

Dwight A. Tipton - Leavelle No. 1

ITEM VII. Data on Proposed Operation

1. Average daily volume of fluids to be injected: 600 barrels
Maximum daily volume of fluids to be injected: 1,000 barrels
2. Type System: Closed
3. Average injection pressure: Treatment record of injection zone indicates that well will take water on a vacuum
Maximum injection pressure: Not to exceed 1,000 psi
4. Source of injection fluid: All water in general area requested to be hauled and disposed by Gandy Corporation
Analysis and compatibility: See Exhibits C thru G for water analysis for Abo, Devonian, San Andres and Lower Wolfcamp formations producing in the Hobbs and Lovington area. For compatibility see Exhibit H for water analysis of Shoe Bar Wolfcamp water production.

ITEM VIII. Geological Data - Injection Zone and Fresh Water

Name: Wolfcamp
Depth 9686 feet
Thickness: 650 feet
Lithologic Detail: Limestone, white to tan, crystalline, dolomite streaks
Source of Drinking Water: Ogallalla
Depth to Bottom: 150 feet

ITEM IX. Stimulation Program

Treat with 12,000 gallons 15% NEFE acid

ITEM X. Logs filed by U. S. Operating, Inc. on December 18, 1980

Last Test: 10/2/83 Pump 3 bbls oil, 2 bbls water, 6 MCF gas, 24 hours

ITEM XI. Fresh Water Wells

Water well No. 1 is located approximately 1/2 mile east in NW/4 NW/4 of Section 24, T16S R35E. Water well No. 2 is located at Leavelle ranch house, approximately 1/2 mile southeast. See Exhibit J for water analysis.

ITEM XII. All geological and engineering data acquired on the area since the discovery of production would indicate that there are no open faults or other hydrologic connection between the proposed injection zone and any fresh water source in the area.

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