

Part VII

Data on the proposed operation of the saltwater disposal well:

1. Proposed injection rates: Average: 1 BPD
 Maximum: 4 BPD

Proposed injection volumes: Average 300 BPD
 Maximum 600 BPD
2. The system shall be an open system. This is meant in the sense that it will be available as a commercial system to those parties that have been contracted to dispose of produced water into the subject well. Physically, the system shall be closed to the atmosphere and shall consist of an injection valve connection with an appropriate meter for measurement of rates and volumes of produced water to be disposed of.
3. Proposed Injection Pressures: Average: Vacuum injection
 Maximum: Vacuum injection
4. Injection will be into formations productive of oil and gas in the region. Compatibility of the disposal waters with the disposal formation water is expected because produced waters will be injected back into the same type of formations in the area. Chemical compatibility of these waters are the same.

Part VIII

Geologic data on injection zone: The formations that will be included in the proposed injection interval are the Wolfcamp, Strawn, Atoka, and Morrow formations. Their respective formation tops in the proposed well are 10,847 ft, 12,180 ft, 12,676 ft, and 12,811 ft. Currently the well is perforated into the Wolfcamp and Morrow formations. Additional geologic data will be presented later.

Fresh Water Sources: The only sources of fresh water in this area is the Ogallala formation, which has its base at approximately 270 ft. This is approximately 10,577 ft above the upper portion of our proposed injection interval. There are no fresh water sources below our proposed injection interval.