

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ROSWELL, NEW MEXICO 88240

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☐ DEEPEN ☐ PLUG BACK ☐		5. LEASE DESIGNATION AND SERIAL NO. NM-96851	
b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER Re-entry ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Paloma Resources, Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 1814 Roswell, NM 88202		8. FARM OR LEASE NAME Morgan Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FWL & 990 FNL' (3) 1980' FWL & 990 FNL' Unit C		9. WELL NO. #1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 33 miles east of Roswell		10. FIELD AND POOL, OR WILDCAT wildcat	
10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA sec 6-T10s-R30e	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		12. COUNTY OR PARISH 13. STATE Chaves NM	
20. NO. OF ACRES IN LEASE 640		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
22. ROTARY OR CABLE TOOL Pulling Unit		20. ROTARY OR CABLE TOOL Pulling Unit	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4015 G.L.		22. APPROX. DATE WORK WILL START ASAP	

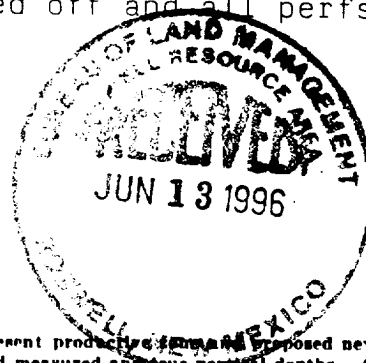
(EXISTING)

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
20	16	n/a	n/a	n/a	40	redi mix
12-1/4	9-5/8	n/a	n/a	8sd	1516'	1100 sxs
7-7/8	5-1/2	.17	k-55/1-80	8sd	10,000	1940 sxs

Operator proposes to clean out cement plugs and test for commercial Production from the Mississippi, Morrow or Strawn. If Commercial production is established, the San Andres perfs will squeezed off and all perfs isolated.

OPER. OGRID NO. 16848
PROPERTY NO. 19348
POOL CODE
EFF. DATE 8/13/96
API NO. 30-005-20667



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 William R. Hansen TITLE Agent DATE 06/09/96

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY T.R. Kuagn TITLE Area Manager DATE 7/30/96

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side