5

PETROLEUM PRODUCERS

1804 FIRST NATIONAL BANK BUILDING MIDLAND, TEXAS 79701 TELEPHONE (915) 682-5216

VII.

SAN STATE SWD #1 PROPOSED OPERATION

MWJ PRODUCING COMPANY proposes to utilize the San State SWD to dispose of produced water from the Bough "B" & Bough "C" formations from several wells in the Baum and Saunders fields, Lea County, New Mexico. The proposed average volume of water to be injected is 1000 barrels per day. The maximum anticipated daily volume to be disposed of is 1500 barrels per day. The average anticipated injection rate is one barrel per minute at an average pressure of 500 psi. Maximum anticipated rate is 1½ barrels per minute at a maximum pressure of 750 psi. The injection system would be classified as "open", as access to the system is obtainable through a valve. This valve remains closed at all times unless the disposal pump becomes inoperative.