

Exhibit 3

Monco #2  
Salt Water Disposal Well  
Sec. 25-25S-36E  
Lea County, New Mexico

Data On Proposed Operation of Well

1. Proposed average and maximum daily rate and volume of fluids to be injected:

Average daily rate of 1,000 B/D  
Maximum daily rate of 2,000 B/D

2. System will be closed.
3. Proposed average and maximum injection pressure:

Average injection pressure: 0 (Vacuum)  
Maximum injection pressure: 250 psi

4. (A) Source of injection Fluid: Monco #1

Seven Rivers-Queen Formation

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- (B) Analysis of Formation Fluid:  
(milligrams per liter)

Resistivity .190 @ 75 Degrees  
Specific Gravity 1.025  
Ph 6.5  
Calcium 3,250  
Magnesium 840  
Chlorides 17,500  
Sulfates 2,750  
Bicarbonate 1,025  
Iron - nil

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5. Zone of disposal is productive of oil and gas within one mile of proposed disposal well, but those wells are much higher structurally than proposed disposal well.