

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ *Re-Enter* DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☐ OTHER SWD ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Paloma Resources, Inc

3. ADDRESS OF OPERATOR

P.O. Box 1814 Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface  
660' FNL & 990' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

25 Miles East of Hagerman, NM

10. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

11,796'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3987' GR.

22. APPROX. DATE WORK WILL START\*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	11 3/4"	42#	454'	290 sx. Circulated
10 5/8"	8 5/8"	32#	5000'	1100 sx. Circulated
7 7/8"	5 1/2"	17# & 20#	11,150'	1800 sx. Circulated.

The above casing is currently in place. The 5 1/2" casing is cemented back to the surface. This well was originally the SWD well for the Little Lucky Lake field. This APD is to re-enter the Peery Fed. #4 well and convert it back to the Salt Water Disposal well for the other wells on the Lease.

No new casing will be run or cemented.

The water will be disposed of in the Devonian Formation in the open hole section from 11,150'--11,796'

Well was originally drilled as Texaco #4 Peery Fed. Spud 7-9-70.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*H. E. Smith*

TITLE

Agent 622-7355

DATE

5-10-94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

*Earle Smith*

TITLE

*Acting Area Manager*

PLEASE ADVISE THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED SURFACE MATERIALS. NO DITCHING OF THE ACCESS ROAD OR ROADWAY. NO PAYMENT IN ADVANCE.

\*See Instructions On Reverse Side

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.

5. LEASE DESIGNATION AND SERIAL NO.  
NM-0338A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Peery Federal

9. WELL NO.  
4

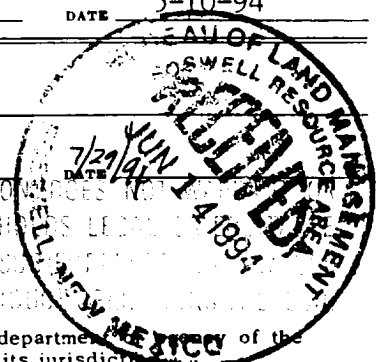
10. FIELD AND POOL, OR WILDCAT  
Little Lucky Lake

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA  
Sec. 29-T15S-R30E

12. COUNTY OR PARISH  
Chaves Co.

13. STATE  
NM

OPER. GRID NO. 16848  
PROPERTY NO. 8694  
POOL CODE 46118  
EFF. DATE 8-3-94  
API NO. 10-0004-20333



Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

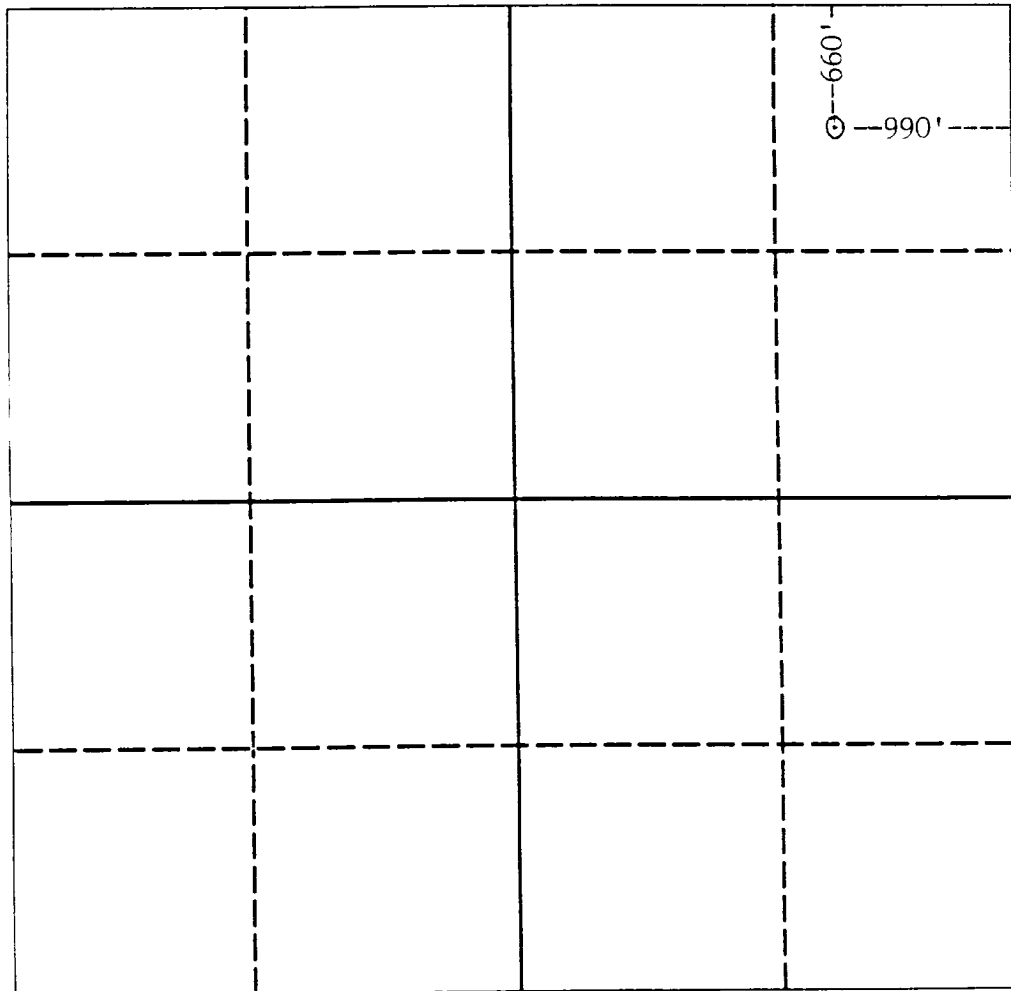
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT  
All Distances must be from the outer boundaries of the section



Operator Paloma Resources, Inc.			Lease Peery Fed.		Well No. 4
Unit Letter A	Section 29	Township 15 South	Range 30 East	County NMPM	Chaves
Actual Footage Location of Well: 660' feet from the North line and 990' feet from the East line					
Ground level Elev. 3987'	Producing Formation SWD--Devonian		Pool Little Lucky Lake Devonian		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *H. E. Gene Lee*  
Printed Name  
H. E. Gene LEE  
Position  
Agent  
Company  
Paloma Resources, Inc.  
Date  
5-10-94

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
*SEE ORIGINAL PLAT*  
Signature & Seal of  
Professional Surveyor

Certificate No.

**A PPLICATION FOR PERMIT TO DRILL**  
**Paloma Resources, Inc.**  
**Peery Fed. #4**  
**660' FNL & 990' FEL**  
**Sec. 29-T15S-R30E**

In conjunction with Form 3160-3, Application for Permit to Drill, Paloma Resources, Inc. submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The surface formation is sandy alluvium.
2. Estimated tops of geologic markers are as follows:

Anydrite	440'	Abo	6490'
Salt	1400'	Wolfcamp	7708'
Yates	1464'	Atoka	9543
San Andres	2897'	Morrow	10,024'
Glorieta	4350'	L. Miss.	10,510'
Tubb	5650'	Devonian	11,070'
3. The estimated depths at which water, oil or gas are expected to be encountered are:  
Water--None. This well has already been drilled and completely cased off.  
Oil Or Gas: None expected. This well will be a disposal for formation water.
4. Proposed Casing Program:  
No additional casing will be run. This well has 13 3/8" circulated to the surface from a depth of 454', 8 5/8" casing cemented to surface from 5000', and the 5 1/2" casing cemented to surface from 11,150'. A new wellhead assembly will be installed at the beginning of operations.
5. Pressure Control Equipment:  
A double ram hydraulic BOP will be installed prior to drilling the surface plug and will be tested daily. The wellhead equipment and BOP will be rated for 5000# WP.
6. Mud Program:  
No mud will be used to re-enter this well. The entire wellbore is cased and fresh water will be used to drill the cement and CIBP's.
7. Auxilliary Equipment:  
A stripper head will be used as well as a full opening stabbing valve and kelly cock.
8. Testing, Logging, and Coring Program:  
No tests, logs, or cores will be performed on this well. An injectivity test will be done to detemine amount of water the well will accept.
9. Abnormal Pressures, Temperatures, or Other Hazards.  
No Abnormal pressure, temperature or hazards are anticipated.
10. Anticipated Starting Date:  
Startup of operations is expected to start in Mid August, 1994 pending BLM and NMOCD approvals to re-enter and to dispose.



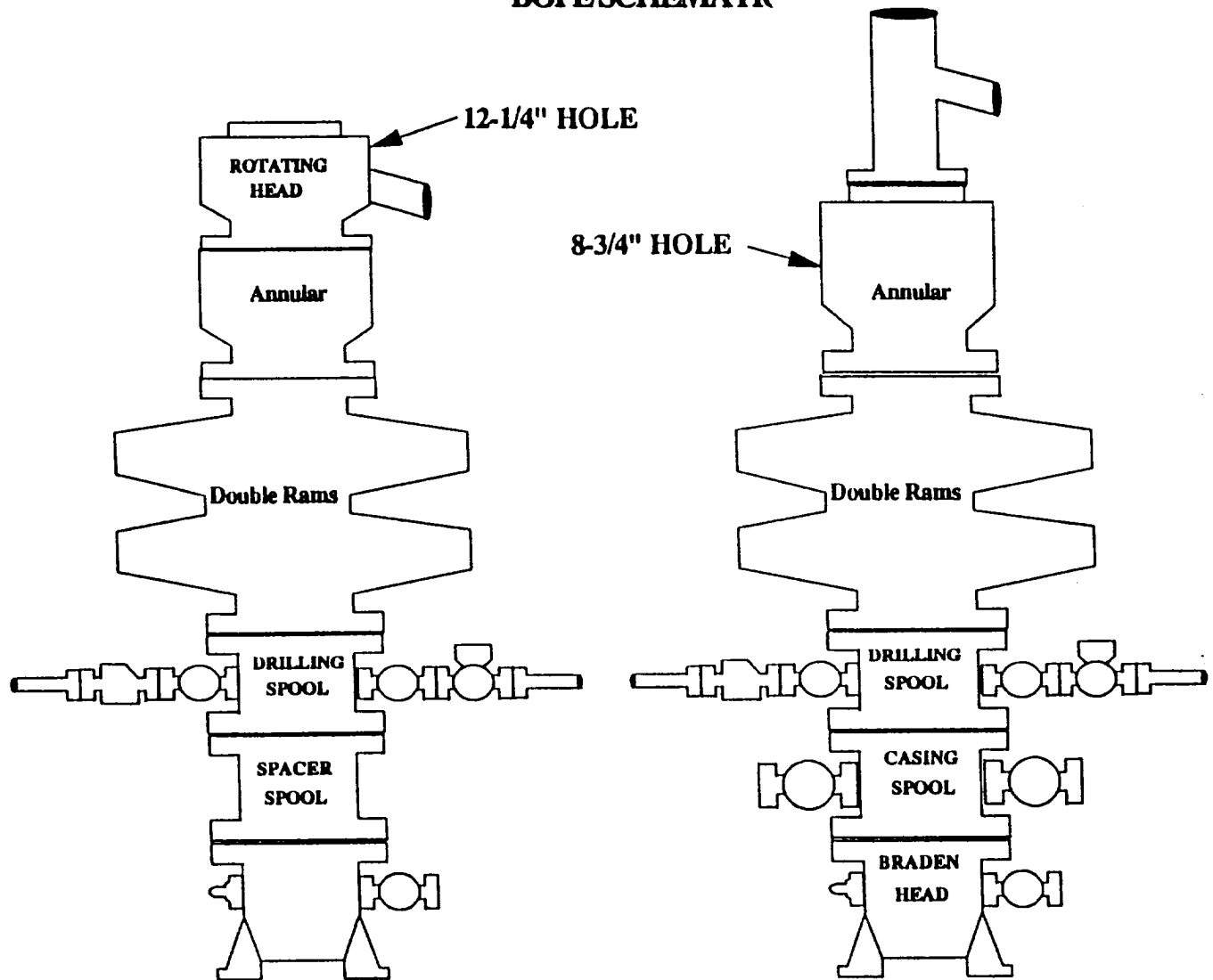
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**Paloma Resources, Inc.**  
**Peery Fed. #4**  
**660' FNL & 990' FEL**  
**Sec. 29-T15S-R30E**



**SUMMARY**

1. Prepare location for pulling unit. Dig out cellar and weld on wellhead. Nipple up BOP and stripper head. Move in and rig up pulling unit and reverse equipment.
2. Drill out cement from surface to 504'. Test casing to 1500#. Drill out cement to 758' and clean out to 1357'. Test casing to 1500#. Drill out cement to 1457' and clean out to next plug at 2995'. Test casing to 1500#. Drill out cement to 3105' and proceed in hole to 4838'. Test casing and drill cement to 5071'. Drill out cement plug 5685'--5835'. Proceed in hole to next cement plug. Drill from 7876'--8054'. Test casing and BOP. Drill out CIBP and cement at 9800'.
3. Squeeze perforations 9883-94 with 100 sx. Class "H" + .6% Halad 322. Squeeze to 5000#. Drill out squeeze and test to 1500#.
4. Drill out cement retainer at 9995' and cement to 10,038'. Go in hole and tag next CIBP and cement at 10,200'. Test casing to 1500#.
5. Drill out cement on top of CIBP and CIBP at 10,200'. Continue in hole to previous TD of 11,796'. Establish injection rate into disposal zone. Trip out of hole. Lay down drill collars and bit. Go in hole with packer and plastic coated tubing. Circulate inert fluid between tubing and casing. Set nickel coated and plastic coated packer at 11,100'. Nipple down BOP and flange up wellhead. Complete installation for injection.

# BOPE SCHEMATIC



Choke Manifold Requirement ( 3000 psi WP)

