

Application for Authorization to Inject
Maralo Inc. Jalmat Yates Unit #2
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VIII. continued

2. The Santa Rosa fresh water zone overlies the proposed injection formations at a depth of approximately 520'. There are no fresh water zones underlying the formation.
- IX. The proposed disposal interval may be acidized with 15% HCL acid and a small frac treatment.
- X. Well Logs are filed at the Hobbs OCD office.
- XI. The location of fresh water wells and windmills existing within a one mile radius of the subject location are noted on the map. Water Analysis is Exhibit "F".
- XII. Maralo, Inc. has examined geologic and engineering data and has found that there is no evidence of faulting or other hydrologic communication between potential fresh water aquifers and the desired injection zone.
- XIII. Proof of Notice

A copy of Form C-108 with the Statement of Compliance and associated exhibits has been sent by certified mail as follows:

A. Surface Owner: Clay Osborn
P. O. Box 1285
Jal, NM 88252

B. Offset Operators: Prime Operating Company
731 Wadley Avenue, Bldg. L
North Park Executive Center
Suite L-220
Midland, TX 79705

Tenison Oil Company
8140 Walnut Lane, Suite 601
Dallas, TX 75231

MNA Enterprises Ltd. Company
Box 755
Hobbs, NM 88241