However, Well Nos. 11 and 90 (Sec. 35) cannot be considered to be an integral part of the proposed waterflood expansion. Well No. 90 was not completed in the Tubb and produced only 4,000 BO from the Blinebry before being shut-in. Well No. 11 produced about 33,000 BO from the Blinebry only, but is too far removed from the waterflood project to be justified for the new participating area.

Since these two wells (90 and 11) cannot be justified for inclusion in the new commingled participating area and are unlikely to ever be included in the waterflood project, it should be more logical for these 80 acres to be eliminated from the proposed new pool and remain in the Blinebry Pool. This will result in the new pool and the new participating area being identical in configuration which will make production accounting less confusing for this area.

Thank you for you assistance and consideration in this matter.

Very truly yours,

Jerry W. Hoover
Regulatory Coordinator

JWH/tm