

Protected by NMSLO [pending further review]

DATE IN 7/30/2015	SUSPENSE 8/3/15	ENGINEER PRG	LOGGED IN 7/30/15	TYPE SWD	APP NO. PMAM1521156870
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

Paladin Energy
South Vacuum Unit

#353

30-025-03152

Democrat Mississippi

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Eddie W Seay Eddie W Seay Agent 7/24/15
 Print or Type Name Signature Title Date
 seay_04@leaco.net
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Paladin Energy Corp.

ADDRESS: 10290 Monroe Dr., Ste. 301 Dallas, TX 75229

CONTACT PARTY: David Plaisance PHONE: 214-654-0132

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

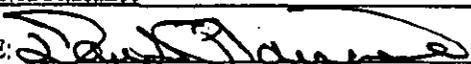
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

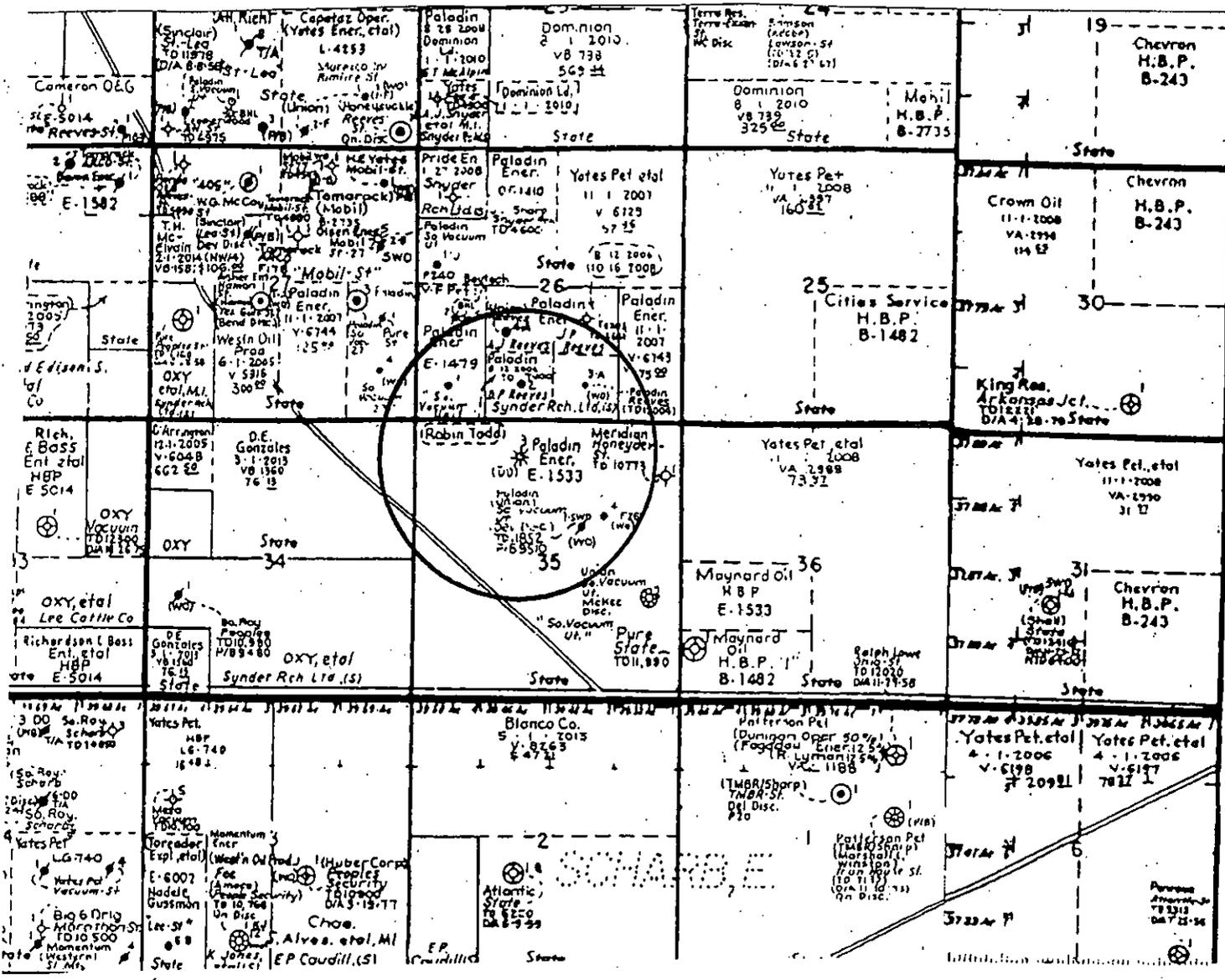
NAME: David Plaisance TITLE: Supervisor

SIGNATURE:  DATE: 7/13/15

E-MAIL ADDRESS: dplaisance@paladinenergy.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: logs previously submitted when drilled.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office



ATTACHMENT TO APPLICATION C-108

South Vacuum Unit 353
Unit C, Sect. 35, Tws. 18 S., Rng. 35 E.
Lea Co., NM

III. WELL DATA

- A.
- 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 3 1/2" plastic coated tubing.
 - 4) Guiberson Lock Set.
- B.
- 1) Injection formations are the Mississippian and Lower Devonian.
 - 2) Injection interval from 10724' to 12300' 1576'
 - 3) This was drilled as a producer.
 - 4) The next higher producing zone is the Strawn at approximately 10313' ✓
The next lower producing zone is the Montoya at approximately 13002' ✓

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

VII. Paladin proposes to remove existing equipment and clean out well bore and plugs down to the old McKee perfs. Set CIBP with cement above McKee at 13450' and a CIBP with cement 200 ft. below lowermost perfs. Come up hole to Lower Devonian and selectively perf from 11800' to 12300', also perforate Mississippian from 10724' - 11800'. Run 3 1/2" plastic tubing with 5 1/2" packer and set at approximately 10624' or within 100 ft. of top perfs. Pressure test as OCD requires.

- 1) Plan to inject approximately 10,000 bpd of produced water from Paladins own operation in offset production. ✓
- 2) Closed system.
- 3) Average injection pressure should be approximately 1800# to 2000# or whatever limit OCD allows. ✓
- 4) Analysis attached, only produced water. ✓
- 5) Water from Paladins offset production from McKee, Devonian, and Silurian. ✓

VIII. The proposed disposal formation is interbedded shale and limestone. The primary geologic formations are the Mississippian and Lower Devonian from 10724' to 12800'.

The fresh water formation in the area is the Ogallala which ranges in thickness from 100' to 160'. Analysis of water well attached.

IX. ACID AS NEEDED.

X. WILL BE SUBMITTED WHEN DRILLED.

XI. ATTACHED.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. ATTACHED.

INJECTION WELL DATA SHEET

OPERATOR: Paladin Energy Corp

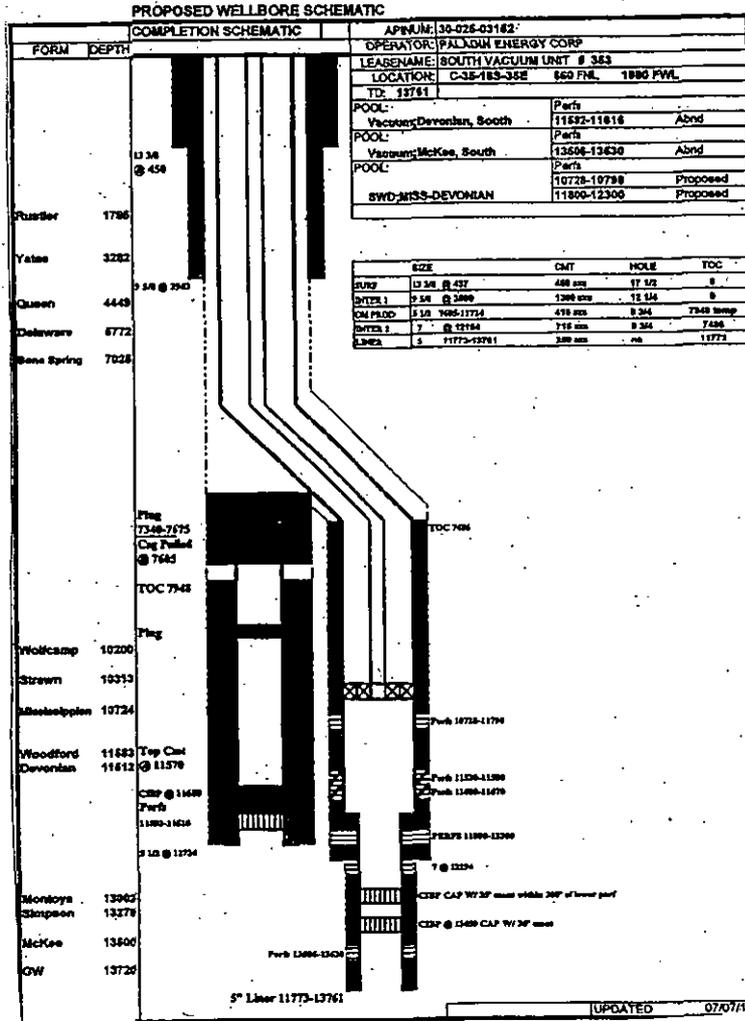
WELL NAME & NUMBER: South Vacuum Unit 353

WELL LOCATION: 660/N 1980/W FOOTAGE LOCATION C UNIT LETTER 35 SECTION 18 TOWNSHIP 35 E RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing



Hole Size: 17 1/2 Casing Size: 13 3/8

Cemented with: 450 SX. or _____ ft³

Top of Cement: Surface Method Determined: Geo

Intermediate Casing

Hole Size: 12 1/4 Casing Size: 9 5/8

Cemented with: 1300 SX. or _____ ft³

Top of Cement: Surface Method Determined: Geo

Production Casing

Hole Size: 8 3/4 Casing Size: 7

Cemented with: 715 SX. or _____ ft³

Top of Cement: 7486 Method Determined: TS

Total Depth: 13761 5 1/2 liner 7605-11724
5 liner 11773-13761

Injection Interval

10724 feet to 12300

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 3 1/2 Lining Material: IPCType of Packer: Gimbarson Loc SetPacker Setting Depth: Approx 10624 or within 100 ft of top perfor.Other Type of Tubing/Casing Seal (if applicable): NONEAdditional Data1. Is this a new well drilled for injection? _____ Yes X NoIf no, for what purpose was the well originally drilled? oil and gas2. Name of the Injection Formation: Mississippian and Lower Devonian3. Name of Field or Pool (if applicable): Vacuum

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____

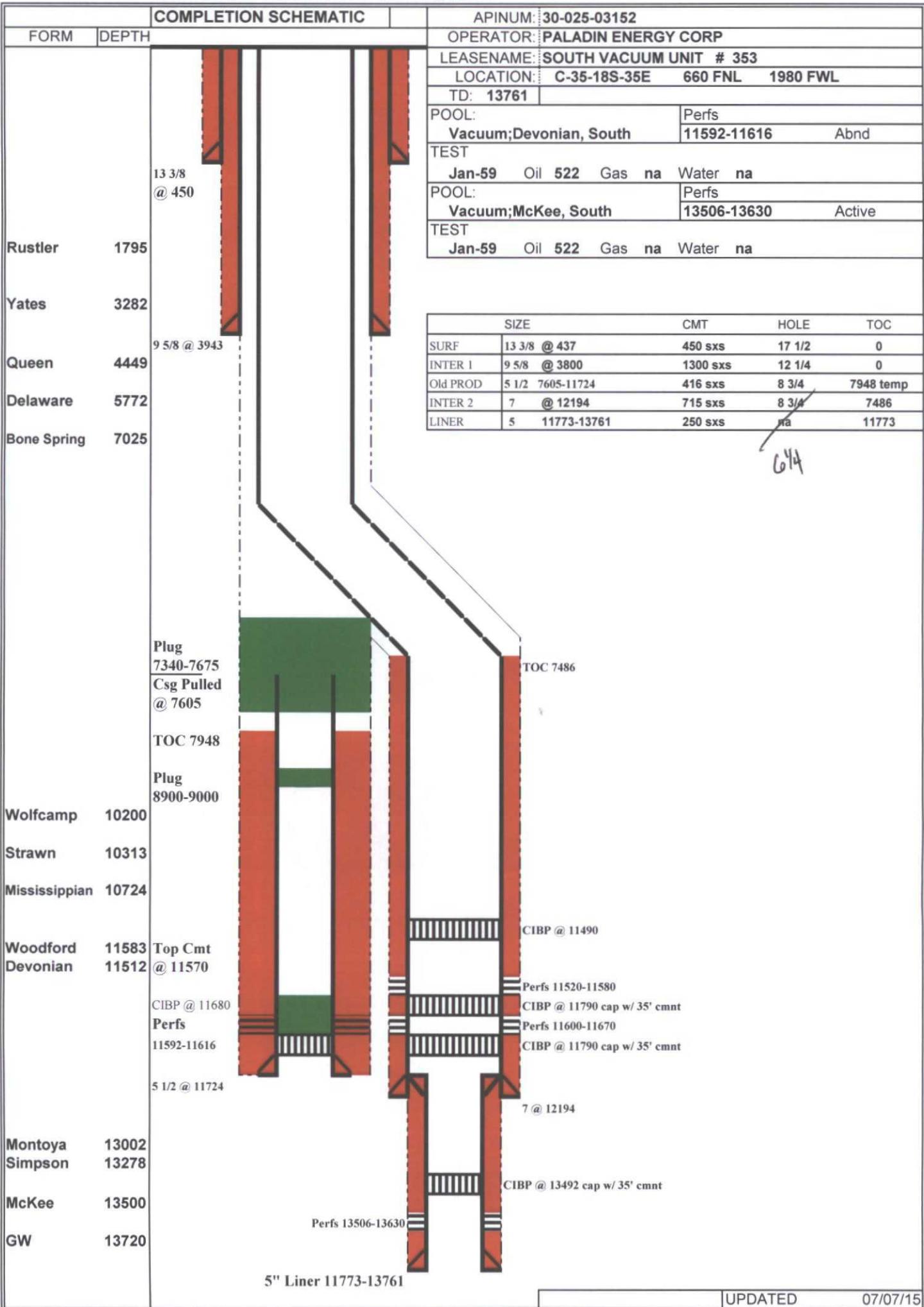
McKee, Upper Dev. - see schematic for plugs

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

Strawn is at 10313 - upper most zoneMontoya is at 13002 - lower most zone

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



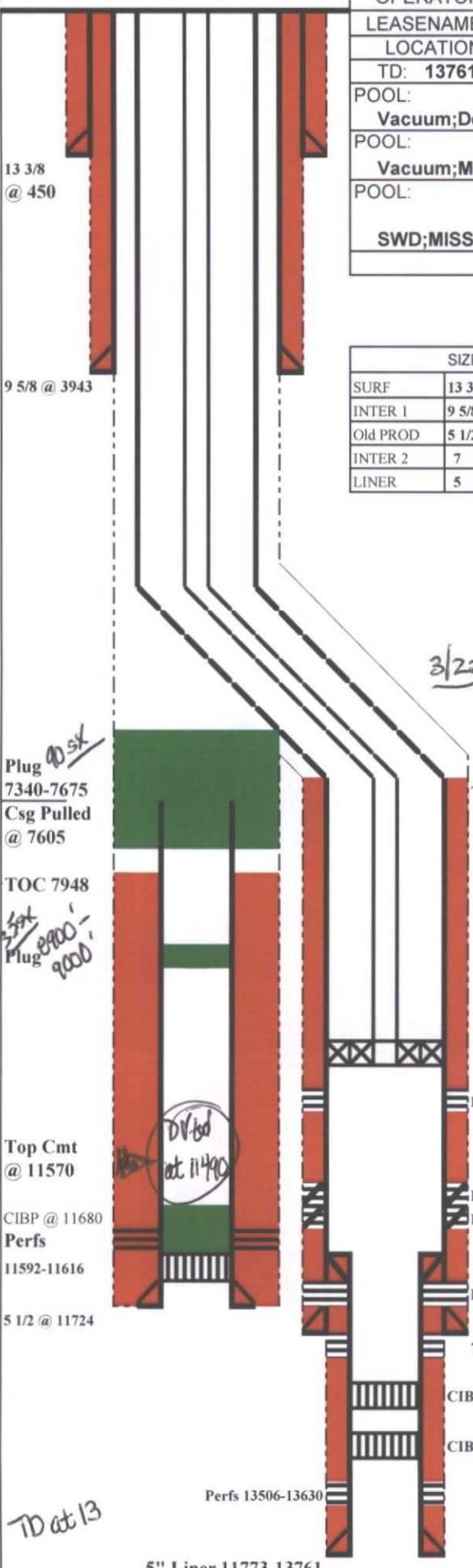
PROPOSED WELLBORE SCHEMATIC

COMPLETION SCHEMATIC

APINUM:	30-025-03152	
OPERATOR:	PALADIN ENERGY CORP	
LEASENAME:	SOUTH VACUUM UNIT # 353	
LOCATION:	C-35-18S-35E 660 FNL 1980 FWL	
TD:	13761	
POOL:	Vacuum;Devonian, South	Perfs 11592-11616 Abnd
POOL:	Vacuum;McKee, South	Perfs 13506-13630 Abnd
POOL:	SWD;MISS-DEVONIAN	Perfs 10728-10798 Proposed 11800-12300 Proposed

	SIZE	CMT	HOLE	TOC
SURF	13 3/8 @ 437	450 sxs	17 1/2	0
INTER 1	9 5/8 @ 3800	1300 sxs	12 1/4	0
Old PROD	5 1/2 7605-11724	416 sxs	8 3/4	7948 temp
INTER 2	7 @ 12194	715 sxs	8 3/4	7486
LINER	5 11773-13761	250 sxs	na	11773

FORM	DEPTH
Rustler	1795
Yates	3282
Queen	4449
Delaware	5772
Bone Spring	7025
Wolfcamp	10200
Strawn	10313
Mississippian	10724
Woodford Devonian	11583 / 11512
Montoya	13002
Simpson	13278
McKee	13500
GW	13720



3/22/2004 : Sidetrack commenced 7416'

Plug 90 sxs
7340-7675
Csg Pulled @ 7605
TOC 7948
CBL
3 1/2' Plug 8900-9000

TOC 7486
TOC 7490 (6/17/2004)
by CBL

Div'ed at 11490

Top Cmt @ 11570
CIBP @ 11680
Perfs 11592-11616
5 1/2 @ 11724

Perfs 10728-11798
Perfs 11520-11580
Perfs 11600-11670
PERFS 11800-12300

7 @ 12194
CIBP CAP W/ 35' cmnt within 200' of lower perf
CIBP @ 13450 CAP W/ 35' cmnt

≈ (12,500)

TD at 13

5" Liner 11773-13761

DISPOSAL WELL

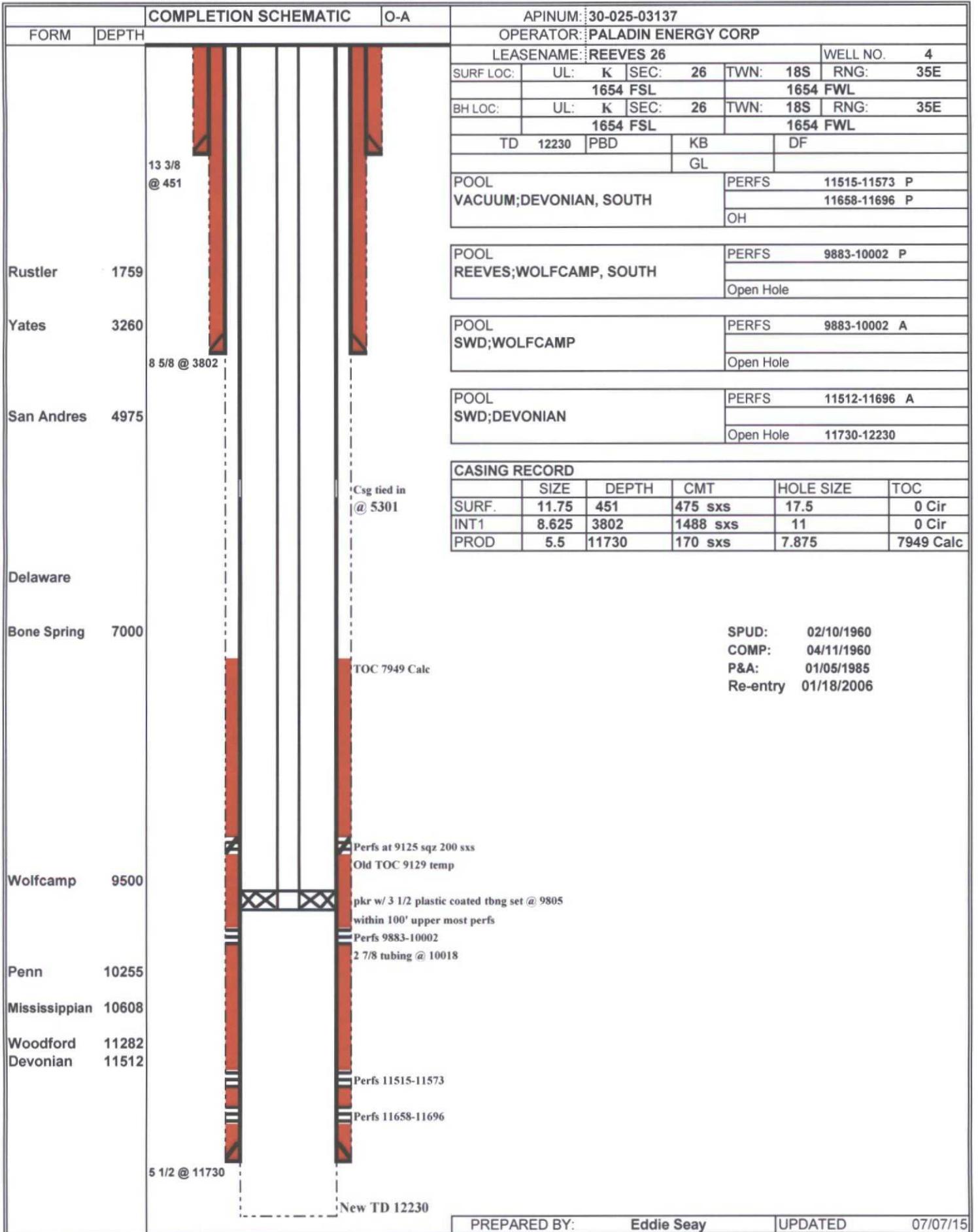
30-025-03152 SOUTH VACUUM UNIT 353 PALADIN ENERGY CORP 11725 G P Lea S C 35 18 S 35 E 660 N 1980 W

Wells penetrate proposed disposal zone within 1/2 mile

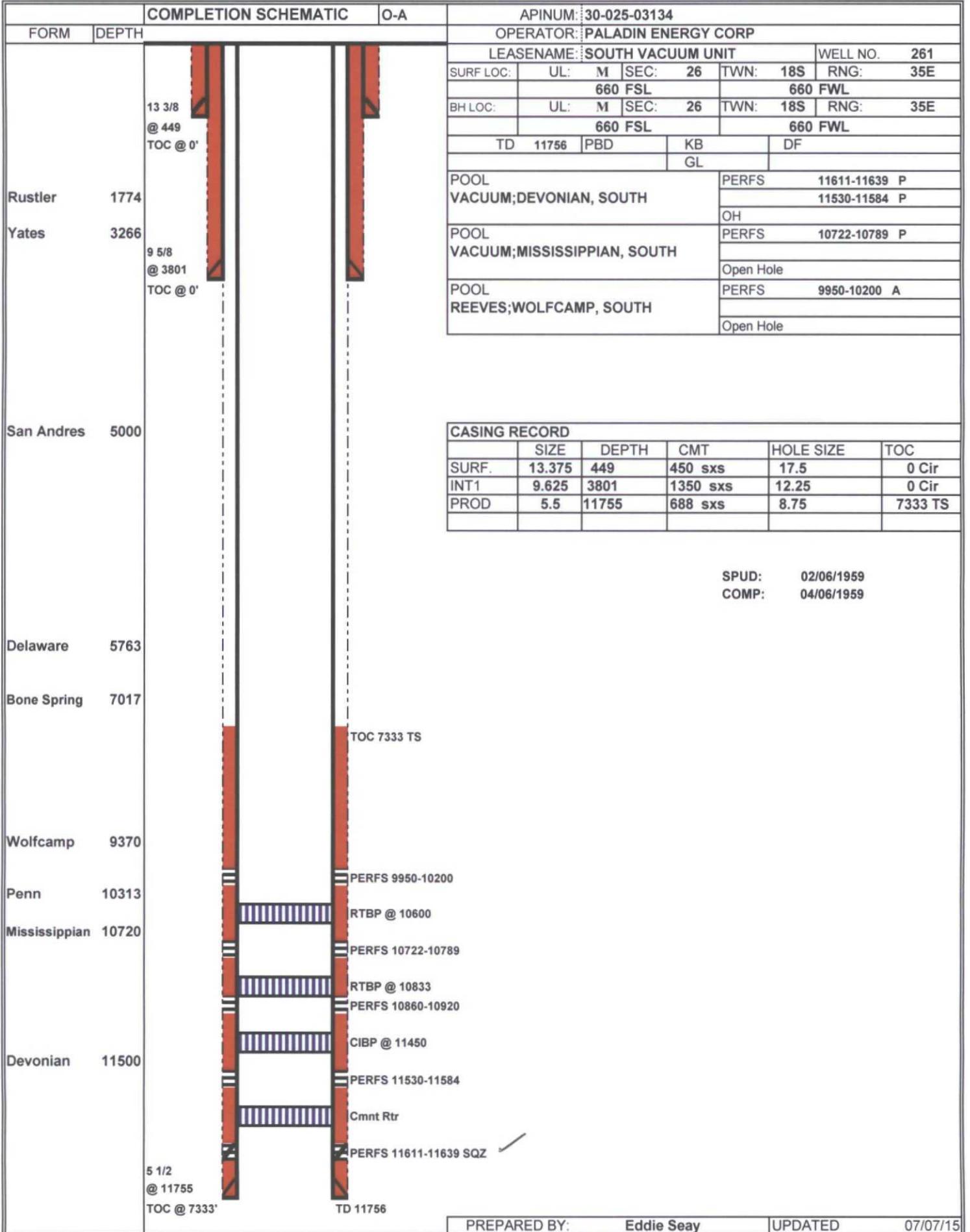
API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Dist
30-025-03137	REEVES 26	4	PALADIN ENERGY CORP	11730	S	A	Lea	P	K	26	18 S	35 E	1654 S	1654 W	2336
30-025-03134	SOUTH VACUUM UNIT	261	PALADIN ENERGY CORP	11713	O	A	Lea	S	M	26	18 S	35 E	660 S	660 W	1866
30-025-03135	REEVES 26	2	PALADIN ENERGY CORP	11750	O	A	Lea	P	N	26	18 S	35 E	660 S	1980 W	1320
30-025-03136	REEVES 26	3	PALADIN ENERGY CORP	12004	O	A	Lea	P	O	26	18 S	35 E	660 S	1980 E	1866
30-025-03150	SOUTH VACUUM UNIT	351	PALADIN ENERGY CORP	12030	S	A	Lea	S	G	35	18 S	35 E	1980 N	1980 E	1866
30-025-36789	SOUTH VACUUM UNIT	354	PALADIN ENERGY CORP	14050	S	A	Lea	S	G	35	18 S	35 E	1750 N	1610 E	2011

⑥ all active

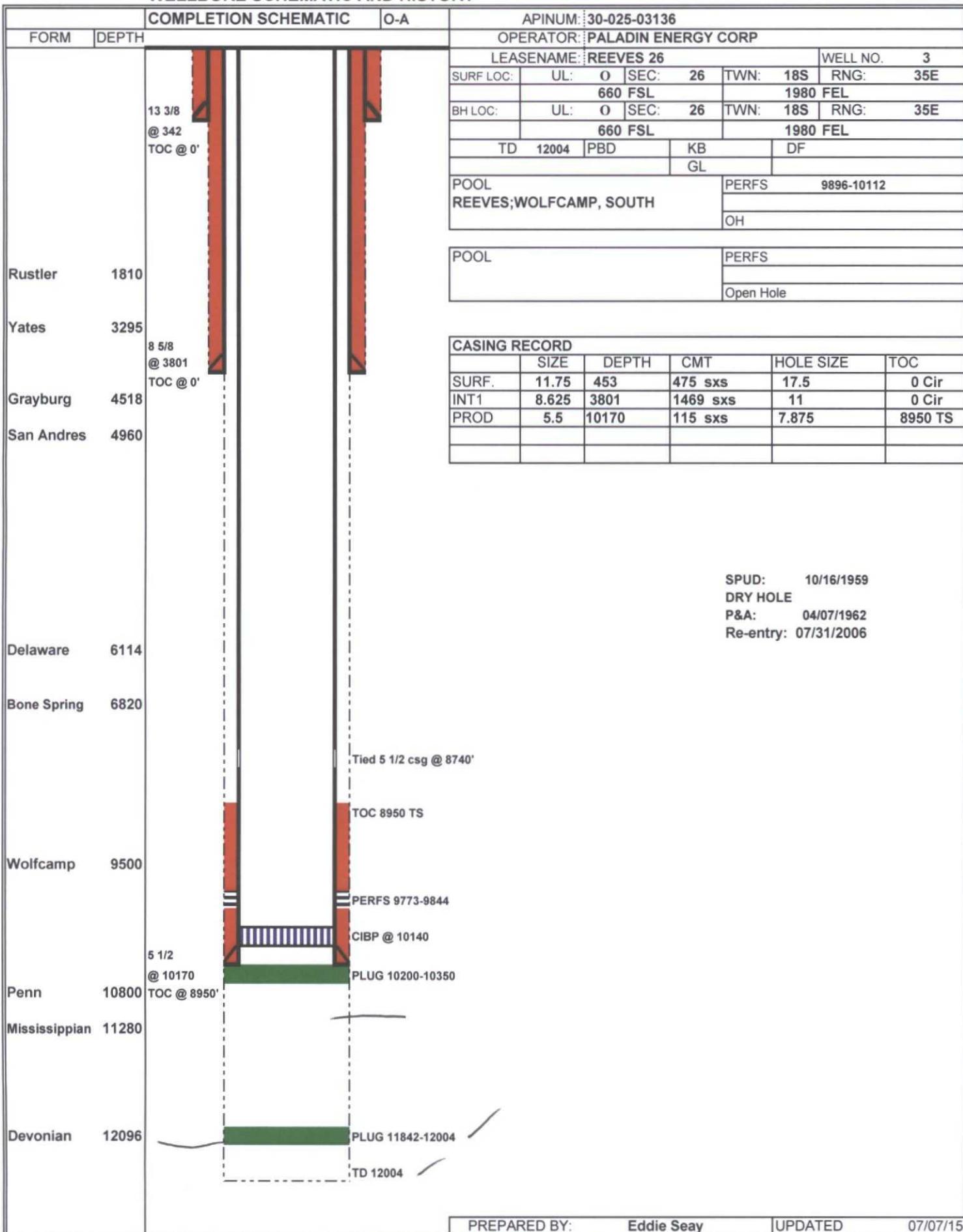
WELLBORE SCHEMATIC AFTER



WELLBORE SCHEMATIC AND HISTORY



WELLBORE SCHEMATIC AND HISTORY



COMPLETION SCHEMATIC

O-A

APINUM: 30-025-03136

OPERATOR: PALADIN ENERGY CORP

LEASENAME: REEVES 26

WELL NO. 3

SURF LOC: UL: 0 SEC: 26 TWN: 18S RNG: 35E

660 FSL 1980 FEL

BH LOC: UL: 0 SEC: 26 TWN: 18S RNG: 35E

660 FSL 1980 FEL

TD 12004 PBD KB DF

GL

POOL REEVES;WOLFCAMP, SOUTH

PERFS 9896-10112

OH

POOL

PERFS

Open Hole

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11.75	453	475 sxs	17.5	0 Cir
INT1	8.625	3801	1469 sxs	11	0 Cir
PROD	5.5	10170	115 sxs	7.875	8950 TS

SPUD: 10/16/1959
 DRY HOLE
 P&A: 04/07/1962
 Re-entry: 07/31/2006

Tied 5 1/2 csg @ 8740'

TOC 8950 TS

PERFS 9773-9844

CIBP @ 10140

PLUG 10200-10350

PLUG 11842-12004

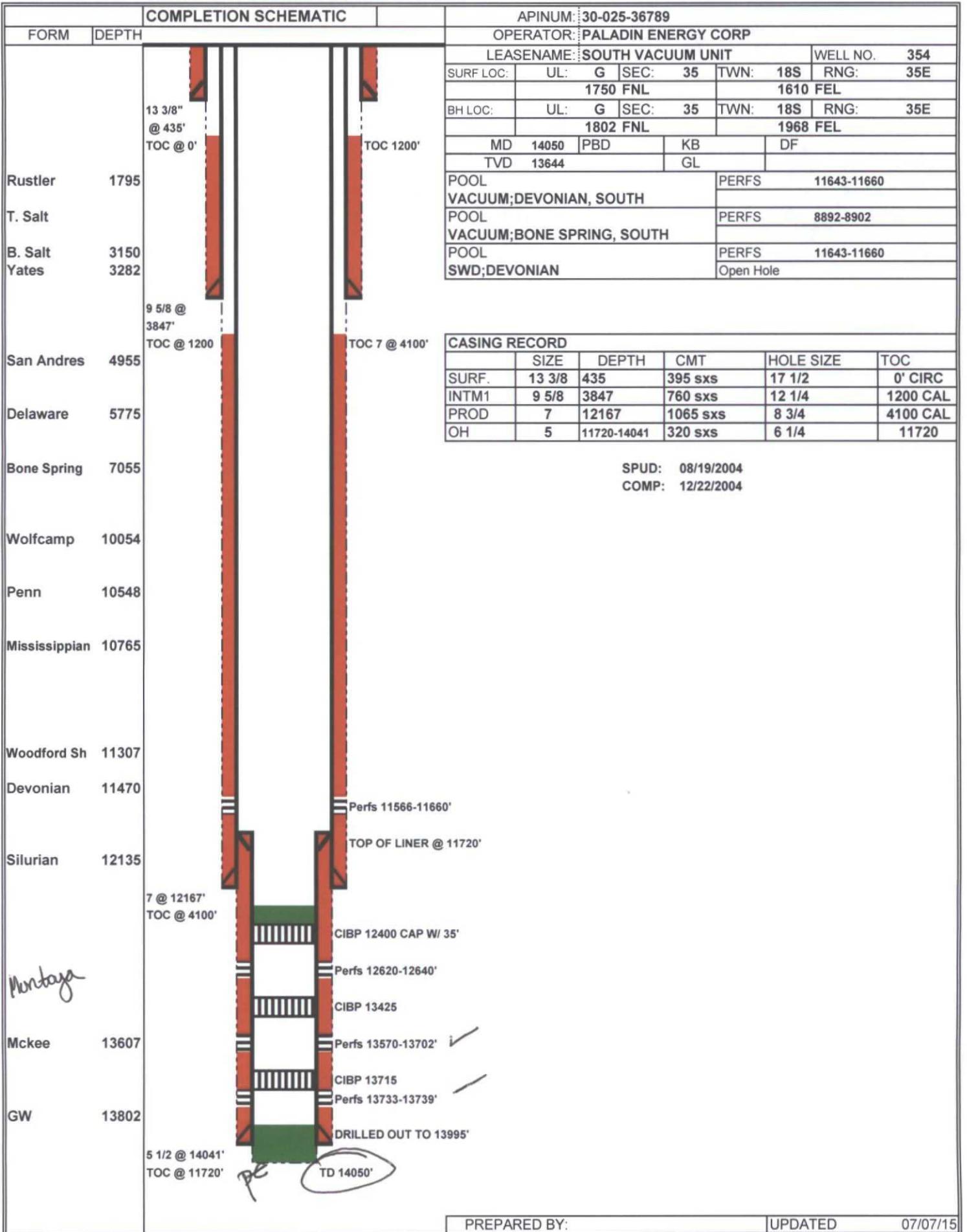
TD 12004

PREPARED BY: Eddie Seay

UPDATED

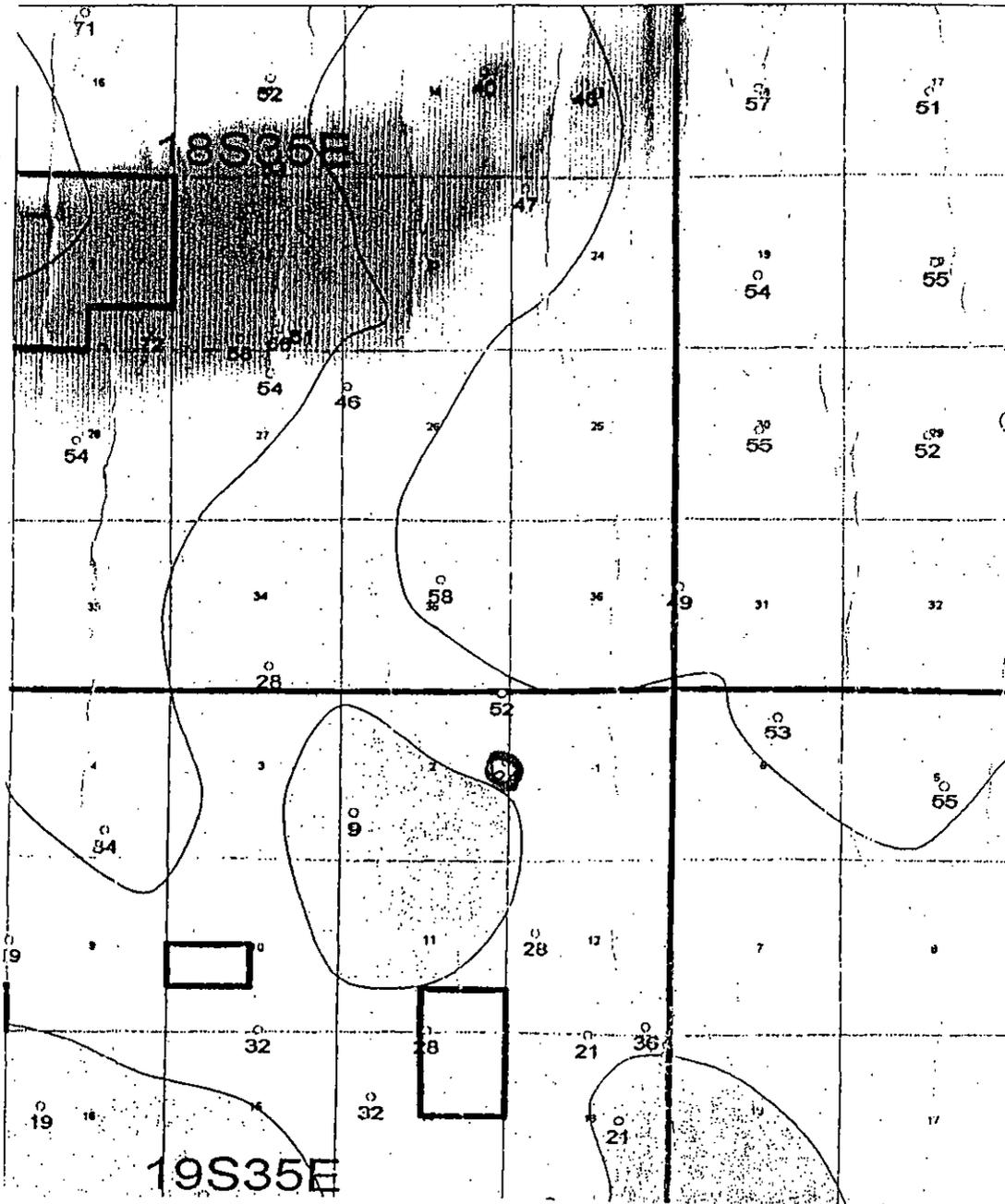
07/07/15

WELLBORE SCHEMATIC AND HISTORY



Water Sample Analysis

Pool	Location			Chlorides
	Section	Township	Range	
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	88533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	118085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	38E	91800
DK Drinkard	30	20S	39E	108855
Littman San Andres	8	21S	38E	38895
East Hobbs grayburg	29	18S	39E	6481
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	39E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	36494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	16S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kemnitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124980
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23788
Caudill Devonian	9	15S	36E	20874
Townsend Wolfcamp	6	16S	38E	38895
Dean Pemo Perin	5	16S	37E	44730
Dean Devonian	35	15S	38E	19525
South Denton Wolfcamp	28	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky-Lake Devonian	29	15S	30E	29288
Wantz Abo	26	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114885
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93385
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Elliot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30801
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	170630
Maljamar Grayburg SA	22	17S	32E	46079
Maljamar Paddock	27	17S	32E	115375
Maljamar Devonian	22	17S	32E	25418



Groundwater Map

Analytical Results For:

 Eddie Seay Consulting
 Eddie Seay
 601 W. Illinois
 Hobbs NM, 88242
 Fax To: (505) 392-6949

 Received: 01/22/2014
 Reported: 01/30/2014
 Project Name: PALADIN 5 V #353
 Project Number: SWD 353
 Project Location: SECTION 4 - 19 - 35

 Sampling Date: 01/21/2014
 Sampling Type: Water
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: SWD 353 - WW #1 (H400194-01)

Chloride, SM4500Cl-B

mg/L

Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride*	188	4.00	01/28/2014	ND	104	104	100	3.92	

TPH 8015M

mg/L

Analyzed By: ma

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<1.00	1.00	01/22/2014	ND	42.6	85.2	50.0	2.06	
DRO >C10-C28	<1.00	1.00	01/22/2014	ND	49.8	99.7	50.0	0.960	
EXT DRO >C28-C35	1.08	1.00	01/22/2014	ND	ND		0.00		

Surrogate: 1-Chlorooctane 82.5% 48.7-164

Surrogate: 1-Chlorooctadecane 81.7% 54.8-165

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services rendered by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

PALADIN ENERGY CORP.

July 2015

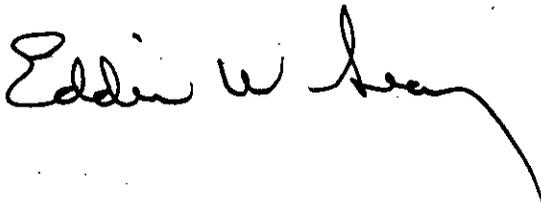
RE: South Vacuum Unit 353
Unit C, Section 35, Tws. 18 S., Rng. 35 E.
API #30-025-03152

Dear Sir:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject in to the above captioned well.

Any questions about the permit can be directed to Eddie W. Seay, (575)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank You,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

LEASE OWNERS AND OFFSETS

LANDOWNER & MINERAL OWNER

NM State Land Office
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

LAND LESSEE

Snyder Ranches, Ltd.
Box 2158
Hobbs, NM 88241

OFFSET OPERATOR & MINERAL OWNERS

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

Wolfson Properties
4144 N. Central Expressway, Ste. 1160
Dallas, TX 75204

White Living Trust
9412 La Cuesta Dr.
La Mesa, CA 91941-5634

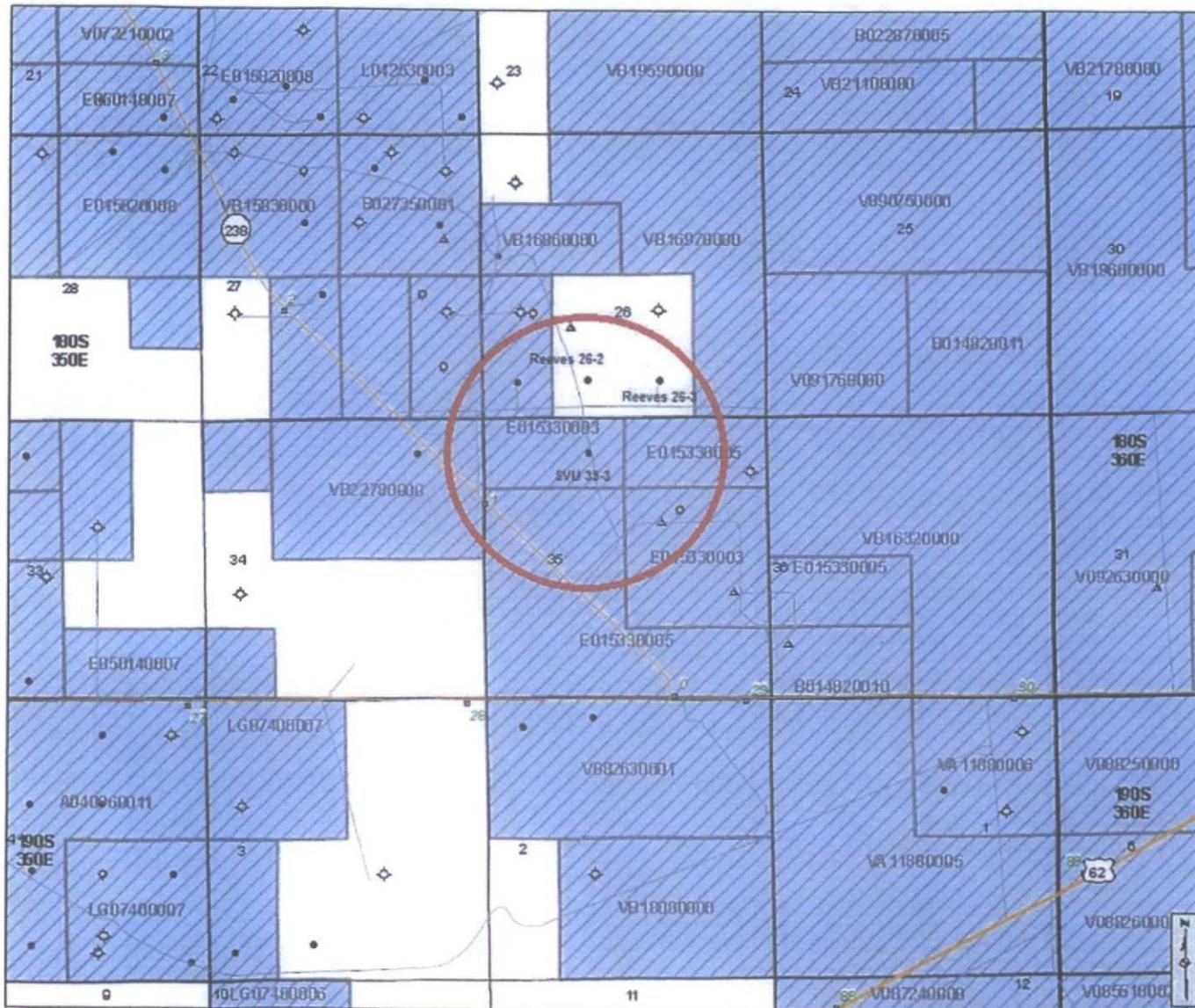
Zia Realty, LLC
Box 2160
Hobbs, NM 88241

Jenke Trust
3801 Pinto Place
Spring Valley, CA 91977

RKT Holdings, LLC
2100 Ross Ave., Ste. 2920
Dallas, TX 75201

Palinbock Corp.
5925 Forest Lane #418
Dallas, TX 75230

Sabine Royalty Trust
Box 840887
Dallas, TX 75284-0887



Cartographic Features

- County Boundaries
- County Seats
- ⊙ City, Town or Village
- ▲ SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate — US Hwy
- NM Hwy — Local Road
- ⋮ Continents ID route

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOC Order R-11-P Potash Exclusive Outline

NMOC Oil and Gas Wells

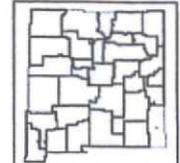
- CO₂
- Gas
- Injection
- Miscellaneous
- Oil
- ▲ Salt Water Disposal
- ♣ Water
- ◇ DA or PA

**New Mexico State Land Office
Oil, Gas and Minerals**

0 0.1 0.2 0.4 0.6 0.8 Miles
 Universal Transverse Mercator Projection, Zone 13
 1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
 logie@slc.state.nm.us



www.nmstateand.org

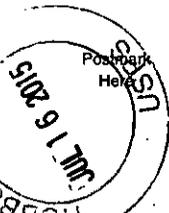
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Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19



Sent To
White Living Trust
 Street, Apt. No.,
 or PO Box **442 La Cuesta Dr.**
 City, State, ZIP+4
La Mesa, CA 91941-5634

PS Form 3800, August 2006 See Reverse for Instructions

7012 1640 0000 2270 9519

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Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19



Sent To
Jenke Trust
 Street, Apt. No.,
 or PO Box **3801 Pinto Place**
 City, State, ZIP+4
Spring Valley, CA 91777

PS Form 3800, August 2006 See Reverse for Instructions

7012 1640 0000 2270 9465

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Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19



Sent To
RKT Holdings, LLC
 Street, Apt. No.,
 or PO Box **2100 Ross Ave., Ste. 2920**
 City, State, ZIP+4
Dallas, TX 75201

PS Form 3800, August 2006 See Reverse for Instructions

7012 1640 0000 2270 9502

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Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19



Sent To
Palinbock Corp.
 Street, Apt. No.,
 or PO Box **925 Forest Lane #418**
 City, State, ZIP+4
Dallas, TX 75230

PS Form 3800, August 2006 See Reverse for Instructions

7012 1640 0000 2270 9539

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Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19



Sent To
Snyder Ranches, Ltd.
 Street, Apt. No.,
 or PO Box **Box 2158**
 City, State, ZIP+4
Hobbs, NM 88241

PS Form 3800, August 2006 See Reverse for Instructions

7012 1640 0000 2270 9450

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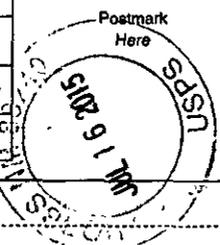
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 2.94
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19

Sent To: NM State Land Office
 Street, Apt. No. or PO Box No.: 310 Old Santa Fe Trail
 Box 1-148
 City, State, ZIP+4: Santa Fe, NM 87504-1148

PS Form 3800, August 2006 See Reverse for Instructions



7012 1640 0000 2270 9450

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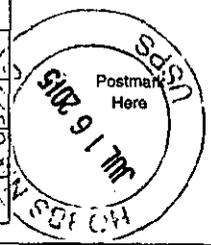
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 2.94
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.19

Sent To: Paladin Energy Corp.
 Street, Apt. No. or PO Box No.: 10290 Monroe Dr., Ste. 301
 City, State, ZIP+4: Dallas, TX 75229

PS Form 3800, August 2006 See Reverse for Instructions



7012 1640 0000 2270 9496

U.S. Postal Service™
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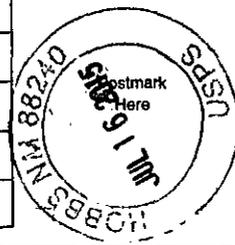
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 3.14
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.39

Sent To: Sabine Royalty Trust
 Street, Apt. No. or PO Box No.: Box 840887
 City, State, ZIP+4: Dallas, TX 75284-0887

PS Form 3800, August 2006 See Reverse for Instructions



7012 1640 0000 2270 9486

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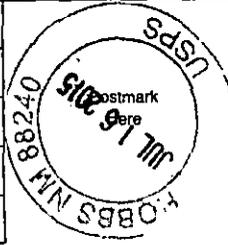
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 3.14
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.39

Sent To: Wolfson Properties
 Street, Apt. No. or PO Box No.: 11141 N. Central Expressway, Ste. 1160
 City, State, ZIP+4: Dallas, TX 75204

PS Form 3800, August 2006 See Reverse for Instructions



7012 1640 0000 2270 9472

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OFFICIAL USE

Postage	\$ 3.14
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.39

Sent To: Zia Realty, LLC
 Street, Apt. No. or PO Box No.: Box 2160
 City, State, ZIP+4: Hobbs, NM 88241

PS Form 3800, August 2006 See Reverse for Instructions



LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Paladin Energy Corp., 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the South Vacuum Unit 353, located in Unit C, Section 35, Township 18 South, Range 35 East, Lea Co., NM. The injection formations are the Mississippian and Devonian with perforations from 10724' to 12300' below surface. Expected maximum injection rate is 10,000 bpd., and the expected maximum injection pressure is 2000 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

Affidavit of Publication

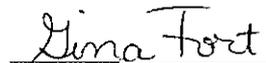
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

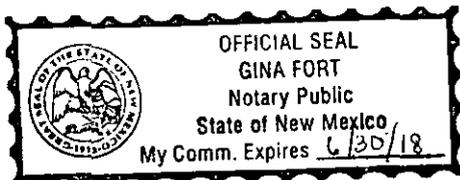
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of July 16 , 2015 and ending with the issue of July 16 , 2015.

And that the cost of publishing said notice is the sum of \$ 28.38 which sum has been (Paid) as Court Costs.


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 21st day of July , 2015.


Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2018



LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Paladin Energy Corp., 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229,

is filing a C-108, Application for Salt Water Disposal. The well being applied for is the South Vacuum Unit 353, located in Unit C, Section 35, Township 18 South, Range 35 East, Lea Co., NM. The injection formations are the Mississippian and Devonian with perforations from 10724' to 12300' below surface. Expected maximum injection rate is 10,000 bpd, and the expected maximum injection pressure is 2000 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)478-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

Published in the Lovington Leader July 16, 2015, 2015



C-108 Review Checklist: Received 7/30/15 Add. Request: Protested NMSLO/Protest withdrawn 8/1/15 Reply Date: 9/16/15 Suspended: 8/1/15 [Ver 16]

ORDER TYPE: WFX / PMX SWD Number: 1579 Order Date: 09/16/15 Legacy Permits/Orders: Associated orders: R-4147; R-8645

Well No. 353 Well Name(s): South Vacuum Unit

API: 30-0 25-03152 Spud Date: 10/10/1958 New or Old Old (UIC Class II Primacy 03/07/1982)

Footages 660 FNL / 1980 FUL (surf) Lot - or Unit C Sec 35 Tsp 18S Rge 35E County Lea

General Location: 4 mi W of Artesian 2004 C-102 (bottom) 660 FNL / 2208 FUL Wildcat McKee (vacuum McKee) SWD; Devonia/Mississippi

BLM 100K Map: Hobbs Operator: Paladin Energy Corp. OGRID: 164070 Contact: E. Seal Agents

COMPLIANCE RULE 5.9: Total Wells: 54 Inactive: 0/1 Fincl Assur: OK Compl. Order? NO IS 5.9 OK? YES Date: 9/16/15

WELL FILE REVIEWED Current Status: TA - well sidetracked in 2004, poor production, TA in 9/11/15

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: DSN P&A & DLL / MSFL

Planned Rehab Work to Well: Drill out plugs to McKee perms - install CIBP w/mt caps above perms; set CIBP below lowest perms squeeze Devonia perms (for side track)

Well Construction Details	Sizes (in)	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2 / 13 3/8</u>	<u>0 to 450</u>	<u>450</u>	<u>Cir to surface</u>
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Interm/Prod	<u>12 1/4 / 9 5/8</u>	<u>0 to 3943</u>	<u>None</u>	<u>Cir to surface</u>
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Interm/Prod	<u>8 3/4 / 7</u>	<u>0 to 12194</u>	<u>None</u>	<u>CBL - 7490</u>
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Prod/Liner	<u>6 1/4 / 5</u>	<u>11773 to 13761</u>	<u>None</u>	<u>CBL @ top of liner</u>
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH (PERF)	<u>Existing: 11592 to 11724</u>	<u>10820 - 12300'</u>	<u>Inj Length: 1576 (480)</u>	

Injection/Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		<u>Wolfcamp</u>	<u>1020</u>	Drilled TD <u>13763 (side track)</u> PBTB <u>T&A at 11945</u>
Confining Unit: Litho. Struc. Por.		<u>Strain</u>	<u>10313</u>	NEW TD <u>---</u> NEW PBTB <u>~12500</u>
Proposed Inj Interval TOP:	<u>10724</u> <u>10820</u>	<u>Mississippi</u>	<u>10724</u>	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM:	<u>12300</u>	<u>Devonia</u>	<u>11512</u>	Tubing Size <u>3 1/2</u> in. Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. Por.		<u>Montoya</u>	<u>13002</u>	Proposed Packer Depth <u>10624</u> ft
Adjacent Unit: Litho. Struc. Por.		<u>Simpson</u>		Min. Packer Depth <u>10</u> (100-ft limit)
				Proposed Max. Surface Press <u>2000</u> psi
				Admin. Inj. Press <u>2445</u> <u>2164</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? NA BLM Sec Ord WIPP Noticed? NA Salt/Salado T: --- B: --- NW: Cliff House fm NA

FRESH WATER: Aquifer Ogallala + possible Santa Rosa Depth < 150 to 1000' (SR) HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: Lea CAPITAN REEF: thru --- adj. NA No. GW Wells in 1-Mile Radius? 2 FW Analysis? Yes

Disposal Fluid: Formation Source(s) McKee / Devonia / Silurian Analysis? Yes On Lease Operator Only or Commercial

Disposal Interval: Inject Rate (Avg/Max BWPD): NA / 16,000 Protectable Waters? NO Source: prod. info. System: Closed or Open

HC Potential: Producing Interval? Miss - No Formerly Producing? Yes Method: Logs/DST/P&A/Other prod. curves 2-Mile Radius Pool Map

AOR Wells: 1/2-M. Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 6 Horizontals? 0

Penetrating Wells: No. Active Wells 6 Num Repairs? 0 on which well(s)? --- Diagrams? Yes

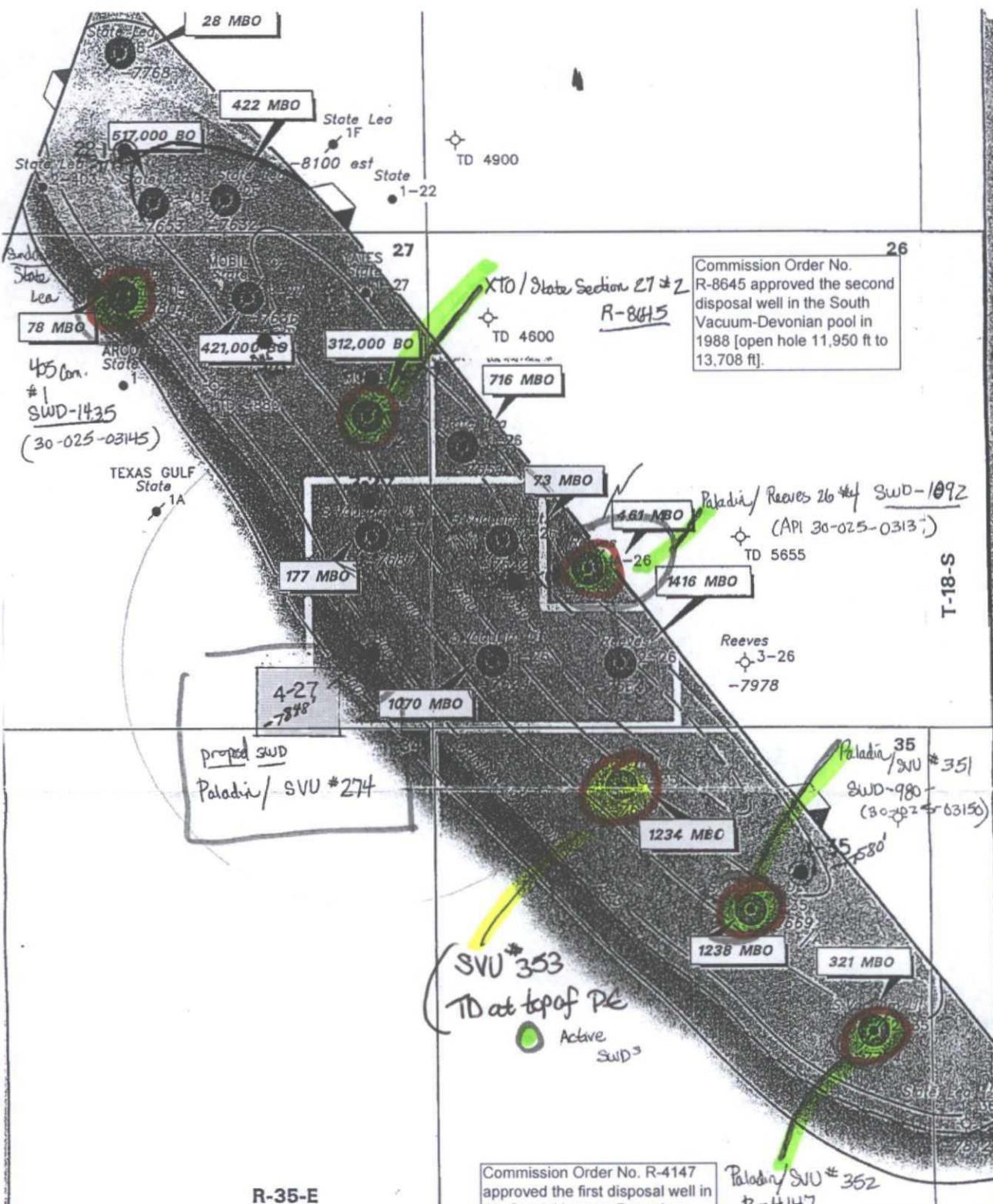
Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? --- Diagrams? ---

NOTICE: Newspaper Date 07/16/2015 Mineral Owner SLO Surface Owner SLO N. Date 07/16/15

RULE 26.7(A): Identified Tracts? Yes Affected Persons: White Living Trust, Junkie Trust, Sabine, Patinback N. Date 07/16/15

Order Conditions: Issues: BH in granite wash (on top of PE); cement placement on CBL (no copy)

Add Order Cond: Obtain copy of CBL; injection survey within 2 years



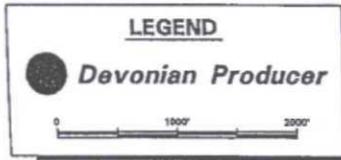
Paladin / Reeves 26 #4 SWD-1092 (API 30-025-0313)

Proposed SWD
Paladin / SVU #274

Commission Order No. R-4147 approved the first disposal well in the South Vacuum-Devonian pool in 1971 [perforations from 11,680 ft to 11,690 ft].

Paladin / SVU #352
R-4147
(30-025-03151)

PALADIN ENERGY CORP.
10290 Monroe Drive
Suite 301
Dallas, Texas 75229



SOUTH VACUUM FIELD
Lea County, New Mexico

Structure Map
DEVONIAN
Contour Interval = 100'

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Submit 3 Copies
to Appropriate
District Office

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-03152

DISTRICT II
P.O. Drawer DD, Artesia, NM 888210

5. Indicate Type of Lease
STATE FEE

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

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name

South Vacuum Unit

1. Type of Well:
OIL GAS WELL OTHER

8. Well No.

2. Name of Operator Paladin Energy Corp.

9. Pool name or Wildcat

3. Address of Operator 10290 Monroe Dr., Ste. Ste 301, Dallas, TX 75229

Wildcat Mckee

4 Well Location
Unit Letter C : 660 Feet From The North Line and 1980 Feet from The West Line
Section 35 Township 18-S Range 35-E NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc)

Check Appropriate Box to Indicate Nature of Notice, Report, Or Other Data

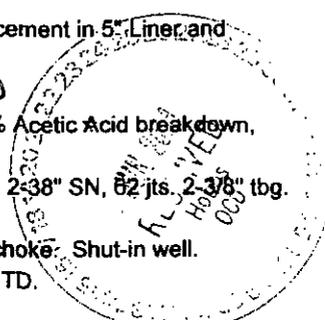
NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING
OTHER

REMEDIAL WORK ALTRG CSG
COMMENCE DRLG OPNS. P&A
CSG TST & CMT JOB
OTHER: Completion

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103
Completion 5/7/2004 to 6/4/2004
MI/RU Pulling Unit, Drilled cement and cleaned top of 5" hanger at 11,773', dressed hanger. Tagged cement in 5" Liner and drilled cement from 12,835' to 13,755'. Circulated hole clean, POOH. Run CBL, TOC at 7,490'.
Perforated 5" liner from 13,506-09', 13,522-25', 13,556-59', 13591-94', 13,627-30'.
Rig up and set surface tanks and pumping equipment & performed Fracture job with 3000 gallons 10% Acetic Acid breakdown, 177,000 gallon gel & treated 3% kcl water with 138,000 pounds of sand.
MI/RI Pulling Unit TIH w/ 2-3/8" x 10' sub, F nipple, 1 jt. 2-3/8" p-110 tbg., 2-3/8" x 5" Arrow set packer, 2-3/8" SN, 82 jts. 2-3/8" tbg. x-over and 56 jts. Of 2-7/8" tbg. Set packer at 13,400'. Swabbed and flowed back 1100 bbls. Water
Set pressure gauges in F nipple, Tested well: 833 MCFPD, 0 Oil, 5 bbls water, 3487 psi FTP. 9/64th choke. Shut-in well.
Dropped Bottom Hole Pressure gauges through tubing. Will attempt to fish gauges and wash sand to TD.



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

SIGNATURE David Plaisance TITLE VP Exploration & Production DATE 6/17/2004
214-654-0132

TYPE OR PRINT NAME David Plaisance TELEPHONE NO.

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____
ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER

CONDITIONS OF APPROVAL, IF ANY:

JUN 25 2004

Goetze, Phillip, EMNRD

From: David Plaisance <dplaisance@paladinenergy.com>
Sent: Tuesday, September 15, 2015 10:28 AM
To: Goetze, Phillip, EMNRD
Subject: FW: Paladin Energy Corp.- South Vacuum 353 (30-025-03152) SWD Application Support Data

Mr. Goetze,

Mr. Anchor Holm copied me the email below that he sent to you concerning our South Vacuum 35-3 SWD permit application. As per his email, after correspondence and joint discussions between us, the State Land Office has withdrawn their objection to our application. Paladin Energy respectfully request that the application be re-instated for administrative review and approval.

Thank you,

David Plaisance
VP Exploration & Production
Paladin Energy Corp.
214-654-0132 Ext 3

From: Holm, Anchor [mailto:aholm@slo.state.nm.us]
Sent: Monday, September 14, 2015 11:45 AM
To: Phillip R. Goetze P.G. (Phillip.Goetze@state.nm.us)
Cc: Martin, Ed; Khalsa, Niranjani; Warnell, Terry; dplaisance@paladinenergy.com
Subject: FW: Paladin Energy Corp.- South Vacuum 353 (30-025-03152) SWD Application Support Data

Phil,

After Ed Martin and I reviewed our recent response from David Plaisance, VP Exploration & Production, Paladin Energy Corp. and having a telephone discussion with him this morning, the State Land Office no longer has a concern regarding loss of reserves due to the apparent lack of response to water injection in this portion of the field. Any response to water injection at this location is unlikely to be significant. Thus, the proposed conversion is likely to behave more like a disposal in same zone than a pressure maintenance. Our main assumption is that the injected waters are staying in zone or going downward into the Devonian aquifer.

If Paladin wishes to resume their application, the State Land Office will not have any objection.

Thank you,

Anchor Holm

GeoScientist/Petroleum Engineering Specialist
NM State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Ph. 505-827-5759

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Monday, August 03, 2015 7:58 AM
To: Eddie Seay (seay04@leaco.net)
Cc: Martin, Ed; Holm, Anchor E. (aholm@slo.state.nm.us); Jones, William V, EMNRD; McMillan, Michael, EMNRD
Subject: Protest of Application to Inject - South Vacuum Unit No. 353

RE: South Vacuum Unit No. 353 (API 30-025-03152) – Sec 35, T. 18 S., R. 35E., NMPM, Lea County.

Mr. Seay:

OCD was notified through counsel that the New Mexico State Land Office is protesting this application for approval of a salt water disposal well. This party is identified as an affected person for the location being considered in the application. The party states that the conversion of this oil well to salt water disposal will cause irreparable harm to the State Land Trust Beneficiary by early loss of royalty income and loss of oil from the State Oil & Gas Lease to non-Trust minerals. Therefore, you are being notified that if Paladin Energy Corp. wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained by OCD, but suspended from further administrative review. Please contact OCD once you have made a decision regarding the application within the next 30 days. If the protest remains after 30 days, OCD will initiate the process to place the application on a docket for review in hearing. Please contact me with any questions regarding this matter. PRG

Contact Information:

Anchor Holm
GeoScientist/Petroleum Engineering Specialist
NM State Land Office, Oil, Gas and Minerals Division
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Ph. 505-827-5759
e-mail: aholm@slo.state.nm.us

Phillip R. Goetze, P.G.
Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462
phillip.goetze@state.nm.us

