

2019 DEC -2 AM 9:46 NATUROAD COMMISSION OF TEXAS

November 26, 2019

Railroad Commission of Texas P. O. Box 12967 Austin, Texas 78711-2967

Attn: Rules Coordinator

Office of General Counsel

RE: PROPOSED AMENDMENT

16 TAC §3.40

ASSIGNMENT OF ACREAGE TO POOLED DEVELOPMENT AND PRORATION UNITS

Gentlemen:

This letter is to express the support of Elk River Resources ("Elk River") for the proposed amendment of SWR 40. Elk River is an active operator in the Southern Delaware Basin and we have seen firsthand the limitations imposed by the rule as currently written. We appreciate the efforts of the RRC staff in working with industry to address the challenges associated with horizontal drilling in UFT fields with depth severed ownership. The rule as it is currently written makes it very difficult for staff to manage and industry to progress the development of the state's resources under these circumstances.

We encourage the Commission to expedite the approval and implementation of this revised rule in the most expeditious manner possible. Thank you for the opportunity to comment.

With best regards, ELK RIVER RESOURCES, LLC

Stacey A. Cude

President and Chief Executive Officer