VI. AREA OF REVIEW (continued)

The Cotton Draw Unit - Delaware Sand Participating Area, was created prior to the current format for authorization to inject were created. Therefore, a schematic of all wells of public record that penetrate the subject interval have been constructed for the area of review and are included in this application in the appendix.

This application is pursuant to development of producible reserves that are unrecoverable under the current waterflood pattern. A schematic of the current waterflood pattern and the proposed waterflood pattern is attached in the following appendix.

VII. PROPOSED OPERATION

The proposed average injection rate per well is 500 BWIPD with a maximum anticipated rate of 800 BWIPD. Maximum pressure will not exceed 1800 psi plant operating pressure. The average wellhead injection pressure will not exceed 1100 psi until a step rate test establishes a higher limit. The system will be closed.

IX. PROPOSED STIMULATION PROGRAM

The subject wells will be stimulated using 3000 to 8000 gallons of 20% NEFE HCl acid with a mutual solvent additive included in the treatments. Rock salt blocks or ball sealers will be utilized during the jobs.

XII. GEOLOGICAL EVALUATION

Based on current geological and engineering data and a petrophysical rock-properties evaluation, there is no evidence of any natural or artificially created open faults within the unitized interval or above. There is no communication between the subject injection zone and any subsurface source of drinking water.