STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

6-28-94

BRUCE KING
GOVERNOR

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

SWD 551

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

RE: Proposed:
MC
DHC
NSL
NSP
SWD X
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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTM

OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501

FORM C-108
Revised 7-1-81

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

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

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 or 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 vaccuum. Records of injection pressures on this well when it was previously used as a disposal well show taking fluid on a vaccuum. 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 botom 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.

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.

Charles Foster

Charles Foster, Pres.

'ALLIBURTON DIVISION LABORATO'

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT No. W273-93

TO Mr. Gene Lee

1306 Meadow Lane

Roswell, NM 88201

Date September 2, 1993

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		

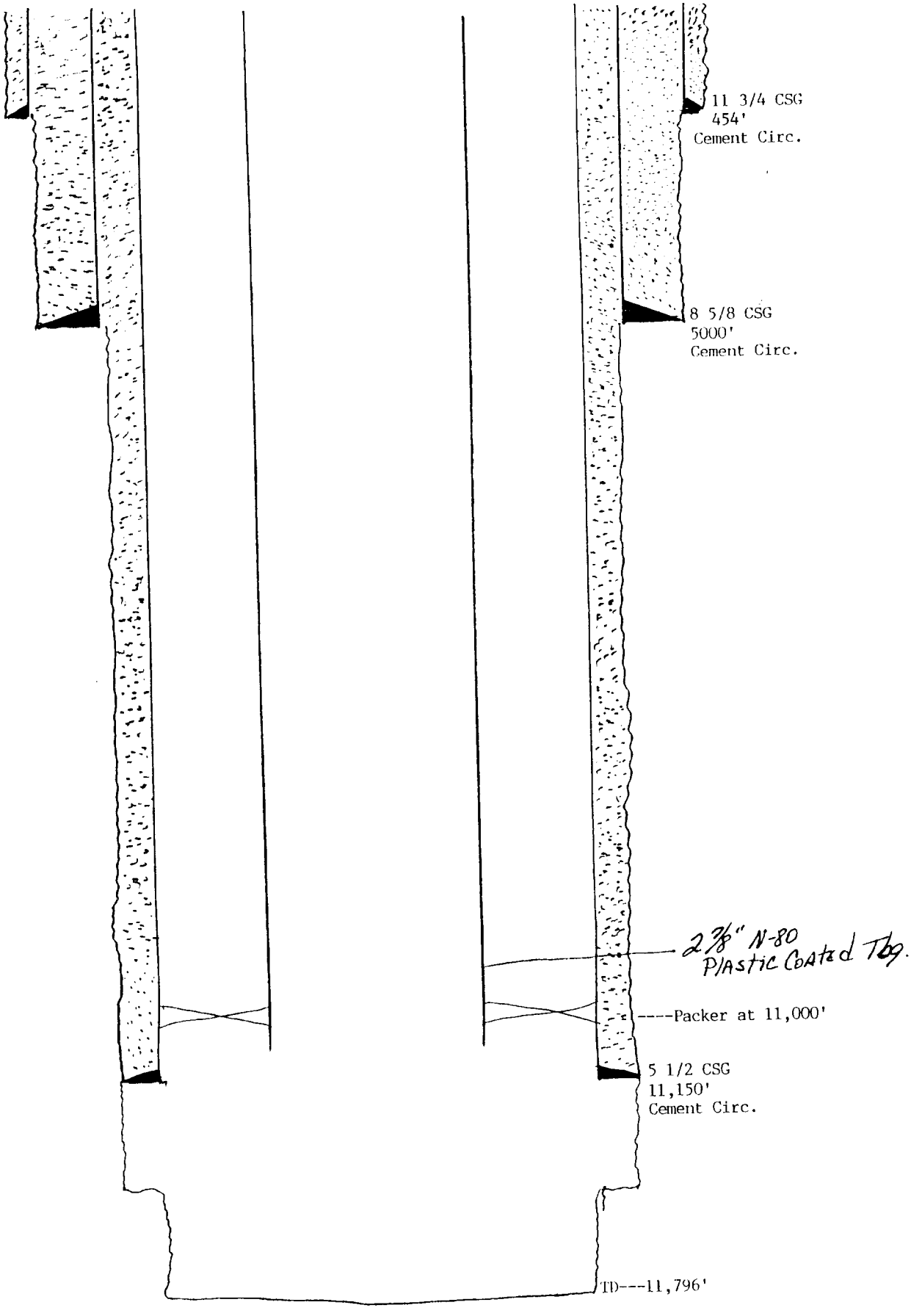
Remarks:

Respectfully submitted

Analyst: Eric Jacobson - Operations Engineer

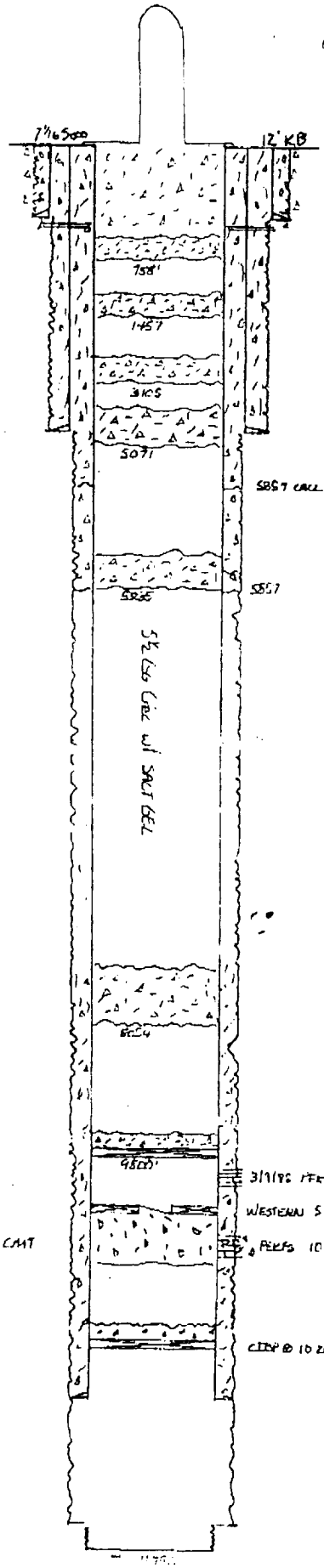
HALLIBURTON SERVICES

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



Well Name - PEEREX FED #1

GL 3987



11/24/89 CMT CIRC DOWN 5½ & Betwn 8⅝ & 11¾"

11/23/89 Perf 4 JSPF 504'

11/24/89 Set 100 Sx Cmt Plug 758-658

11/23/89 Set 25 Sx Cmt Plug 1457-1357

11/23/89 Set 25 Sx Cmt Plug 3105-2965

11/20/89 Set 75 Sx Cmt Plug 5071-4338 TAG

11/21/89 Set 355x Cmt Plug 5865-5857

11/20/89 Set 35 Sx Cmt Plug 8250-7976

11/19/89 Set 5½ CIBP @ 9500' Cap w/ 35' Cmt

5857 cut w/ 75 Sx C.L.H Cmt 3/8/90

6697' EGG'NL SEC'EL
SEC 25 T 15S R 30E

L.M. Herman 11/25/89

11¾" 42" H-40 Set @ 464
Cmt Circ 15" H.S. 250 Sx

8⅝ 32" Set @ 5000'
Cmt Circ (Calc) 10¾ H.S.
1100 Sx

N66 6450
VC 7708
ATOK 9543
MAR 10,029
LMLS 10 510

5½ 14#17.10" Set @ 11,150
Cmt Circ 7⅞" H.S.
780

Dev. 11,070

~~9-7-1990~~
7-9-70 Spud

9-6-70 TD

3/7/90 Perf Wolfcamp 2 JSPF 9883-94 12 INT 24 HOLE

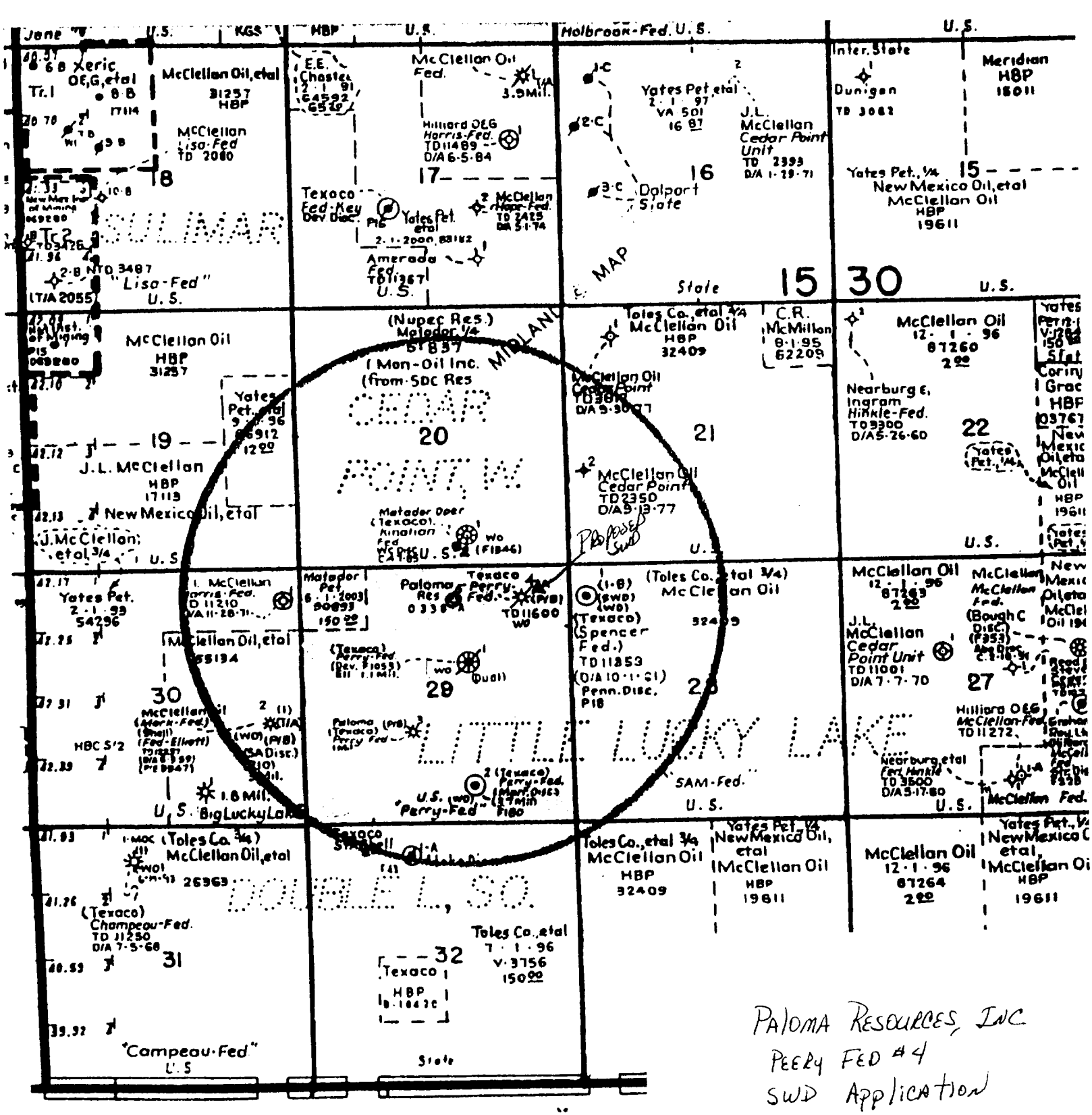
Western 5½ Cmt Ret Set @ 9995'

Perfs 10027-38 Middle Zone

CIBP @ 10,200' Cap w/ 40' Cmt

7⅞" Open Hole 11150-6157
Abandoned Swd Interval

4⅝ Open Hole 11,200-7976



PALOMA RESOURCES, INC.
PEERY FED #4
SWD Application

R 30 E

LEGEND

One Mile Radius Map

CO_2 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

Manager

Sworn and subscribed to before me

this 12th day of

June ,1994

Notary Public

My Commission expires

July 21 ,1994

(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 & 990' 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