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March 14, 2017

Via Federal Express No. 7786 4052 8780

Mr. Michael A. McMillan
Engineering Bureau
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**RE: Opal Resources Operating Co., LLC Jade 19 S 39E S29 Well No. 1H
Case No. 15621**

Dear Mr. McMillan:

With regard to the captioned matter, you requested in hearing justification for Opal's request for a higher administrative charge. As noted in my email to you yesterday and per your request, please find enclosed the original Affidavit of Expert Witness Rick Castagno which also amends his testimony. If after your review, you determine the higher charge remains unreasonable, then Opal amends its request and asks instead for a charge of \$7500/month during drilling and \$750/month during production. We appreciate your consideration.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

CARSON RYAN LLC



Elizabeth A. Ryan

EAR:tm
Enclosure