

The well currently flows small amounts of gas from the Tubb. The Tubb is not logged up and the Blinebry zone does not appear to be logged up with condensate. However, after commingling with the Drinkard zone the well will probably require artificial lift, which will be installed, in order to produce. Although the lowest pressured zone is less than 50% of the pressure in the highest pressured zone, no crossflow will occur since the fluids will be artificially lifted.

7. A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the wellbore:

Produced fluids are already surface commingled with no compatibility problems.

8. A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams:

All of the crude and condensate currently produced from the Blinebry Oil & Gas, Tubb Oil and Gas, Drinkard and Granite Wash pools on this lease is already being surface commingled into one common stock tank, and sold as a mixture. Although unrelated to downhole commingling, increased gas production rates expected from artificial lifting the fluids may disqualify these completions from stripper gas classification.

9. A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such a formula:

The following allocation percentages are suggested based upon the ratio of production from each zone:

	Expected Oil Production		Expected Gas Production	
	Oil (BOPD)		Gas (MCFPD)	
Blinebry Oil & Gas	4.6	(52%)	84.9	(41%)
Drinkard	3.5	(39%)	68.3	(33%)
Tubb Oil & Gas	0.8	(9%)	54.8	(26%)
Commingled Total	8.9	(100%)	208.0	(100%)

10. A statement that all offset operators and, in case of a well on Federal land, the United States Geological Survey, has been notified in writing of the proposed commingling:

By copy of this letter, we are notifying the offset operators of this proposed commingling.

11. In addition, working interest and royalty interest ownership in all zones are the same.