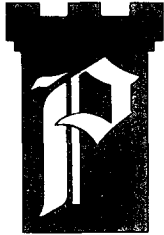


116552097 DHC

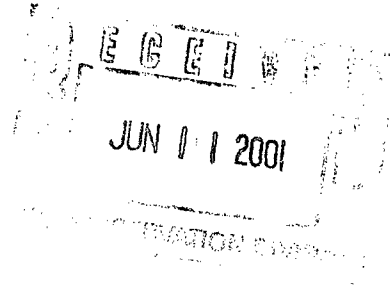
7/2/01



**PALADIN ENERGY CORP.**

June 7, 2001

State of New Mexico  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505



Re: Application for Downhole Commingling  
State ECC #2  
East Caprock Field  
Lea County, New Mexico

Dear Sir/Madam,

Please find enclosed our completed Form C-107A, as well as the necessary supporting documentation for an Application to Downhole Commingle the East Caprock Wolfcamp and East Caprock, Penn formations in the above referenced well.

If you have any questions or require additional information please call Mr. David Plaisance at (214) 654-0132 ext. 8. Thank you.

Sincerely,

David Plaisance  
Production Manager

District I  
1425 N. French Drive, Hobbs, NM 88240

District II  
811 South First Street, Amarillo, NM 8910

District III  
1020 Rio Grande Road, Aztec, NM 87410

District IV  
1720 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised May 15, 2000

APPLICATION TYPE

☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Paladin Energy Corp. 10290 Monroe Dr, Ste 301, Dallas, TX 75229

Operator

Address

State EC C

2

B-11-12S-32E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 164070 Property Code 24985 API No. 3002500105 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Caprock Wolfcamp, East		Caprock Penn, East
Pool Code	09310		09120
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,394-456'		9736-796'
Method of Production (Flowing or Artificial Lift)	Rod Pump		Rod Pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degrees API or Gas BTU)	1.212 BTU		1.267 BTU
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 2/28/01 Rates: 3 BOPD, 37 MCFD, 2 BWPD	Date: Rates:	Date: 5/31/01 Rates: 5 BOPD, 149 MCFD, 5 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 50 % Gas 75 %	Oil % Gas %	Oil 50 % Gas 75 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☒ No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE David Plaisance TITLE Production Mngr DATE 6/7/01

TYPE OR PRINT NAME David Plaisance TELEPHONE NO. 214, 654-0132

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-00105	<sup>2</sup> Pool Code 09120	<sup>3</sup> Pool Name East Caprock, Penn
<sup>4</sup> Property Code	<sup>5</sup> Property Name State ECC	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 164070	<sup>8</sup> Operator Name Paladin EnergyCorp.	<sup>9</sup> Elevation 4343'

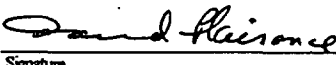
<sup>10</sup> Surface Location

UL or lot no. B	Section 11	Township 12-S	Range 32-E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup>			<u>Sec 11, T12S, 32E</u>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Plasiance Printed Name Production Manager Title 5/8/11 Date
			ECC #2 Well • - 40 Acre State ECC Tract	
				<sup>18</sup> 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 belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-00105	<sup>2</sup> Pool Code 09310	<sup>3</sup> Pool Name East Caprock, Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name State ECC	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 164070	<sup>8</sup> Operator Name Paladin EnergyCorp.	<sup>9</sup> Elevation 4343'

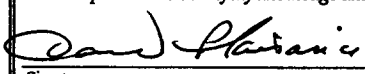
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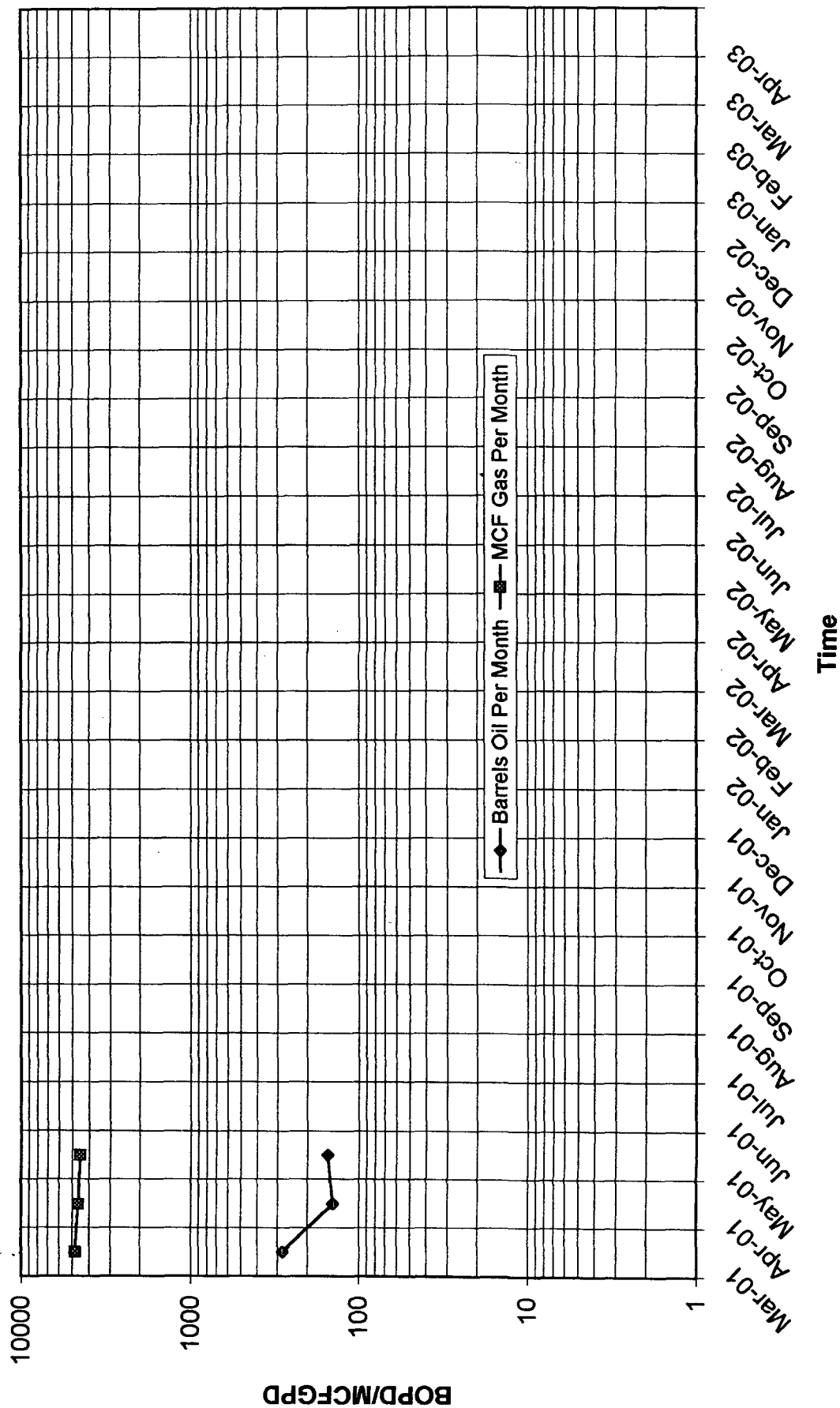
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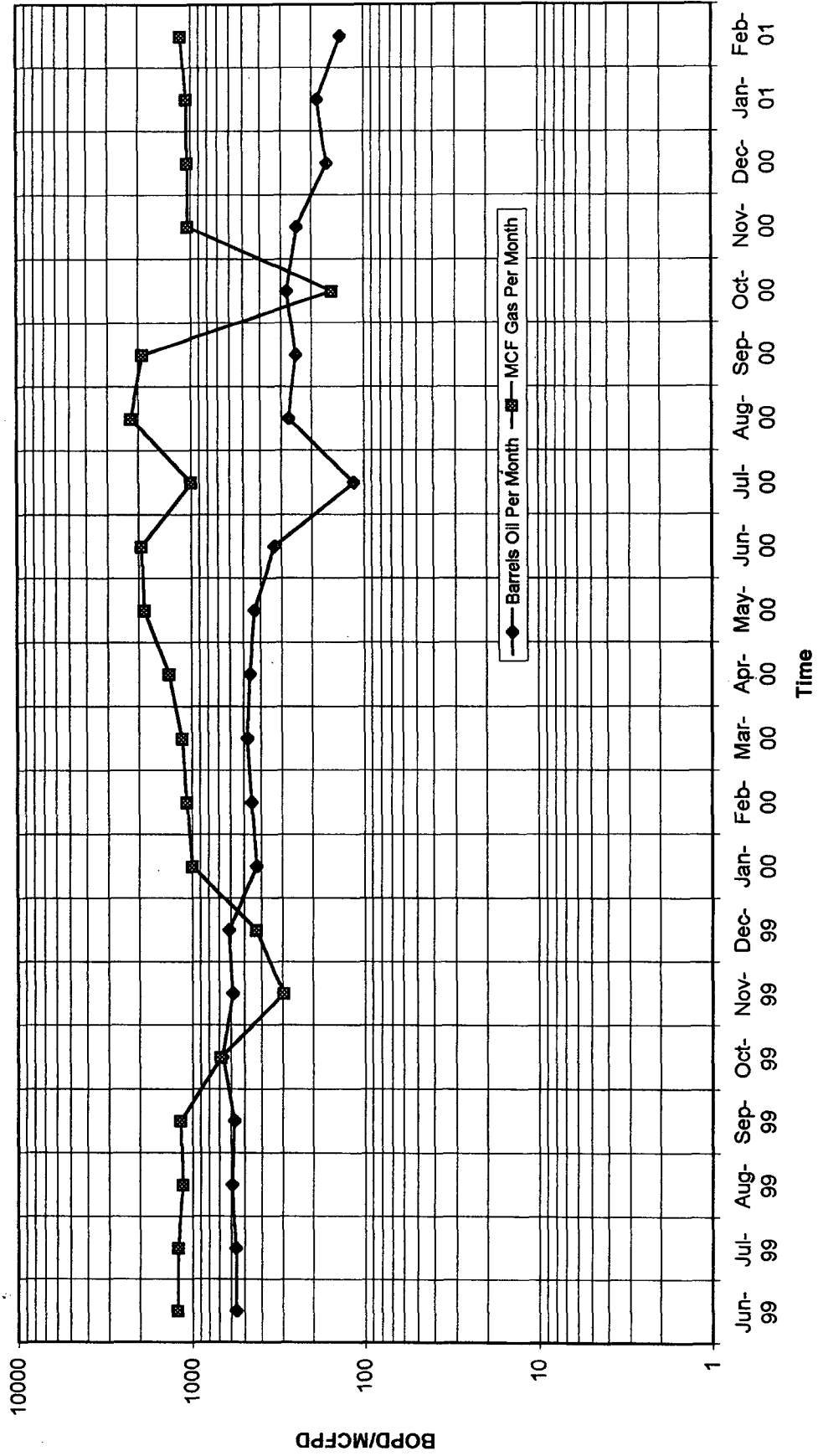
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<sup>16</sup>			<u>Sec 11, T12S, 32E</u>  • ECC #2 Well  - 40 Acre State ECC Tract	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature David Plasiance Printed Name Production Manager Title 5/8/11 Date
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				Certificate Number

Paladin Energy Corp. - Monthly Production  
 State ECC #2 E. Caprock, Penn Formation



Monthly Production - State ECC #2  
Wolfcamp Formation



District I  
1625 N. French Drive, Hobbs, NM 87401

District II  
1111 South First Street, Artesia, NM 87210

District III  
1000 Rio Bruma Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised May 15, 2000

APPLICATION TYPE

☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Paladin Energy Corp. 10290 Monroe Dr, Ste 301, Dallas, TX 75229

Operator

Address

State EC C

2

B-11-12S-32E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 164070 Property Code 24985 API No. 3002500105 Lease Type: ☐ Federal ☒ State ☐ Fee

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ADDITIONAL DATA

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Yes ☒ No ☐  
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

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NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

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- Bottomhole pressure data.

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SIGNATURE David Plaisance TITLE Production Mngr DATE 6/7/01

TYPE OR PRINT NAME David Plaisance TELEPHONE NO. 214 , 654-0132

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-00105	<sup>2</sup> Pool Code 09120	<sup>3</sup> Pool Name East Caprock, Penn
<sup>4</sup> Property Code	<sup>5</sup> Property Name State ECC	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 164070	<sup>8</sup> Operator Name Paladin EnergyCorp.	<sup>9</sup> Elevation 4343'

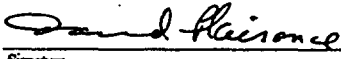
<sup>10</sup> Surface Location

UL or lot no. B	Section 11	Township 12-S	Range 32-E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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<sup>16</sup>			<u>Sec 11, T12S, 32E</u>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Plaisance Printed Name Production Manager Title 5/8/11 Date
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District I  
1625 N. French Dr., Hobbs, NM 88240

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1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

Submit to Appropriate District Office  
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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-00105	<sup>2</sup> Pool Code 09310	<sup>3</sup> Pool Name East Caprock, Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name State ECC	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 164070	<sup>8</sup> Operator Name Paladin EnergyCorp.	<sup>9</sup> Elevation 4343'

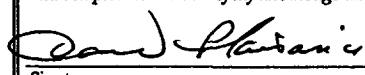
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UL or lot no. B	Section 11	Township 12-S	Range 32-E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Lea
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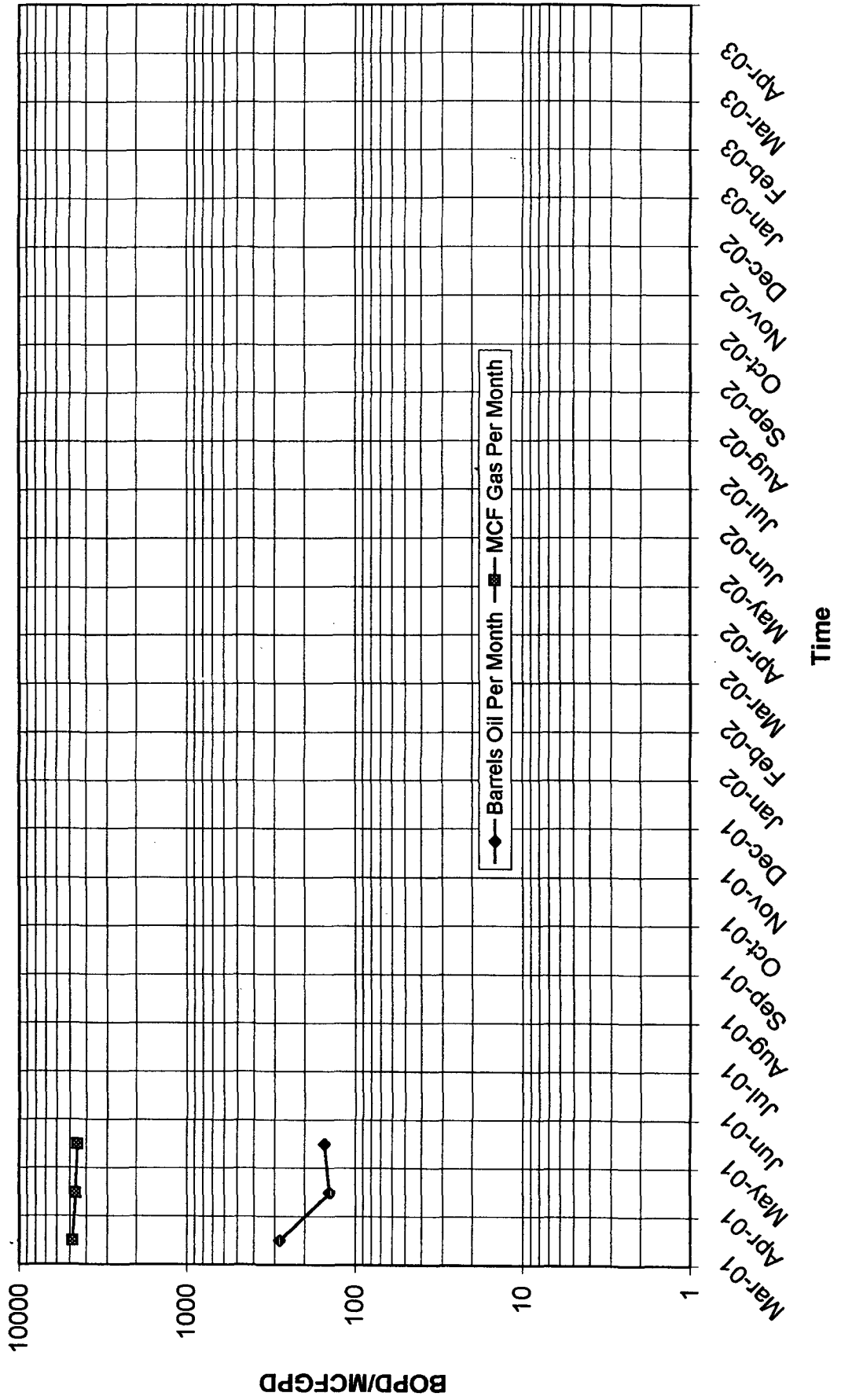
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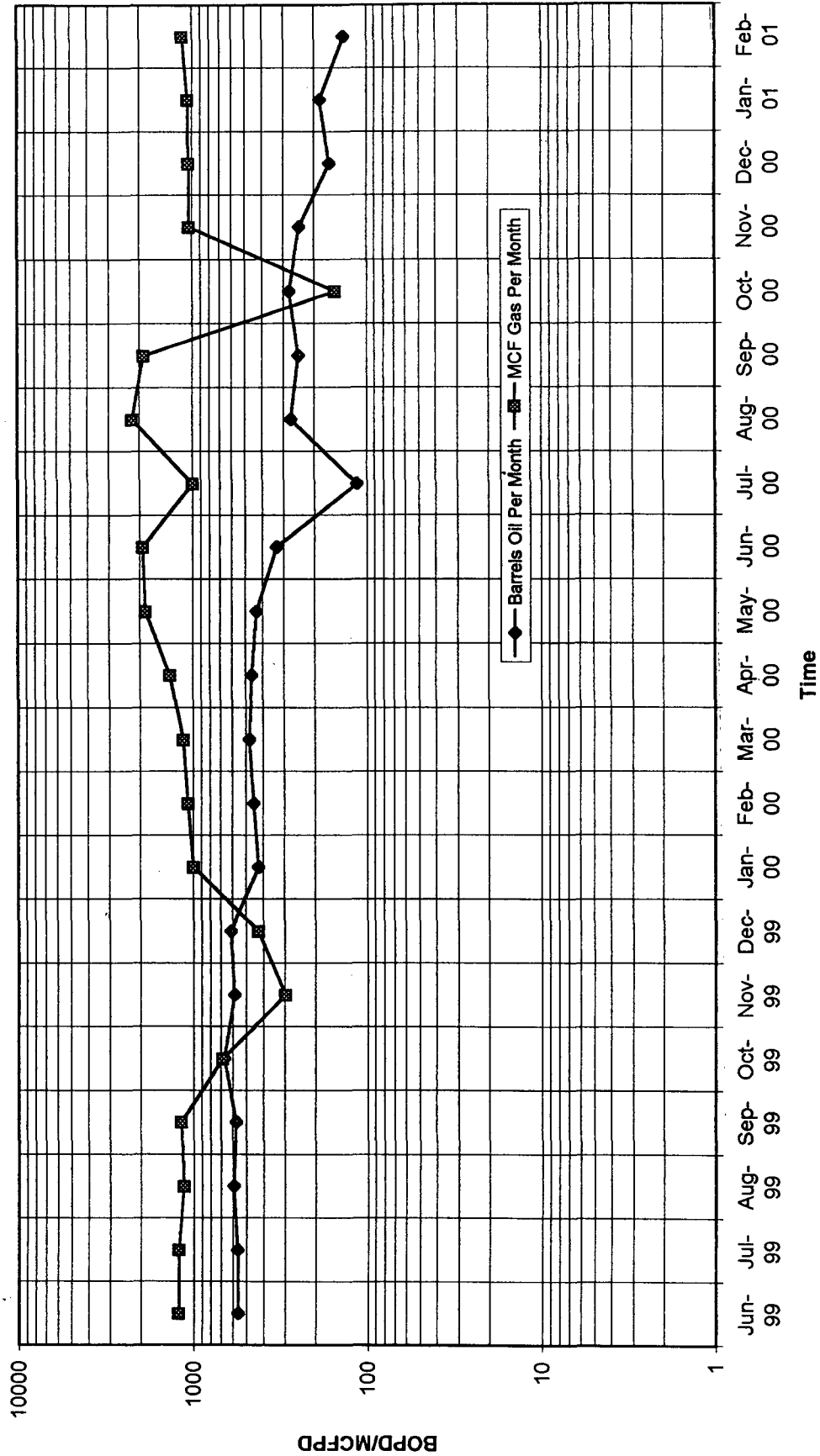
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<sup>16</sup>			<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Plasiance Printed Name Production Manager Title 5/8/11 Date
			<sup>18</sup> 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 belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Paladin Energy Corp. - Monthly Production  
 State ECC #2 E. Caprock, Penn Formation



Monthly Production - State ECC #2  
Wolfcamp Formation





NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

6/13/01

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

RE: Proposed:

MC \_\_\_\_\_  
DHC X \_\_\_\_\_  
NSL \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Paladin Energy Corp State ECC # 2-B, 11-12s-32e  
Operator Lease & Well No. Unit S-T-R Api # 30-025-00105

and my recommendations are as follows:

~~The applicant's list of working interests~~  
~~is not complete~~  
OK

Yours very truly,

Chris Williams  
Chris Williams  
Supervisor, District 1