

MESA VERDE 7 FEDERAL #2

1. Name of formation(s) producing water on the lease:

Delaware

2. Amount of water produced from all formations in bbls/day:

The well averages 70 barrels of water/day

3. How water is stored on lease:

210 barrel fiber glass tank

4. How water is moved to the disposal facility:

B&E Water Haulers

5. Primary disposal facility:

Enron Oil & Gas Company's Vaca Ridge 30 Federal #1 SWD-549, located  
1980' FSL & 1980' FWL (Unit K) of Section 30, T24S, R34E. Lea County.

6. Secondary disposal facility:

Bettis, Boyle & Stovall's Littlefield Federal No. 1 SWD R-485, located  
660' FNL & 1980' FEL (Unit B) of Section 11, T24S, R31E. Eddy County.