

VII. Data on proposed operation, as follows:

1. The proposed average daily rate is 3000 and the maximum daily rate is 4000 BWPD to be injected.
2. The system will be closed.
3. The system will be on vacuum.
4. The injected water will be produced water from nearby leases (mostly Devonian). There will be no compatibility problem.
5. Disposal zone (lower Devonian) water analysis not available, but we assume it would be similar to water produced from upper Devonian. See Attached.

VIII. The proposed disposal zone is Devonian Carbonate in approximate middle of 700' thick Devonian section and +/- 350' below the Devonian oil water contact. Proposed injection depth in Arco State 2 is the open hole 12,173 - 12,197'. We will deepen to +/- 12,400', if we can do so without encountering severe lost circulation.

Fresh water in this area is from the Ogallala at 100 - 200'. There are no fresh water zones below the proposed disposal zone.

XII. There are no known faults or hydrologic connection between the disposal zone at +/- 12,200' and the fresh water zone at 200'.