

P
Y Injection is to be through the 18 authorized water injection wells, each of which shall be equipped with tubing and a packer with dual injection down the annulus into the Premier zone of the Grayburg formation and down the tubing into the San Andres formation. It is our understanding that after a trial period the injection streams into the two zones will be combined through tubing if injection rates and pressures are compatible. It is our further understanding that the majority of the wells have surface casing set to the top of the Premier pay or near thereto, while some of the wells have either no surface casing or only a limited amount thereof. The period for injection down the annulus is therefore limited to six months in the Brainerd Well No. 4, the Simon Federal "A" Well No. 1, and the Mann Federal Well No. 2 (with Wells Nos. 21, 17, and 31, respectively).

W1W R- 3469
8-13-68