

**PALOMA RESOURCES, INC.**

**Peery Fed. #1**

**1980' FNL & 1980' FEL**

**Sec. 29-T15S-R30E**

**Chaves County, New Mexico**

1. The location is a re-entry of the plugged and abandoned well formerly known as the Peery Fed. #1. See Attached C-102.

The estimated tops of geologic markers are as follows:

Anhydrite	440'	Abo	6424'
Salt	1400'	Wolfcamp	7740'
Yates	1464'	Pennsylvanian	8475'
San Andres	2897'	Mississippian	10215'
Glorieta	4350'	Devonian	10992'
Tubb	5650'	Ellenburger	11970'

2. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered are:

Water: None. Casing is already in place.

Oil or Gas: Devonian at 10,992 and Ellenburger at 11,970'

3. Pressure Control Equipment:

Blow Out Preventers will be installed on the 9 5/8" casing already in place. This will be rated for 3000# working pressure and will be consistent with API RP 53. Pressure tests will be conducted before drilling into the 9 5/8" casing. The 5 1/2" casing will be tied back together with the same pressure rated BOP nipped up on the 5 1/2" casing afterwards. BOP's will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least once daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See BOP Diagram.

**Auxilliary Equipment:**

This shall consist of an upper and lower kelly cock and sub with full opening valve to fit the drill pipe and collars. This will be on the floor of the rig at all times in the open position.

4. The Proposed Casing and Cementing Program:

All casing will be tested to API specifications. All casing is currently in place, with the exception of the 5 1/2" casing. This will be spliced back together and cemented back to surface from 7300'. This will be 5 1/2" 17# N-80 8rd LT&C casing from 0-7300'.

The casing will be cemented with approximately 500 sx of Class "H" containing additives. No other casing will be cemented.