

DISTRICT I  
1625 N.Francis Dr., Hobbs, NM 88240  
DISTRICT II  
1301 W. Grand Avenue, Atesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Road, Aztec, NM 87410  
DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department

Form C-101  
May 27, 2004

Submit to Appropriate District Office

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

AMENDED REPORT

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 34304 22557 ✓		3 API Number 30-025-36891
5 Property Name South Vacuum 27 ✓		6 Well No. 3 ✓
9 Proposed Pool 1 Wildcat McKee (gas) 97368		10 Proposed Pool 2

7 Surface Location

UL or lot No. A I	Section 27	Township 18-S	Range 35-E	Lot. Ind.	Feet from the 2300	North/South Line South	Feet from the 1100	East/West Line East	County Lea
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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 N	12 Well Type Code G	13 Cable/Rotary Rotary	14 Lease Type Code S	15 Ground Level Elevation 4000'
16 Multiple No	17 Proposed depth 14,000'	18 Formation Granite Wash	19 Contractor	20 Spud Date 10/5/2004
Depth to Groundwater: approx 60'		Distance from nearest fresh water well 1/2 mile		Distance from nearest surface water: more than 1 mile
Pit: Liner: Synthetic <input checked="" type="checkbox"/> Closed-Loop System <input type="checkbox"/>	12 mils thick Clay <input type="checkbox"/>	Pit Volume: 14,366 bbls	Drilling Method: Brine <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Disol/Oil-Based <input type="checkbox"/> Gas/Air <input type="checkbox"/>	

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#	420'	450	Sur
12-1/4"	9-5/8"	40#	3,800'	1300	
8-3/4"	7"	26# & 29#	12,300'	700	7500'
6-1/4"	5"	18#	14,000'	250	12,000'

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.

Drill 17-1/2" hole and set 13-3/8" conductor, drill out to 3800' (+,-) and set 9-5/8" surface casing - cement to surface.  
Drill 8-3/4" hole to 12,300' (+,-), set 7" casing and cement with TOC at approx. 7500'.  
Drill 6-1/4" hole from 12,300' to 14,000' (+,-), run open hole logs & cores, set 5" casing liner from 12,000' to 14,000', cement liner.  
Perforate McKee Sand, perform proppant fracture treatment job w/ approximately 180,000 gallons water, acid & additives and 170,000 pounds of proppant. Complete and test well.

BOP - 11" Hydraulic Dual Ram (10M), Blind & Pipe

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       .

Printed name: David Plaisance

Title: V.P. Exploration & Production

E-mail Address: dplaisance@paladinenergy.com

Date: 9/27/2004

Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by:



Title: PETROLEUM ENGINEER

Approval Date: SEP 30 2004 Expiration Date:

Conditions of Approval:  
Attached ☐

## DISTRICT I

1826 N. FRENCH DR., HOBBS, NM 88240

## DISTRICT II

1301 W. GRAND AVENUE, 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 and Natural Resources Department

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-36891</b>	Pool Code <b>97368</b>	Pool Name <b>Wildcat; McKee</b>
Property Code <b>34304</b>	Property Name <b>SOUTH VACUUM 27</b>	Well Number <b>3</b>
OGRID No. <b>164070</b>	Operator Name <b>PALADIN ENERGY CORPORATION</b>	Elevation <b>3886'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>1</b>	<b>27</b>	<b>18-S</b>	<b>35-E</b>		<b>2300</b>	<b>SOUTH</b>	<b>1100</b>	<b>EAST</b>	<b>LEA</b>

## 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

Dedicated Acres <b>320</b>	Joint or Infill	Consolidation Code	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature _____  Printed Name _____  Title _____  Date _____
	<b>SURVEYOR CERTIFICATION</b>  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.  SEPTEMBER 27, 2004  Date Surveyed _____ LA Signature & Seal of Professional Surveyor 
	Certificate No. <b>GARY EDSON</b> 12841

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
May 27, 2004

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

WELL API NO. 30-025-36891
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B2735-1
7. Lease Name or Unit Agreement Name South Vacuum
8. Well Number 273
9. OGRID Number 164070
10. Pool name or Wildcat Wildcat McKee (Gas) 97368

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Paladin Energy Corp.	
3. Address of Operator 10290 Monroe Drive, Suite 301 Dallas, TX 75229	
4. Well Location Unit Letter <u>I</u> : <u>2300</u> feet from the <u>South</u> line and <u>1100</u> feet from the <u>East</u> line Section <u>27</u> Township <u>18-S</u> Range <u>35-E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4000'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater <u>60'</u> Distance from nearest fresh water well <u>1/2</u> Mile Distance from nearest surface water <u>1+</u> mile	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>14,366</u> bbls; Construction Material <u>synthetic</u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Spud <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/18/04 Move In and Rig Up

10/19/04 Spud Well



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Ann Westberry TITLE Manager, Corporate Support DATE 10/19/04

Type or print name Ann Westberry E-mail address: awestberry@paladinenergy.com Telephone No. 214-654-0132 X4

For State Use Only  
APPROVED BY: Hayden Wink TITLE OG FIELD REPRESENTATIVE IV/STAFF MANAGER DATE OCT 26 2004

Submit 3 Copies To Appropriate District  
Office  
District I  
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1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

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

WELL API NO. 30-025-36891
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B2735-1
7. Lease Name or Unit Agreement Name South Vacuum 27
8. Well Number <del>273</del> 3
9. OGRID Number 164070
10. Pool name or Wildcat Wildcat McKee (Gas) 97368

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
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3. Address of Operator 10290 Monroe Drive, Suite 301 Dallas, TX 75229	
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11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4000'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater <u>60'</u> Distance from nearest fresh water well <u>1/2 Mile</u> Distance from nearest surface water <u>1+ mile</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>14,366</u> bbls; Construction Material <u>synthetic</u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

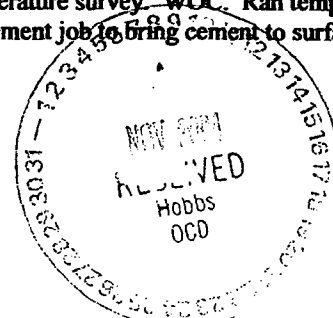
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/20/04 - 10/21/04

Set 20" conductor pipe @ 60'. RU and run casing, Ran 10 jts - 13.375"-54.50#-J-55 STC. Total casing 424.50 set @ 420'. Wash 6' to bottom and circulate. RU and cement w/ 160 sks 35.65 Poz:Class C + 6% D20 +0.1 pps D29 + 2% S1 and tailed with 235 sks Class C + 2% S001/ Plug dwn @ 04:30, cement did not circulate. Notified OCD, was told to run temperature survey. WOC. Ran temperature survey, top of cement @ 35'. Called OCD and talked w/Gary Wink. He said to do a top out cement job to bring cement to surface.

RU and cement top out job on surface pipe w/25 sks of Class C neat (6 Barrels).



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Ann Westberry TITLE Manager, Corporate Support DATE 11/02/04

Type or print name Ann Westberry E-mail address: awestberry@pandora.com Telephone No. 214-654-0132 X4

For State Use Only  
APPROVED BY: Gary W. Wink TITLE STAFF MANAGER DATE NOV 10 2004

Conditions of Approval (if any):

CMD :

OG5SECT

ONGARD

INQUIRE LAND BY SECTION

Sec : 27 Twp : 18S Rng : 35E Section type : NORMAL

<p>D</p> <p>40.00</p> <p>NMSH</p> <p>V06755 0000</p> <p>PRIDE ENERGY COMP</p> <p>12/01/07</p> <p>A</p>	<p>C</p> <p>40.00</p> <p>NMSH</p> <p>V06755 0000</p> <p>PRIDE ENERGY COMP</p> <p>12/01/07</p> <p>A</p>	<p>B</p> <p>40.00</p> <p>NMSH</p> <p>B02735 0001</p> <p>MOBIL PRODUCING T</p> <p>04/10/44</p> <p>P A</p>	<p>A</p> <p>40.00</p> <p>NMSH</p> <p>B02735 0001</p> <p>MOBIL PRODUCING T</p> <p>04/10/44</p> <p>A</p>
<p>E</p> <p>40.00</p> <p>NMSH</p> <p>V06755 0000</p> <p>PRIDE ENERGY COMP</p> <p>12/01/07</p>	<p>F</p> <p>40.00</p> <p>NMSH</p> <p>V06755 0000</p> <p>PRIDE ENERGY COMP</p> <p>12/01/07</p> <p>A</p>	<p>G</p> <p>40.00</p> <p>NMSH</p> <p>B02735 0001</p> <p>MOBIL PRODUCING T</p> <p>04/10/44</p> <p>A</p>	<p>H</p> <p>40.00</p> <p>NMSH</p> <p>B02735 0001</p> <p>MOBIL PRODUCING T</p> <p>04/10/44</p> <p>A</p>
<p>L</p> <p>40.00</p> <p>Fee owned</p> <p>A</p>	<p>K</p> <p>40.00</p> <p>NMSH</p> <p>V05916 0001</p> <p>ASHER ENTERPRISES</p> <p>08/01/05</p> <p>A</p>	<p>J</p> <p>40.00</p> <p>NMSH</p> <p>V06744 0000</p> <p>PALADIN ENERGY CO</p> <p>11/01/07</p>	<p>I</p> <p>40.00</p> <p>NMSH</p> <p>E01635 0006</p> <p>PALADIN ENERGY CO</p> <p>U 12/10/57</p> <p>A A</p>
<p>M</p> <p>40.00</p> <p>Fee owned</p>	<p>N</p> <p>40.00</p> <p>NMSH</p> <p>V05916 0001</p> <p>ASHER ENTERPRISES</p> <p>08/01/05</p>	<p>O</p> <p>40.00</p> <p>NMSH</p> <p>V06744 0000</p> <p>PALADIN ENERGY CO</p> <p>11/01/07</p>	<p>P</p> <p>40.00</p> <p>NMSH</p> <p>E01635 0006</p> <p>PALADIN ENERGY CO</p> <p>U 12/10/57</p>

(52070)

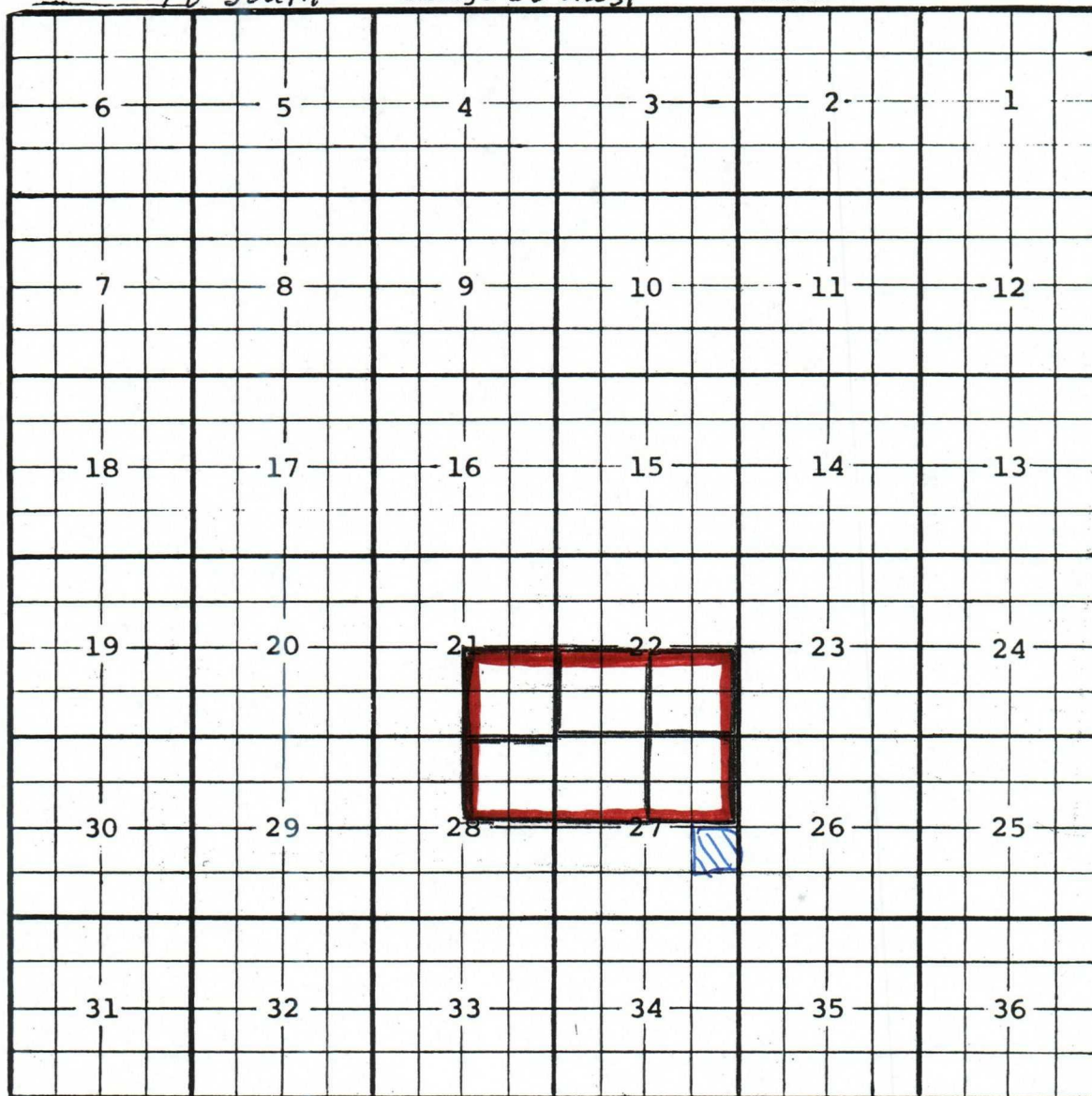
County Lea

Pool Reeves - Queen

TOWNSHIP 18 South

Range 35 East

NMPM



Description: SE/4 Sec 22 (R-5511, 9-1-77)

Ext: NE/4 Sec 27 (R-5609, 1-1-78) Ext: SW/4 Sec 22 (R-5667, 4-1-78)

Ext: NW/4 Sec 27, NE/4 Sec. 28 (R-8075, 11-8-85) EXT: SE/4 Sec 21 (R-9741, 9-1-89)



(61900)

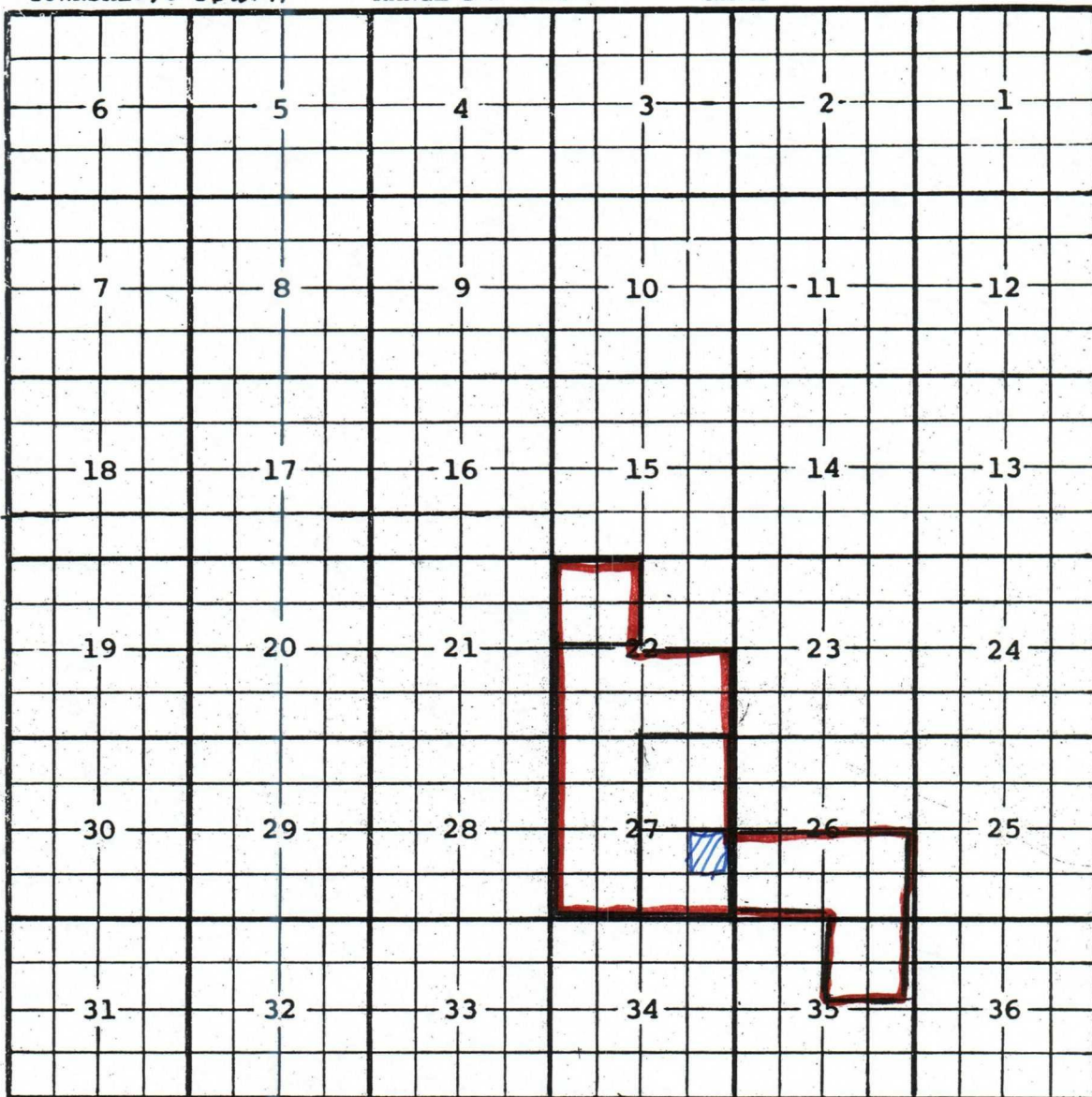
COUNTY Lea

POOL South Vacuum - Bone Springs

TOWNSHIP 18 South

RANGE 35 East

NMPM



Description:  $\frac{NW}{4}$  Sec. 22 (R-1221, 8-1-58)  
Ext:  $\frac{S}{2}$  Sec. 22;  $\frac{W}{2}$  Sec. 27 (R-1324, 2-1-59) -  $\frac{SE}{4}$  Sec. 27 (R-2781, 11-1-64)  
-  $\frac{NE}{4}$  Sec. 27 (R-3709, 4-1-69) Ext:  $\frac{S}{2}$  Sec. 26,  $\frac{NE}{4}$  Sec. 35 (R-11243, 9-15-89)

COUNTY LeaPOOL Reeves - Pennsylvanian

52060

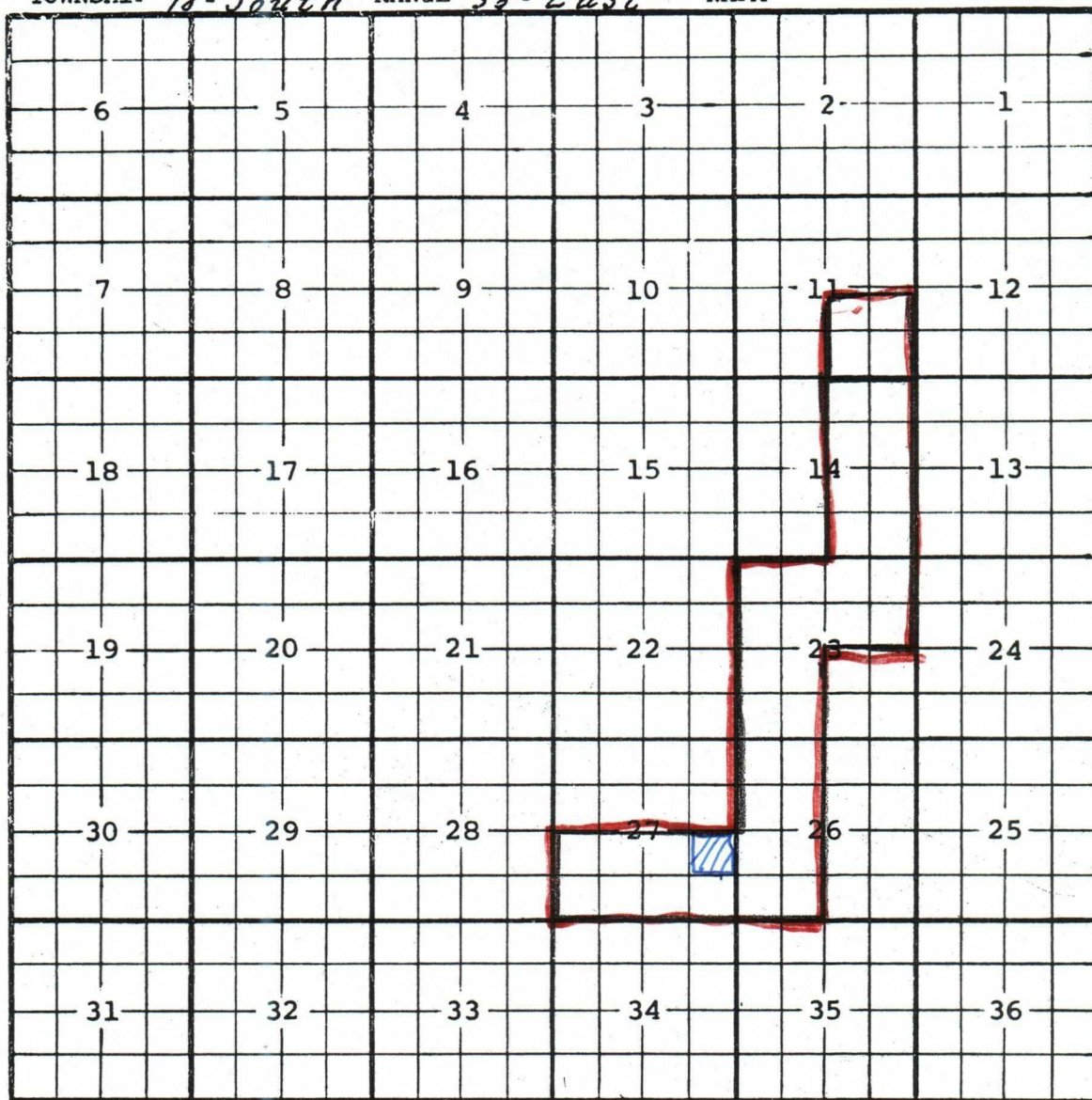
TOWNSHIP

18-South

RANGE

35-East

NMPM



Description:  $\frac{NE}{4}$  Sec. 14, (R-948, 1-30-57). -  $\frac{SE}{4}$  Sec. 14;  
 $\frac{N}{2}$  Sec. 23; (R-1129, 2-20-58). -  $\frac{SW}{4}$  Sec. 23;  $\frac{W}{2}$  Sec. 26;  
 $\frac{S}{2}$  Sec. 27; (R-1260, 11-1-58).

Ext:  $\frac{SE}{4}$  Sec. 11 (R-8125, 1-14-86)



County Lea

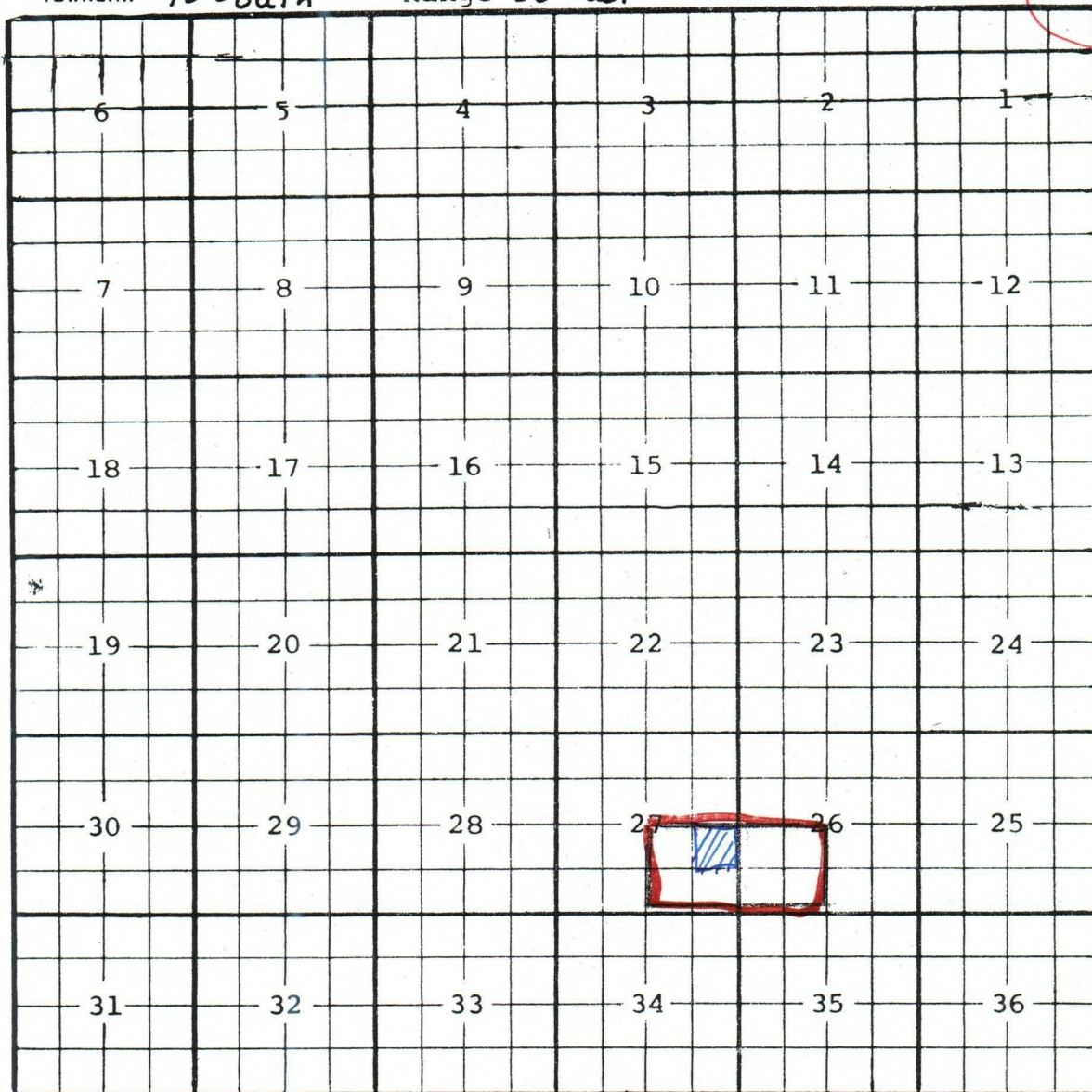
Pool South Vacuum-Mississippian

TOWNSHIP 18 South

Range 35 East

NMPM

97411



Description: SW $\frac{1}{4}$  Sec. 26, SE $\frac{1}{4}$  Sec. 27 (R-12317, 3-25-05)





COUNTY LeaPOOL Reeves - Bone Springs

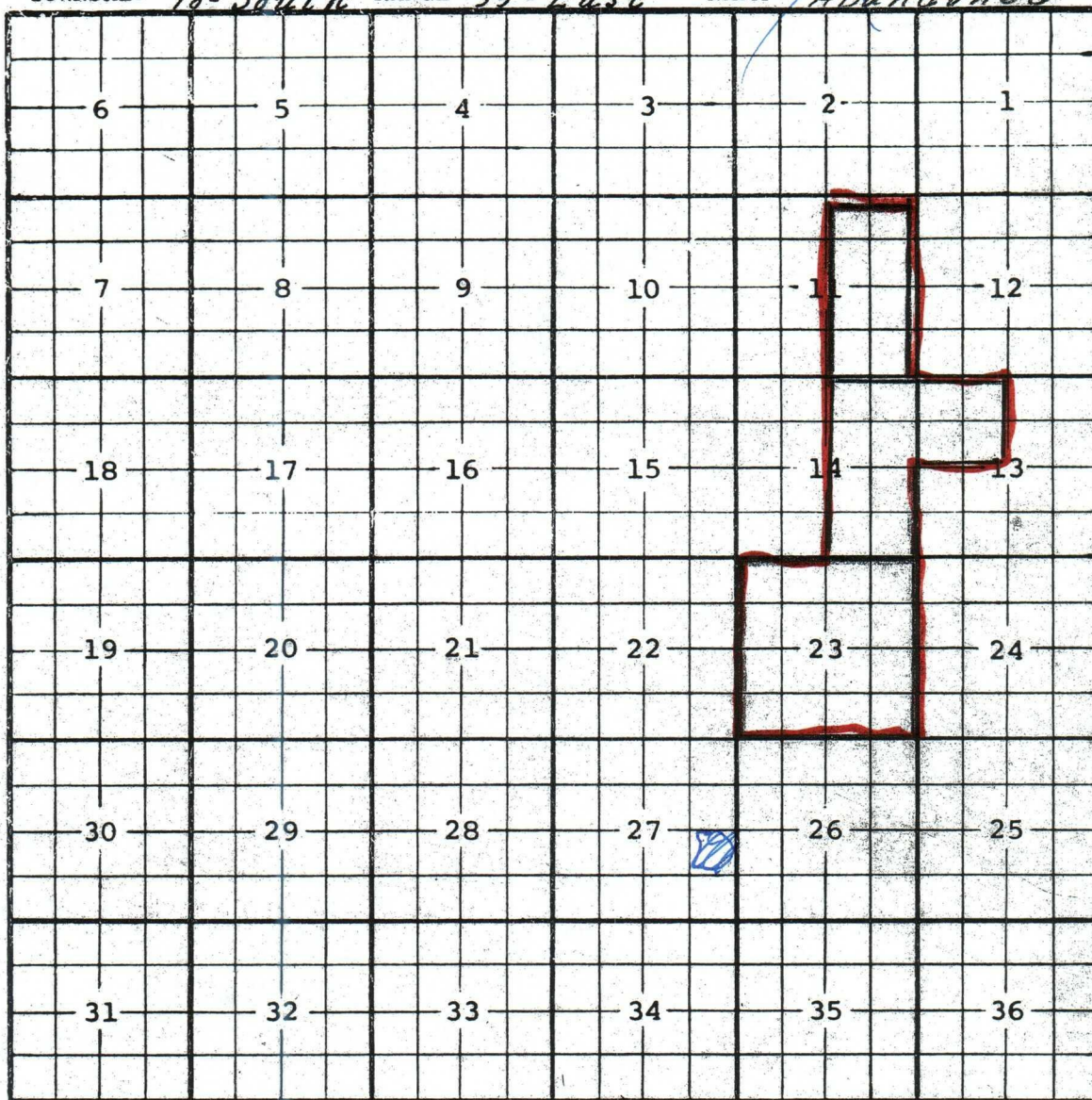
TOWNSHIP

18-South

RANGE

35-East

NMFM

Abandoned

Description: All Sec. 23, (R-564, 12-16-54).

Ext: NW 1/4 Sec. 13, E 1/2 Sec. 14 (R-8233, 5-29-86) Ext: E 1/2 Sec. 11 (R-10172, 8-30-94)

Overridden by  
The South  
Vacuum  
Bone  
Springs



County Lea

Pool South Vacuum-McKee Gas

320

TOWNSHIP

18 South

Range

35 East

NMPM

97368

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: 1/2 Sec. 35 (K-12223, 10-25-04)