116552097 DHC

PALADIN ENERGY CORP.



June 7, 2001

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

<u>3 6 6 5</u> JUN 1 1 2001

7/2/01

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 District II

- NOV REALLY

REI South First St

District III

District IV

1220 S. St. Francis Dr., Seats Fe, HM 87505

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<u>,</u> ;

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised May 15, 2000

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

APPLICATION TYPE Establish Pre-Approved Pools EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

X Yes No

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.16407 Property Code 24985 API No. 3002500105 Lease Type: ____Federal X_State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Capcock 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 performing in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree 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 mass with no production history.	Date: 2/28/01	Date:	Date: 5/31/01
applicent shall be required to attach production estimates and supporting data.)	Rates: 3 BOPD 37 MCFD, 2 BWPD	Rates:	Rates: 5 BOPD, 149 MCFD, 5 BWPD
Fixed Allocation Percentage (Non: Wallocation & based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	50 % 75 %	% %	50 % 75 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	YesX No Yes No
Are all produced fluids from all commingled zones compatible with each other?	YesX_No
Will commingling decrease the value of production?	Yes No_X
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_X 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 of SIGNATURE	complete to	the best of my knowledge and beli	ef.
SIGNATURE Contlason y	_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

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State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

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

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

Х	AMENDED	REPORT
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r		² Pool Cod	e	³ Pool Name				
30	30-025-00105			09120		East Caprock, Penn				
4 Property	Code			⁵ Property Name				•,	"Well Number	
				State ECC					2	
'OGRID	No.				⁸ Operator l	Vame			'Elevation	
16407	0			Paladin EnergyCorp.					4343'	
					¹⁰ Surface]	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	11	12-S	32-E		660	North	1980	East	Lea	
	L	I	пВ	ottom Ho	ble Location I	f Different Fron	n Surface		<u></u>	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South list	Feet from the	East/West line	County	
¹² Dedicated Acre	s ¹³ Joint o	r Infill ¹⁴ C	onsolidation	Code ¹⁵ Or	rder No.		I			
40	1	1								

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

16		● ECC #2 Well	<u>Sec 11, T12S, 32E</u>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
			State ECC Tract	David Plasiance
				Printed Name Production Manager Title 5/8/11 Date
				¹⁸ 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

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X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

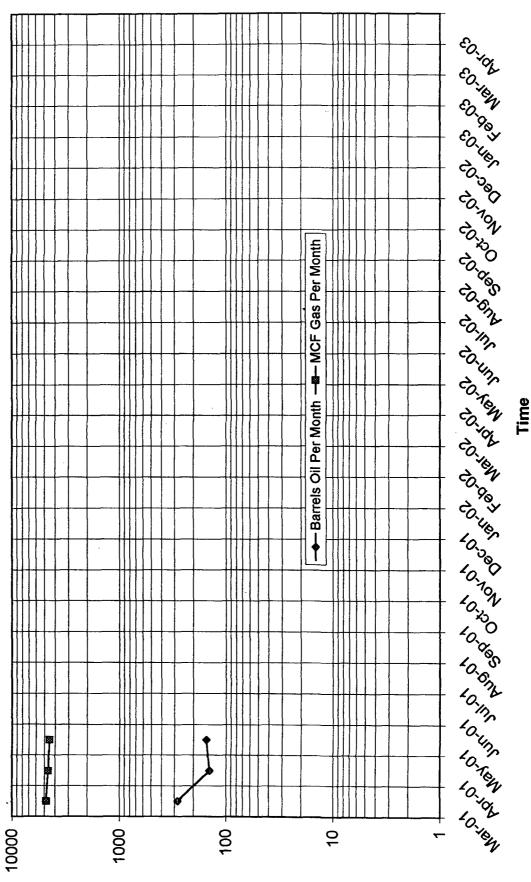
1	API Numbe	<u>г</u>		² Pool Cod	ie	³ Pool Name				
30	30-025-00105			09310		East Caprock, Wolfcamp				
⁴ Property	Code		⁵ Property Name				"Well Number			
				State ECC					2	
'OGRID	No.				⁸ Operator N	Name			* Elevation	
16407	0			Paladin EnergyCorp.				4	343'	
L	I				¹⁰ Surface I	Location		<u> </u>		<u> </u>
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ine	County
В	11	12-S	32-E		660	North	1980	East		Lea
ļ	¹¹ 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/We	est line	County
¹² Dedicated Acre 40	s ¹³ Joint o	r Infill ¹⁴ C	 Consolidation	Code ¹⁵ Or	rder No.				[

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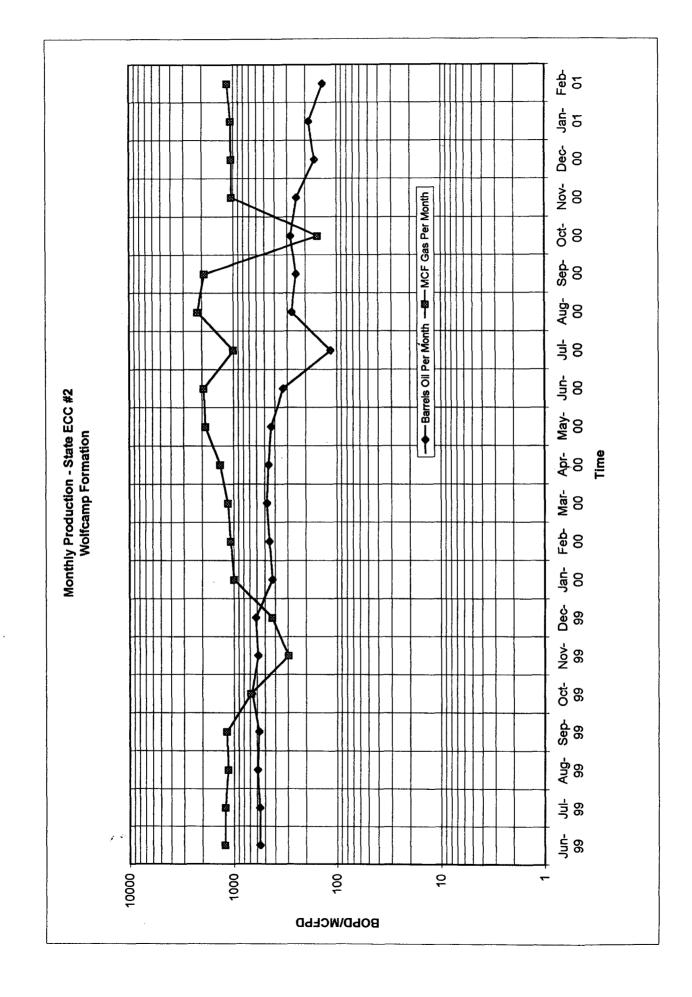
16		ECC #2 Well	Sec 11, T12S, 32E - 40 Acre State ECC Tract	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature David Plasiance
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	12			Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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

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BOPD/MCFGPD



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District I 1625 N. France Drive Hadan, P

District II All South Fire Store, Antonia, NM M12

District III 1000 Rio Brean Rand, Aster, HM 87410 District IV 1200 S. St. Francis Dr., Santa Fa, NM 87505 Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107A Revised May 15, 2000

APPLICATION TYPE __X_Single Well Establish Pre-Approved Pools EXISTING WELLBORE __X__Yes ___No

APPLICATION FOR DOWNHOLE COMMINGLING

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

 Operator
 Address

 State FC C
 2
 B-11-12S-32E
 Lea

 Weil No.
 Unit Letter-Section-Township-Range
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OGRID No. 16407 Property Code 24985 API No. 3002500105 Lease Type: ____Federal X_State ____Fee

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Bottomhole Pressure (Note: Pressure data will not be required if the bottom performing in the lower zone is within 150% of the depth of the top performing in the upper zone)		•	
Oil Gravity or Gas BTU (Degree AM or Gas BTU)	1.212 BTU		1.267 BTU
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Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with to production history.	Date: 2/28/01	Date:	Date: 5/31/01
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Fixed Allocation Percentage (Nose: Wallocation is based upon soundhing other	Qil Gas	Oil Gas	Oil Gas
then current or pest production, supporting data or explanation will be required.)	50 % 75 %	% %	50 % 75 %

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Are all produced fluids from all commingled zones compatible with each other?	Yes_X No
Will commingling decrease the value of production?	Yes NoX
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_X No
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I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Com the you of TITLE_	Production Mngr_DATE_6/7/01
TYPE OR PRINT NAME David Plaisance	TELEPHONE NO $214 + 654 - 0132$

District J 1625 N. French Dr., Hobbs, NM 88240 District JJ 811 South First, Artesia, NM 88210 District JJ 1000 Rio Brazos Rd., Aztec, NM 87410 District JV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

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

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

X AMENDED REPORT

WELLLO	DCATION	AND	ACREA	GE DED	DICATI	ON PLAT
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E	API Numbe	r		² Pool Cod	e		³ Pool Nar	ne	
30	-025-0010)5		09120 East Caprock, Penn					
* Property	Code			⁸ Property Name					
				State ECC					
'OGRID	No.			·····	* Operator N	lame			'Elevation
16407	0			Paladin EnergyCorp. 4					4343'
- <u></u> ,,,					¹⁰ Surface I	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	11	12-S	32-E		660	North	1980	East	Lea
	<u> </u>	<u> </u>	¹¹ B	ottom Ho	ble Location If	Different From	n Surface		
UL or lot no.	Section	Township	Range			North/South line	Feet from the	East/West line	County
¹² Dedicated Acre 40	I Joint o	r Infill ¹⁴ (Consolidation	Code ¹⁵ Oi	rder No.		l	I	

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16	• ECC #2 Well	Sec 11, T12S, 32E - 40 Acre State ECC Tract	17 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
			¹⁸ 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 Scal of Professional Surveyor: Certificate Number

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X AMENDED REPOR	Г
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	WELL LOCATION	AND	ACREAGE	DEDICA	TION PLA	Т
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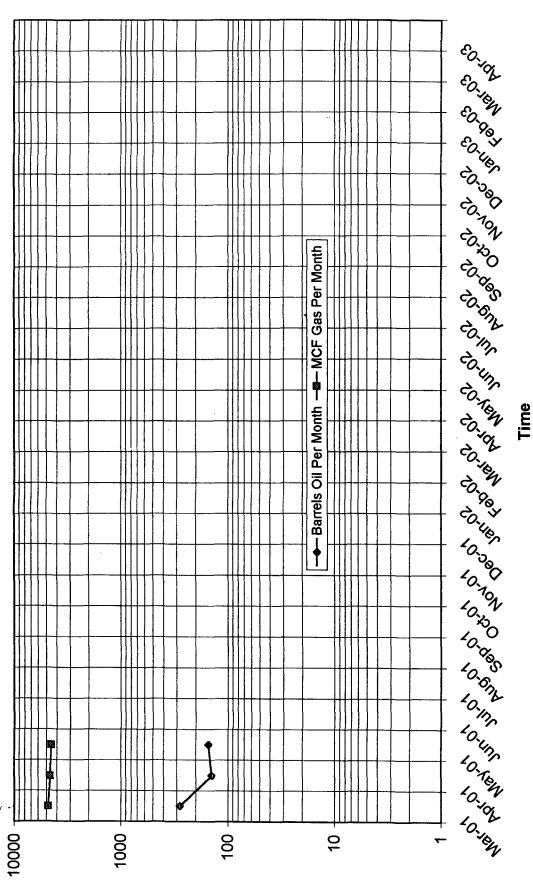
1	API Numbe	r		² Pool Co	de		³ Pool Nan	ne		
30-	-025-0010	5		09310	0 East Caprock, Wolfcamp					
⁴ Property C	Code			⁵ Property Name					⁶ Well Number	
				State ECC					2	
'OGRID I	No.				* Operator N	Name			'Elevation	
16407	0				Paladin E	nergyCorp.			4343'	
					¹⁰ Surface I	Location			L	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	11	12-S	32-E		660	North	1980	East	Lea	
		i	¹¹ B	ottom H	Iole Location If	f Different Fron	n Surface			
UL or lot no.	Section	Township	Range			North/South line	Feet from the	East/West line	County	
¹² Dedicated Acres 40	¹³ Joint o	r Infill s	⁴ Censolidation	Code ¹⁵ (Drder No.			1	······································	

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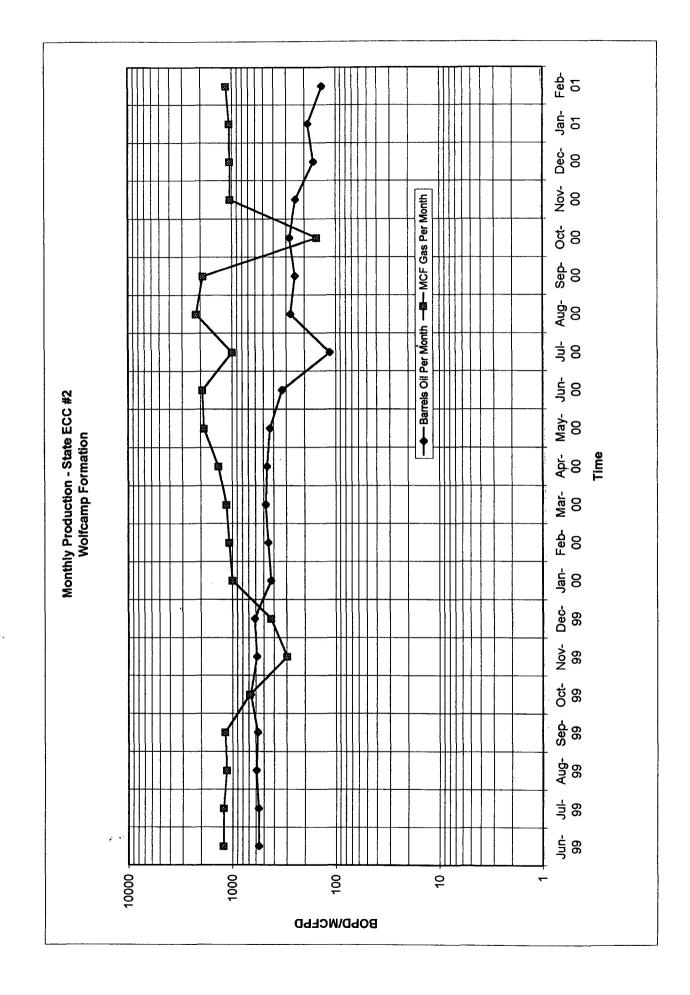
ECC #2 Well - 40 Acre State ECC Tract - 39 - 40 - 40 Acre State ECC Tract - 39 - 40 - 40 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5	16			<u>Sec 11, T12S, 32E</u>	¹⁷ OPERATOR CERTIFICATION
ECC #2 Well - 40 Acre State ECC Tract Signature David Plasianco David Plasianco Title Skyll Date Skyll Date Its SURVEYOR CERTIFICATION I hereby certify that the well location shorn 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. 7 Date of Survey Signature and Sell of Professional Surveyor:					
- 40 Acre State ECC Tract Signature Divid Plasiance Production Manager Title SW11 Date N 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:					
Image: Contract of the series of the seri			ECC #2 Well		
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Date of Survey Signature and Seal of Professional Surveyor:					
Signature and Seal of Professional Surveyor.					to the best of my belief.
Signature and Seal of Professional Surveyor.					
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Certificate Number					Digital de State of Freedoment Carryon.
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Paladin Energy Corp. - Monthly Production State ECC #2 E. Caprock, Penn Formation

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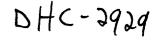


BOPD/MCFGPD



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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

6/13/01

Lori Wrotenbery Director Oil Conservation Division

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:

Energy Corp State ECC Lease & Well No. Unit <u>-32</u>e 1725-00105 Operato

and my recommendations are as follows:

Yours very truly,

llani Chris Williams

Chris Williams Supervisor, District 1