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David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

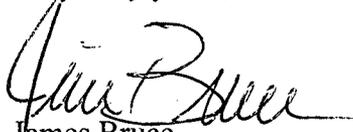
Re: Case No. 14068/Cambrian Management, Ltd.

Dear Mr. Brooks:

At the hearing you asked whether the one-half mile area of review includes the SE $\frac{1}{4}$ of offsetting §12-8S-32E. The answer is no.

The proposed injection well is located 1980 feet FNL & FWL §18-8S-33E. Using Pythagoras' Theorem, the injection well is $\sqrt{1980^2 + 1980^2} = 2797$ feet from the point where the northwest corner of Section 18 meets the southeast corner of Section 12. This is greater than one-half mile (2640 feet), and thus Section 12 is not in the area of review.

Very truly yours,



James Bruce

Attorney for Cambrian Management, Ltd.