Hicks Oil & Gas, Inc.
P. O. DRAWER 3307
FARMINGTON, NM 87499
505-327-4902

1/17/85

APPLICATION FOR SALT WATER DISPOSAL
S.E. CHA CHA UNIT WELL #34

VII

1. Lease production currently averages 90 BWPD and this volume would be split between other injection wells. Also, we are planning to operate the injection well for commercial salt water disposal. At this time, it is estimated that we will be disposing of 100 bbls of water per day from wells off the lease. We do anticipate this volume to increase as the NMOCD revises it's rules concerning disposal of produced water in unlined pits. From injection records of wells in the field when the unit was actively water flooded it is estimated that 750 BWPD could be injected at 1000 psi.

2. The system will be an open system.

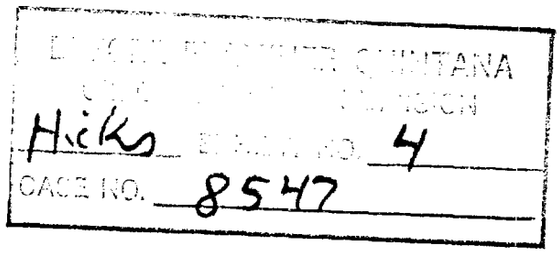
3. Average injection pressure 500 psi. Maximum injection pressure 1000 psi.

4. Sources of injected water.
   1. Produced water from the lease. Water analysis attatched.
   2. Produced water from San Juan Basin oil and gas wells. Typical water analysis attatched.

IX Stimulation treatment will consist of 500-1000 gallons of 15% Iron Sequestering HCL acid. If necessary the well may be frac treated with approximately 30,000 gallons of gelled water and 30,000# of 20/40 sand.

X Well logs on file with NMOCD.

XI No fresh water wells within one mile.



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XII Affirmative Statement

I, Mike Hicks, have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

Mike Hicks

Mike Hicks
President
Hicks Oil & Gas, Inc.