

Application For Authorization To Inject
Maralo, Inc
Maralo Jalmat Yates Unit, Well #2
UL J, Section 12-T25S-R36E
Lea County, New Mexico

- I. The purpose of completing this well is to make a disposal well for produced Yates water into the Yates formation.

Maralo, Inc. plans to convert this well to a waterflood unit water injection well in the Yates formation.
- II. Operator: Maralo, Inc.
P. O. Box 832
Midland, TX 79702
Richard A. Gill (915) 684-7441
- III. Well Data : See Exhibit "A" and "A1"
- IV. This is an expansion of existing project R-5816.
- V. See attached map, Exhibit "B" and "B1"
- VI. There are 26 wells within the area of review which penetrate the proposed injection zone.
See Exhibit "C" for tabular data of all wells.
See Exhibit "D" for schematics of plugged wells.
- VII.
 1. Estimated average rate is 500 bbls/day.
Estimated maximum rate is 1000 bbls/day.
 2. This will be a closed system.
 3. Average injection pressure---500 psi
Maximum injection pressure--1000 psi.
 4. Sources of injected water would be produced water from the Yates. See Exhibit "E" water analysis.
 5. Water injection will be into a zone currently productive of oil and gas.
- VIII.
 1. The proposed injection interval is a portion of the Yates formation consisting of a series of sand lenses at a depth of 3050'.