TOCO, L.L.C. Morse "A" No. 1 Statement of Compliance Page 2

- Item VII : (1) Estimated average rate is 300 bbls/day. Estimated maximum rate is 1000 bbls/day.
 - (2) The system is closed.
 - (3) Average injection pressure is 0 psig. Maximum injection pressure is 500 psig.
 - (4) Source of injection fluid is Devonian produced water from the TOCO Morse No. 1. See Exhibit "E" for analysis of Devonian water.
 See Exhibit "F" for Compatibility Tests of the Devonian and San Andres waters.
 - (5) See Exhibit "G" for analysis of San Andres water.
- Item VIII : The San Andres formation in the area of review is a Tan-grey anhydritic dolomite with pinpoint and vuggy porosity from 5200'-5400'. The only known fresh water in the area is the Ogallala formation found at a depth of 100' with a thickness of 30'.
- Item IX : Stimulate with 4500 gals of 28% HCl + inhibitors.
- Item X : Electric logs have previously been filed with the Division by the Texas Company.
- Item XI : Only one fresh water well was found within a radius of one mile (C-27-10S-37E). See Exhibit "H" for analysis of the fresh water.
- Item XII : All geologic and engineering data available indicates no evidence of open faults or any other hydrologic connection between the San Andres and any underground source of drinking water.

