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PETRO-LEWIS CORP. - PROJECT REVIEW

On December 14, 1982, H. Bopp and D. Mitchell met with Mr. Lynn Rickard, Mr. Rene Daigre, and Mr. Kevin Preston of Petro-Lewis Corp. to review one waterflood, one steamflood, and five water disposal projects, each in a different field in Kern County.

The one-well disposal project in South Belridge is not active as yet, due to poor injectivity. The well, when activated, is expected to be capable of handling all produced water and no expansion is planned. Similarly, the one-well disposal project in Lost Hills is doing fine and no plans for added wells were reported.

The single well disposal project in Kern River, although mechanically sound, has been written up for several deficiencies due to a lack of communication with the D.O.G.. Since the well began injection in May, 1981, the operator has failed to notify the D.O.G. to witness two surveys and, when we were finally notified, took 4½ hours to run the survey as a result of failure to supply water and a representative for the test. We were promised better cooperation in the future.

Also pertaining to the Kern River project, the company was notified that the Santa Margarita Zone has not been exempted under the U.I.C. regulations and that termination of injection into this zone may be necessary. Following this was a general discussion of U.I.C. regulations and their possible ramifications.

Of Petro-Lewis' two disposal projects in Poso Creek field, one (the Santa Margarita Zone) has not yet been approved due to lack of project data. The other, while currently active, is being reviewed by the Regional Water Quality Control Board for scrubber waste disposal requirements. No expansion is planned but some interest in Vedder Zone disposal was expressed.

Two enhanced recovery projects were reviewed but, in general, it is still too early in the life of the projects to reach a definite conclusion as to their success. The one-well waterflood project in Fruitvale field has been under property settlement for several months and is scheduled to begin injection the middle of January, 1983. The more developed steamflood project in Kern Front field is finally showing results but, other than concluding that the chemical foam additive has prevented steam channelling, Petro-Lewis feels that the results were not what they'd hoped for. The foam appears to break down rapidly hence the company feels that a cyclic operation may result in better sweep efficiency. Any expansion of these projects will depend upon the ultimate results of the test pilots.