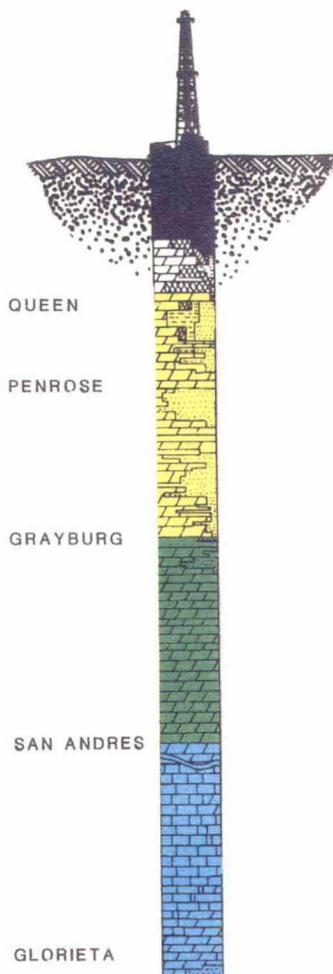


HOW CAN WE EXTEND THE LIFE OF THIS FIELD - 1938 TO _____?

As with all oil fields, production has declined with time. In 1988, the Working Interest Owners (companies operating the wells, and paying the maintenance costs) began a series of meetings and engineering studies to attempt to extend the productive life of this field by recovering oil that can never be produced with the present method of operation and existing facilities.



WATER INJECTION

After the various company geologists and engineers completed their reservoir studies, they concluded that a unit should be formed to inject water into the oil producing formations to force oil trapped in the rocks to the pumping units of the producing wells. This method of recovery is being successfully employed in many of the older oil fields in the area.

For this proposed unit, salt water from the non-productive San Andres formation, supplemented by the reinjection of produced water, was recommended for pressurized injection into the oil producing portions of the Grayburg and Lower Penrose formations.

To understand the benefits of water injection, a brief discussion of primary and secondary recovery is helpful.