

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: PALOMA RESOURCES, INC. Well: PEERY FEDERAL Well No. 4
Contact: CHARLES FOSTER Title: PRESIDENT Phone: 505-622-0770

DATE IN JUNE 30, 94 RELEASE DATE JULY 14, 94 DATE OUT AUGUST 10, 94
MARCH 30, 95

Proposed Injection Application is for: ☐ WATERFLOOD ☐ Expansion ☐ Initial

Original Order: R- ☐ Secondary Recovery ☐ Pressure Maintenance

☐ SENSITIVE AREAS

☒ SALT WATER DISPOSAL

☐ WIPP

☐ Capitan Reef

☐ Commercial Operation

Data is complete for proposed well(s)? ☐ Additional Data ☐

AREA of REVIEW WELLS

☒ Total # of AOR

☐ # of Plugged Wells

☒ Tabulation Complete

☐ Schematics of P & A's

☒ Cement Tops Adequate

☐ AOR Repair Required

INJECTION INFORMATION

Injection Formation(s) DEVONIAN (11,150'-11,794')

Source of Water ? DEVONIAN - AREA PRODUCERS Compatible YES

PROOF OF NOTICE

☒ Copy of Legal Notice

☒ Information Printed Correctly

☐ Correct Operators

☐ Copies of Certified Mail Receipts

☐ Objection Received

☐ Set to Hearing ☐ Date

NOTES: AOR RADIUS MISDRAWN (FROM WRONG WELL) NEED ALL AOR
CONSTRUCTION INFORMATION - NOTIFY OFFSET OPS.

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL YES

COMMUNICATION WITH CONTACT PERSON:

1st Contact: ☒ Telephoned ☐ Letter 8-10-94 Date

Nature of Discussion NEED OFFSET NOTIFICATION - AWS. MACHINE

2nd Contact: ☒ Telephoned ☐ Letter 8-25-94 Date

Nature of Discussion " " " AOR DATA

3rd Contact: ☐ Telephoned ☐ Letter ☐ Date

Nature of Discussion ☐

OIL CONSERVATION DIVISION
RECEIVED

March 28, 1995

105 MAR 31 PM 8 52

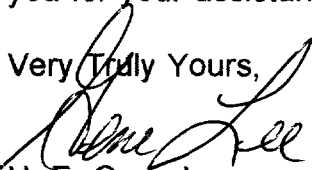
**Mr. Ben Stone
NMOCD
Santa Fe, NM 87504**

**RE: Paloma Resources, Inc.
Application for Authorization to Inject
Peery Fed. #4
660' FNL & 990' FEL
Sec. 29-T15S-R30E
Chaves County, New Mexico
Little Lucky Lake Devonian**

Dear Sir,

Please find enclosed a tabulation of wells within a 1/2 mile radius of the proposed disposal well. Also enclosed are PI Scout tickets covering these wells. If you need any further information pertaining to this project, please call or write. Thank you for your assistance in this matter.

Very Truly Yours,


H. E. Gene Lee
Agent

APPLICATION FOR AUTHORIZATION TO INJECT:

Item VI

Peery Federal #4

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Wells within area of review

1. Paloma Resources, Inc.
Peery Fed. #5.
760' FNL & 1775' FEL
Sec. 29-T15S-R30E

Status: Temp. Abandoned.
Spud: 8-12-94
TD: 12,230'
Current Perfs: 3552-78'
Completed: 12-7-94

13 3/8" Csg. 428' Cemented with 450 sx. Circ. to Surface.
8 5/8" Csg. 2950' Cemented with 900 sx. Total.. Circ. to Surface
5 1/2" Csg. 12,230' Cemented in 3 Stages. TOC @ 2096 by CBL

Perfs: Ellenburger--12,110-34' CIBP @ 12,060' w/35' cem.
Devonian--11,150-60' CIBP @ 11,130' w/ 35' cem.
CIBP @ 10,150' w/ 35' cem.
Morrow--9904-10,030' CIBP @ 9850 w/35'cem.
CIBP @ 7700' w/ 35' cem.
CIBP @ 4000' w/ 35' cem.
San Andres--3552-78' Makes 4 BOPD, 180 BWPD.

2. Paloma Resources, Inc.
Peery Fed. #1
1980' FNL & 1980' FEL
Sec. 29-T15S-R30E

Status: Producing Oil Well
Spud: Re-entry Spud 12-6-93
TD: 12,298'
PBTD: 11,048'
Current Perfs: 11,008'-28'
Completed: 1-4-94

13 3/8" Csg. 468' Cemented w/600 sx. Circ. to surface.
9 5/8" Csg. 2942' Cemented w/1400 sx. Circ. to surface.
5 1/2" Csg. 12,298' Cemented w/1325 sx. TOC 7304'.
Tied back together at 7304'. w/ 150 sx.

APPLICATION FOR AUTHORIZATION TO INJECT:

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Peery Federal #4

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Wells within area of review

3. Matador Operating, Inc.
V.G. Kinahan Fed. #1
660' FSL & 1980' FEL
Sec. 20-T15S-R30E

Status:	WDW
Spud:	12-15-93
TD:	11,157
PBTD:	2340'
Current Perfs:	2140'-2217' Queen
Completed:	11-10-94
13 3/8" Csg.	478' Cemented w/600 sx. Circ. to surface.
8 5/8" Csg.	2959' Cemented w/ 800 sx.
5 1/2" Csg.	11,157' Cemented w/300 sx.
	Tied back w/ 75 sx.
	Squeezed w/ 130 sx. across Queen.
2 7/8" Tbg.	2075' w/ packer.

4. Matador Operating, Inc.
V.G. Kinahan Fed. #2
330' FSL & 2200' FEL
Sec. 20-T15S-R30E

Status:	Producing Oil Well
Spud:	3-31-94
TD:	11,100' Devonian
PBTD:	11,100'
Current Perfs:	Open Hole from 10,989'--11,100'
Completed:	5-31-94
13 3/8" Csg:	472' Cemented w/ 475 sx. Circ. to surface.
8 5/8" Csg:	3000' Cemented w/ 900 sx. Circ. to surface.
5 1/2" Csg:	10,989' Cemented w/ 700 sx.

APPLICATION FOR AUTHORIZATION TO INJECT:

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Peery Federal #4

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Wells within area of review:

5. McClellan Oil Co.
Sam Federal #1
660' FNL & 330' FWL
Sec. 28-T15S-R30E

Status: Producing Oil Well
Spud: 7-30-87
TD: 11,353'
PBTD: 8710'
Current Perfs: 8534'-8627' Pennsylvanian
Completed: 9-4-87

13 3/8" Csg: 469' Cemented w/ 600 sx. Circ. to surface.
8 5/8" Csg: 3000' Cemented w/ 1100 sx. Circ. to surface.
4 1/2" Csg: 10,489' Cemented w/ 700 sx.

6. McClellan Oil Co.
Cedar Point #2.
1980' FSL & 330' FWL
Sec. 21-T15S-R30E

Status: D&A
Spud: 8-23-77
TD: 2350' Queen
Completed: 9-13-77
P&A: 9-13-77

8 5/8" Csg: 675' Cemented to surface.
Cement from 1500-1400
Cement from 630-500
Cement from 50'-surface.

CHAVES S E NEW MEXICO REISSUE LITTLE LUCKY LAKE DG

PALOMA RESOURCES
2 PEERY FEDERAL (API 30-005-00515-0003) STATUS: GAS

LOCN: SEC 29 T15S R30E SW SE 660 FSL 1980 FEL SEC. 24 MI E LAKE ARTHUR, NM;
(VERTICAL) OWWO: OLD INFO: FORMERLY PALOMA RESOURCES # 2 PEERY FEDERAL. ELEV
3955 GR. SPUD 2/10/93. 13 3/8 @ 467 W/650 SX. 9 5/8 @ 2940 W/1700 SX. 7 @ 12312 W/1400 SX.
OTD 12313. PB 11005. COMP 2/25/93. IPF 180 BO. 360 MCFG. 310 BWPD. PROD ZONE: DEVONIAN
10946-10988.

SPUD: 04/10/94 COMP: 04/23/94 EL: 3955 GR DTD: 12313 (ELLENBURGER) PBTD: 10100
CONTR: NOT RPTD

CSG/LNR/TBG: 2 7/8 @ 9857.

RESULT: IPF 1671 MCFGPD, CAOF 2423, 82 BC/PD, GTY 63, GAS GTY 736, GLR 17900-1, SITP 2055
BHSP 3442 PROD ZONE - MORROW 9992-10006

COMP INFO: PROD TEST(S): PERF (DEVONIAN), 10946-10988, BRPG, 10100 PRODUCING
INTERVAL(S) DATA: PERF (MORROW), 9992-10006, W/80 SHOTS, POINT TEST: 570 MCFD, TP
1600, BHFP 2942, 1ST THRU 4TH PT TESTS IN 60 MINS, CHKS NO DETAILS 866 MCFD, TP 1590,
BHFP 2739, 1385 MCFD, TP 1330, BHFP 2232, 1671 MCFD, TP 1145, BHFP 1912, BHSP 3442, CAOF
2423 MCFD, NATURAL

(OVER) DATE 07/18/94 CARD # 00001-N MEX
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PALOMA RESOURCES
1 PEERY FEDERAL (API 30-005-00514-0002) STATUS: OIL

LOCN: SEC 29 T15S R30E SW NE 1980 FSL 1980 FEL SEC. 25 MI E LAKE ARTHUR, NM;
(VERTICAL) OWWO: OLD INFO: FORMERLY TEXACO INC. # 1 PEERY - FEDERAL. ELEV 3968 GR.
13 3/8 @ 468 W/600 SX. 9 5/8 @ 2942 W/1400 SX. 5 1/2 @ 12298 W/1325 SX. OTD 12298. COMP
3/22/71. IPF 126 BO. 642 BWPD. PROD ZONE: DEVONIAN 11008-11028 (PLUGGED PRODUCER
3/23/82).

SPUD: 12/06/93 COMP: 01/04/94 EL: 3968 GR DTD: 12298 (ELLENBURGER) PBTD: 11048
CONTR: NOT RPTD

CSG/LNR/TBG: 5 1/2 @ 7304, 2 7/8 @ 10928.

RESULT: IPF 405 BO, 790 MCFG/PD, 12/64 CK, GOR 1950, GTY 56, FTP 1420, FCP PKR PROD ZONE
- DEVONIAN 11008-11028

COMP INFO: DRILG COMMENTS: RAN 5 1/2 TIE BACK CSG DO TO 11048 PRODUCING
INTERVAL(S) DATA: PERF (DEVONIAN), 11008-11028, W/80 SHOTS, FCP: PKR, DO PLUGS TO
REOPEN EXISTING DEVONIAN PERFS NO NEW TREATMENT

CHAVES S E NEW MEXICO LITTLE LUCKY LAKE DO

MATADOR OPERATING
2 KINAHAN V G FEDERAL (API 30-005-21125)

STATUS: OIL

LOC'N: SEC 20 T15S R30E SW SE 330 FSL 2200 FEL SEC, 24 MI SE HAGERMAN, NM ; **ABHL:**
MD 11100; 17 N 56 E 20-15S-30E; (**VERTICAL**)

SPUD: 03/31/94 **COMP:** 05/31/94 **EL:** 3999 KB 3981 GR **DTD:** 11100 (DEVONIAN) **CONTR:** ZIADRIL
INC RIG #3 RIG SUB:16

SIDETRACK DATA: SET WHIPSTOCK @ 10046 150 SX CMT PLUG 10046-10246

CSG/LNR/TBG: 13 3/8 @ 472 W/475 SX, 8 5/8 @ 3000 W/900 SX, 5 1/2 @ 10989 W/700 SX;

RESULT: IPF 155 BO, 390 MCFGPD, 9/64 CK, GOR 2516, GTY (NR), FTP 1725, FCP PKR PROD ZONE
- DEVONIAN 10989-11100 (OPENHOLE) NO CORES, TWO DSTS RPTD

COMP INFO: **DST # 1,** TITE **DST # 2,** TITE; **PRODUCING INTERVAL(S) DATA:** (DEVONIAN)
OPENHOLE , 10989-11100, FCP: PKR, TREATMENT - NO DETAILS **RIG REL:** 05/18/94

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DATE 07/11/94**CARD #00002-N MEX**

CHAVES S E NEW MEXICO CHAVES CO UNDESIGNATED U

MATADOR OPERATING
WD-1 KINIHAN V G FEDERAL (API 30-005-00504-0002)

STATUS: SER

LOC'N: SEC 20 T15S R30E SW SE 660 FSL 1980 FEL SEC, 24 MI E LAKE ARTHUR, NM ;
(**VERTICAL**) **OWWO:** OLD INFO: FORMERLY WESTBROOK V H 1 KINIHAN V G FEDERAL. ELEV
4004 DF. **SPUD** 2/11/85 13 3/8 @ 478 W/600 SX, 8 5/8 @ 2959 W/800 SX, 5 1/2 @ 11157 W/300 SX, 5
1/2 @ 8002 W/79 SX (TIEBACK). **OTD** 11157. **PB** 9920. **COMP** 4/7/85. **IPF** 376 MCFGPD. **PROD ZONE:**
WOLFCAMP 8060-8070; **WELL ID CHANGES:** WELL NBR CHGD FROM 1 FIELD CHGD FROM
LITTLE LUCKY LAKE

SPUD: 12/15/93 **COMP:** 11/10/94 **EL:** 3994 GR **DTD:** 11157 (DEVONIAN) **PBTD:** 2340 **CONTR:**
NOT RPTD

CSG/LNR/TBG: 5650/75 SXS(RET @ 5549), SQZD PERFS2400/130 SXS(RET @ 2340);

RESULT: , WDW DISP ZONE - QUEEN 2140-2217 (GROSS)

COMP INFO: **PROD TEST(S):** **PERF** (WOLFCAMP), 8060-8070, BRPG 7895 **PERF** (QUEEN),
2176-2184, 2191-2210, 2212-2217, W/4 PF, SWBD 63 BF W/SO&G **REPERF** (QUEEN), 2140-2147,
2176-2184, 2191-2210, 2212-2217, WFR (2140-2217) W/ 35 BBLS, 2% KCL W/CORROSION INHIBITOR,
SWBD WTR,

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DATE 03/13/95**CARD #00006-N MEX**

CHAVES S E NEW MEXICO UNNAMED WSD

MCCLELLAN OIL

STATUS: OIL

1 SAM FEDERAL (API 30-005-00512-0003)

LOC'N: SEC 28 T15S R30E NW NW 660 FNL 330 FWL SEC, 25 MI E LAKE ARTHUR, NM. : QWWO: OLD
INFO: FORMERLY MCCLELLAN OIL # 1 SAM FEDERAL. SPUD 2/27/86. 13 3/8 @ 469 W/600 SX, 8 5/8 @ 3000
W/1100 SX, 4 1/2 @ 10489 W/700 SX. OTD 11353. COMP 9/24/86. D&A;

SPUD: 07/30/87 COMP: 09/04/87 EL: 4012 DF DTD: 11353 (DEVONIAN) PBTD: 8710 CONTR: NOT RPTD

CSG/LNR/TBG: 2 3/8 @ 08660;

RESULT: IPP 18 BO, 60 MCFG, 35 BWPD, GOR 3333, GTY 40.9 PROD ZONE - PENNSYLVANIAN 8534-8627

COMP INFO: DRLG COMMENTS: DOC TO 9703 PROD TEST(S): PERF (BONE SPRING), 9695-9703,
TO SHUT OFF NON-PRODUCING PERFS BRPG 9615 PERF (PENNSYLVANIAN), 8748-8830, W/22 SHOTS,
ACID (8748-8830) W/100 GALS, 15% MCA, SWBD WTR BRPG 8710 PERF (PENNSYLVANIAN), 8534-8540,
8567-8569, 8596-8627, W/16 SHOTS, ACID (8534-8627) W/2000 GALS, 15% MCA, SWBD W/GSG&O PERF
(PENNSYLVANIAN) 8534-8627 GROSS, ACID (8534-8540) W/1500 GALS, 20% NEFE, ACID (8596-8627)
W/1500 GALS, 20% NEFE, ACID (8567-8569) W/3000 GALS, 20% NEFE, SWBD W/GSO&G PRODUCING
INTERVAL(S) DATA: PERF (PENNSYLVANIAN) 8534-8627 W/16 SHOTS GROSS, RESV: PENNSYLVANIAN,
PENNSYLVANIAN DISCOVERY - SHALLOW POOL

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DATE 11/23/88 CARD #00002-N MEX

CHAVES COUNTY	NEW MEXICO	WILDCAT
Well: McCLELLAN OIL CORP. 2 Cedar Point		Result: D&A WO
Locn: 13 mi SE/Boaz, 1980' FSL 330' FWL Sec 21-15S-30E.		

Spud: 8-23-77; Comp: 9-13-77; Elev: 4012' grd; TD: 2350' Queen;
Casing: 8 5/8" 675' /mudded
Comp Info: D&A; C/Cortez.
Tops: (EL) Salt 630', Base Salt 1430'
API No.: 30-005-20608

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Petroleum Information

CORPORATION
A Subsidiary of A.C. Nielsen Company

Date: 10-26-77 Card No.: 10 rm

RECEIVED
FEB 08 1995
95 MAR 7 10 08 52
N. M. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDY 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

SWD-581

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

5. Lease Designation and Serial No.
NM-0338A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Peery Fed. Lease

9. API Well No.

10. Field and Pool, or Exploratory Area
Little Lucky Lake Morrow

11. County or Parish, State
Chaves County, NM

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 622-0770

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec. 29-T15S-R30E

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 checked="" type="checkbox"/> Subsequent Report	<input 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 checked="" type="checkbox"/> Other SURFACE COMMINGLED OF GAS
	<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.)*

The above lease has 3 producing wells:

The Peery Fed. #1. Unit G Producing from Devonian. Gas Metered at unit J at the battery.

The Peery Fed. #2. Unit O Producing from the Morrow. Gas metered on location.

The Peery Fed. #3. Unit K Producing from the Morrow. Gas metered also on Unit O loc.

Each well has its own allocation meter. All gas is metered and then commingled on the surface. The gas is then sold through one common sales meter into GPM Gas Corporations low pressure gas line. The sales meter for GPM is also on location in Unit O. The average volume of gas for the Peery Fed. #1 Devonian is 100 mcf/d with BTU of 1460. The average volume for the two Morrow wells, Peery Fed. #2 & #3 is 1400 mcf/d with BTU of 1265. GPM is paying royalty on the average of all the gases combined with increases value of Morrow gas by enriching with Devonian.

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

Signed *[Signature]* Title Agent Date 2-3-95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

APPROVED
FEB 8 1995
BUREAU OF LAND MANAGEMENT
ROSWELL REGIONAL 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.

RECEIVED

W. GOWES
OFFICE

OIL CONSERVATION DIVISION

RECEIVED

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☒ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no

II. Operator: Paloma Resources, Inc.

Address: P.O. Box 1814 Roswell, NM 88202-1814

Contact party: Charles Foster Phone: 505-6220770

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Charles Foster

Title: President

Signature: Charles Foster

Date: 6-2-94

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

Case # 4425

Order # R-4046

Dated 10-27-70

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

**State of New Mexico
Energy and Minerals Department
P.O. Box 1980
Hobbs, New Mexico 88241**

**RE: Application for Authorization to Inject
produced water. Re-Approval of Order R-4046.**

**Peery Fed. #4
660' FNL & 900' FEL Unit A
Sec. 29-T15S-R30E
Chaves County, New Mexico
Little Lucky Lake Devonian.**

PALOMA RESOURCES, INC., P.O. Box 1814, Roswell, NM 88201 hereby requests permission to dispose of produced water into the Devonian Formation at a depth of 11,150' to 11,794'. The above described well is currently a plugged and abandoned well which was originally completed in the Devonian Formation as a water disposal well in the Little Lucky Lake Field.

The purpose of this well is to inject water into the Devonian Formation as a Disposal well. This application qualifies for Administrative Approval and has been approved and used as a disposal well previously under Case #4426 and approved under Order # R-4046 dated October 27, 1970..

**The Applicant in this application is:
Paloma Resources, Inc.
P.O. Box 1814
Roswell, New Mexico 88202-1814**

For correspondence, please contact Mr. Charles Foster at the above address. Additional engineering data may be obtained by contacting Gene Lee, 622-7355, agent for the above applicant. Paloma Resources, Inc. is currently the lessee of record and operator of the above lease and all wells located on said lease.

A wellbore schematic is provided and attached showing the current and proposed configuration. All casing strings have been cemented to surface and provide protection from migration of disposal waters and protection of any other potential producing reservoirs.

All well in the area within a one mile radius are identified and their wellbore condition shown, both producing and plugged.

The average daily rate of water to be injected is approximately 1500 bbls per day. This may increase to a maximum of 7000 bbls of water per day as submersible pumps are installed to produce the wells in paying quantities. The system will be a closed system. The injection pressure at the surface will be on a vacuum. Records of injection pressures on this well when it was previously used as a disposal well show taking fluid on a vacuum. Testing will be done upon recompleting the Peery Fed. #4 as a disposal well to verify injection rates and pressures however, pressure will never exceed 2000#.

Paloma Resources, Inc. proposes to utilize said well to dispose of produced salt water into the same Devonian formation which was previously approved as the disposal zone in Order No. R-4046. The waters to be disposed of are also of the same type and are from the same wells which previously had used said well as the disposal well.

Injection of produced water will be accomplished through a 2 7/8" plastic coated tubing string with a packer attached. The packer will be set inside the existing plastic coated 5 1/2" casing. The bottom of the 5 1/2" casing is set at 11,150' with the top of the Devonian topped at 11,070'. The packer will be set at 11,125' and will also have a plastic coated mandrel. There will also be a profile nipple located above and below the packer and an on/off tool between the packer and tubing.

Paloma Resources, Inc.

Page --3--

Prior to entering the Devonian formation, the Morrow zones which had been previously perforated will be squeezed with cement to insure mechanical integrity of the entire casing string. The casing will be tested to 2500# prior to drilling out the cement plugs on top of the Devonian Zone. Upon setting the packer, an inert fluid containing corrosion inhibitors will be placed between the casing and tubing annulus. The well will be tested in accordance with OCD rules and also operated under guideline set out by the OCD. Monthly reports of its disposal operations in accordance with Rules 706 and 1120 of the Commission rules and regulations shall be submitted each month on a timely basis.

Approval of this Disposal Application is hereby requested based on the above information and previously approved Application for Salt Water Disposal Order # R-4046. Approval of the subject application will prevent drilling unnecessary well, prevent waste, increase proven reserves, and protect correlative rights.

PALOMA RESOURCES, INC.

A handwritten signature in cursive script, reading "Charles Foster", written in dark ink.

Charles Foster, Pres.

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W273-93

TO Mr. Gene Lee

Date September 2, 1993

1306 Meadow Lane

Roswell, NM 88201

This report is the property of Halliburton Services and neither it nor any part thereof, nor a copy thereof, is to be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services.

Submitted by _____ Date Rec. September 2, 1993

Well No. Perry #2 Depth _____ Formation _____

Field _____ County _____ Source _____

Resistivity 0.081 @ 70°

Specific Gravity .. 1.075 @ 70°

pH 7.0

Calcium 3,100

Magnesium 750

Chlorides 64,000

Sulfates 400

Bicarbonates 976

Soluble Iron 0

Remarks:

Eric Jacobson
Respectfully submitted

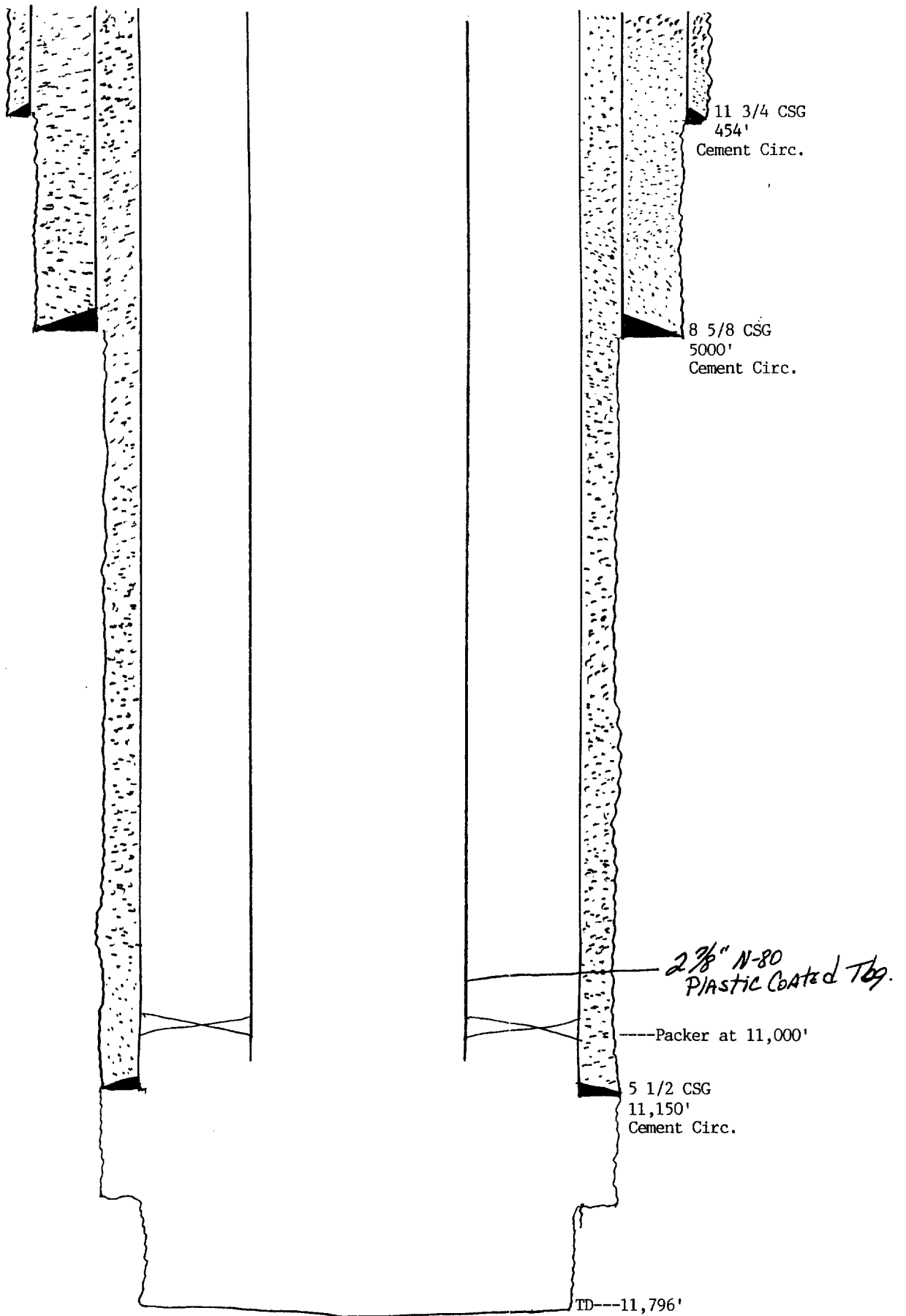
Analyst: Eric Jacobson - Operations Engineer

HALLIBURTON SERVICES

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Paloma Resources, Inc.
Peery Federal #4
Proposed Wellbore Diagram.



NEW NAME - PERRY FSD - 21

P1

GL 3987

1124181 CMT CIRC DOWN 5 1/2' & Betw 8' & 11' 3/4'

1123189 PEG 4 IS 504'

1124189 SPOT 10 SK CMT PEG 758-658

1125187 SPOT 25 SK CMT PEG 1457-1357

1125189 SPOT 25 SK CMT PEG 3105-275

1126187 SPOT 75 SK CMT PEG 5071-4338 TAG

1126189 SPOT 35 SK CMT PEG 5835-5675

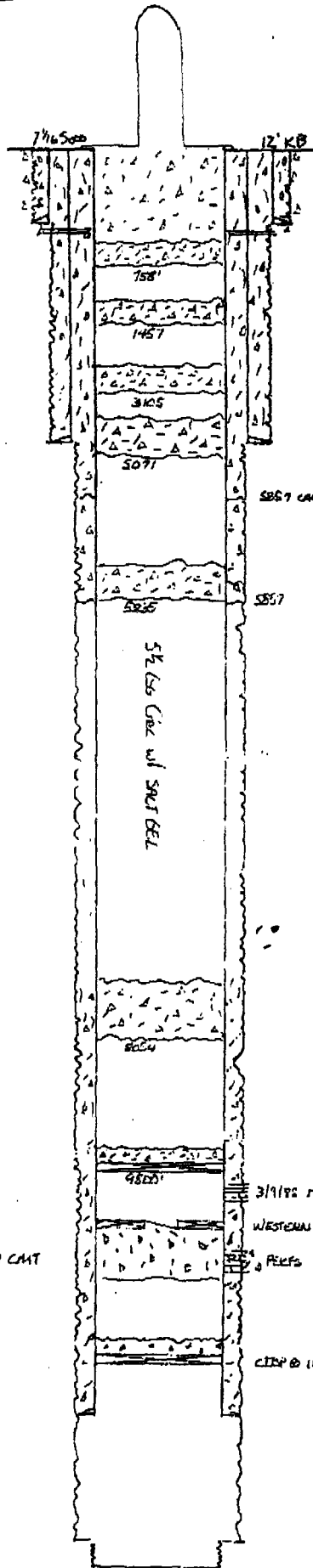
1126187 SPOT 35 SK CMT PEG 7876-7876

1126189 SET 5 1/2' CIRC 9800' CAP W/ 35' CMT

SPOT 60 W/ 75 SK CMT H CMT
318/80

6602L 660' NL 570' EL
SEC 23 T 15S R 30E

L.M. LENTMAN 1126187



11 3/4" 42" H. 40 SET @ 454
CMT CIRC 15" H.S. 250 SX

8 3/4" 30" SET @ 5070
CMT CIRC (CMT) 10 3/4" H.S.
1100 SX

Acc 6480
VC 7708
PAG 9543
MAR 10,024
L.M.S 10 510

5 3/4" 14 1/2" 10" SET @ 11150
CMT CIRC 7 3/4" H.S.
780

Dev. 11,070

~~7-7-1970~~
7-9-70 SPUR
9-6-70 TD

31918 PEG 1100' W/ 2 J.P.P. 9883-94 12 INT 24 HOLE

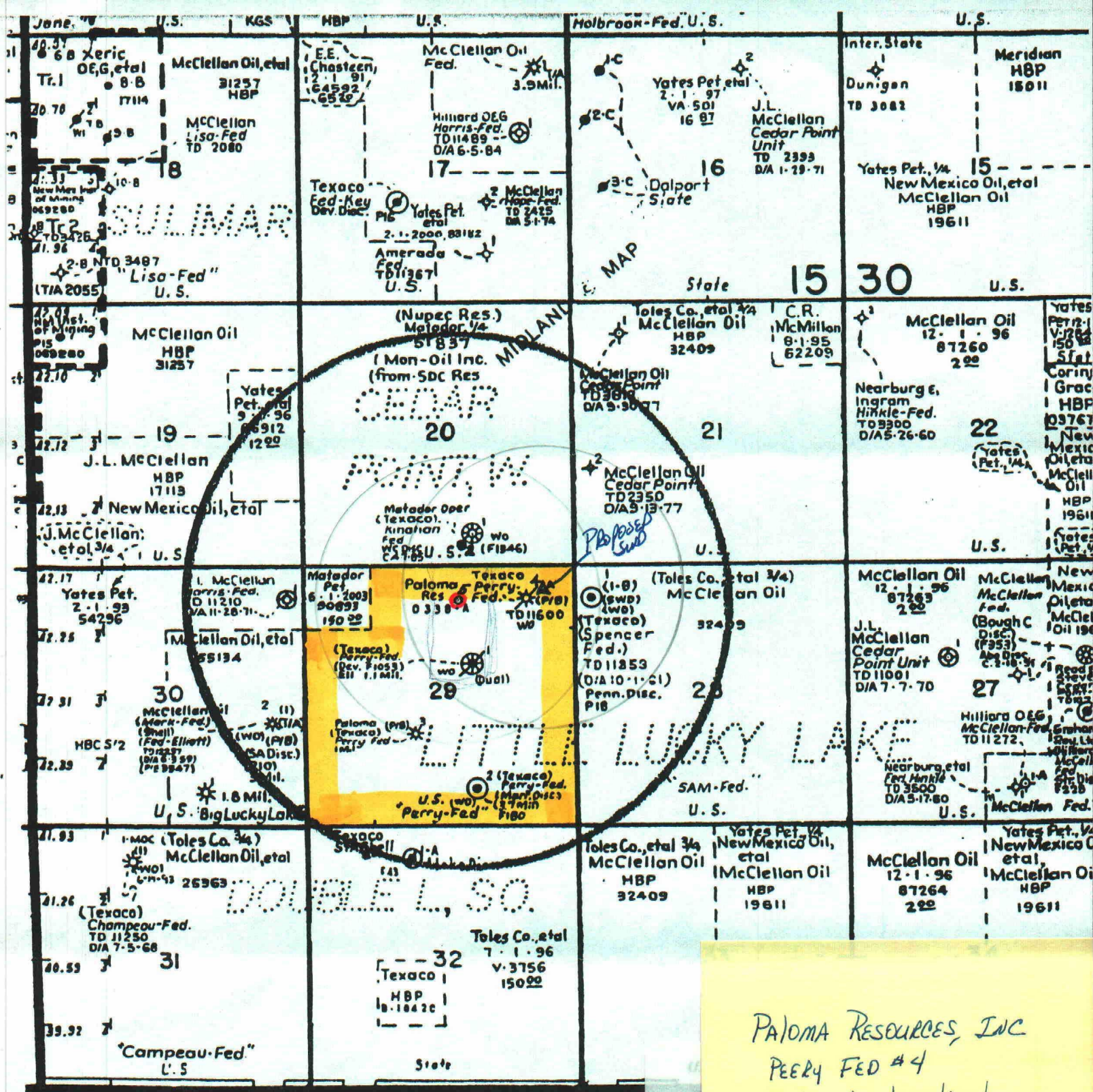
WESTERN 5 1/2' CMT RET SET @ 9995'

PEGS 1007-1-38 MIDDLE ZONE

CIRC @ 10200' CAP W/ 40' CMT

7 1/2" OPEN HOLE 11150-600
ABANDONED SWD INTERVAL

4 3/4" OPEN HOLE 11150-776



R 30 E

LEGEND

One Mile Radius Map

- CO₂ Wells Not Shown
- ◎ Wildcat Below 5000' or Discovery
- Location
- Abandoned Producer
- Complete — Producing Oil
- ★ Completed — Producing Gas
- ◆ Dry & Abandoned

AFFIDAVIT OF PUBLICATION

County of Chaves
State of New Mexico

I, Jean M. Pettit,
Bus. Manager,

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico, do solemnly swear that the clipping hereto attached was published once a week in the regular and entire issue of said paper and not in a supplement thereof for a period

of: one time weeks

beginning with issue dated
June 12th, 1994

and ending with the issue dated
June 12th, 1994

Jean M. Pettit
Manager

Sworn and subscribed to before me

this 12th day of
June, 1994

Marylon L. Skipper
Notary Public

My Commission expires

July 21, 19*94*
(SEAL)

Publish June 12, 1994

NOTIFICATION

PALOMA RESOURCES, INC., P.O. BOX 1814, ROSWELL, NM 88202-1814 has filed application with the Oil Conservation Division to re-enter and convert the Peery Fed. #4 to a salt water injection well. All waters injected into the well will come from the producing Devonian wells on the lease.

The injection well will be located 660' FNL & 900' FEL of Sec. 29-T15S-R30E, N.M.P.M., Chaves County, New Mexico, Little Lucky Lake Devonian Field.

The formation to be injected in will be the Devonian Formation at a depth of 11,150-11,796' in the open hole. Expected maximum injection rates are anticipated to be 4000 bbls/day at a maximum injection pressure of 2000#.

All interested parties must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

Paloma Resources, Inc.
P.O. Box 1814
Roswell, N.M. 88202-1814

H. E. Gene LEE
Agent for Paloma Resources, Inc.
1306 Meadow Lane
Roswell, NM 88201
505-622-7355



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED
OIL CONSERVATION DIVISION

'94 JUL 12 AM 8 50
HOBBS DISTRICT OFFICE

6-28-94

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	_____
SWD	<u>X</u> _____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Paloma Resources Inc Peery Federal #4-A 29-15-30
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4426
Order No. R-4046

APPLICATION OF TEXACO INC.
FOR SALT WATER DISPOSAL,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on October 14, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., is the owner and operator of the Peery Federal Well No. 4, located in Unit A of Section 29, Township 15 South, Range 30 East, NMPM, Little Lucky Lake-Devonian Pool, Chaves County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Devonian formation, with injection into the open-hole interval from approximately 11,150 feet to 11,794 feet.

(4) That the injection should be accomplished through a 5 1/2-inch plastic-lined liner set at approximately 11,150 feet.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to utilize its Peery Federal Well No. 4, located in Unit A of Section 29, Township 15 South, Range 30 East, NMPM, Little Lucky Lake-Devonian Pool, Chaves County, New Mexico, to dispose of produced salt water into the Devonian formation, injection to be accomplished through a 5 1/2-inch plastic-lined liner set at approximately 11,150 feet, with injection into the open-hole interval from approximately 11,150 feet to 11,794 feet.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/