



"Bo Waters"
<BWaters@bnp-corp.net>

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CST

To: "Arlene Wimer (E-mail)" <arlene_wimer@nps.gov>
cc: "Scott Taylor" <STaylor@bnp-corp.net>, "Jeff Uecker"
<juecker@bnp-corp.net>
Subject: Dunn-Murdock #1 Water Usage

Dear Arlene,

You have asked me several times for the volume of water we used to drill, complete, build location, etc. on the Dunn-Murdock #1. The meter we had on the water well showed 624 gallons at the end of the job. Obviously, this is incorrect. If it went all the way around it would mean we used 1,000,624 gallons. This is way too high. The mud company estimates the daily water additions by taking daily measurements of the water rates (quarts/minute) being added to the system and multiplying it by the duration of the additions. Their daily reports show we used a total of 206,388 gallons. This is more reasonable. I estimated 500,000 gallons in the Plan of Operations. I do not believe we exceeded this amount. I believe the water rate from the water well was too small to turn the turbine in the meter causing it to be inaccurate. We did not do an adequate job monitoring this during our drilling operation. It is not a reading the field guys are accustomed to obtaining regularly. We will do a better job next time! I apologize for not getting this to you sooner but I was trying to see if I could verify the number better.

Scott and I would like to meet with you as soon as possible to review the FONSI on the Lemon/Lemon Seed wells. I will call you soon.

Bowen W. Waters
President
BNP Petroleum Corp.
Office: 361-882-3151
Direct: 361-885-6808
Fax: 361-882-8604
email: bwaters@bnp-corp.com

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