

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
~~817 S. 1st Street~~
~~Altoona, NM 88210-2884~~

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

Hobbs

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. **MAR 24 '97**

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other SWD

2. Name of Operator
 Nadel and Gussman Permian, L.L.C.

3a. Address 15 E. 5th Street, Suite 3200
 Tulsa, OK 74103-4313

3b. Phone No. (include area code)
 918/583-3333

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660' FNL & 990 FEL
 Sec. 29-15S-30E

5. Lease Serial No.
 NM-0338-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Peery Federal #4

9. API Well No.
 30-005-2033

10. Field and Pool, or Exploratory Area. *SWD*
 Little Lucky Lake Devonian

11. County or Parish, State *96101*
 Chaves Co., New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- See letter (copy attached) dated January 10, 1997, to NM OCD requesting permission to inject down casing for temporary test. Subsequent approval for 45 days test given pending MIT test. Test failed.
- Isolate casing leak between 492' and 522'.
- Rig-up Halliburton, squeeze leak w/100 sks Class "C" cement mixed w/2% CaCl₂ (3-18-97)
- Drill out cement (3-19-97).
- Set RBP, pressure to 500 psi, bleed off air, rig-up chart, pressure to 300 psi for 30 mins., test successful. BLM and NM OCD notified of proposed test, test witnessed by Mr. L.W. (Buddy) Hill of the NM OCD, Hobbs office, who retained the pressure test chart. (3-20-97)

ACCEPTED FOR RECORD
 PETER W. CRISTER
 MAR 27 1997
 BUREAU OF LAND MANAGEMENT
 FEDERAL BUREAU OF SURVEY

Copy to NM OCD.

SWD-581

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

Name (Printed/Typed) Wayne K. Taylor	Title Engineer
Signature <i>Wayne K. Taylor</i>	Date March 21, 1997

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Do
Not
Remove From File

NADEL AND GUSSMAN PERMIAN, L.L.C.
3200 FIRST NATIONAL TOWER
TULSA, OK 74103
(918) 583-3333 (P)
(918) 583-0888 (F)

Via Mail and Fax

January 10, 1997

Mr. Jerry Sexton, District I Supervisor
New Mexico Oil Conservation Division
1000 W. Broadway, P.O. Box 1980
Hobbs, NM 88240

Re: Peery Federal #4 SWD Well, Little Lucky Lake (Morrow) Field
29-15S-30E, Chaves, NM
Request For Temporary Approval to Inject Produced Water Down Casing

The subject well, permitted in the Devonian as a produced water disposal well, recently developed a tubing leak. Nadel and Gussman ("NG") has pulled the injection tubing, and the well is shut-in. The Peery Federal #1, which is a Devonian producer, is also shut-in. NG has been unable to economically rod pump the well due to rod wear/tubing leaks, and we plan to test the well's productivity utilizing either a jet pump or submersible pump. At the same time, NG plan's to test the Devonian in the Peery Federal #3, which is also shut-in, with a jet pump. We do not know what total withdrawal and disposal rates will be from both wells, which is information we must have before we can correctly size our disposal tubing.

Due to the significant investment that will be required to purchase pumping equipment, additional surface tankage, and production and coated injection tubing, NG hereby respectfully requests that we be allowed to inject down the Peery Federal #4 casing for a period not to exceed 60 days while we rent equipment and perform the above described production tests. Once we have determined if we have economically viable Devonian production, we will purchase correctly sized plastic coated injection tubing.

The Peery Federal #4 passed its most recent mechanical integrity test, and, as you can see from the attached wellbore sketch, has 11-3/4", 8-5/8", and 5-1/2" casing cemented to surface. The Devonian will take water on a vacuum, so potential to inject out of zone is minimal. Prior to beginning injection down the casing, we will test the casing integrity down to +/- 11000' with a workstring and packer, and will notify your office prior to the test so that you can be on location should you so desire. We will not proceed unless the well passes this test. Also, NG will notify you when we begin and when we cease injection down the Peery Fed. #4 casing.

Your prompt consideration of this request will be greatly appreciated. If your office approves, we will also apply to the BLM for approval. Please contact the undersigned should you have any questions.

Sincerely,
Joel F. Martin
Joel F. Martin, P.E.
attachment

Jerry:
45 Day approval given.
MIT test to be run before &
after. We'll let you guys
watch the time period.
DIO