

CASE NO. 8575

EXHIBIT NO. 1

- (1) Both wells will be recompleted to produce gas from Chacra and Mesa Verde Zones, that wouldn't otherwise be produced on this acreage.
- (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.

