

(10) That the tertiary oil recovery method used in this Project is a polymer-augmented waterflood method which is a recognized tertiary oil recovery method described in Section 212.78(c) of the Department of Energy Regulations in effect in June, 1979.

(11) That the Q.T.P. Area tertiary recovery operations beginning date will be September 14, 1983.

(12) That the Q.T.P. Area tertiary recovery operation beginning date is after May, 1979.

(13) That past production from the Horseshoe-Gallup Unit Area underlying the proposed Q.T.P. Area is approximately 3,792,000 barrels of oil as of March, 1983. Future recovery from the project area without the proposed tertiary recovery project is estimated to be 49,000 barrels of oil over a three-year period. With the proposed tertiary project that recovery is expected to increase to 61,000 barrels of oil. This 12,000 barrel increase represents an increase in estimated recoverable reserves of 24 percent, a more than insignificant increase.

(14) The Horseshoe Gallup Unit Area presently contains 127 active producing wells, 61 active water injection wells, 98 shut-in wells and 1 active water supply well. Eight water injection wells in the project area will be used for polymer injection and the 19 currently producing wells in the project area will continue to be utilized for production.

(15) The projected future expense for the proposed pilot project is approximately \$100,000.

(16) That the proposed tertiary recovery operation within said Q.T.P. Area meets all requirements of Section 4993 of the Internal Revenue Code.

(17) That injection in this tertiary recovery pilot project shall be subject to a surface pressure limitation of 750 psi.

(18) That in many of the injection wells, in the present Horseshoe Gallup Unit Pressure Maintenance Project, injection is being accomplished through the casing/tubing annulus.

(19) That there is no fresh water in the proposed Q.T.P. Area.

(20) That the approval of this application will prevent waste, protect correlative rights and promote conservation.