

The Working Interest Owners have been notified of this proposal and approved it. A copy of their approval is included with this application.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Royalty payments for the lease line wells will be based on the formula that is currently in place for the Rhodes Yates Unit.

The proposed commingling is necessary for the operation of the above referenced leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.