SWD

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
29 June 07		D. Brooks	02. July 07	~~PC~~	pCLP0718330976

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 _____

[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

RECEIVED
2007 JUN 29 PM 12 28

[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	6/14/2007
Print or Type Name	Signature	Title	Date

seay04@leaco.net
e-mail Address

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-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance __X__Disposal _____Storage
Application qualifies for administrative approval? __X__Yes _____No

II. OPERATOR: Paladin Energy Corp.

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

CONTACT PARTY: David Plaisance PHONE: 214-654-0132
dplaisance@paladinenergy.com

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 __X__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: Eddie W. Seay seay04@leaco.net TITLE: Agent

SIGNATURE: Eddie W Seay DATE: June 14, 2007

E-MAIL ADDRESS: seay04@leaco.net

* 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: when drilled in 1960.

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

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

ATTACHMENT TO APPLICATION C-108

Reeves 26 #4
Unit K, Sect. 26, 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) Baker tension packer.

B. 1) Injection formations are the Wolfcamp and Devonian.
2) Injection interval 9800' to 11700'.
3) Well was drilled as a producer, then P & A and again re-entered.
4) The next higher producing zone is the Bone Springs at approximately 7000'. The next lower producing zone is the silurian at approximately 12,100'.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

VII. Paladin proposes to re-complete the above listed well. Clean out well bore and plugs down to old Devonian perfs, either re-perforate or acidize old perfs. Perforate Wolfcamp and Devonian. Run 3 1/2" plastic coated tubing with 5 1/2" packer and set at approximately 9790'.

1) Plan to inject approximately 3000 bpd of produced water from Paladins own operation in offset production.
2) Closed system.
3) Average injection pressure should be approximately 800# to 1200# or whatever limit OCD allows.
4) Analysis attached, only produced water.
5) Water from offset production from McKee, Devonian and Silurian.

VIII. The proposed disposal formations are interbedded shale and limestone. The primary geologic names are the Wolfcamp found from 9500' to 10,100' and Devonian from 11512' to 11730'.

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

IX. ACID AS NEEDED.

X. PREVIOUSLY SUBMITTED TO OCD.

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.

Side 1

INJECTION WELL DATA SHEET

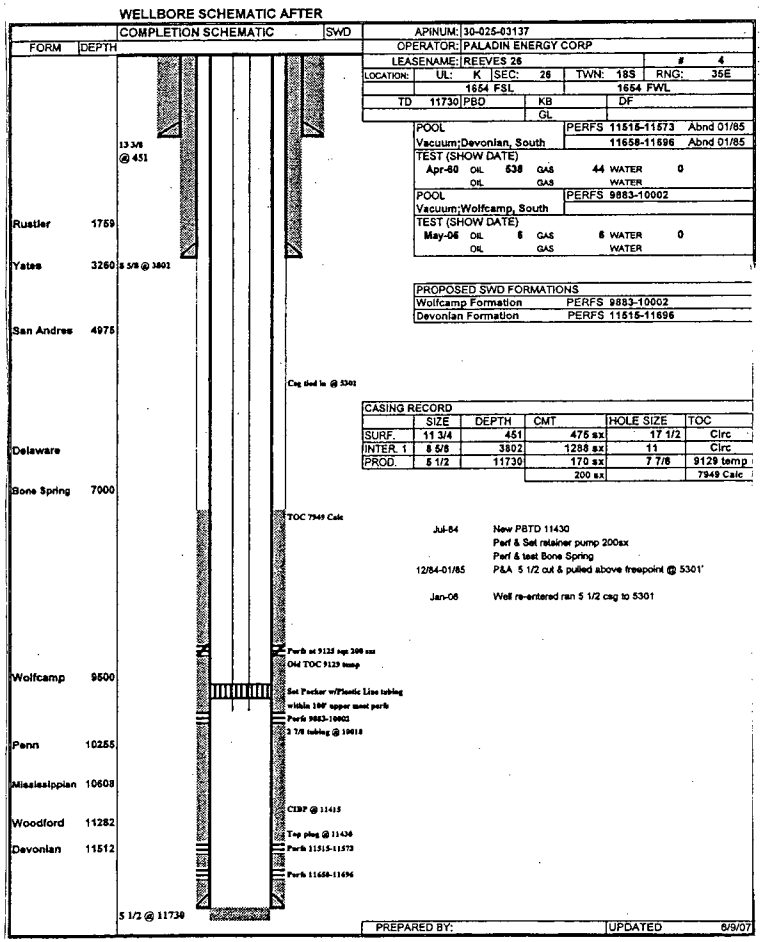
OPERATOR: Paladin Energy Corp

WELL NAME & NUMBER: Reeves 26 #4

WELL LOCATION: 1654/S 1654/W K 26 18 35 E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 11 3/4"

Cemented with: 475 sx. *or* _____ ft³

Top of Cement: Circulated, Surface Method Determined: Circ

Intermediate Casing

Hole Size: 11" Casing Size: 8 5/8"

Cemented with: 1288 sx. *or* _____ ft³

Top of Cement: Circulated - Surface Method Determined: Circ

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 370 sx. *or* _____ ft³

Top of Cement: 7550' Method Determined: TS

Total Depth: 11730

Injection Interval

Wolfcamp 9883' to 10002' feet to Devonian 11512' - 11696'

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2" Lining Material: IPC

Type of Packer: Baker Tension

Packer Setting Depth: 9790'

Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? ____

   oil and gas

2. Name of the Injection Formation: Wolfcamp and Devonian

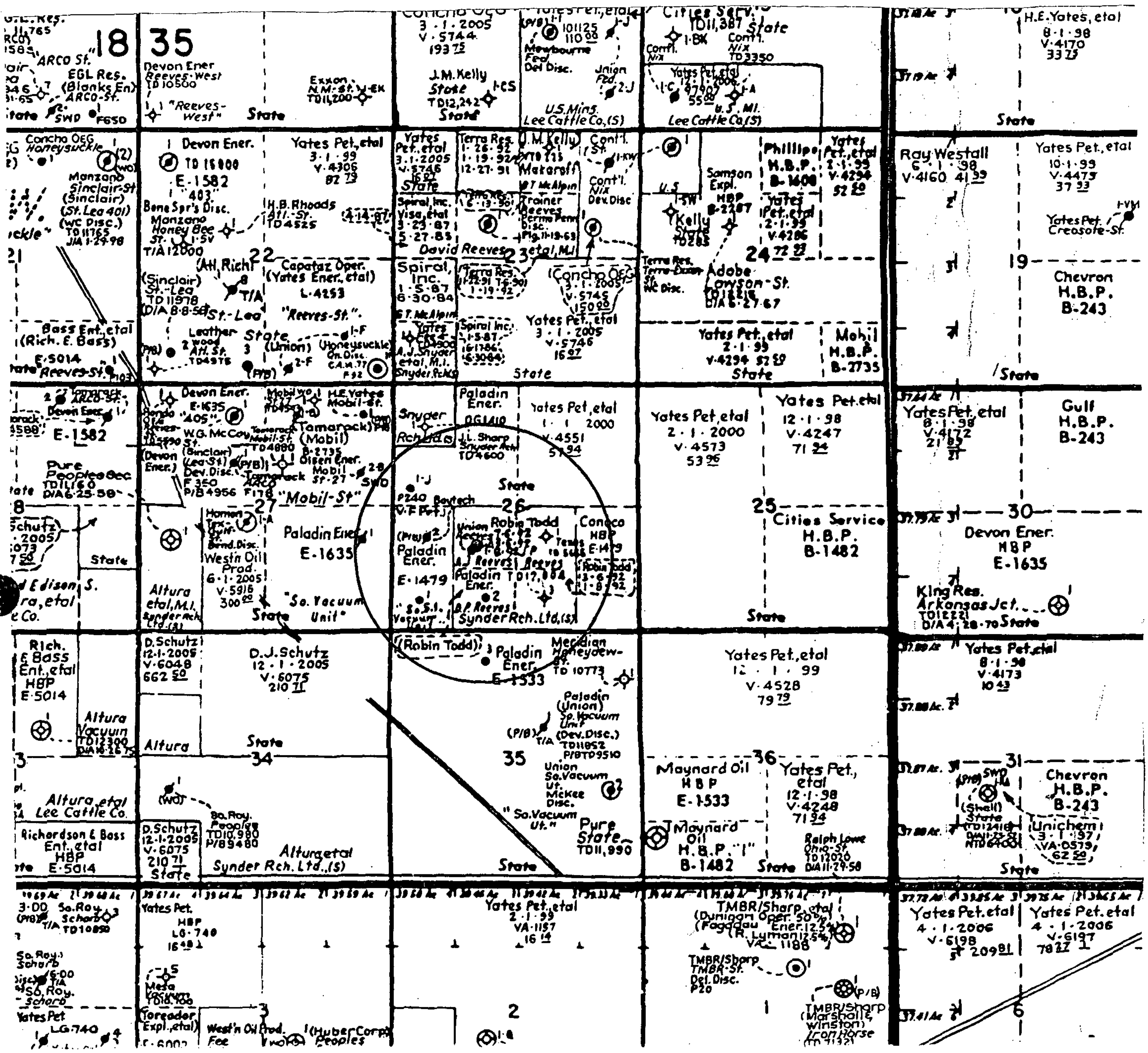
3. Name of Field or Pool (if applicable): South Vaccuum

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. Perfs at 9125 sq with 200 sx. Perfs in Wolfcamp 9883 - 10002 + Devonian from 11515 to 11696

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

   The Bone Springs at 7000'

   The Silurian at 12100'



18
35
Devon Ener
State
J.M.Kelly
U.S.Mins.
Lee Cattle Co.(S)
Cities Serv.
H.E.Yates,etal
Devon Ener.
Yates Pet.,etal
Ray Westall
Yates Pet.,etal
22
23
24
19
Spiral, Inc.
David Reeves
Chevron
H.B.P.
B-243
Yates Pet.,etal
Mobil
State
E-1582
Paladin Ener.
Yates Pet.,etal
Gulf
H.B.P.
B-243
27
26
25
30
Paladin Ener.
E-1635
Cities Service
H.B.P.
B-1482
Devon Ener.
HBP
E-1635
State
D.J.Schutz
Yates Pet.,etal
Yates Pet.,etal
34
35
36
31
Altura
Maynard Oil
HBP
E-1533
Chevron
H.B.P.
B-243
Synder Rch. Ltd.,(S)
State
Yates Pet.,etal
TMBR/Sharp,etal
Yates Pet.,etal
Yates Pet.,etal
3
2
1
6

DISPOSAL WELL

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W	
30-025-03137	REEVES 26	4	PALADIN ENERGY CORP	11730			LEA	P	K	26	18	S	35E	E	1654	S	1654	W

W.C.

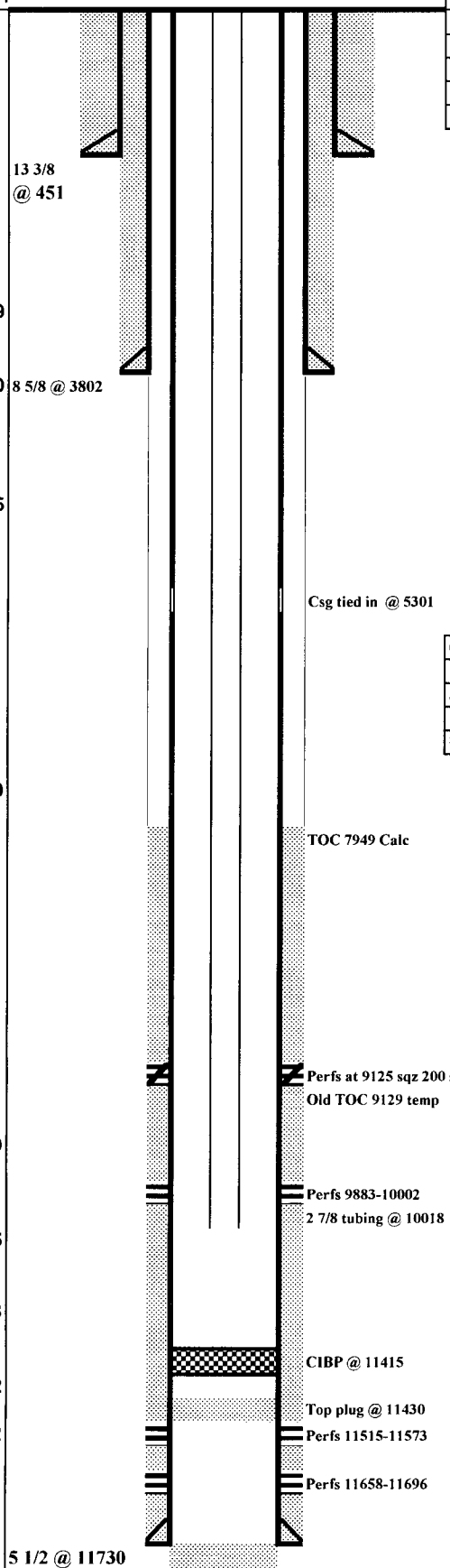
Wells within 1/2 mile of the proposed disposal well.

															5280		5280			
API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W		Distance	< 1/2 mile
30-025-23900-00-00	STATE 26	002	BAYTECH INC	11700	O	P&A	Lea	S	L	26	18	S	35	E	1980	S	710	W	998	1/2 mile
30-025-03135-00-00	REEVES 26	002	PALADIN ENERGY CORP	11750	O	A	Lea	P	N	26	18	S	35	E	660	S	1980	W	1046	1/2 mile
30-025-03136-00-00	REEVES 26	003	PALADIN ENERGY CORP	12004	O	A	Lea	P	O	26	18	S	35	E	660	S	1980	E	1922	1/2 mile
30-025-03139-00-00	JANIE P REEVES	001	TEXACO EXPLORATION & PRODUCTION	5655	D&A	P&A	Lea	P	J	26	18	S	35	E	1980	S	1980	E	1677	1/2 mile
30-025-03138-00-00	LEA J STATE	001	PALADIN ENERGY CORP	11715	O	A	Lea	S	E	26	18	S	35	E	2310	N	330	W	1866	1/2 mile
30-025-03134-00-00	SOUTH VACUUM UNIT	261	PALADIN ENERGY CORP	11756	O	A	Lea	S	M	26	18	S	35	E	660	S	660	W	1405	1/2 mile
30-025-37035-00-00	SOUTH VACUUM UNIT	265	PALADIN ENERGY CORP	15248	G	A	Lea	S	L	26	18	S	35	E	1940	S	980	W	732	1/2 mile
30-025-03144-00-00	SOUTH VACUUM 27	001	UNION OIL CO OF CALIFORNIA	11755	O	P&A	Lea	S	I	27	18	S	35	E	1980	S	660	E	2336	1/2 mile
30-025-37122-00-00	SOUTH VACUUM	274	PALADIN ENERGY CORP	14230	G	A	Lea	S	P	27	18	S	35	E	960	S	693	E	2447	1/2 mile
30-025-03152-00-00	SOUTH VACUUM UNIT	353	PALADIN ENERGY CORP	13919	O	A	Lea	S	C	35	18	S	35	E	660	N	1980	W	2336	1/2 mile

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC | Oil

FORM	DEPTH
Rustler	1759
Yates	3260
San Andres	4975
Delaware	
Bone Spring	7000
Wolfcamp	9500
Penn	10255
Mississippian	10608
Woodford	11282
Devonian	11512



APINUM:	30-025-03137
OPERATOR:	PALADIN ENERGY CORP
LEASENAME:	REEVES 26 # 4
LOCATION:	UL: K SEC: 26 TWN: 18S RNG: 35E
	1654 FSL 1654 FWL
TD 11730	PBD KB DF
	GL

POOL	PERFS	
Vacuum;Devonian, South	11515-11573	Abnd 01/85
	11658-11696	Abnd 01/85

TEST (SHOW DATE)

Apr-60	OIL	538	GAS	44	WATER	0
	OIL		GAS		WATER	

POOL	PERFS
Vacuum;Wolfcamp, South	9883-10002

TEST (SHOW DATE)

May-06	OIL	6	GAS	6	WATER	0
	OIL		GAS		WATER	

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	451	475 sx	17 1/2	Circ
INTER. 1	8 5/8	3802	1288 sx	11	Circ
PROD.	5 1/2	11730	170 sx	7 7/8	9129 temp
			200 sx		7949 Calc

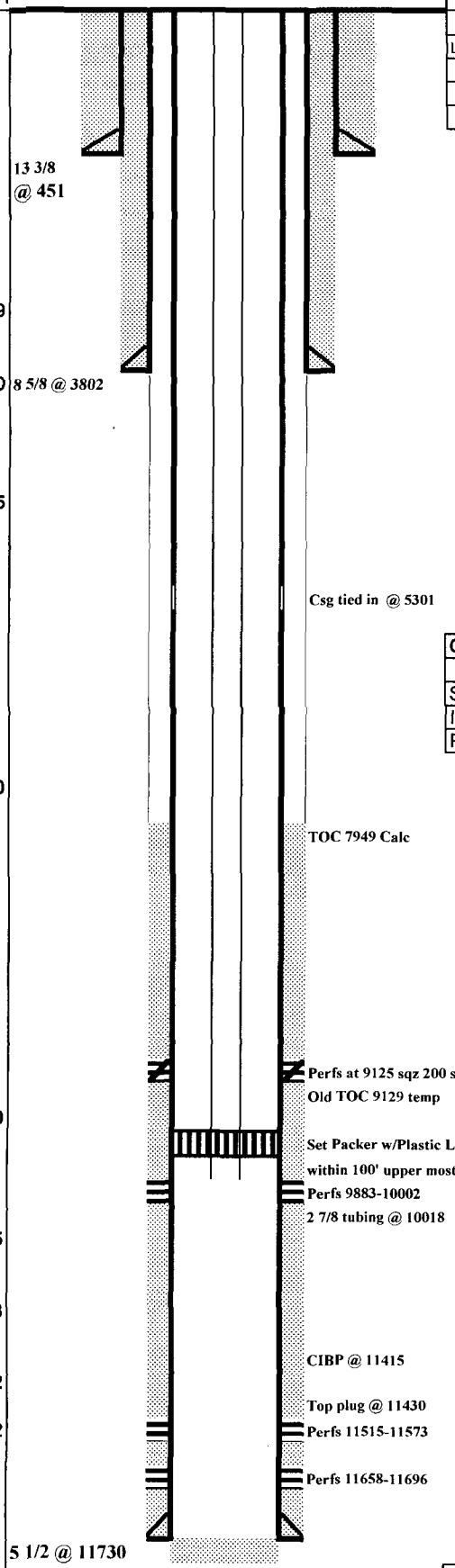
Jul-84	New PBTD 11430 Perf & Set retainer pump 200sx Perf & test Bone Spring
12/84-01/85	P&A 5 1/2 cut & pulled above freepoint @ 5301'
Jan-06	Well re-entered ran 5 1/2 csg to 5301

PREPARED BY: | UPDATED 6/9/07

WELLBORE SCHEMATIC AFTER

COMPLETION SCHEMATIC | SWD

FORM	DEPTH
Rustler	1759
Yates	3260
San Andres	4975
Delaware	
Bone Spring	7000
Wolfcamp	9500
Penn	10255
Mississippian	10608
Woodford	11282
Devonian	11512



APINUM: 30-025-03137
OPERATOR: PALADIN ENERGY CORP
LEASENAME: REEVES 26 # 4
LOCATION: UL: K SEC: 26 TWN: 18S RNG: 35E
1654 FSL 1654 FWL
TD 11730 PBD KB DF
GL

POOL	PERFS	
Vacuum;Devonian, South	11515-11573	Abnd 01/85
	11658-11696	Abnd 01/85

TEST (SHOW DATE)
Apr-60 OIL 538 GAS 44 WATER 0
OIL GAS WATER

POOL	PERFS
Vacuum;Wolfcamp, South	9883-10002

TEST (SHOW DATE)
May-06 OIL 6 GAS 6 WATER 0
OIL GAS WATER

PROPOSED SWD FORMATIONS	
Wolfcamp Formation	PERFS 9883-10002
Devonian Formation	PERFS 11515-11696

CASING RECORD

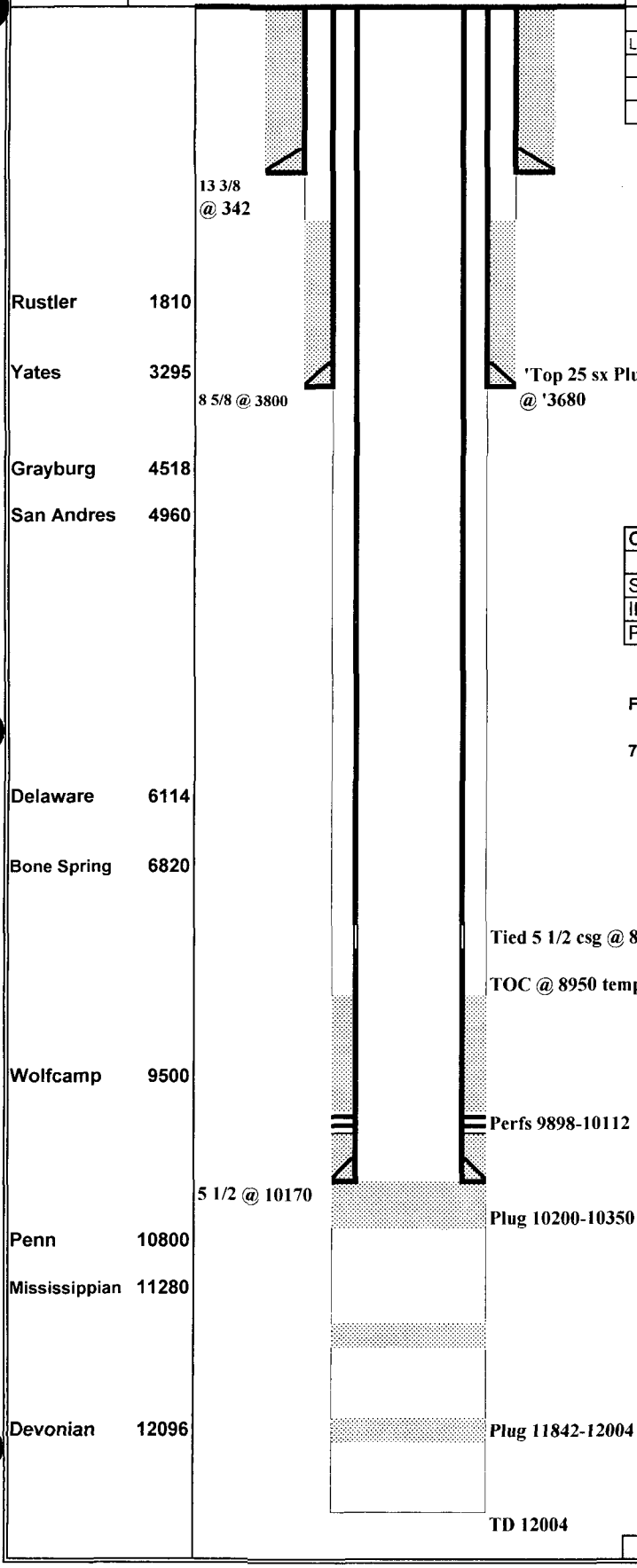
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	451	475 sx	17 1/2	Circ
INTER. 1	8 5/8	3802	1288 sx	11	Circ
PROD.	5 1/2	11730	170 sx	7 7/8	9129 temp
			200 sx		7949 Calc

Jul-84	New PBTD 11430 Perf & Set retainer pump 200sx Perf & test Bone Spring
12/84-01/85	P&A 5 1/2 cut & pulled above freepoint @ 5301'
Jan-06	Well re-entered ran 5 1/2 csg to 5301

PREPARED BY: UPDATED 6/9/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC | P&A



FORM	DEPTH
Rustler	1810
Yates	3295
Grayburg	4518
San Andres	4960
Delaware	6114
Bone Spring	6820
Wolfcamp	9500
Penn	10800
Mississippian	11280
Devonian	12096

APINUM:	30-025-03136				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	REEVES 26			WELL NO.	3
LOCATION:	UL: O	SEC: 26	TWN: 18S	RNG:	35E
	660 FSL		1980 FEL		
TD 12004	PBD	KB	DF		
		GL			

POOL	PERFS
Reeves;Wolfcamp, South	9896-10112

TEST (SHOW DATE)

Dec-06	OIL	8	GAS	20	WATER	0	
	OIL		GAS		WATER		

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	453	450 sxs	17 1/2	0
INTER. 1	8 5/8	3801	1500 sxs	12 1/4	0
PROD.	5 1/2	10170	115 sxs	7 7/8	8950 temp

Feb-62 Well P&A

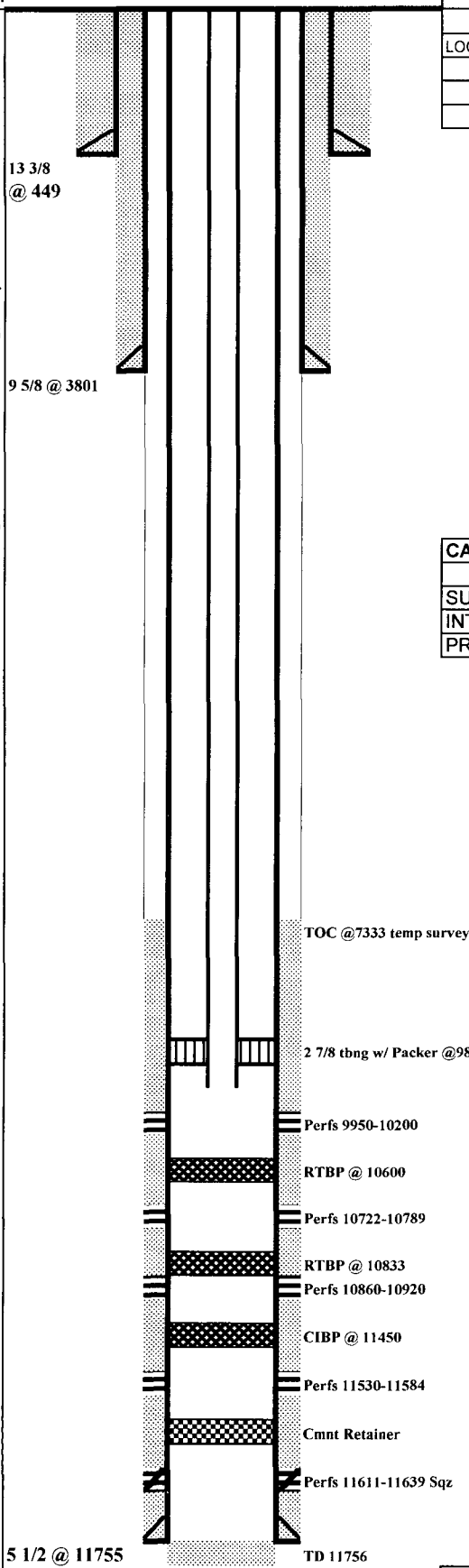
7/31/06 Re-entered well ran tied 5 1/2 @ 8740
Press. Tested csg to 500 psi. Held OK.

PREPARED BY: | UPDATED 6/9/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	1774
Yates	3266
San Andres	5000
Delaware	5763
Bone Spring	7017
Wolfcamp	9370
Penn	10313
Mississippian	10720
Devonian	11500



APINUM:	30-025-03134
OPERATOR:	PALADIN ENERGY CORP
LEASENAME:	SOUTH VACUUM UNIT # 261
LOCATION:	UL: M SEC: 26 TWN: 18S RNG: 35E
	660 FSL 660 FWL
TD 11756	PBD 11450 KB DF
	GL

POOL	PERFS
Vacuum;Devonian, South	11611-11639
	11530-11584

TEST (SHOW DATE)

Apr-59	OIL	940	GAS	na	WATER	0
	OIL		GAS		WATER	

POOL	PERFS
Vacuum;Mississippian, South	10722-10789

TEST (SHOW DATE)

Sep-04	OIL	12	GAS	65	WATER	28
	OIL		GAS		WATER	

POOL	PERFS
Vacuum;Wolfcamp, South	9950-10200

TEST (SHOW DATE)

Jun-05	OIL	54	GAS	201	WATER	45
	OIL		GAS		WATER	

CASING RECORD

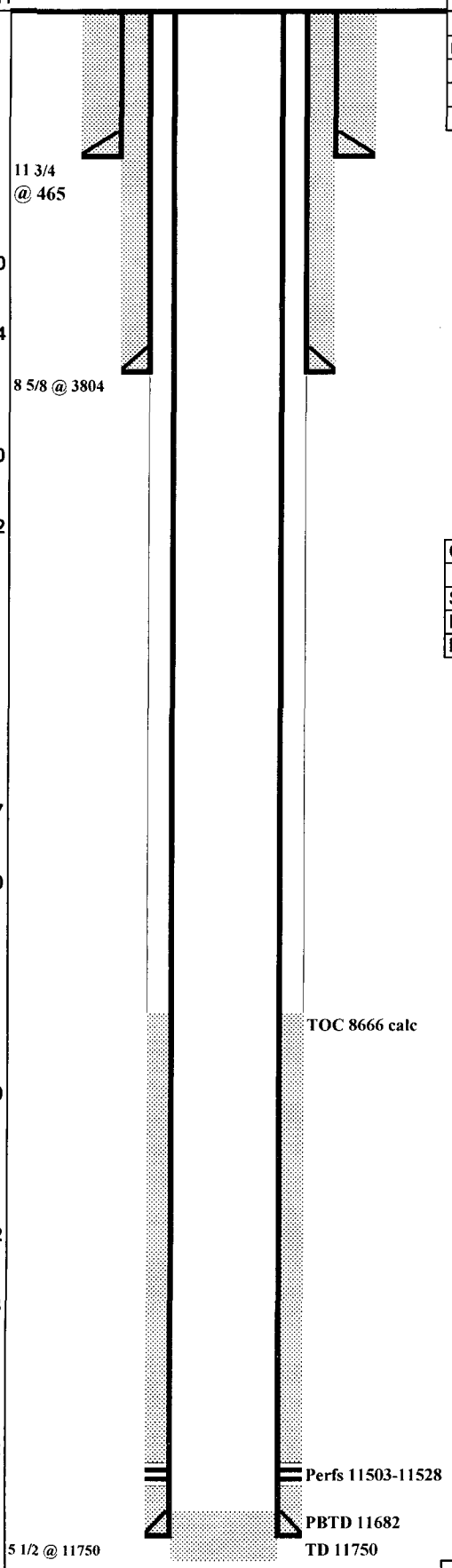
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	449	450 sx	17 1/2	Circ
INTER. 1	9 5/8	3801	1350 sx	12 1/4	Circ
PROD.	5 1/2	11755	688 sx	8 3/4	7333 Temp

Apr-59	Completed in Devonian perfs 11611-11639
May-95	Sqz perfs 11611-11639. Perf 11530-11584
Sep-04	Set CIBP @ 11450 cap w/ 35' cement
	perf Mississippian @ 10860-10920
	Set RTBP @ 10833
	perf Mississippian @ 10722-10789
Jun-05	Set RTBP @ 10600
	perf Wolfcamp @ 9950-10200

PREPARED BY: UPDATED 06/09/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



FORM	DEPTH
Rustler	1770
Yates	3264
Queen	4430
San Andres	4972
Delaware	5727
Bone Spring	6980
Wolfcamp	9340
Penn	10272
Mississippian	10703
Devonian	11392

APINUM:	30-025-03135				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	REEVES 26			#	2
LOCATION:	UL: N	SEC: 26	TWN: 18S	RNG:	35E
	660 FSL		1980 FWL		
TD 11750	PBD	KB	DF		
		GL			

POOL	PERFS
Vacuum;Devonian, South	11503-11528

TEST (SHOW DATE)

Jul-59	OIL 894	GAS na	WATER 0		
	OIL	GAS	WATER		

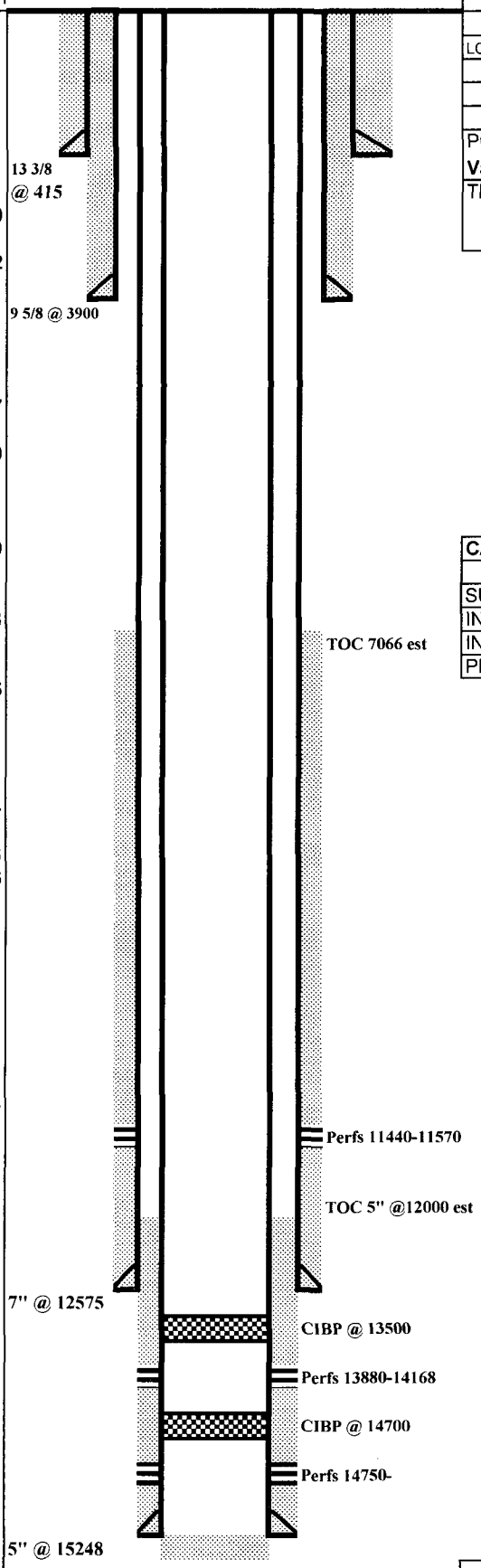
CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	465	525 sx	17 1/2	Circ
INTER. 1	8 5/8	3804	1200 sx	11	Circ
PROD.	5 1/2	11750	575 sx	7 7/8	8666 Calc

PREPARED BY: | UPDATED 06/09/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



FORM	DEPTH
Rustler	1800
Yates	3282
Queen	4447
San Andres	4990
Delaware	5700
Bone Spring	7008
Wolfcamp	9675
Penn	10254
Chester	10616
Mississippian	10666
Devonian	11427
Silurian	12115
Montoya	14077
Mckee	14792
Granit Wash	15044

APINUM:	30-025-37035				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	SOUTH VACUUM UNIT			#	265
LOCATION:	UL: L	SEC: 26	TWN: 18S	RNG:	35E
	1940 FSL		980 FWL		
TD 15248	PBD 13500	KB	DF		
		GL			

POOL	PERFS
Vacuum;Devonian, South	11440-11570

TEST (SHOW DATE)

Dec-05	OIL	66	GAS	0	WATER	2650	
	OIL		GAS		WATER		

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	415	395 sx	17 1/2	Circ
INTER. 1	9 5/8	3900	1290 sx	12 1/4	Circ
INTER. 2	7	12575	755 sx	8 3/4	7066 est
PROD.	5	15248	300 sx	6 1/4	12000 est

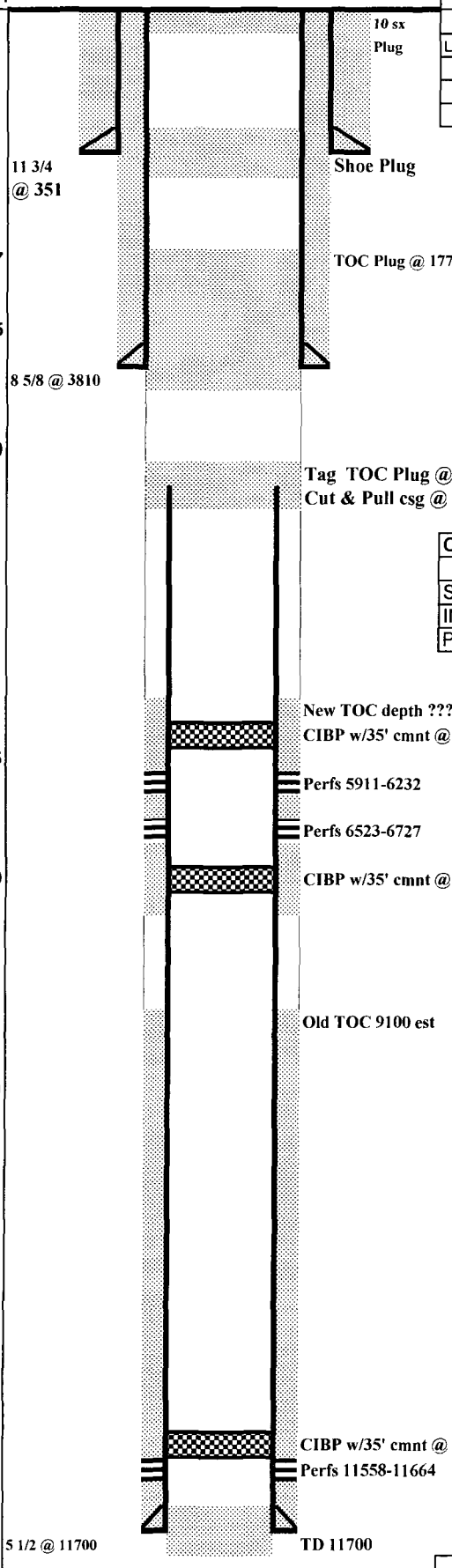
PREPARED BY:

UPDATED 6/9/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC | P&A

FORM	DEPTH
Rustler	1777
Yates	3035
Queen	4450
Delaware	5895
Bone Spring	7020
Wolfcamp	9500
Strawn	10378
Mississippian	10670
Devonian	11442



APINUM:	30-025-23900						
OPERATOR:	BAYTECH INC						
LEASENAME:	STATE 26					#	2
LOCATION:	UL:	L	SEC:	26	TWN: 18S	RNG:	35E
	1980 FSL				710 FWL		
TD	11700	PBD		KB		DF	
				GL			

POOL	PERFS
Vacuum;Devonian, South	11558-11664

TEST (SHOW DATE)

Jul-59	OIL	894	GAS	na	WATER	0
	OIL		GAS		WATER	

POOL	PERFS
Delaware	6523-6727
	5911-6232

TEST (SHOW DATE)

1991	OIL	DRY	GAS	DRY	WATER	DRY
	OIL		GAS		WATER	

CASING RECORD

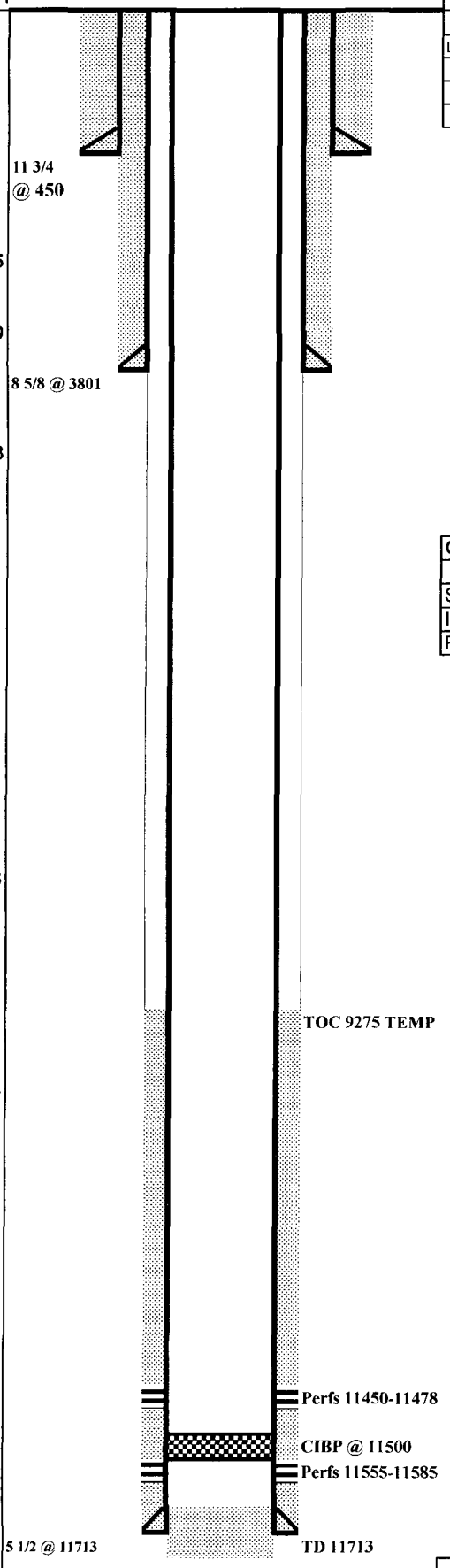
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	351	350 sx	15	0
INTER. 1	8 5/8	3810	400 sx	11	0 Calc
PROD.	5 1/2	11700	400 sx	7 7/8	9100 est

PREPARED BY: | UPDATED 06/09/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	1735
Yates	3240
Queen	4433
Bone Spring	6983
Wolfcamp	9328
Penn	10218
Mississippian	10580
Woodford	11253
Devonian	11392



APINUM:	30-025-03138					
OPERATOR:	PALADIN ENERGY CORP					
LEASENAME:	LEA J STATE				#	1
LOCATION:	UL: E	SEC: 26	TWN: 18S		RNG:	35E
	2310 FNL		330 FWL			
TD	11713	PBD	KB		DF	
			GL			

POOL	PERFS
Vacuum;Devonian, South	11555-11585

TEST (SHOW DATE)

Jul-59	OIL 578	GAS na	WATER na		
	OIL	GAS	WATER		

CASING RECORD

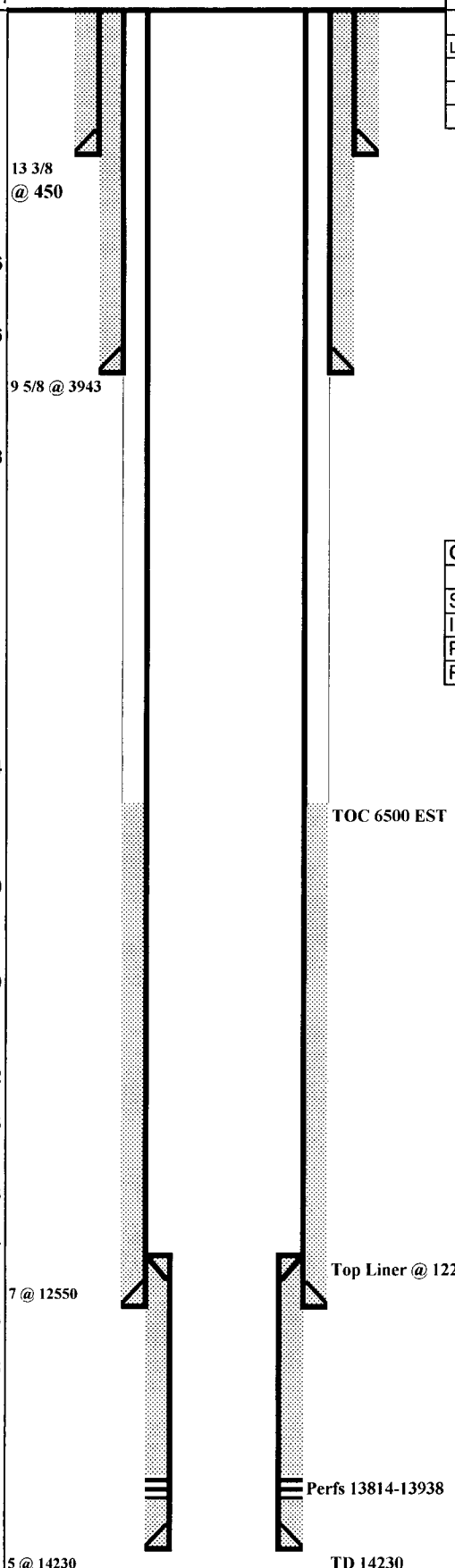
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	450	475 sx	17 1/2	0
INTER. 1	8 5/8	3801	1764 sx	11	0
PROD.	5 1/2	11713	170 sx	7 7/8	9275 TEMP

PREPARED BY: | UPDATED 06/09/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	1776
Yates	3276
Queen	4478
Delaware	5834
Bone Spring	7090
Wolfcamp	9290
Strawn	10572
Mississippian	10996
Woodford	11583
Devonian	11754
Montoya	13336
Simpson	13608
McKee	13808
GW	14036



APINUM:	30-025-37122					
OPERATOR:	PALADIN ENERGY CORP					
LEASENAME:	SOUTH VACUUM				#	274
LOCATION:	UL: P	SEC: 27		TWN: 18S	RNG:	35E
	960 FSL			693 FEL		
TD	14230	PBD		KB	DF	
				GL		

POOL	PERFS
Vacuum;Mckee, South	13814-13938

TEST (SHOW DATE)

Sep-05	OIL	0	GAS	841	WATER	6
	OIL		GAS		WATER	

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	450	328 sx	17 1/2	0
INTER. 1	9 5/8	3943	1298 sx	12 1/4	0
PROD.	7	12550	810 sx	8 3/4	6500 EST
PROD.	5	12227-14230	262 sx		

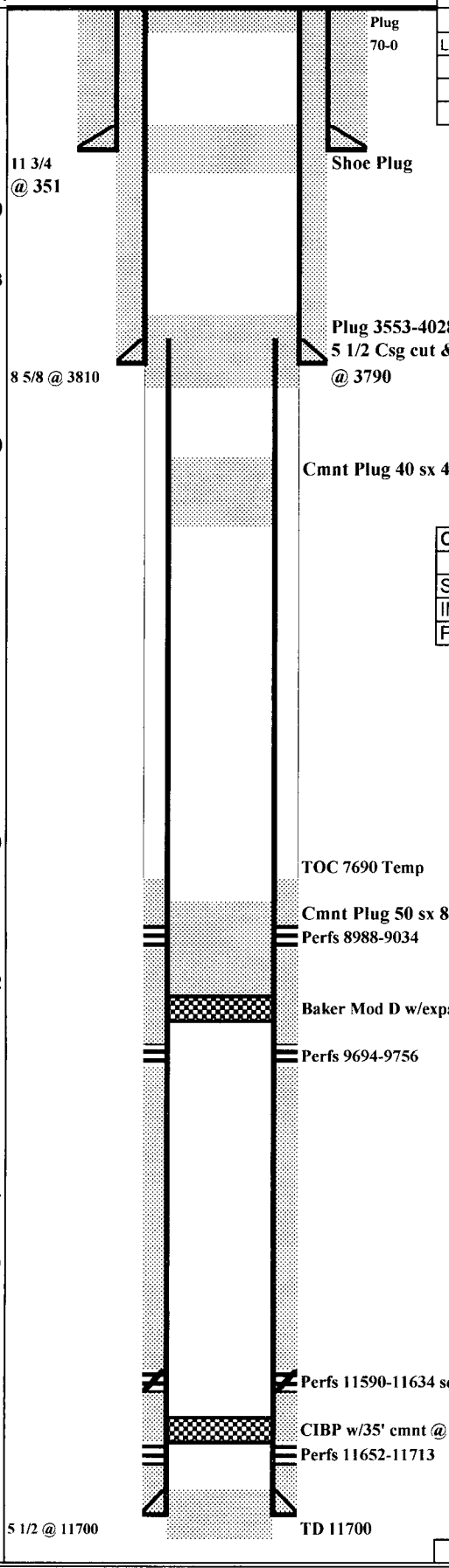
PREPARED BY:

UPDATED 06/09/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC | P&A

FORM	DEPTH
Rustler	1750
Yates	3253
Queen	4460
Bone Spring	7040
Wolfcamp	9402
Strawn	10331
Mississippian	10844
Woodford	11400
Devonian	11572



APINUM:	30-025-03144						
OPERATOR:	UNION OIL OF CALIFORNIA						
LEASENAME:	SOUTH VACUUM UNIT 27					#	1
LOCATION:	UL: I	SEC: 27		TWN: 18S		RNG:	35E
	1980 FSL			660 FEL			
TD	11755	PBD		KB		DF	
				GL			

POOL	PERFS	
Vacuum;Devonian, South	11652-11713	Abnd '07/63

TEST (SHOW DATE)

Oct-59	OIL	414	GAS	na	WATER	na	
	OIL		GAS		WATER		

POOL	PERFS	
Vacuum;Bone Spring, South	8988-9034	P&A '10/70

TEST (SHOW DATE)

Aug-64	OIL	151	GAS	129	WATER	0	
	OIL		GAS		WATER		

CASING RECORD

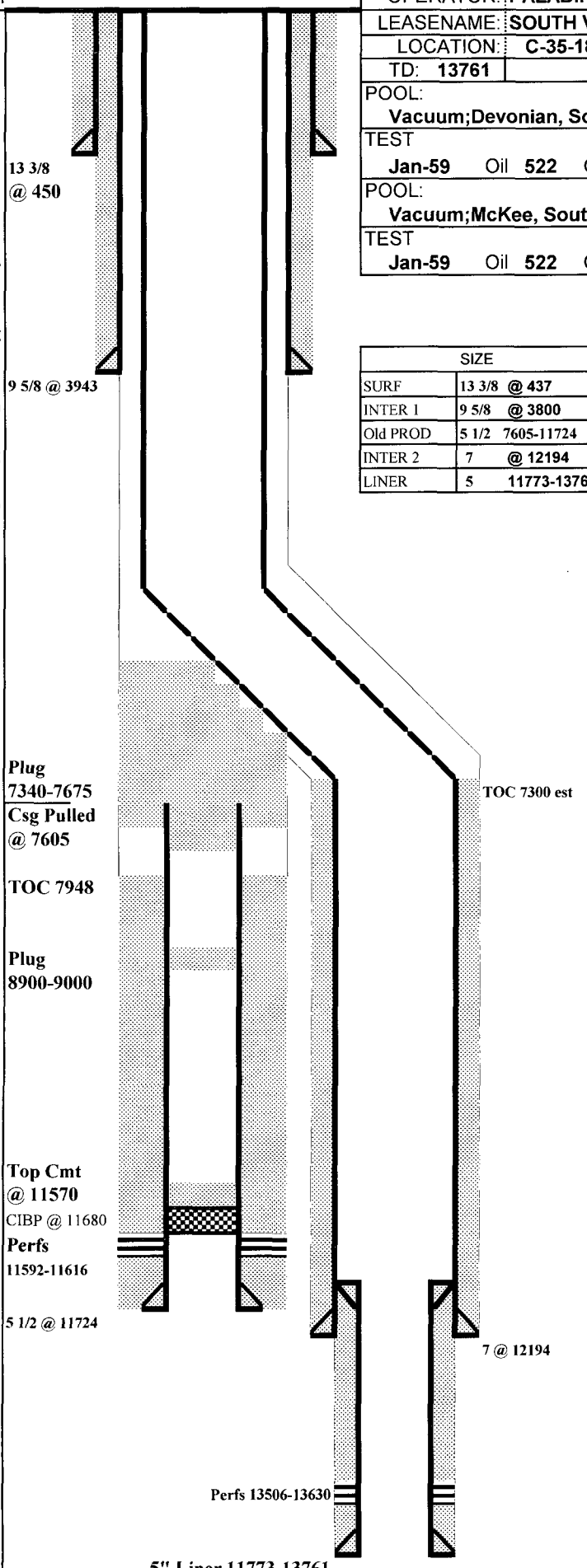
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	454	525 sx	12 1/4	0
INTER. 1	8 5/8	3805	1150 sx	11	0
PROD.	5 1/2	11755	550 sx	7 7/8	7690 temp

PREPARED BY: | UPDATED 06/09/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	1795
Yates	3282
Queen	4449
Delaware	5772
Bone Spring	7025
Wolfcamp	10200
Strawn	10313
Mississippian	10732
Woodford	11583
Devonian	11512
Montoya	13002
Simpson	13278
McKee	13500
GW	13720



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:	Perfs	
Vacuum;Devonian, South	11592-11616	Abnd

TEST: Jan-59 Oil 522 Gas na Water na

POOL:	Perfs	
Vacuum;McKee, South	13506-13630	Active

TEST: Jan-59 Oil 522 Gas na Water na

	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	7300 est
LINER	5 11773-13761	250 sxs	na	11773

UPDATED 06/09/07

POOL: McCormick - Silurian

led

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Mobil - OCD	D-33-21-37	Sil.	fw	28,684	13,645				

Pool Chloride Average (All Pool Formations).	Form. Silurian	28,684
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

POOL: Dean - Devonian

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Atl. Rich. Oil	35-15-36	Dev.	PW	19,525	12,691				
Atl Rich	-15-36	Dev.	PW	18,260	10,924	175	1,312	1,100	

Pool Chloride Average (All Pool Formations).	Form. Devonian	18,893
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

LEA

POOL: Anderson Ranch - Wolfcamp

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Conoco	11-16-32	Wolf	PW	23,785	15,460				
Conoco-OCD	2-16-32	Wolf	PW	11,040	7,176				

Pool Chloride Average (All Pool Formations).	Form. Wolf	17,125
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

X1

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (505) 392-6949

Receiving Date: 05/04/06
Reporting Date: 05/05/06
Project Number: PALADIN
Project Name: PALADIN SOUTH VACUUM
Project Location: BUCKEYE, NM

Sampling Date: 05/03/06
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: AB/HM

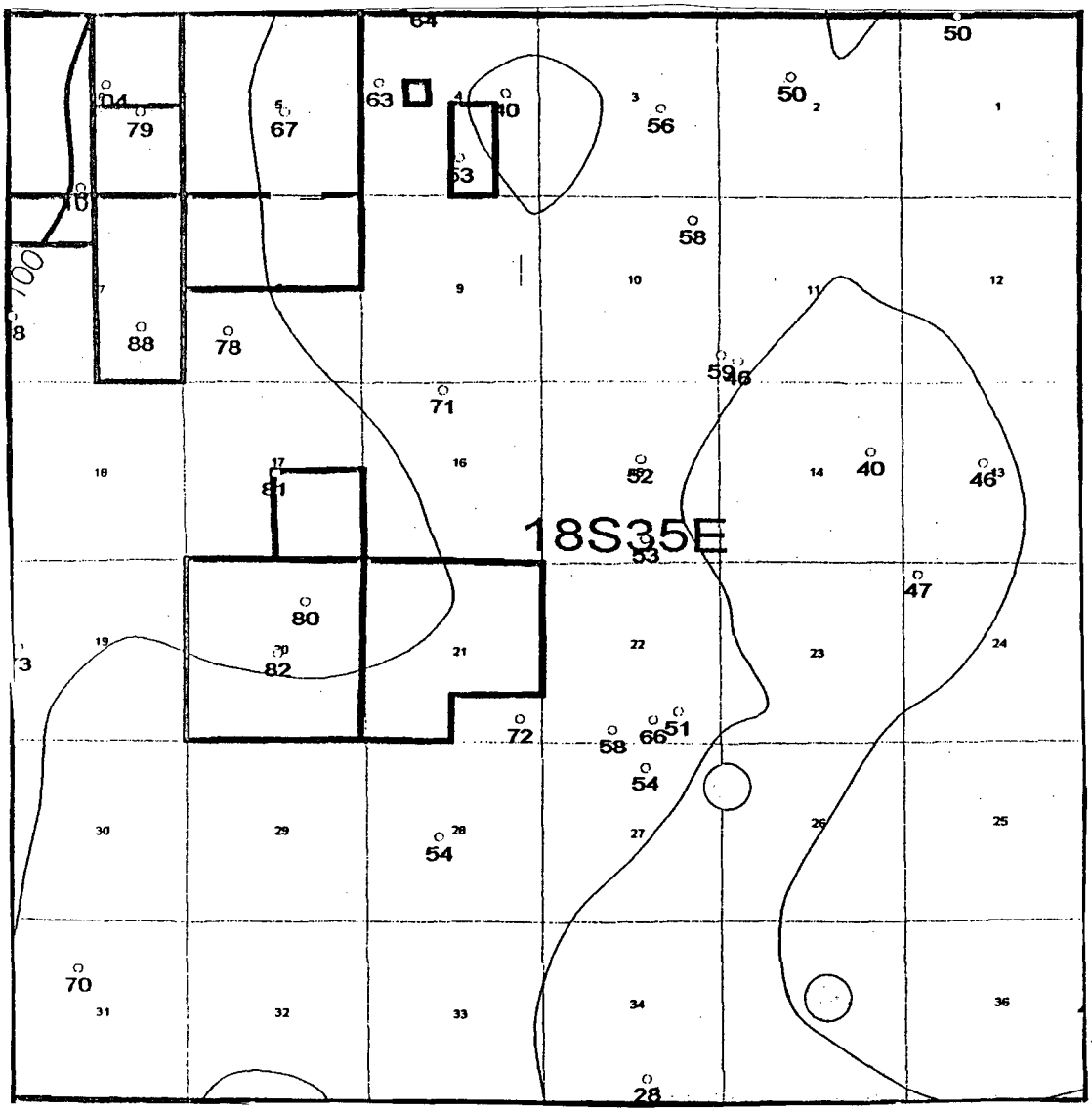
LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (uS/cm)	T-Alkalinity ($mgCaCO_3/L$)
ANALYSIS DATE:		05/05/06	05/05/06	05/05/06	05/05/06	05/04/06	05/05/06
H11080-1	WW #26	<1	64	39	2.6	519	160
H11080-2	WW #35	33	64	19	1.7	596	160
Quality Control		NR	48.1	48.6	3.98	1428	NR
True Value QC		NR	50.0	50.0	4.00	1413	NR
% Recovery		NR	96.2	97.2	99.6	101	NR
Relative Percent Difference		NR	0.0	0.0	7.9	0.1	NR
METHODS:			SM3500-Ca-D	3500-Mg E	8049	120.1	310.1

LAB NUMBER	SAMPLE ID	Cl^- (mg/L)	SO_4 (mg/L)	CO_3 (mg/L)	HCO_3 (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:		05/04/06	05/05/06	05/05/06	05/05/06	05/04/06	05/04/06
H11088-1	WW #26	36	49	0.0	195	7.58	358
H11088-2	WW #35	44	86	0.0	195	7.42	437
Quality Control		990	27.3	NR	976	6.81	NR
True Value QC		1000	25.0	NR	1000	7.00	NR
% Recovery		99	109	NR	97.6	97.3	NR
Relative Percent Difference		2.0	1.6	NR	0.0	0.8	NR
METHODS:		SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Chemist

05-08-06
Date

H11080



○ water well locations

PALADIN ENERGY CORP.

June 14, 2007

RE: Reeves 26 #4
Unit K, Sect. 26, T. 18 S., R. 35 E.
API #30-025-03137

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, (505)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

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236
seay04@leaco.net

LEASE OWNERS AND OFFSETS

LANDOWNER

Snyder Ranches Ltd.
Box 2158
Hobbs, NM 88241

OFFSET OPERATORS

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

Yates Petroleum Corp.
105 S. Fourth St.
Artesia, NM 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Snyder Ranches Ltd.
Box 2158
Hobbs, NM 88241

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) LARRY SCHMIT | C. Date of Delivery 6-18-07

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from) 7005 1820 0004 7482 8037

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Ann Westberry | C. Date of Delivery 6.20.07

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

DALLAS TX NORTHAVEN STATION 752 JUN 20 2007

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from) 7005 1820 0001 6797 6528

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum Corp.
105 S. Fourth St.
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) KATHY DONAGHE | C. Date of Delivery

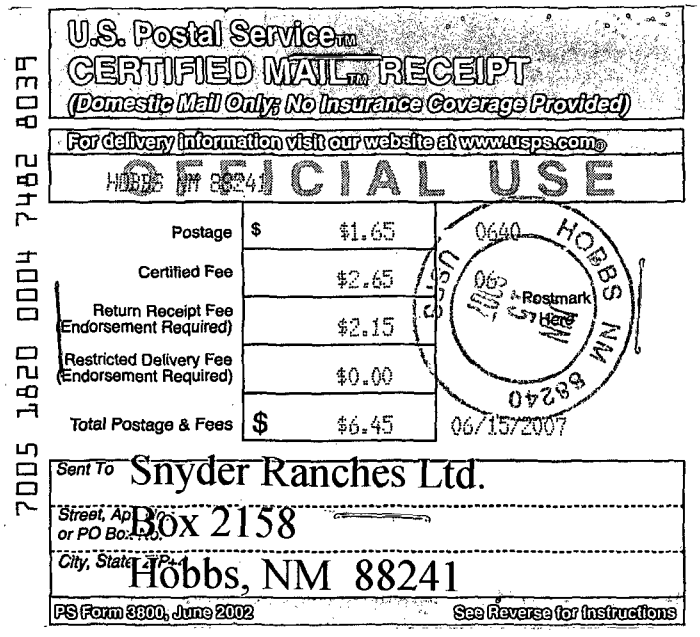
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from) 7005 1820 0001 6797 6511

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



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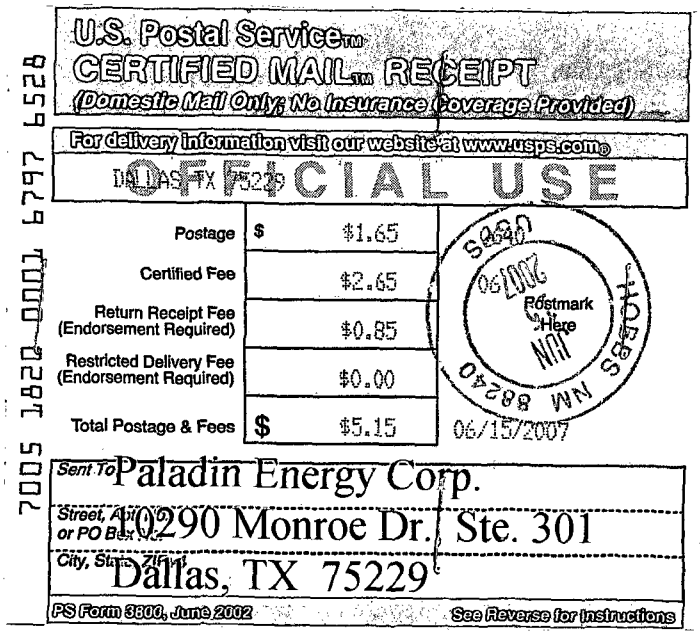
Sent To Snyder Ranches Ltd.
Street, Apt. No., or PO Box No. Box 2158
City, State, ZIP+4 Hobbs, NM 88241

PS Form 3800, June 2002 See Reverse for Instructions



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Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$5.15

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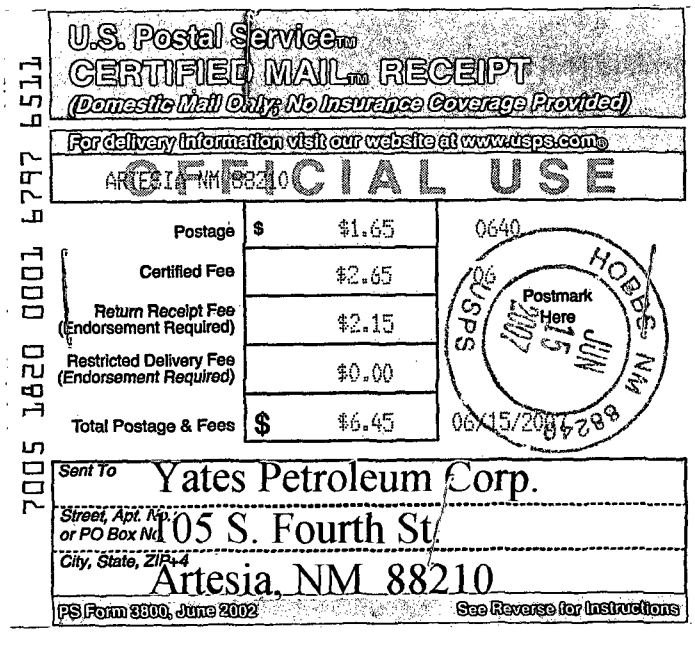
7005 1820 0001 6797 6528

Sent To Paladin Energy Corp.
Street, Apt. No., or PO Box No. 4290 Monroe Dr. Ste. 301
City, State, ZIP+4 Dallas, TX 75229

PS Form 3800, June 2002 See Reverse for Instructions



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ARTESIA NM 88210
OFFICIAL USE

Postage	$	$1.65
Certified Fee		$2.65
Return Receipt Fee (Endorsement Required)		$2.15
Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$6.45

0640 USPS 06 2007 Postmark Here HOBBS NM 88240 06/15/2007

7005 1820 0001 6797 6511

Sent To Yates Petroleum Corp.
Street, Apt. No., or PO Box No. 105 S. Fourth St.
City, State, ZIP+4 Artesia, NM 88210

PS Form 3800, June 2002 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 Reeves 26 #4 located in Unit K, Section 26, Township 18 South, Range 35 East, Lea Co., NM. The injection formation is the Wolfcamp from 9883′ to 10018′ and the Devonian from 11512′ to 11696′ below surface. Expected maximum injection rate is 3000 bpd., and the expected maximum injection pressure is 1200 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (505)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 Advertisting Director of **THE LOVINGTON LEADER**, a daily 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, beginning with the issue of June 16, 2007 and ending with the issue of June 16, 2007.

And that the cost of publishing said notice is the sum of $ 23.88 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 20th day of June 2007

Debbie Schilling

Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2010

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 Reeves 26 #4 located in Unit K, Section 26, Township 18 South, Range 35 East, Lea Co., NM. The injection formation is the Wolfcamp from 9883' to 10018' and the Devonian from 11512' to 11696' below surface. Expected maximum injection rate is 3000 bpd., and the expected maximum injection pressure is 1200 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (505) 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.
Published in the Lovington Leader June 16, 2007.

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

b. Type of Well
DRILL ☐ DEEPEN ☐ PLUG BACK ☒
OIL WELL ☒ GAS WELL ☐ OTHER SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. Unit Agreement Name

8. Farm or Lease Name
Reeves "A" 26

2. Name of Operator
Union Oil Company of California

9. Well No.
4

3. Address of Operator
P.O. Box 671 Midland, Texas 79702

10. Field and Pool, or Wildcat
~~Vacuum Devonian~~ UNDESIGNATED South

4. Location of Well. UNIT LETTER K LOCATED 1654 FEET FROM THE South LINE AND 1654 FEET FROM THE West LINE OF SEC. 26 TWP. 18-S RGE. 35-E NMPM

12. County
Lea

19. Proposed Depth	19A. Formation	20. Rotary or C.T.
see below	see below	Rotary

21. Elevations (Show whether D.F., R.T. etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor	22. Approx. Date Work will start
3861' GR		N/A	Immediate upon approve

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	11-3/4"	42#	451'	475	Surface
11"	8-5/8"	24# & 32#	3802'	3488	Surface
7-5/8"	5-1/2"	17# & 20#	11732'	170	9129'

Note: Well originally drilled to 11732' TD & completed in Vacuum, South (Devonian) 4-18-60. Proposed objective to plug back and attempt successful completion in the Bone Springs formation per attached procedure.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed J.R. Hughes Title Dist. Drilling Supt. Date 4-24-84

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR TITLE _____ DATE APR 27 1984

CONDITIONS OF APPROVAL, IF ANY:

Well File

FORM CR-MID
8-73(REV 4-74)

UNION OIL COMPANY OF CALIFORNIA
CENTRAL REGION
Midland DISTRICT
CONDITION OF HOLE & PROCEDURE

Dist. Prod. Supt. RW
Dist. Engineer
Dist. Drlg. Supt.
Dist. Opers. Mgr

DATE: April 9, 1984

FIELD SOUTH VACUUM AREA Lovington

LEASE/UNIT Reeves "A" WELL NO. 4-26

REASON FOR WORK: To recomplete in the Bone Spring horizon.

CONDITION OF HOLE:

TOTAL DEPTH: 11732' ETD or PBTD: 11430' DATUM IS 0' ABOVE SCF

CASING RECORD: 11-3/4" @ 450' - cmt to surface
8-5/8" @ 3800' - cmt to surface
5-1/2" @ 11732' - cmt to 9130'

PERFORATIONS: 11515-19', 11527-32', 11553-59', 11571-73', 11658-98' - abandoned

TUBING DETAIL: None

ROD & PUMP DETAIL: None

PROCEDURE:

1. MI RU PU. Install BOP.
2. Perf sqz holes w/2 JPF @ 9125'.
3. RIH w/tbg & try to establish circulation w/brine water followed by 10 bbls fresh water spacer & 1000 Flow Chek to clean annulus. POOH.
4. RIH w/cmt rtnr. Set @ 9075'.
5. Pump 200 sx Class H w/.75% CFR2 & 5# salt.
6. Pull out of rtnr. Reverse out cmt w/prod water in hole.
7. If unable to establish circ, perf 2 SPF @ 8822' & cmt. WOC. RIH w/4-3/4" bit & DO.
8. Run down to 8995' & spot 250 gal 15% NE, FE, LST double inhibited. POOH.
9. Perf Bone Spring w/4" csg gun 2 SPF @ 8980-87' (16 shots).
10. RIH w/strd assy. Set RBP @ 9060' & pkr @ 8930'.
11. Acid w/1000 gal 15% NE, FE, LST.

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from 0 feet to 11,730 feet, and from ..... feet to ..... feet.

Cable tools were used from ..... feet to ..... feet, and from ..... feet to ..... feet.

PRODUCTION

Put to Producing April 18, 19 60

OIL WELL: The production during the first 24 hours was 537.6 barrels of liquid of which 100 % was was oil; 0 % was emulsion; 0 % water; and 0 % was sediment. A.P.I. Gravity 49 deg. at 60 deg. (Based on 10 hour flowing test, 16/64" ck., 224 bbls. oil, no water, GOR 81 CF/B)

GAS WELL: The production during the first 24 hours was ..... M.C.F. plus ..... barrels of liquid Hydrocarbon. Shut in Pressure ..... lbs.

Length of Time Shut in .....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico				Northwestern New Mexico
T. Anhy 1759'	T. Devonian 11,512'	T. Ojo Alamo		
T. Salt	T. Silurian	T. Kirtland-Fruitland		
B. Salt	T. Montoya	T. Farmington		
T. Yates 3260'	T. Simpson	T. Pictured Cliffs		
T. 7 Rivers	T. McKee	T. Menefee		
T. Queen 4430'	T. Ellenburger	T. Point Lookout		
T. Grayburg	T. Gr. Wash	T. Mancos		
T. San Andres 4975'	T. Granite	T. Dakota		
T. Glorieta	T.	T. Morrison		
T. Drinkard	T.	T. Penn		
T. Tubbs	T.	T.		
T. Abo 8565'	T.	T.		
T. Penn 10255'	T.	T.		
T. Miss 10608'	T.	T.		
T. Woodford 11282'				

FORMATION RECORD

From	To	Thickness in Feet	Formation
0	1339	1339	Redbed
1339	1758	419	Redbed & shells
1758	3248	1490	Anhydrite & salt
3248	3769	421	Anhydrite
3769	3802	33	Anhydrite & dolomite
3802	3957	155	Dolomite & lime
3957	4423	466	Lime & anhydrite
4423	6143	1720	Lime
6143	6961	818	Sand & lime
6961	7855	894	Lime
7855	8650	795	Chert & lime
8650	8770	120	Lime, chert & sand
8770	8818	48	Chert & lime
8818	8870	52	Lime, chert, sand & shale
8870	8898	28	Lime, chert & sand
8898	8932	34	Lime & sand
8932	8978	46	Chert, lime, sand & shale
8978	9031	53	Lime, shale & chert
9031	9064	33	Chert, lime & sand
9064	9090	26	Sand & lime
9090	9166	76	Sand & shale
9166	9239	73	Lime & shale
9239	9262	23	Lime & sand
9262	9438	176	Lime & chert
9438	9876	38	Chert, lime & shale (Continued)
9876	9929	53	(Continued) Dolomite & chert
9929	10310	381	Lime & chert
10310	10340	30	Lime, chert & shale
10340	10387	47	Lime & shale
10387	10445	58	Lime, chert & shale
10445	10474	29	Lime & sand
10474	10519	45	Lime, sand & chert
10519	10536	17	Lime, sand & shale
10536	10650	114	Lime & shale
10650	10663	13	Lime, shale & chert
10663	11186	523	Lime & chert
11186	11204	18	Lime, chert & shale
11204	11288	84	Lime & shale
11288	11511	223	Shale
11511	11730	219	Lime
	11730		TOTAL DEPTH
11730	11728	2	PBTD (Top of cement inside 5-1/2" OD Casing)

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

April 29, 1960
(Date)

Company or Operator The Pure Oil Company Address P. O. Box 2107, Fort Worth 1, Texas

Name J. L. Suttle Position or Title Chief Clerk

DEFLECTION TESTS

FOOTAGE	DEGREES	FOOTAGE	DEGREES
100	1/4	8440	1-1/4
300	1/2	8640	1-3/4
456	3/4	8895	1-1/4
763	1	9064	2
1100	1/2	9184	1-3/4
1756	1	9260	2
2144	3/4	9335	2-1/2
2451	1-1/2	9544	2
2830	1-1/2	9784	2-3/4
3068	1-3/4	10040	3
3207	1-3/4	10180	2-3/4
3463	1-1/2	10340	3
3802	1/4	10387	3-1/2
4430	1/2	10535	3
4806	1	10620	2-3/4
5093	3/4	10663	2-3/4
5643	1	10795	3
5828	1	10860	3
6328	3/4	11070	1-1/4
6800	3/4	11170	3/4
7090	1	11200	1
7358	1-1/4	11327	2-1/4
7787	1-1/4	11452	6
7855	1-1/2	11495	6-1/2
8105	1-1/2	11595	6
		11730	6

- - - - -

DRILL STEM TEST: Ran Drill Stem Test Devonian from 11,650' to 11,730', no water blanket, 5/8" x 1/2" chokes, tool open 3 hours, good blow to surface when tool opened, gas to surface in 20 minutes at rate of 20 MCF/D. In 2 hours 13 MCF/D, at end of test, 13 MCF/D. Reversed out 95 bbls. oil, gravity 47 degrees at 60 degrees and 120' of heavily oil and gas cut mud, no water. 30 minute initial shut in pressure failed to record, flowing pressure initial 2155#, final 3620#, 1 hour final shut in pressure 4765#, hydrostatic pressure 5635# - 5605#, bottom hole temperature 176 degrees.

Form C-103
(Revised 3-55)

NEW MEXICO OIL CONSERVATION COMMISSION
MISCELLANEOUS REPORTS ON WELLS
(Submit to appropriate District Office as per Commission Rule 1106)

COMPANY The Pure Oil Company - Box 671 - Midland, Texas
(Address)

LEASE South Vacuum Reeves "A" WELL NO. 4-26 UNIT K S 26 T 18-S R 35-E

DATE WORK PERFORMED 2-10-60 4-14-60 POOL South Vacuum (Devonian)

This is a Report of: (Check appropriate block)

- [X] Beginning Drilling Operations
- [ ] Plugging
- [X] Results of Test of Casing Shut-off
- [ ] Remedial Work
- [X] Other Well Completion

Detailed account of work done, nature and quantity of materials used and results obtained.

Spud 17-1/2" hole 2-10-60, drilled to 456', 2-11-60 ran 451' of 11-3/4" OD 42# casing, cemented with 475 sx cks, pumped plug to 412', maximum pressure 250#, had cement returns to surface, 24 hours WOC. (Cement job complete 3:00 PM 2-11-60). Tested casing and cement with 1000#, held 30 minutes OK. Drilled 456' to 3802', 2-18-60 ran 3802' of 8-5/8" OD 24# & 32# casing with guide shoe at 3802', float collar at 3733', cemented with 1288 sacks, maximum pressure 1200#, had cement returns to surface (job completed at 8:00 PM 2-18-60), 24 hours WOC tested casing and cement with 1000#, held 30 minutes OK. Drilled 3802' to 11730', 4-14-60 ran 11730' of 17# and 20# 5-1/2" OD casing, ~~xxxxxxxx~~ with shoe at 11730', float collar at 11693', cemented with 170 sacks, pumped plug to 11693', maximum pressure 1200#, job complete 2:00 PM 4-14-60, 24 hours WOC. Tested casing and cement with 1000# for 30 minutes, held OK. Drilled float collar and cement from 11693' to 11728' PBTD. Ran cement log to 11729', indicated top cement outside 5-1/2" OD casing at 9129'. Perforated 5-1/2" OD casing 11658'-96' Ran TIW packer on 11597' of 2" tubing, set packer at 11565'.

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

Original Well Data:

DF Elev. _____ TD _____ PBD _____ Prod. Int. _____ Compl Date _____

Tbng. Dia _____ Tbng Depth _____ Oil String Dia _____ Oil String Depth _____

Perf Interval (s) _____

Open Hole Interval _____ Producing Formation (s) _____

RESULTS OF WORKOVER:	BEFORE	AFTER
Date of Test		
Oil Production, bbls. per day		
Gas Production, Mcf per day		
Water Production, bbls. per day		
Gas-Oil Ratio, cu. ft. per bbl.		
Gas Well Potential, Mcf per day		

Witnessed by _____ _____ (Company)

OIL CONSERVATION COMMISSION

Name _____

Title _____

Date _____

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

Name W. E. Townsend

Position Chief Clerk

Company The Pure Oil Company

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

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

Form C-103
May 27, 2004

WELL API NO.
30-025-03137

5. Indicate Type of Lease
STATE ☐ FEE ☒

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
Reeves '26'

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 4

2. Name of Operator
Paladin Energy Corp.

9. OGRID Number
164070

3. Address of Operator
10290 Monroe Drive, Suite 301, Dallas, Texas 75229

10. Pool name or Wildcat
Wildcat Mississippian

4. Well Location
Unit Letter K : 1654 feet from the South line and 1654 feet from the West line
Section 26 Township 18-S Range 35-E NMPM Lea County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3861'

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type ___ Depth to Groundwater ___ Distance from nearest fresh water well ___ Distance from nearest surface water ___
Pit Liner Thickness: ___ mil Below-Grade Tank: Volume ___ bbls; Construction Material Synthetic

12. 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 ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER: ☐		OTHER: New Completion – Re-entry ☒	

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.

1/18/2006 – 5/1/2006

MIRU, excavated and tied the 11-3/4" and 8-5/8" casing strings back to surface. Installed BOP's & re-entered Reeves 26 #4 well (previously P&A'd 12-27-84). Drilled out cement plugs through 8-5/8" casing down to 3802'. Cleaned & circulated casing, tested casing to 500 psi, tested OK. Entered open hole and cleaned out cement to top of 5-1/2" production casing at 5301'. Washed over 5-1/2", dressed casing stub. R/U casing crew, RIH w/128 jnts 5 1/2-17# casing, catch casing at 5301', Set bowl with 30k tension, R/U pump and test to 500 psi(ok), R/D casing crew, N/D bop, Set slips with 15k tension (90,000), Cut off casing, Installed tbg head, Tested tie-back connection to 500 psi, held OK. Cleaned & drilled out 5-1/2" casing, pushed CIBP to 11,695'. Set CIBP at 11,415'. Perforated and squeezed 5-1/2" casing from 9800-10090'. Drilled out cement, circulated casing clean. Perforated for production in Wolfcamp from 9978-10002, 9916-9948, 9883-9900'. Acidized with 1840 bbls. 20% HCL. Installed rod pumping equipment and placed well on production.

Initial 24 hr. test on 5/1/2006: 6 BOPD, 6 MCFPD, 0 BWPD, GOR 1000.

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 David Plaisance TITLE Manager, Corporate Support DATE 6/6/2006

Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com Telephone No. 214-654-0132

For State Use Only

APPROVED BY: _____ TITLE PETROLEUM ENGINEER DATE JUL 17 2006

Conditions of Approval (if any):

Jones, William V., EMNRD

From: Jones, William V., EMNRD

Sent: Monday, July 30, 2007 11:24 AM

To: 'seay04@leaco.net'; 'dplaisance@paladinenrgy.com'

Cc: Ezeanyim, Richard, EMNRD

Subject: SWD application on behalf of Paladin Energy Corp: Reeves 26 #4 API No: 30-025-03137 injection into the Wolfcamp and Devonian

Hello Eddie and David:
This application is in pretty good shape (Thank You), but I have the following questions, mainly pertaining to prevention of waste due to injection:

164070

1/63 = OK on 7/30/07

1) What is Paladin Energy Corporation's OGRD? What is Paladin's standing according to OCD Rule 40? (inactive wells, etc)
2) Is Snyder Ranches the surface owner or the surface tenant of the grounds covering the wellhead and the injection tanks?
3) Was this application noticed as per Rule 701B(2)?
4) Who has the oil and gas rights in this wellbore - especially in the Wolfcamp and in the Devonian?
5) Why was the PMX box checked on the Admin App Checklist instead of the SWD box?
6) Please explain why you want to inject into the Wolfcamp and what effect this injection will likely have on existing Wolfcamp producing wells and Wolfcamp oil and gas saturations? Send plots of Wolfcamp production in this area and for this well in particular (labeled as to OCD Pools producing). Send Geologic structure maps as needed to show this well's relative position in the structure and in the reservoir.
7) Same as 6) above for the Devonian. Also what is the regional oil-water contact in this Devonian?

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

RECEIVED
2007 AUG 6 PM 2 05

August 1, 2007

Mr William V Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505

Dear William Jones

I hope the following will answer your questions concerning the application for a SWD well for Paladin Energy Corp, Reeves 26 well # 4.

Question 1) What is Paladin Energy Corporation's OGRID? What is Paladin's standing according to OCD Rule 40? (inactive wells, etc)

Answer to 1a) Paladin Energy Corp., OGRID – 164070

Answer to 1b) As of July 30, 2007, Paladin Energy Corp. (OGRID 164070) has a total well count of 63 wells with an inactive well count of 1 since 5/6/2006 (15 months) as determined by OCD Online Web site.

Question 2) Is Snyder Ranches the surface owner or the surface tenant of the grounds covering the wellhead and the injection tanks?

Answer to 2) Snyder Ranches is the surface owner covering the wellhead and the injection tanks.

Question 3) Was this application noticed as per Rule 701B(2)?

Answer to 3) Yes, in accordance with Rule 701B(2), a copy of the application was mailed by certified mail, to each owner of the surface of the land on which each injection or disposal well is to be located and to each leasehold operator within any tract wholly or partially contained within one-half mile of the well. See copies of PS Form 3811 (US Postal Service Domestic Return Receipt) submitted with original application.

Question 4) Who has the oil and gas rights in this wellbore – especially in the Wolfcamp and in the Devonian?

Answer to 4) Paladin has rights to all depths on the acreage that the Reeves 26 # 4 well.

Question 5) Why was the PMX box checked on Admin App Checklist of the SWD box?

Answer to 5) The PMX box was checked by mistake. The correct box that should have been check was the SWD box.

Question 6) Please explain why you want to inject into the Wolfcamp and what effect this injection will likely have on existing Wolfcamp producing wells and Wolfcamp oil and gas saturations? Send plots of Wolfcamp production in this area and for this well in particular (labeled as to OCD Pools producing). Send Geologic structure maps as needed to show this well's relative position in the structure and in the reservoir.

Answer to 6a) Paladin wants to dispose of water into the Wolfcamp and Devonian because these formations will take water with no effect on any production in the area. The Wolfcamp production rates are marginal because of low bottom hole pressures and low porosities and permiabilities in the field. Paladin does not believe that injection will cause any change in oil or gas saturations in the Wolfcamp. The majority of the injected water will go into the more porous and permeable Devonian.

6b) Paladin's South Vacuum 26 # 1 and South Vacuum 26 # 3 wells are both Wolfcamp producers in the South Reeves; Wolfcamp Pool. Both are on rod pump. The average production for South Vacuum 26 # 1 and the South Vacuum 26 # 3 well are as follows:

South Vacuum 26 # 1 averages 4 BOPD, 50 MCFGPD, 14 BWPD
South Vacuum 26 # 3 averages 3 BOPD, 10 MCFGPD, 3 BWPD

Question 7) Same as 6) above for the Devonian. Also what is the regional oil-water contact in this Devonian?

Answer to 7a) The effects of re-injection into the Devonian should not adversely effect saturations because the water contact has been at the top of the formation for some time. This is a strong water drive interval and production is through high volume withdraw with only about a 1% oil cut. The South Vacuum; Devonian wells in the vicinity of the proposed SWD well are produced on electrical submersible pumps. The average production from these wells are as follows:

South Vacuum 26 # 5 averages 32 BOPD, 0 MCFGPD, 2390 BWPD
Reeves 26 # 2 averages 21 BOPD, 0 MCFGPD, 3200 BWPD

As evidenced by the large amount of water withdraw from sub pump operations the water contact is at the top of the formation. There is no well capable of flowing to surface and in Paladin's opinion there is no oil-water contact below the intersection of the base of the Woodford Shale and the top of the Devonian formation.

Paladin has not prepared any structure maps of the Wolfcamp or Devonian formations. Paladin does have a recent Geomap structure maps on the Devonian and the Strawn formations. However, the lease agreement with Geomap Company does not permit reproduction and sharing structural maps.

Eddie W Seay
Eddie Seay Consulting

Inactive Well List

Total Well Count:63 Inactive Well Count:1 Since:5/6/2006

Printed On: Monday, July 30 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
1	30-025-00100	H C POSEY A #003	J-11-12S-32E	J	164070	PALADIN ENERGY CORP	P	O	09/1984		T	2173

WHERE Ogrid:164070, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

Injection Permit Checklist 2/8/07

SWD Order Number 1092 Dates: Division Approved _____ District Approved _____

Well Name/Num: ~~PAL~~ Reeves 26 #4 Date Spudded: 1960

API Num: (30-) 025-03137 County: LEA

Footages 1654 FSL / 1654 FWL Sec 26 Tsp 18S Rge 35E

Operator Name: PALADIN Energy CORP Contact David Plaisance (Eddie Sealy)

Operator Address: 10290 Monroe DR, Suite 301 Dallas, TX 75229

Current Status of Well: _____ Planned Work: _____ Inj. Tubing Size: 3 1/2

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/2 — 11 3/4	451	475	CIRC
Intermediate	11 — 8 5/8	3802	1288	CIRC
Production	7 7/8 — 5 1/2	11,730	370	7550 T.S. (OLD 9,129 T.S.)
Last DV Tool				
Open Hole/Liner				
Plug Back Depth		11730		

Diagrams Included (Y/N): Before Conversion ✓ After Conversion ✓

Checks (Y/N): Well File Reviewed _____ ELogs in Imaging ✓

Lease inj well or Nearby

Intervals:	Depths	Formation	Producing (Yes/No)	
Salt/Potash				
Capitan Reef				
Cliff House, Etc:				
Formation Above				
Top Inj Interval	~~9883~~ 10,002	WOLFCAMP		1977 PSI Max. WHIP
Bottom Inj Interval	11512 — ~~11696~~	DEVONIAN		No Open Hole (Y/N)
Formation Below				No Deviated Hole (Y/N)

9883 / 1966 / 1977

Fresh Water: Depths: 0-160' Wells(Y/N) Yes ~~Analysis~~ Included (Y/N): N/A Affirmative Statement ✓

Salt Water Analysis: Injection Zone (Y/N/NA) WC/DAV DispWaters (Y/N/NA) _____ Types: McKee, Dev, SIL

Notice: Newspaper(Y/N) ✓ Surface Owner ✓ Mineral Owner(s) _____

Other Affected Parties: Yates, SNYDER Ranches LTD

AOR/Repairs: NumActiveWells 7 Repairs? _____ ~~Producing in Injection Interval in AOR~~ _____

AOR Num of P&A Wells 2 Repairs? _____ Diagrams Included? _____ RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) ____ AOR STRs: Sec_____Tsp____Rge____ UIC Form Completed (Y/N) ✓

New AOR Table Filename _____ Sec_____Tsp____Rge____ This Form completed _____

Conditions of Approval: Sec_____Tsp____Rge____ Data Request Sent 7/30/07

reply 8/6/07

AOR Required Work: _____

Required Work to this Well: _____