

Data on Proposed Operation
of Gulf Oil Corporation's
Lea "ZD" State Well No. 1

1. Proposed average and maximum daily rate and volume of fluids to be injected:

Average daily rate of 375 BWP
Maximum daily rate of 700 BWP.

2. System is open utilizing normal oilfield stock tanks, etc.
3. The maximum surface injection pressure will be limited to 25 PSI.
4. The source of injection fluids will be from Gulf Oil Corporation's adjacent Lea "YH" State Lease. An analysis of the injection water is attached as Exhibit 6A.
5. The zone of disposal is not productive of oil and gas within one mile of the proposed injection well. Since the disposal formations are not open at the present time in the proposed injection well, water analysis and compatibilities of formation water and injection fluid must be inferred from existing nearby wells producing from the proposed disposal zone (See Exhibit 6B). The nearest offset injection well (injecting into the same basic interval as our proposed disposal zone) is Arco's Sinclair-Vacuum SWD #1, Section 16, T-18-S, R-35-E, Lea County, and it does not indicate any incompatibilities between injected fluids and formation waters (See Exhibit 1).