allowable hearing this morning and would appreciate you delivering this letter from Oryx Energy Company to the Commission.

Please call me if you have any questions.

Regards,



This information contained in this Facsimile Message and Transmission is ATTORNEY PRIVILEGED AND CONFIDENTIAL information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this Facsimile in error, please immediately notify us by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.



Oryx Energy Company
13155 Noel Road
Dallas TX 75240-5067
PO Box 2880
Dallas TX 75221-2880
214 715 4000

August 12, 1996

Case 11594

Mr. William J. Lemay
Oil Conservation Division
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

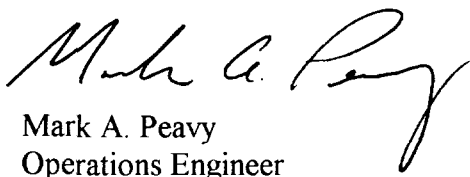
Re: Prorated Gas Allowable for October 1996 through March 1997 Period
Indian Basin Upper Penn Pool
Eddy County, New Mexico

Dear Mr. Lemay:

Oryx Energy Company operates six active proration units and owns a working interest in four other units in the Indian Basin Upper Penn Pool. Although Oryx does not intend to present testimony at the August 15 hearing, we support the Oil Conservation Division's proposed non-marginal well allowable rate of 200,000 MCF per month as set forth in your preliminary market demand and allowable determination schedule.

Oryx has continued to make significant investments in order to enhance and optimize the withdrawal of remaining recoverable reserves within this reservoir. This work has consisted of new wells, workovers and upgraded compressors. The allowable of 200,000 MCF per month will allow us to continue making investments to maximize recovery from the field. In addition, we recognize that the proposed allowable is a continuation of the Commission's findings during the prior eight proration periods. We believe maintaining this allowable rate will permit equitable sharing of gas produced between the owners in the pool based on current well deliverabilities.

Respectfully yours,



Mark A. Peavy
Operations Engineer

cc: Chevron USA (Michelle LeVan)
Marathon (R. A. Bierbaum)
Texaco E & P (Kirk Spilman)

**HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.**

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554 FAX (505) 982-8623

LEWIS C. COX, JR. (1924-1993)
CLARENCE E. HINKLE (1901-1985)

OF COUNSEL
O. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. HOOD*
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.
ELLEN S. CASEY
MARGARET CARTER LUDEWIG
S. BARRY PAISNER
WYATT L. BROOKS*
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANIE LANDRY
KIRT E. MOELLING*
DIANE FISHER
JULIE P. NEERKEN
WILLIAM P. SLATTERY
CHRISTOPHER M. MOODY
JOHN D. PHILLIPS
EARL R. NORRIS
JAMES A. GILLESPIE
MARGARET R. MCNETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
PAUL G. NASON
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

August 14, 1996

Via Hand Delivery


Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico

Dear Florene:

Enclosed for filing are an original and three copies of a Pre-Hearing Statement in Case 11,594, regarding gas allowables, filed on behalf of Exxon Corporation.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.


James Bruce

ocd.phs