

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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 _____

[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

HOBBS OCD

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[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
 Print or Type Name

Eddie W Seay
 Signature

Agent
 Title

7/24/15
 Date

seay_04@leaco.net
 e-mail Address

JUL 31 2015

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.

HOBBS OOB

VII. Attach data on the proposed operation, including:

JUL 29 2015

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.).

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*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 ½" plastic coated tubing.
 - 4) Guiberson Lock Set.
- B.
- 1) Injection formations are the Mississippian and Lower Devonian.
 - 2) Injection interval from 10724' to 12300'.
 - 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 ½" 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

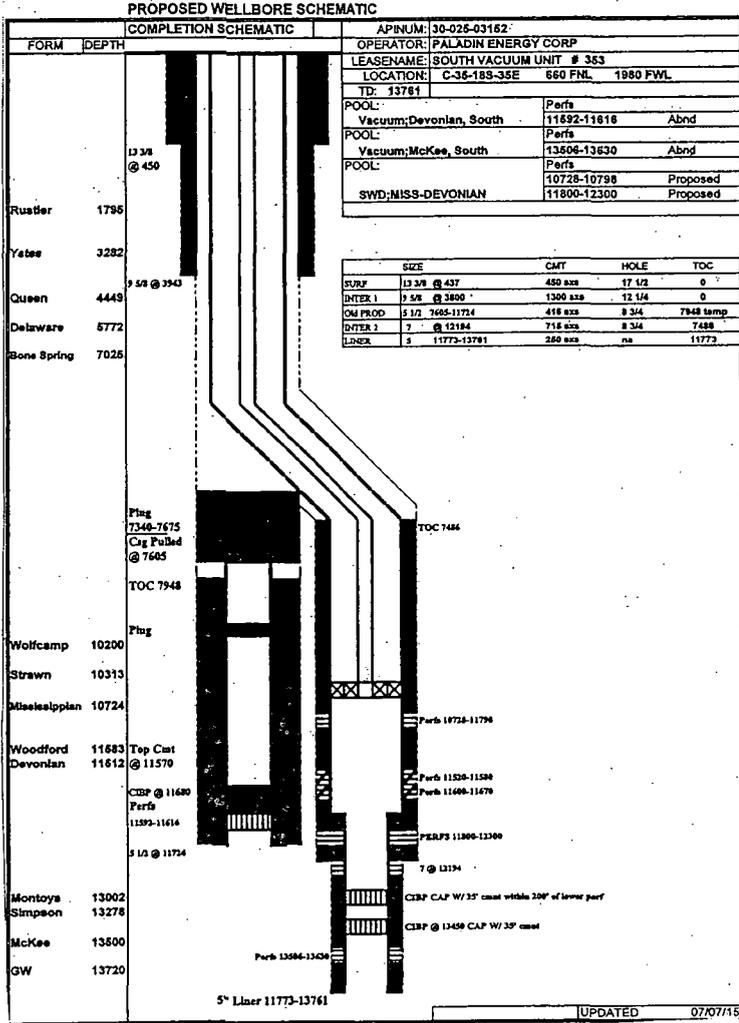
WELL NAME & NUMBER: South Vacuum Unit 353

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



COMPLETION SCHEMATIC		APNUM: 30-025-03162	
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP	
		LEASENAME: SOUTH VACUUM UNIT # 353	
		LOCATION: C-36-189-35E 660 FNL 1980 FWL	
		TD: 13761	
		POOL:	Perfs
		Vacuum;Devonian, South	11692-11816 Abnd
		POOL:	Perfs
		Vacuum;McKee, South	13506-13630 Abnd
		POOL:	Perfs
			10728-10798 Proposed
		SWD:MISS-DEVONIAN	11800-12300 Proposed

SIZE	CMT	HOLE	TOC
SURF	13 3/8 @ 437	480 xxx	17 1/2 0
INTER 1	7 5/8 @ 3800	1300 xxx	12 1/4 0
OM PROD	5 1/2 7605-11724	416 xxx	8 3/4 7848 temp
INTER 2	7 @ 12184	716 xxx	8 3/4 7488
LINER	5 11773-13761	280 xxx	na 11773

Hole Size: 17 1/2 Casing Size: 13 3/8
 Cemented with: 450 SX. or _____ ft³
 Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 12 1/4 Casing Size: 9 5/8
 Cemented with: 1300 SX. or _____ ft³
 Top of Cement: Surface Method Determined: Circ

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 SHEET

Tubing Size: 3 1/2 Lining Material: IPC
 Type of Packer: Gimbarson Loc Set
 Packer Setting Depth: Approx 10624 or within 100 ft of top parts.
 Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

1. Is this a new well drilled for injection? Yes No
 If no, for what purpose was the well originally drilled? oil and gas
2. Name of the Injection Formation: Mississippian and Lower Devonian
3. 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 zone
Montoya is at 13002 - lower most zone

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	G	A	Lea	S	G	35	18 S	35 E	1750 N	1610 E	2011

WELLBORE SCHEMATIC AND HISTORY

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
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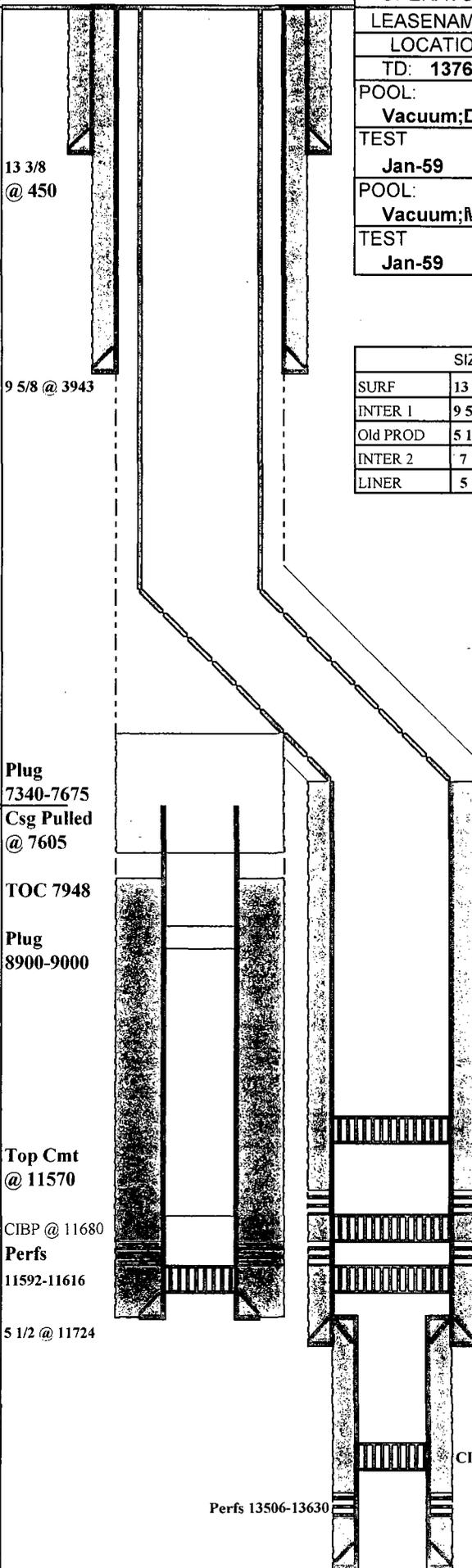
TEST
Jan-59 Oil 522 Gas na Water na

POOL: Vacuum;McKee, South	Perfs 13506-13630 Active
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TEST
Jan-59 Oil 522 Gas na Water na

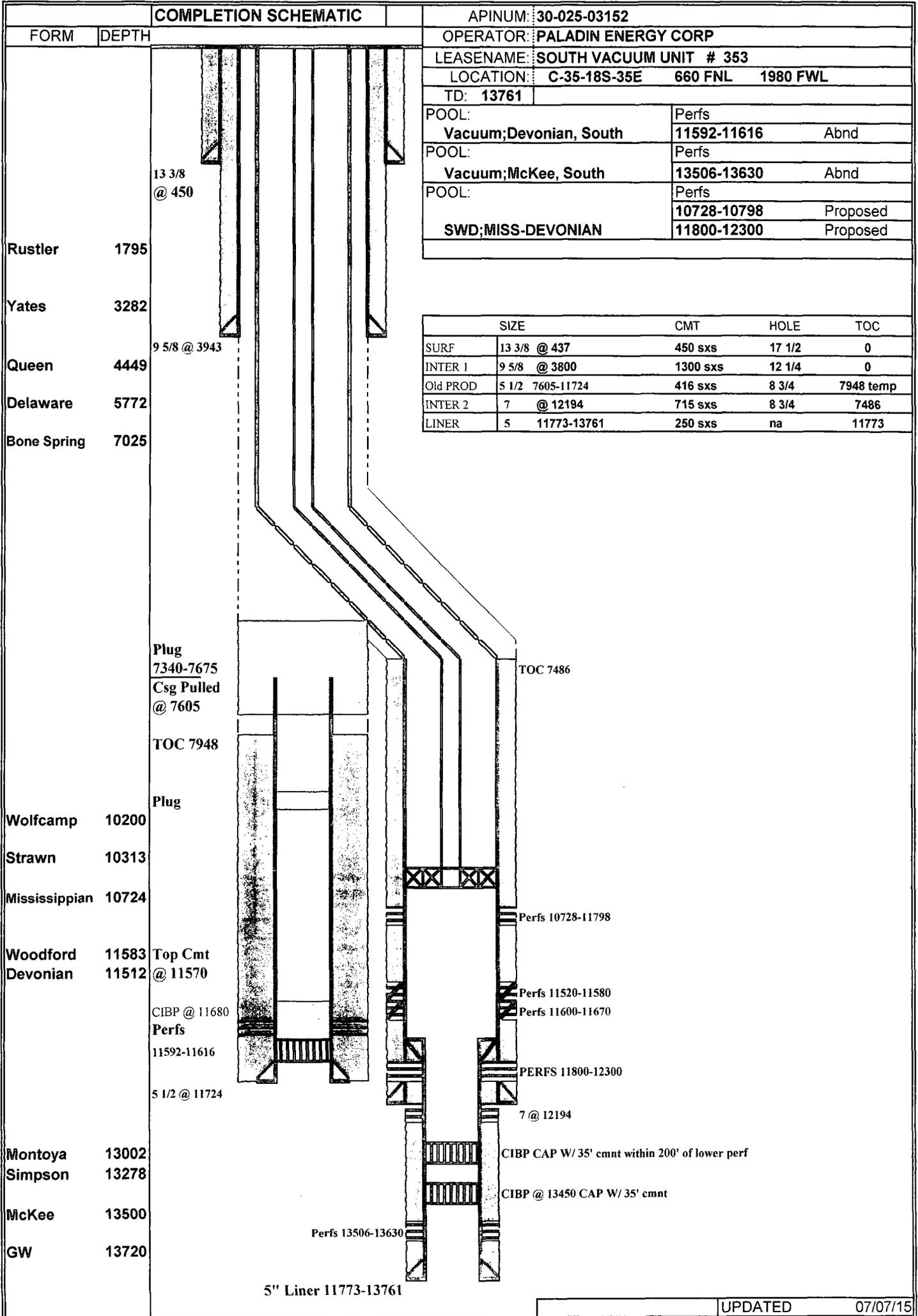
	SIZE	CMT	HOLE	TOC
SURF	13 3/8 @ 437	450 sxs	17 1/2	0
INTER 1	9 5/8 @ 3800	1300 sxs	12 1/4	0
Old PROD	5 1/2 7605-11724	416 sxs	8 3/4	7948 temp
INTER 2	7 @ 12194	715 sxs	8 3/4	7486
LINER	5 11773-13761	250 sxs	na	11773

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



5" Liner 11773-13761

PROPOSED WELLBORE SCHEMATIC



COMPLETION SCHEMATIC

APINUM: 30-025-03152

FORM DEPTH

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
		Perfs	11800-12300	Proposed

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

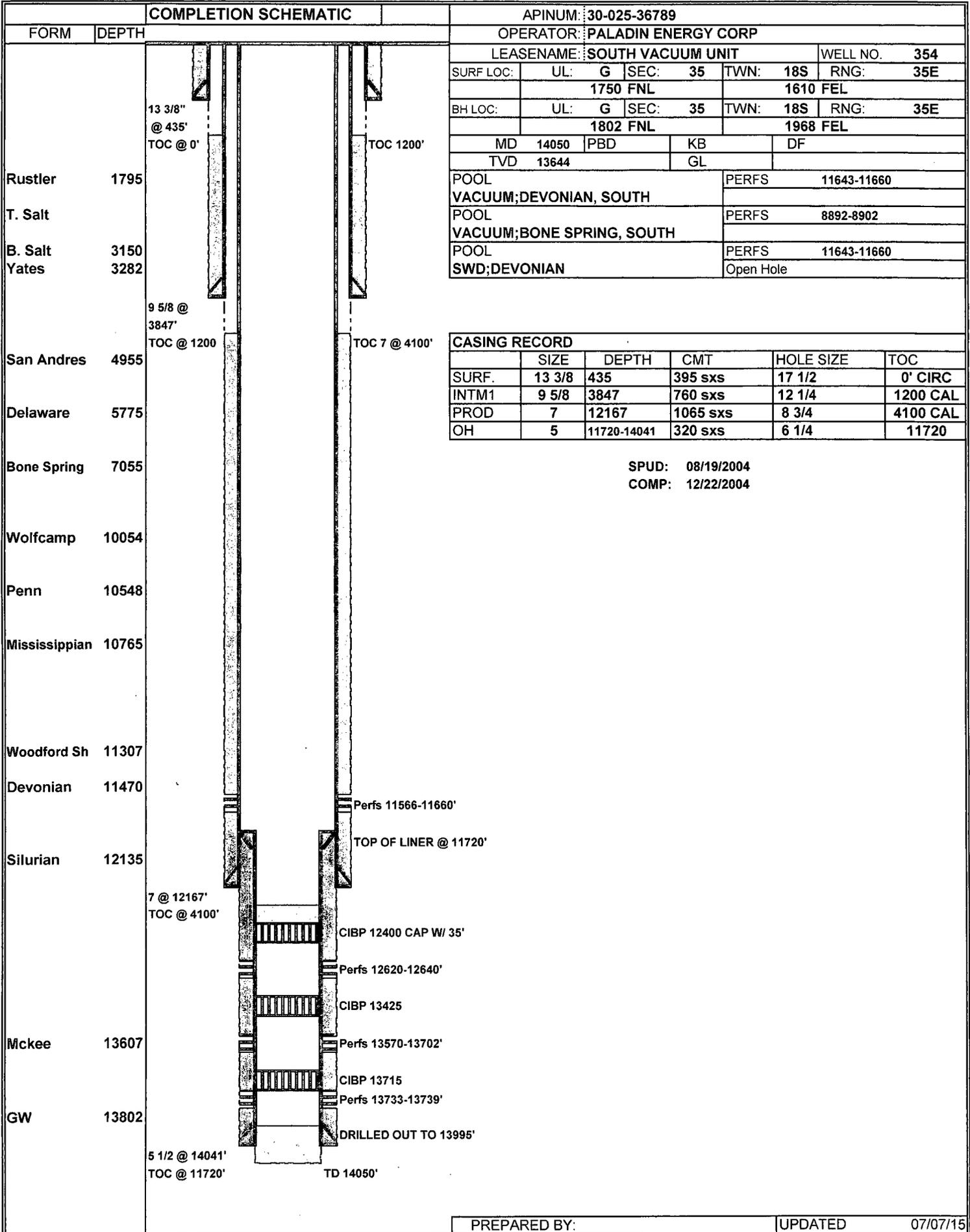
	SIZE	CMT	HOLE	TOC
SURF	13 3/8 @ 437	450 sxs	17 1/2	0
INTER 1	9 5/8 @ 3800	1300 sxs	12 1/4	0
Old PROD	5 1/2 7605-11724	416 sxs	8 3/4	7948 temp
INTER 2	7 @ 12194	715 sxs	8 3/4	7486
LINER	5 11773-13761	250 sxs	na	11773

5" Liner 11773-13761

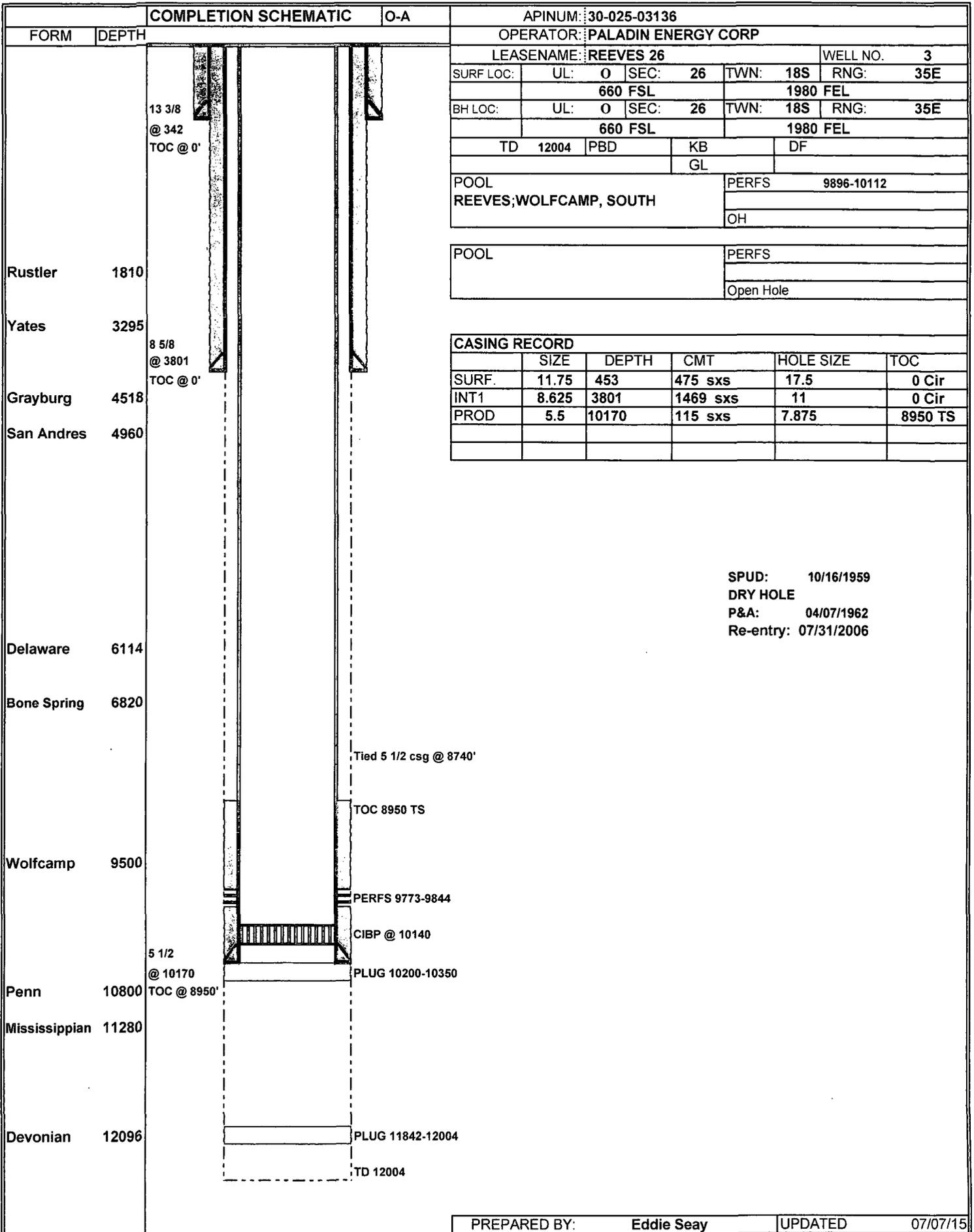
WELLBORE SCHEMATIC AFTER

COMPLETION SCHEMATIC		O-A	APINUM: 30-025-03137			
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP				
		LEASENAME: REEVES 26			WELL NO. 4	
		SURF LOC:	UL: K	SEC: 26	TWN: 18S	RNG: 35E
		1654 FSL			1654 FWL	
		BH LOC:	UL: K	SEC: 26	TWN: 18S	RNG: 35E
		1654 FSL			1654 FWL	
		TD 12230	PBD	KB	DF	
					GL	
		POOL VACUUM;DEVONIAN, SOUTH			PERFS 11515-11573 P	
					11658-11696 P	
					OH	
		POOL REEVES;WOLFCAMP, SOUTH			PERFS 9883-10002 P	
					Open Hole	
		POOL SWD;WOLFCAMP			PERFS 9883-10002 A	
					Open Hole	
		POOL SWD;DEVONIAN			PERFS 11512-11696 A	
					Open Hole 11730-12230	
CASING RECORD						
	SIZE	DEPTH	CMT	HOLE SIZE	TOC	
SURF.	11.75	451	475 sxs	17.5	0 Cir	
INT1	8.625	3802	1488 sxs	11	0 Cir	
PROD	5.5	11730	170 sxs	7.875	7949 Calc	
<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 20px;">13 3/8 @ 451</div> <div style="margin-bottom: 20px;">8 5/8 @ 3802</div> <div style="margin-bottom: 20px;">Csg tied in @ 5301</div> <div style="margin-bottom: 20px;">TOC 7949 Calc</div> <div style="margin-bottom: 20px;">Perfs at 9125 sqz 200 sxs Old TOC 9129 temp</div> <div style="margin-bottom: 20px;">pkr w/ 3 1/2 plastic coated tbg set @ 9805 within 100' upper most perfs Perfs 9883-10002</div> <div style="margin-bottom: 20px;">2 7/8 tubing @ 10018</div> <div style="margin-bottom: 20px;">Perfs 11515-11573</div> <div style="margin-bottom: 20px;">Perfs 11658-11696</div> <div>5 1/2 @ 11730</div> </div>		<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 20px;">Rustler 1759</div> <div style="margin-bottom: 20px;">Yates 3260</div> <div style="margin-bottom: 20px;">San Andres 4975</div> <div style="margin-bottom: 20px;">Delaware</div> <div style="margin-bottom: 20px;">Bone Spring 7000</div> <div style="margin-bottom: 20px;">Wolfcamp 9500</div> <div style="margin-bottom: 20px;">Penn 10255</div> <div style="margin-bottom: 20px;">Mississippian 10608</div> <div style="margin-bottom: 20px;">Woodford 11282</div> <div style="margin-bottom: 20px;">Devonian 11512</div> </div>	<div style="margin-bottom: 20px;">SPUD: 02/10/1960</div> <div style="margin-bottom: 20px;">COMP: 04/11/1960</div> <div style="margin-bottom: 20px;">P&A: 01/05/1985</div> <div style="margin-bottom: 20px;">Re-entry 01/18/2006</div>			
New TD 12230						
			PREPARED BY: Eddie Seay		UPDATED 07/07/15	

WELLBORE SCHEMATIC AND HISTORY



WELLBORE SCHEMATIC AND HISTORY

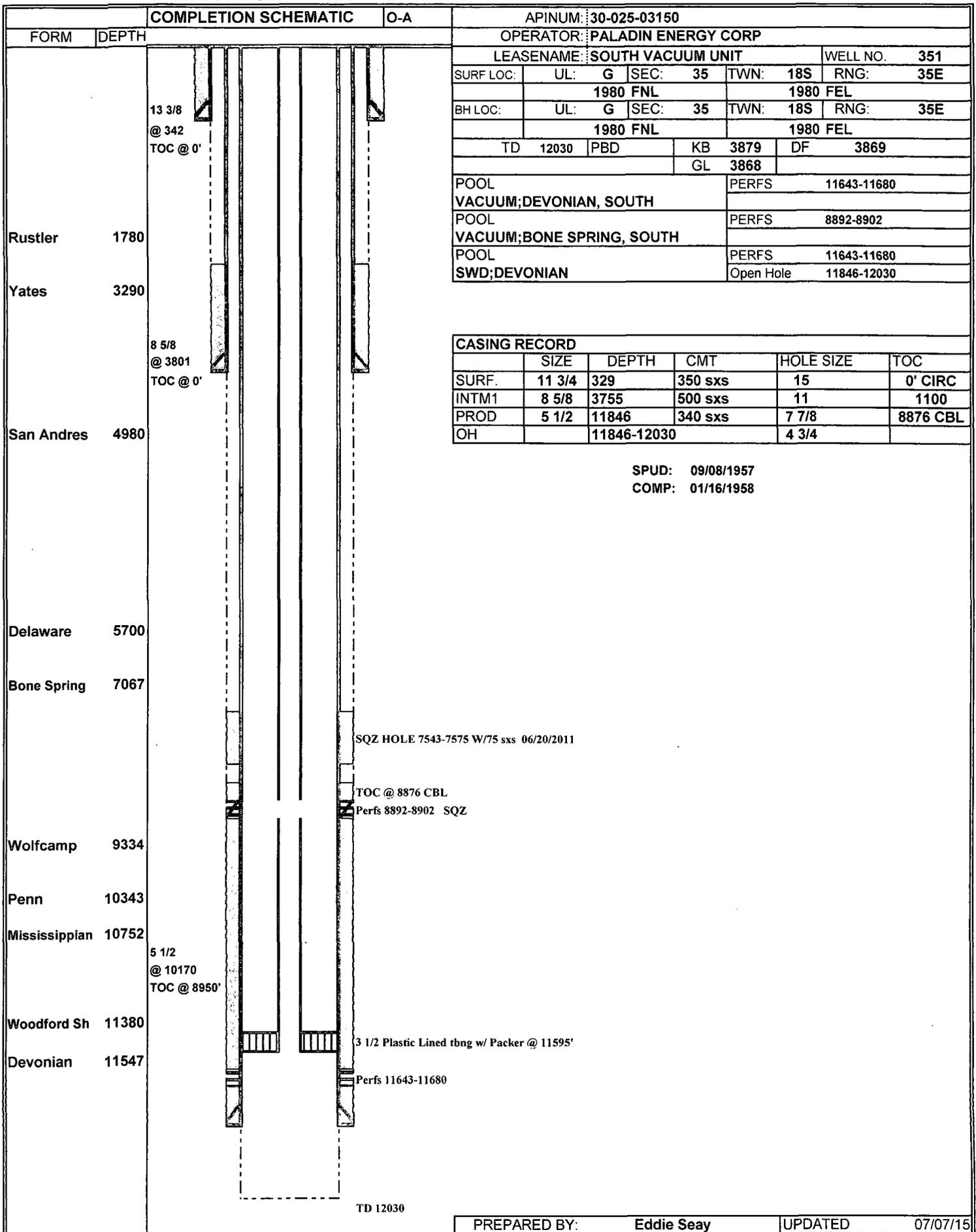


COMPLETION SCHEMATIC		O-A		APINUM: 30-025-03136			
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP					
		LEASENAME: REEVES 26				WELL NO. 3	
		SURF LOC:	UL: 0	SEC: 26	TWN: 18S	RNG: 35E	
		660 FSL				1980 FEL	
		BH LOC:	UL: 0	SEC: 26	TWN: 18S	RNG: 35E	
		660 FSL				1980 FEL	
		TD	12004	PBD	KB	DF	
						GL	
		POOL REEVES;WOLFCAMP, SOUTH				PERFS 9896-10112	
						OH	
		POOL				PERFS	
						Open Hole	

	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

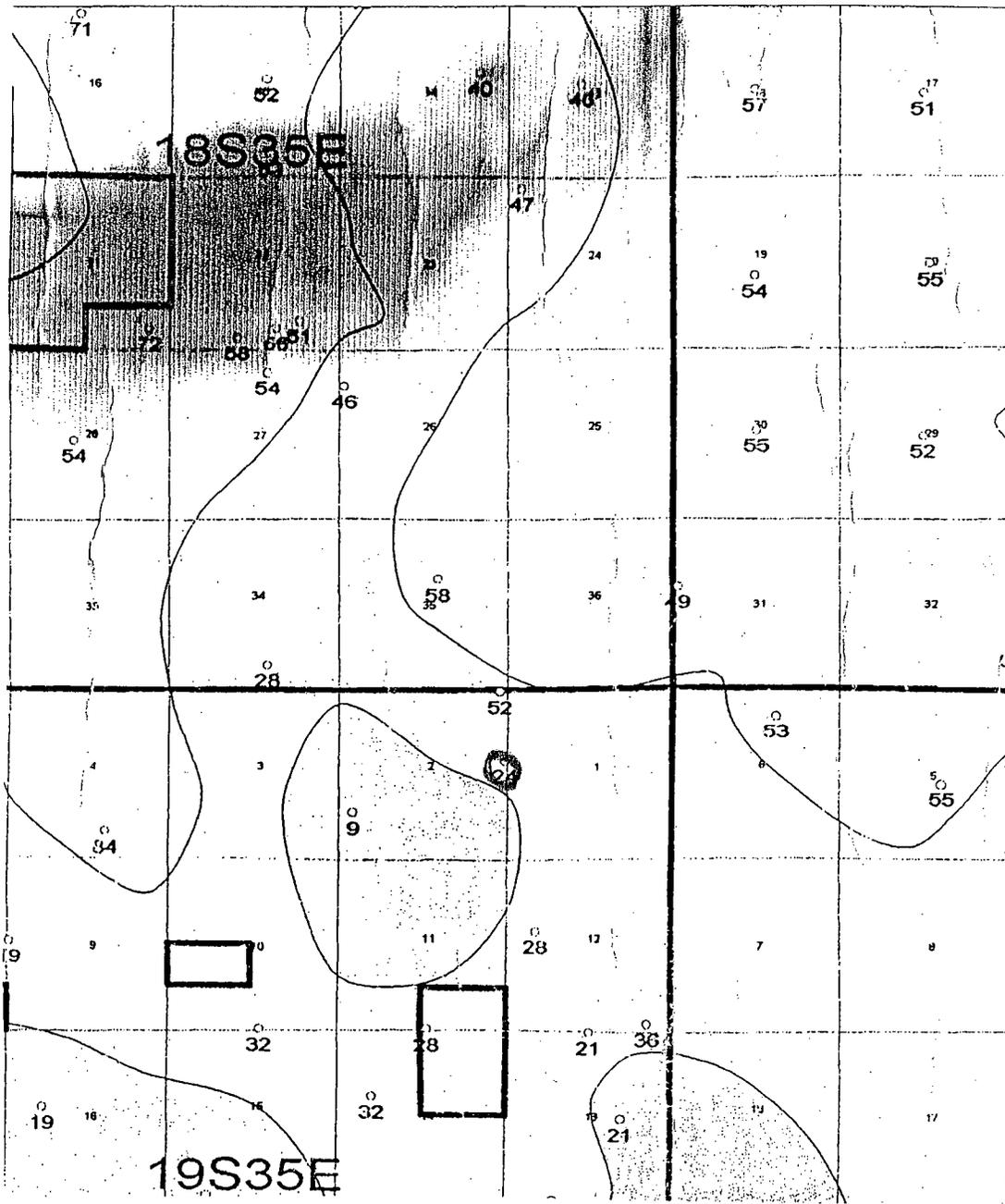
SPUD: 10/16/1959
DRY HOLE
P&A: 04/07/1962
Re-entry: 07/31/2006

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	68533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	116085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	39E	91600
DK Drinkard	30	20S	39E	106855
Littman San Andres	8	21S	38E	38695
East Hobbs grayburg	29	18S	39E	6461
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	38E	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	124960
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	36E	38695
Dean Permo Perin	5	16S	37E	44730
Dean Devonian	35	15S	36E	18525
South Denton Wolfcamp	26	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky Lake Devonian	29	15S	30E	23288
Wantz Abo	28	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114685
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93365
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	30601
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	179630
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	Sampling Date:	01/21/2014
Reported:	01/30/2014	Sampling Type:	Water
Project Name:	PALADIN 5 V #353	Sampling Condition:	Cool & Intact
Project Number:	SWD 353	Sample Received By:	Jodi Henson
Project Location:	SECTION 1 - 19 - 35		

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: ms						
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			

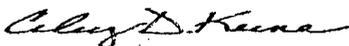
Surrogate: 1-Chlorooctane 82.5 % 48.7-164

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 hereunder 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

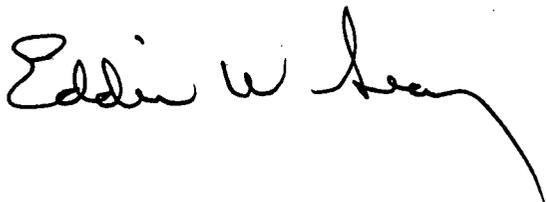
RE: South Vacuum Unit 353
Unit C, Section 35, Tws. 18 S., Rng. 35 E.
API #30-025-03152

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,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

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

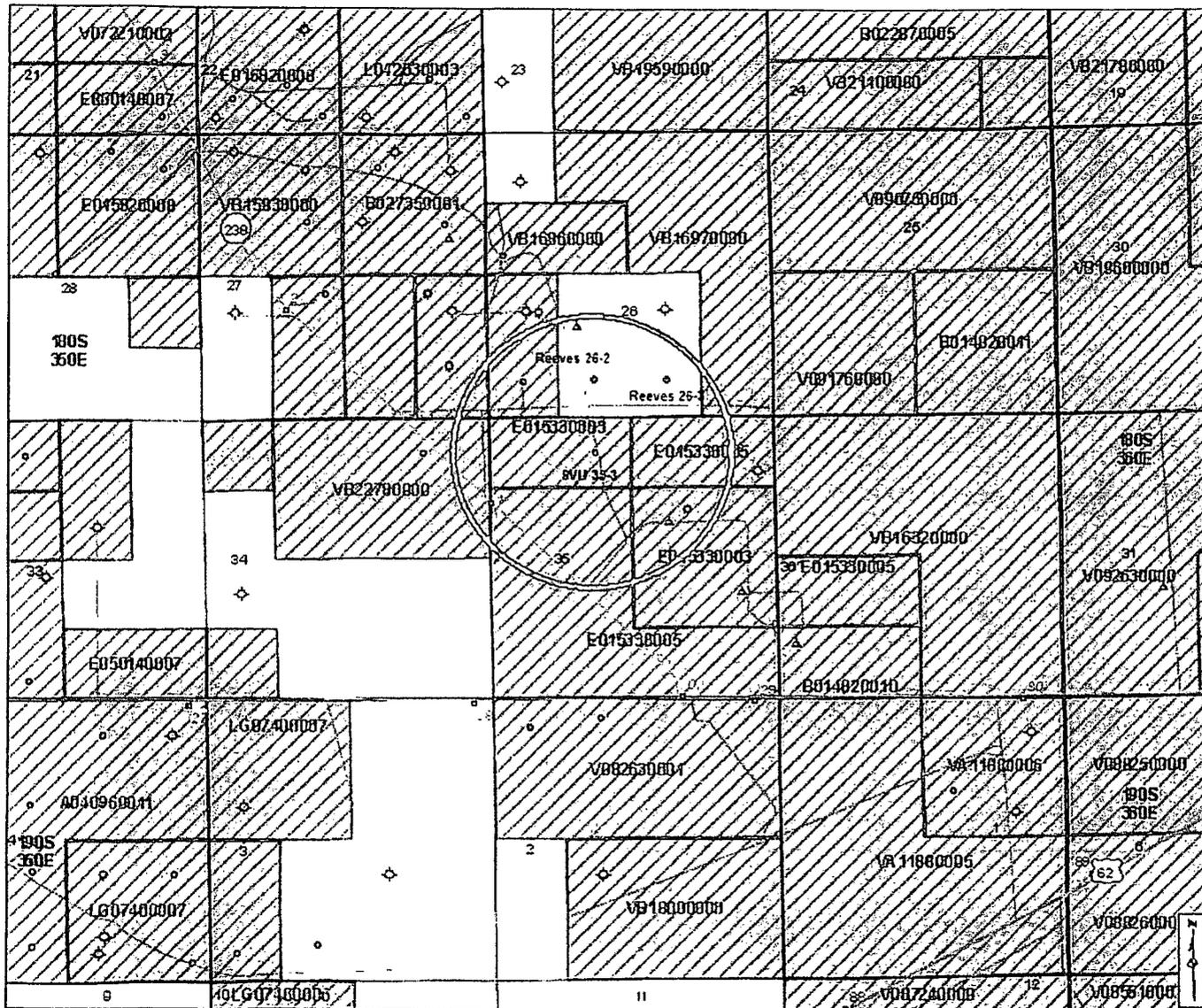
Zia Realty, LLC
Box 2160
Hobbs, NM 88241

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
- High Mileposts
- Interstate
- NM Hwy
- Local Road
- Commutal Drive

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 Reversion

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOC Order R-11 LP
- Potash Evaporite Outcrop

NMOC Oil and Gas Wells

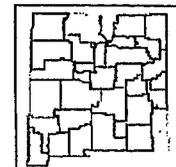
- CO₂
- Injection
- Oil
- Water
- Gas
- Miscellaneous
- Shallow Water Disposal
- DA or PA

**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
NAD83 North American Datum

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



www.nmslcland.org

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 La Mesa, CA 91941-5634

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 Spring Valley, CA 91977

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 or PO Box 3100 Ross Ave., Ste. 2920
 City, State, ZIP+4
 Dallas, TX 75201

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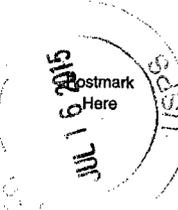
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 City, State, ZIP+4
 Dallas, TX 75230

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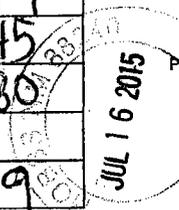
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 Santa Fe, NM 87504-1148

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 Dallas, TX 75229

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 Dallas, TX 75284-0887

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 Dallas, TX 75204

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 JUN 16 2015

Sent To **Zia Realty, LLC**
 Box 2160
 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.

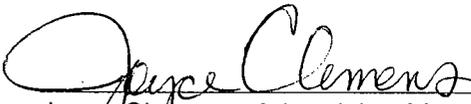
Affidavit of Publication

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

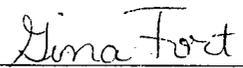
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county 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



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Published in the Lovington Leader July 16, 2015, 2015