continue producing the well at rates below the discovery allowable until it can be concluded that increased producing rates will not be detrimental to the reservoir available energy. Pressure measurements will also be included in our evaluation plan. If it is determined that the well can be produced at discovery allowable rates without reservoir damage, we plan to test at high rates and apply for a discovery allowable. The time required for this should amount to no more than two weeks.

Yours very truly,

SUNRAY DX OIL COMPANY

B. F. Brawley

District Engineer, Roswell District

BFB:sk

cc: E. H. Ramsey - E. J. Pierce

C. T. McClanahan

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