

DISTRICT I
1625 N.Frnoch Dr., Hobbs, NM 88240

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Form C-101
May 27, 2004

DISTRICT II
1301 W. Grand Avenue, Atesia, NM 88210

Submit to Appropriate District Office

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410

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

AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address PALADIN ENERGY CORP. 10290 Monroe Drive, Suite 301 Dallas, Texas 75229		2 OGRID Number 164070
4 Property Code 26115		3 API Number 30-025-12485
5 Property Name W. W. Hamilton "A"		6 Well No. 2
9 Proposed Pool 1 Wildcat Wolfcamp		10 Proposed Pool 2

7 Surface Location

UL or lot No.	Section	Township	Range	Lot. Ind	Feet from the	North/South Line	Feet from the	East/West Line	County
I	34	16-S	38-E		1980	South	660	East	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot. Ind	Feet from the	North/South Line	Feet from the	East/West Line	County
									Lea

Additional Well Information

11 Work Type Code DP	12 Well Type Code G	13 Cable/Rotary Rotary	14 Lease Type Code P	15 Ground Level Elevation 3710'
16 Multiple No	17 Proposed depth 12,450'	18 Formation Devonian	19 Contractor	20 Spud Date 2/15/2006

Depth to Groundwater: approx 60' Distance from nearest fresh water well: less than 1/2 mile Distance from nearest surface water: more than 1 mile

*Pit: Limer: Synthetic Clay Pit Volume: Drilling Method: Fresh Water
 Closed-Loop System (Steel Tanks will be used) Brine Diesel/Oil-Based Gas/Air

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks Cement	Estimated TOC
17-1/2"	13-3/8	48/54/50#	299'	200	
11"	8-5/8	24/28/32#	4800'	1500	
7-7/8"	5-1/2	17/20#	12,450'	600	

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

RU Pulling Unit, N/D tree, NU BOP's. Pull tubing and packer. P/U bit and work string, clean out and circulate 5-1/2" casing to TD at 12,450'. Isolate old Devonian perforations with CIBP at 12,250', dump 35' cement on top of CIBP. Perforate for production Wildcat Wolfcamp from 10,280-320'. If not productive, test Penn intervals and possible Mississippian.

*Will use steel tanks - No pits.

BOP - 6" Hydraulic Dual Ram (5M), Blind & Pipe

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plugback

12345
OIL CONSERVATION DIVISION
RECEIVED

47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drill pit will be constructed according NMOCD guideline X, a general permit, or an (attached) alternative OCD-approved plan		OIL CONSERVATION DIVISION	
Printed name: David Plaisance		Approved by: Chris Williams	
Title: V.P. Exploration & Production		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: dplaisance@paladinenergy.com		Approval Date: NOV 02 2006 Expiration Date:	
Date: 10/26/2006	Phone: 214-654-0132	Conditions of Approval: Attached <input type="checkbox"/>	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13823 Exhibit No. 2
Submitted by:
PALADIN ENERGY CORPORATION
Hearing Date: November 30, 2006

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-12485		² Pool Code /	³ Pool Name Wildcat Wolfcamp
⁴ Property Code 26115	⁵ Property Name W. W. Hamilton 'A'		⁶ Well Number 2
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.		⁹ Elevation 3710'

¹⁰ Surface Location

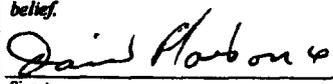
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	34	16-S	38-E		1980	South	660	East	Lea

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/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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			<u>Sec 35, T16S, 38E</u>	¹⁷ 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 Ptasiance Printed Name VP Exploration & Production Title 10/26/2006 Date
			Hamilton A #2 1980 FSL, 660 FEL	
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number