

CASE NO. 8574

EXHIBIT NO.1

- (1) All of the wells log off in the commingled Chacra - Mesa Verde Zones.  
This commingling should help prevent logging off, therefore allowing Chacra - Mesa Verde Zones to produce.
- (2) Cross flow will be prevented when equipment is run as per drawing.  
Drawing's of Baker Equipment attached.
- (3) Fluids from each zone compatible - sales price same from purchaser.
- (4) Ownership common - including working interest, royalty and overriding royalty for each of the separate wells.
- (5) Due to type of equipment run in well exception to requirement of lowest pressure being not more than 50% less than highest pressure be waived.

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION
<i>Caulkins</i> EXHIBIT NO. <u>1</u>
CASE NO. <u>8574</u>