

RESERVE OIL AND GAS COMPANY

550 SOUTH FLOWER ST., LOS ANGELES, CALIF. 90071
TELEPHONE (213) 626-4108

JOHN R. McMILLAN, CHAIRMAN OF THE BOARD

July 31, 1975

Mr. Ray Garrett, Jr., Chairman
Securities and Exchange Commission
500 North Capitol Street
Washington, D. C. 20549

Dear Chairman Garrett:

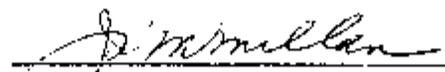
James Needham, Chairman of the New York Stock Exchange, has discussed with me S.E.C. Rule 394 and proposed amendments to that rule submitted to your Commission last October by the Exchange.

Reserve common stock has been listed on the New York Stock Exchange since August of 1974 and substantial trading occurs both on the New York Exchange and also on the Pacific Stock Exchange. Reserve has been listed on the Pacific Exchange for many years and was listed on the American Stock Exchange from August 1967 to August 1974.

It is my view, and that of my associates, that the auction market system, long-time tested and proven sound, should be preserved. It is also our view that orderly markets in stock trading, to which the Exchanges make very substantial contribution, should also be preserved.

Accordingly, we urge you to give careful and timely consideration to the amendments to Rule 394 proposed by the New York Stock Exchange, which in our opinion are desirable and should be adopted, and that in any event you take action to preserve Rule 394 with a view to maintaining the important objectives which it achieves.

Very truly yours,


John R. McMillan

cc: Mr. Philip A. Loomis, Jr. Commissioner
Mr. John R. Evans, Commissioner
Mr. A. A. Sommer, Jr., Commissioner
Mr. Irving M. Pollack, Commissioner