e) maintain separate production facilities to allow for the separate measurement and storage of production from each of the producing leases within the project area.

(9) The applicant further testified that all production and revenue from the project area will be separately maintained and paid on a lease basis.

(10) The wells within the project area are in an advanced state of depletion. Average production from the eight (8) existing producing wells is approximately 20 barrels of oil per day.

(11) The geologic evidence demonstrates that the Upper-Blinebry formation is continuous and correlatable across the project area.

(12) Texland estimates that initial capital costs to implement waterflood operations are approximately $5.8 million dollars. Applicant further testified that drilling additional producing wells within the project area will add an additional $4.0 million dollars to the project cost.

(13) Texland estimates that implementing waterflood operations within the project area should result in the recovery of an additional 4.8 million barrels of oil that would otherwise not be recovered, thereby preventing waste.

(14) Approval of the proposed cooperative waterflood project should result in the recovery of additional hydrocarbons from the Upper Blinebry formation within the project area that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(15) There are three (3) wells within the "area of review," described as follows, that are not constructed adequately to preclude injected fluid from the Upper Blinebry formation from migrating into and having possible detrimental effects on the Hobbs-Drinkard Pool:

Operator & Well Name	API Number	Well Location
Occidental Hobbs Gb/SA Unit No. 412	30-025-23384	Unit A, Section 30, T-18S, R38E
Occidental Hobbs Gb/SA Unit No. 112	30-025-23207	Unit D, Section 33, T-18S, R-38E