

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Paloma Resources, Inc. 210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

AUG 23 1997

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Paloma Resources Inc.

3. Address and Telephone No.
P.O. Box 1814 Roswell, NM 88202 505-622-0770

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1380ft. FSL & 990 Ft. FEL, Sec. 28, T23S, R29E

5. Lease Designation and Serial No.
NM - 67103

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Laguna Grande #1

9. API Well No.
30-015-21636

10. Field and Pool, or Exploratory Area
Wildcat-Bone Spring

11. County or Parish, State
Eddy Co., NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Ext. of time</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Extention of time of 90 days to cover pit (existing). Plans or to drill out plugs and go back to the Morrow. Sundry attached. If recompletion fails previous plans to abandon will be carried out. Pit will be covered at this time.

APPROVED FOR 3 MONTH PERIOD
ENDING AUG 30 1997

RECEIVED
1997 AUG 19 P 11: 00
BUREAU OF LAND MGMT.
ROSWELL OFFICE

14. I hereby certify that the foregoing is true and correct

Signed Charles Foster Title President Date 8-15-97

(This space for Federal or State office use)
Approved by DAVID R. GLASS Title PETROLEUM ENGINEER Date AUG 22 1997

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 PALOMA RESOURCES, INC.

3. Address and Telephone No.
 P.O. Box 1814 Roswell, NM 88202 505 622-0770

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1380' FSL & 990' FEL
 Sec. 28-T23S-R29E

5. Lease Designation and Serial No
 NM-67103

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No
 Laguna Grande Fed. #1

9. API Well No
 30-015-21636

10. Field and Pool, or Exploratory Area
 Laguna Grande Morrow

11. County or Parish, State
 Eddy County, New Mexico

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log (form))

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Operator proposes to squeeze off the current Delaware perforations from 5080-6604, then squeeze off Bone Springs perforations from 6701'-6936'. Drill out Squeezes and test casing and BOP equipment to 5000#. Drill out CIBP at 10,100' above the liner top and continue in the hole. Clean out wellbore to 13,695'. Casing integrity will be maintained by squeezing the Strawn, Atoka, and Upper Morrow Perforations, then drilling out cement and testing casing. Paloma Resources, Inc. plans to perforate the lower Morrow interval for commercial production. If no commercial production is obtained, the well will be plugged back testing each prospective interval in the wellbore.

Brine Water will be utilized to drill with.

Wellhead equipment and BOP's will consist of Double Ram BOP with 5000# WP.

Operator plans to start work immediately upon approval by the BLM and NMOCD.

RECEIVED
AUG 20 97
BLM
ROSWELL, NM

14 I hereby certify that the foregoing is true and correct

Signed David R. Glass Title Agent Date 7-20-97

(This space for Federal or State office use)

Approved by (ORIG. SGD.) DAVID R. GLASS Title PETROLEUM ENGINEER Date AUG 22 1997

Conditions of approval, if any