

Martin Water Laboratories, Inc.

WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

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August 26, 1994

Mr. Joe Clements
Great Western Drilling Company
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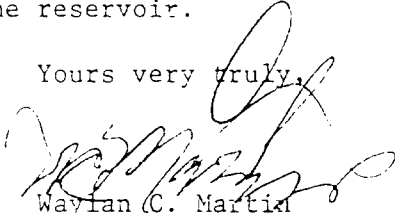
Subject: Recommendations relative to laboratory #894174 (8-25-94),
American Exploration water supply well.

Dear Mr. Clements:

The objective herein is to evaluate compatibility between the supply water and each of the produced waters recorded on laboratory #894133 (8-23-94). We have carefully compared all of these waters and have encountered a single condition of concern regarding this compatibility. This supply water contains a significant amount of oxygen and all of the produced waters contain a significant amount of hydrogen sulfide. Therefore, any resulting combination would cause precipitation of elemental sulfur and serious aggravation of an already severe corrosiveness from the individual waters. The only means to resolve this would be through the elimination of the oxygen from the supply water prior to mixing with the produced waters.

We would not consider this incompatibility to be of sufficient magnitude to cause any need for concern if there are any plans to inject this supply well alone into the producing intervals represented by the produced waters. This incompatibility would be so extensively distributed throughout the reservoir that we feel the minor precipitation of sulfur that would occur would clearly have no detectable influence on the mobility of the fluid back in the reservoir.

Yours very truly,



Waylan C. Martin

WCM/plm