

Processed by NMSLO [pending further review]

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

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

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

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

- [D] Other: Specify \_\_\_\_\_

Paladin Energy  
South Vacuum Unit

#353

30-025-03152

Deer Creek Mississippi

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
[B] ☒ Offset Operators, Leaseholders or Surface Owner  
[C] ☒ Application is One Which Requires Published Legal Notice  
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

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

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

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

Eddie W Seay  
Print or Type Name  
Signature  
Title  
Agent  
Date  
7/24/15  
e-mail Address  
seay04@leaco.net

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ 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
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes ☒ No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: David Plaisance

TITLE: Supervisor

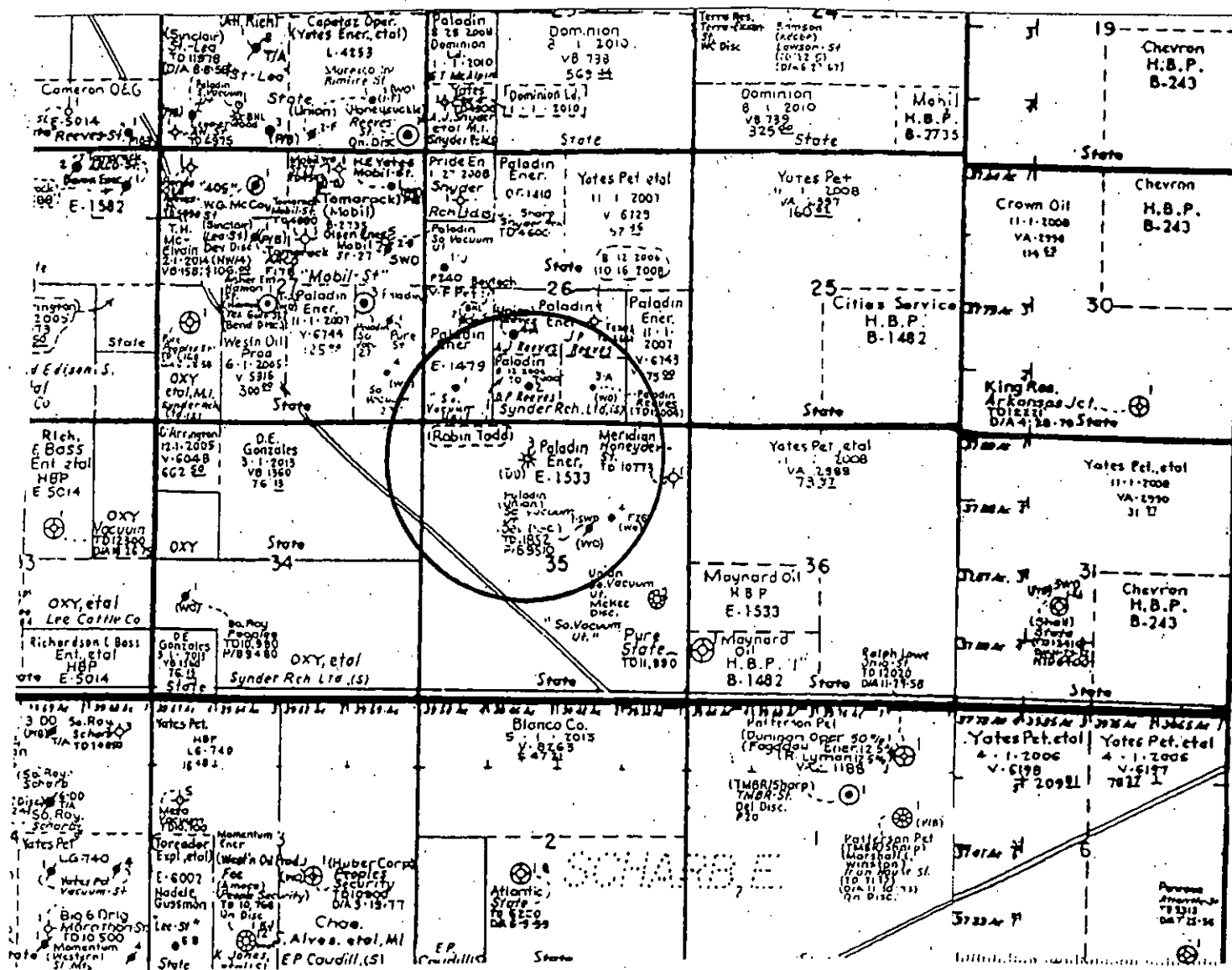
SIGNATURE: 

DATE: 7/13/15

E-MAIL ADDRESS: dplaisance@paladinenergy.com

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

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



## ATTACHMENT TO APPLICATION C-108

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

### III. WELL DATA

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

### IV. NO.

### V. MAP ATTACHED.

### VI. LIST OF WELLS AND DATA ATTACHED.

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

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

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

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

**IX. ACID AS NEEDED.**

**X. WILL BE SUBMITTED WHEN DRILLED.**

**XI. ATTACHED.**

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

**XIII. ATTACHED.**

Side 1

## INJECTION WELL DATA SHEET

OPERATOR:

Paladin Energy Corp

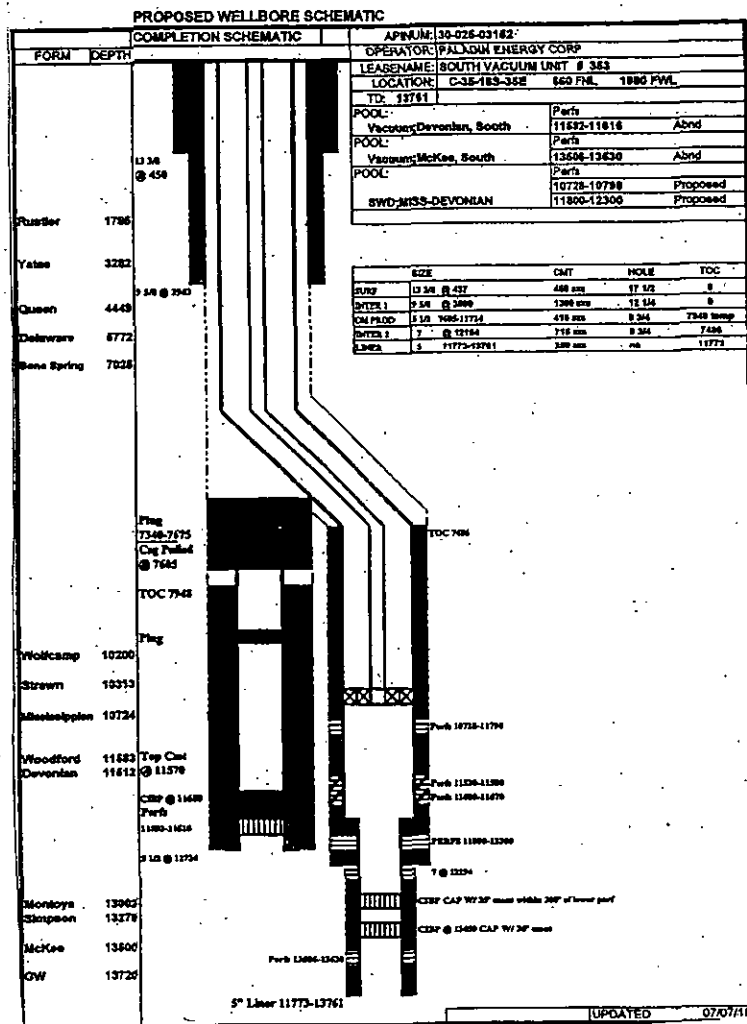
WELL NAME &amp; NUMBER:

South Vacuum Unit 353

WELL LOCATION:

660/N 1980/W

FOOTAGE LOCATION

UNIT LETTER CSECTION 35TOWNSHIP 18RANGE 35 EWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 17 1/2 Casing Size: 13 3/8Cemented with: 450 SX. or \_\_\_\_\_ ft<sup>3</sup>Top of Cement: Surface Method Determined: CircIntermediate CasingHole Size: 12 1/4 Casing Size: 9 5/8Cemented with: 1300 SX. or \_\_\_\_\_ ft<sup>3</sup>Top of Cement: Surface Method Determined: CircProduction CasingHole Size: 8 3/4 Casing Size: 7Cemented with: 715 SX. or \_\_\_\_\_ ft<sup>3</sup>Top of Cement: 7486 Method Determined: TSTotal Depth: 13761Injection Interval10724 feet to 12300

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 $\frac{1}{2}$  Lining Material: IPC  
 Type of Packer: Gimbarson Loc Set  
 Packer Setting Depth: Approx 10624 - within 100 ft of top perfor.  
 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: Mississippian and Lower Devonian

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

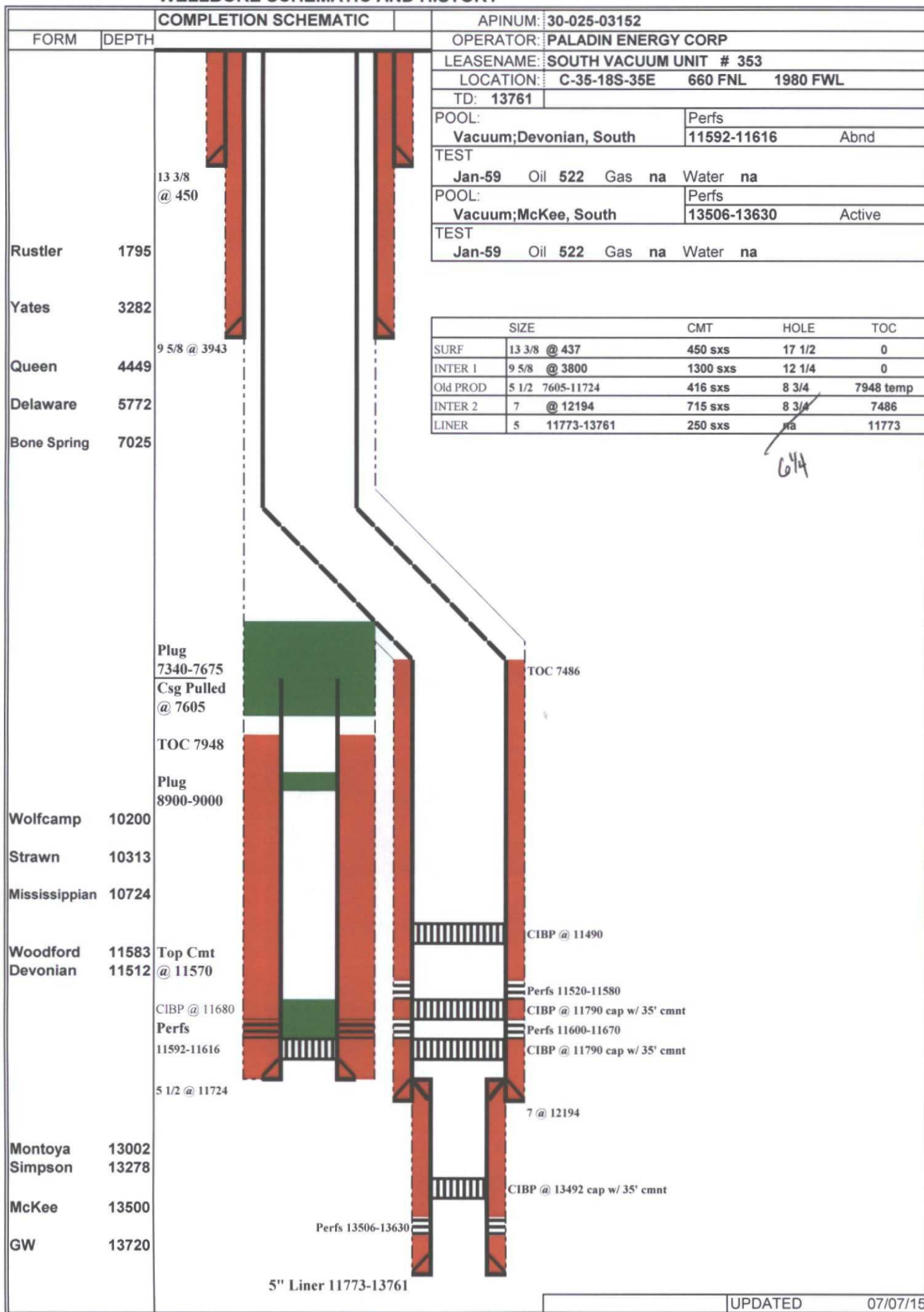
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

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

# WELLBORE SCHEMATIC AND HISTORY



UPDATED

07/07/15



# PROPOSED WELLBORE SCHEMATIC

## COMPLETION SCHEMATIC

APINUM: 30-025-03152

OPERATOR: PALADIN ENERGY CORP

LEASENAME: SOUTH VACUUM UNIT # 353

LOCATION: C-35-18S-35E 660 FNL 1980 FWL

TD: 13761

POOL:	Vacuum;Devonian, South	Perfs	11592-11616	Abnd
POOL:	Vacuum;McKee, South	Perfs	13506-13630	Abnd
POOL:	SWD;MISS-DEVONIAN	Perfs	10728-10798	Proposed
			11800-12300	Proposed

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

Rustler 1795

Yates 3282

Queen 4449

Delaware 5772

Bone Spring 7025

13 3/8  
@ 450

9 5/8 @ 3943

Plug  
7340-7675  
Csg Pulled  
@ 7605

TOC 7948  
CBL  
Plug  
8900-9000

Wolfcamp 10200

Strawn 10313

Mississippian 10724

Woodford  
Devonian 11583  
11512

Top Cmt  
@ 11570  
CIBP @ 11680  
Perfs  
11592-11616

5 1/2 @ 11724

Montoya  
Simpson 13002  
13278

McKee 13500

GW 13720

TD at 13

Perfs 13506-13630

5" Liner 11773-13761

3/22/2004 : Sidetrack commenced 7416'

TOC 7486

TOC 7490 (6/17/2004)  
by CBL

Perfs 10728-11798

Perfs 11520-11580

Perfs 11600-11670

PERFS 11800-12300

7 @ 12194

CIBP CAP W/ 35' cmnt within 200' of lower perf

CIBP @ 13450 CAP W/ 35' cmnt

≈ (12,500)

UPDATED

07/07/15

## DISPOSAL WELL

30-025-03152 SOUTH VACUUM UNIT

353 PALADIN ENERGY CORP

11725 G

P

Lea

S

C

35

18 S

35 E

660 N

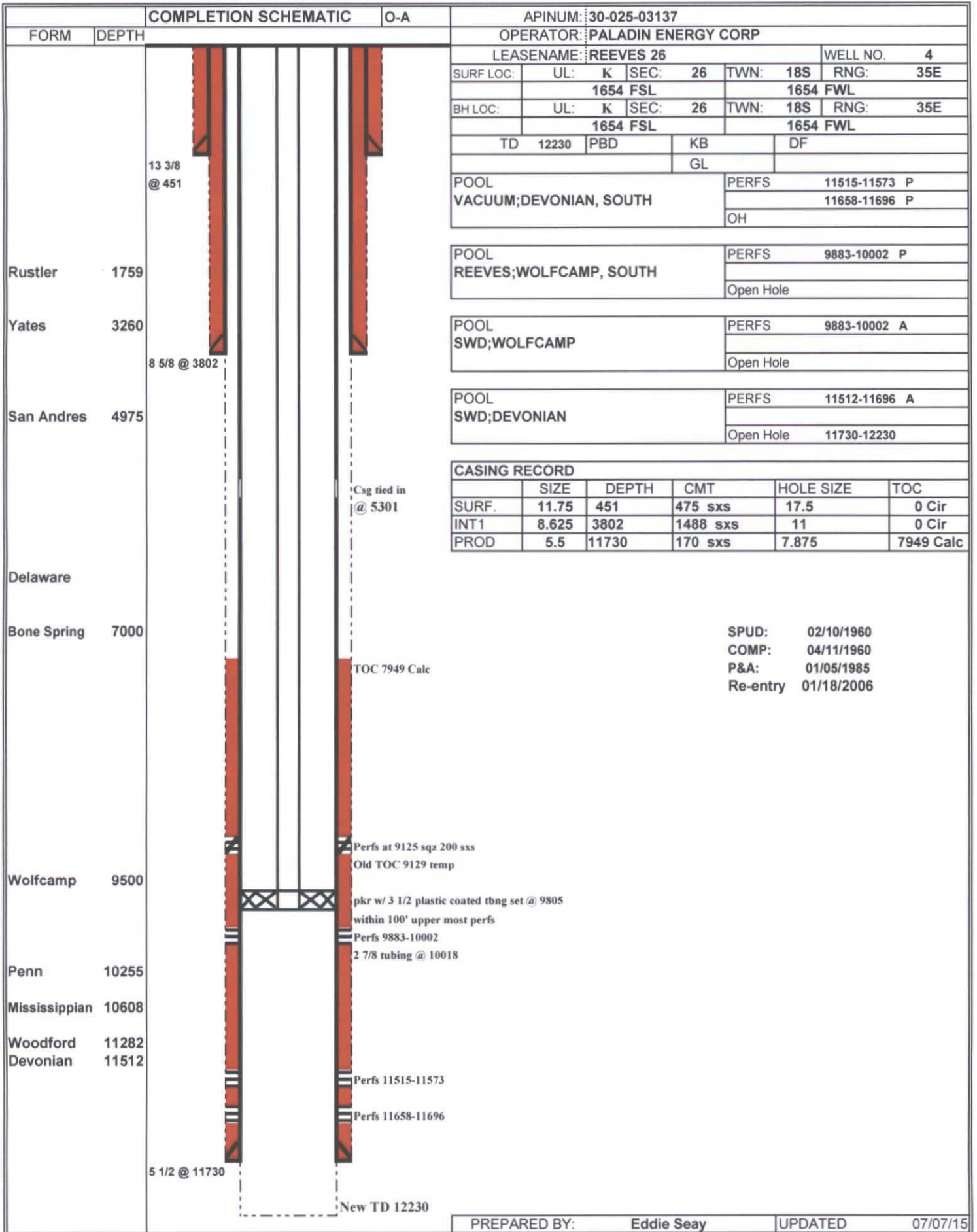
1980 W

Wells penetrate proposed disposal zone within 1/2 mile

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

⑥ all active

# WELLBORE SCHEMATIC AFTER



## COMPLETION SCHEMATIC

O-A

APINUM: 30-025-03134

OPERATOR: PALADIN ENERGY CORP

LEASENAME:	SOUTH VACUUM UNIT
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WELL NO.	261
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SURF LOC:	UL:	M	SEC:	26	TWN:	18S	RNG:	35E
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660 FSL	660 FWL
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BH LOC:	UL:	M	SEC:	26	TWN:	18S	RNG:	35E
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660 FSL	660 FWL
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TD	11756	PBD	KB	DF
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GL	
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POOL	PERFS	11611-11639 P
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VACUUM:DEVONIAN, SOUTH	11530-11584 P
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OH	
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POOL	PERFS	10722-10789	P
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VACUUM:MISSISSIPPIAN, SOUTH	
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Open Hole

POOL	PERES	9950-10200 A
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PERF S	9990-10200	A
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Open Hole

## CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13.375	449	450 sxs	17.5	0 Cir
INT1	9.625	3801	1350 sxs	12.25	0 Cir
PROD	5.5	11755	688 sxs	8.75	7333 TS

SPUD: 02/06/1959

COMP: 04/06/1959

Delaware	5763
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Bone Spring	7017
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Wolfcamp	9370
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Penn	10313
------	-------

Mississippian 10720

Devonian	11500
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TOC 7333 TS

PERFS 9950-10200

RTBP @ 10600

PERFS 10722-10789

RTBP @ 10833

PERFS 10860-10920

CIBP @ 11450

PERFS 11530-11584

Cmnt Rtr

PERFS 11611-11639 SQZ

5 1/2  
@ 11755

TOC @ 7333'

TD 11756

PREPARED BY: **Eddie Seay**

UPDATED
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07/07/15

# WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		O-A	APINUM: 30-025-03135																																													
FORM	DEPTH		OPERATOR: PALADIN ENERGY CORP																																													
			LEASENAME: REEVES 26			WELL NO. 2																																										
			SURF LOC:	UL: N	SEC: 26	TWN: 18S																																										
			660 FSL			1980 FWL																																										
			BH LOC:	UL: N	SEC: 26	TWN: 18S																																										
			660 FSL			1980 FWL																																										
			TD 11750	PBD	KB	DF																																										
						GL																																										
			POOL			PERFS 11503-11528 A																																										
			VACUUM;DEVONIAN, SOUTH			11438-11478 A																																										
						OH																																										
			POOL			PERFS																																										
						Open Hole																																										
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">CASING RECORD</th> </tr> <tr> <th></th> <th>SIZE</th> <th>DEPTH</th> <th>CMT</th> <th>HOLE SIZE</th> <th>TOC</th> </tr> </thead> <tbody> <tr> <td>SURF.</td> <td>11.75</td> <td>465</td> <td>525 sxs</td> <td>17.5</td> <td>0 Cir</td> </tr> <tr> <td>INT1</td> <td>8.625</td> <td>3804</td> <td>1200 sxs</td> <td>11</td> <td>0 Cir</td> </tr> <tr> <td>PROD</td> <td>5.5</td> <td>11750</td> <td>575 sxs</td> <td>7.875</td> <td>8666 Calc</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>							CASING RECORD							SIZE	DEPTH	CMT	HOLE SIZE	TOC	SURF.	11.75	465	525 sxs	17.5	0 Cir	INT1	8.625	3804	1200 sxs	11	0 Cir	PROD	5.5	11750	575 sxs	7.875	8666 Calc												
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Rustler	1770																																															
Yates	3264																																															
		11 3/4 @ 465' TOC @ 0'																																														
Queen	4430																																															
San Andres	4972																																															
		8 5/8 @ 3804 TOC @ 0'																																														
Delaware	5727																																															
Bone Spring	6980																																															
			TOC 8666																																													
Wolfcamp	9340																																															
Penn	10272																																															
Mississippian	10703																																															
Devonian	11392																																															
			PERFS 11438-11478																																													
			PERFS 11503-11528																																													
		5 1/2 @ 11750 TOC @ 8666'	TD 11750 ✓																																													
			PREPARED BY: Eddie Seay		UPDATED 07/07/15																																											

SPUD: 05/22/1959  
COMP: 07/25/1959



# WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		O-A	APINUM: 30-025-03136																																											
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP																																												
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>13 3/8 @ 342 TOC @ 0'</p> <p>8 5/8 @ 3801 TOC @ 0'</p> <p>5 1/2 @ 10170 TOC @ 8950'</p> </div> <div style="width: 50%;"> <p>Tied 5 1/2 csg @ 8740'</p> <p>TOC 8950 TS</p> <p>PERFS 9773-9844</p> <p>CIBP @ 10140</p> <p>PLUG 10200-10350</p> <p>PLUG 11842-12004</p> <p>TD 12004</p> </div> </div>		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																																											
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Grayburg	4518																																													
San Andres	4960																																													
Delaware	6114																																													
Bone Spring	6820																																													
Wolfcamp	9500																																													
Penn	10800																																													
Mississippian	11280																																													
Devonian	12096																																													

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

### COMPLETION SCHEMATIC

APINUM: 30-025-03150

OPERATOR: PALADIN ENERGY CORP

LEASENAME: SOUTH VACUUM UNIT

WELL NO.	351
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SURF LOC:	UL:	G	SEC:	35	TWN:	18S	RNG:	35E
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	1980 FNL	1980 FEL
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BH LOC:	UL: G	SEC: 35	TWN: 18S	RNG: 35E
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	1980 FNL	1980 FEL
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TD	12030	PBD	KB	3879	DF	3869
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GL 3868

POOL	PERFS	11643-11680
VACUUM;DEVONIAN, SOUTH		

POOL	PERFS	8892-8902
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VACUUM;BONE SPRING, SOUTH	
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POOL	PERFS	11643-11680
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SWD;DEVONIAN	Open Hole	11846-12030
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## CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	329	350 sxs	15	0' CIRC
INTM1	8 5/8	3755	500 sxs	11	1100
PROD	5 1/2	11846	340 sxs	7 7/8	8876 CBL
OH		11846-12030		4 3/4	

SPUD: 09/08/1957

COMP: 01/16/1958

13 3/8  
@ 342  
TOC @ 0'

8 5/8  
@ 3801  
TOC @ 0'

5 1/2  
@ 10170  
TOC @ 8950'

SQZ HOLE 7543-7575 W/75 sxs 06/20/2011

TOC @ 8876 CBL  
Perfs 8892-8902 SOZ

3 1/2 Plastic Lined tbng w/ Packer @ 11595'

Perfs 11643-11680

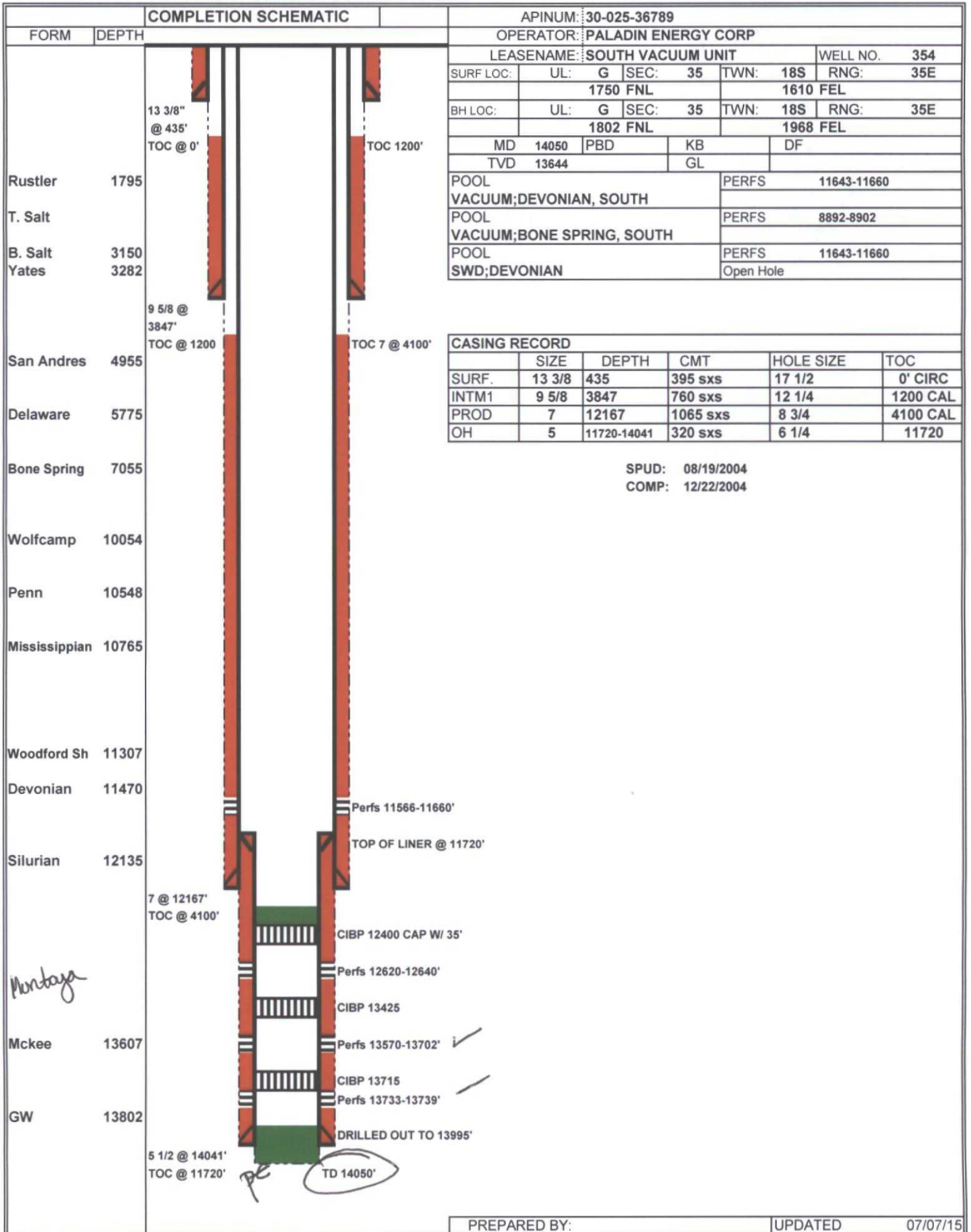
TD 12030

PREPARED BY: **Eddie Seay**

UPDATED

07/07/15

# WELLBORE SCHEMATIC AND HISTORY



PREPARED BY:

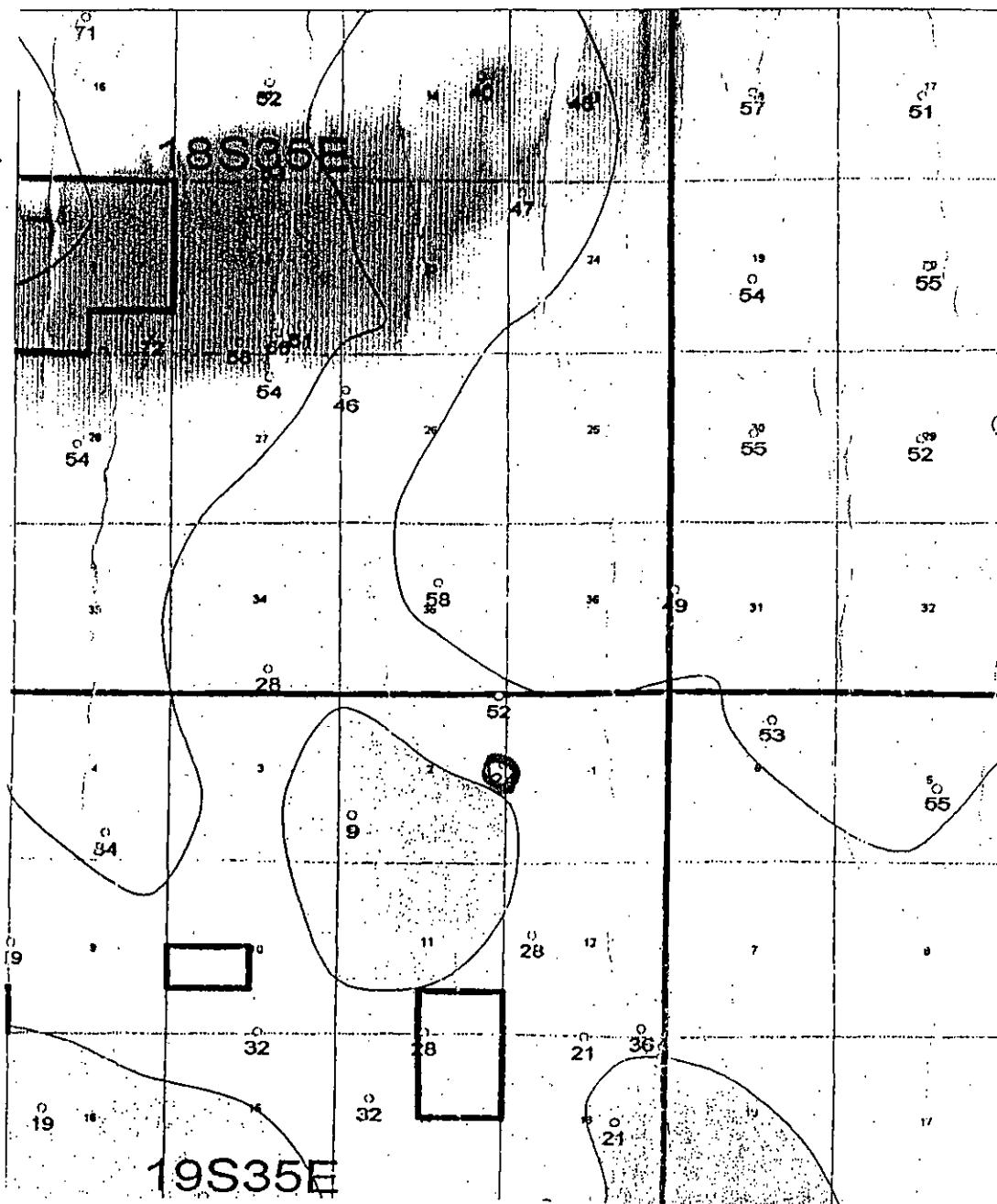
UPDATED

07/07/15



# Water Sample Analysis

Pool	Location			Chlorides
	Section	Township	Range	
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	88533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinbry	22	24S	37E	118085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	38E	91800
DK Drinkard	30	20S	39E	108855
Littman San Andres	8	21S	38E	38895
East Hobbs grayburg	29	18S	39E	6481
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	39E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	38494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	16S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kemnitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124980
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23788
Caudill Devonian	9	15S	36E	20874
Townsend Wolfcamp	6	16S	38E	38895
Dean Pemo Perin	5	16S	37E	44730
Dean Devonian	35	15S	38E	19525
South Denton Wolfcamp	28	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky-Lake Devonian	29	15S	30E	23288
Wantz Abo	26	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114885
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93385
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Elliot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30801
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	170630
Maljamar Grayburg SA	22	17S	32E	48079
Maljamar Paddock	27	17S	32E	115375
Maljamar Devonian	22	17S	32E	25418



Groundwater Map

**Analytical Results For:**

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

 Received: 01/22/2014  
 Reported: 01/30/2014  
 Project Name: PALADIN 5 V #353  
 Project Number: SWD 353  
 Project Location: SECTION 1 - 19 - 35

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

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

Chloride, SM4500Cl-B

mg/L

Analyzed By: AP

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

TPH 8015M

mg/L

Analyzed By: ma

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

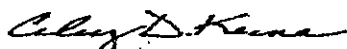
Surrogate: 1-Chlorooctane 82.5 % 48.7-164

Surrogate: 1-Chlorooctadecane 81.7 % 54.8-165

Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

**PALADIN ENERGY CORP.**

July 2015

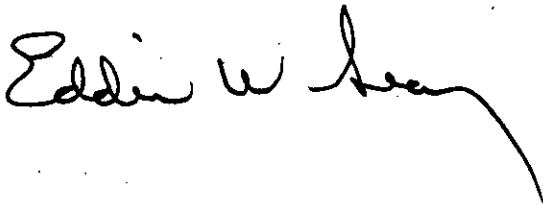
RE: South Vacuum Unit 353  
Unit C, Section 35, Twp. 18 S., Rng. 35 E.  
API #30-025-03152

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, appearing to read "Eddie W. Seay". The signature is fluid and cursive, with a long horizontal stroke extending 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

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

Jenke Trust  
3801 Pinto Place  
Spring Valley, CA 91977

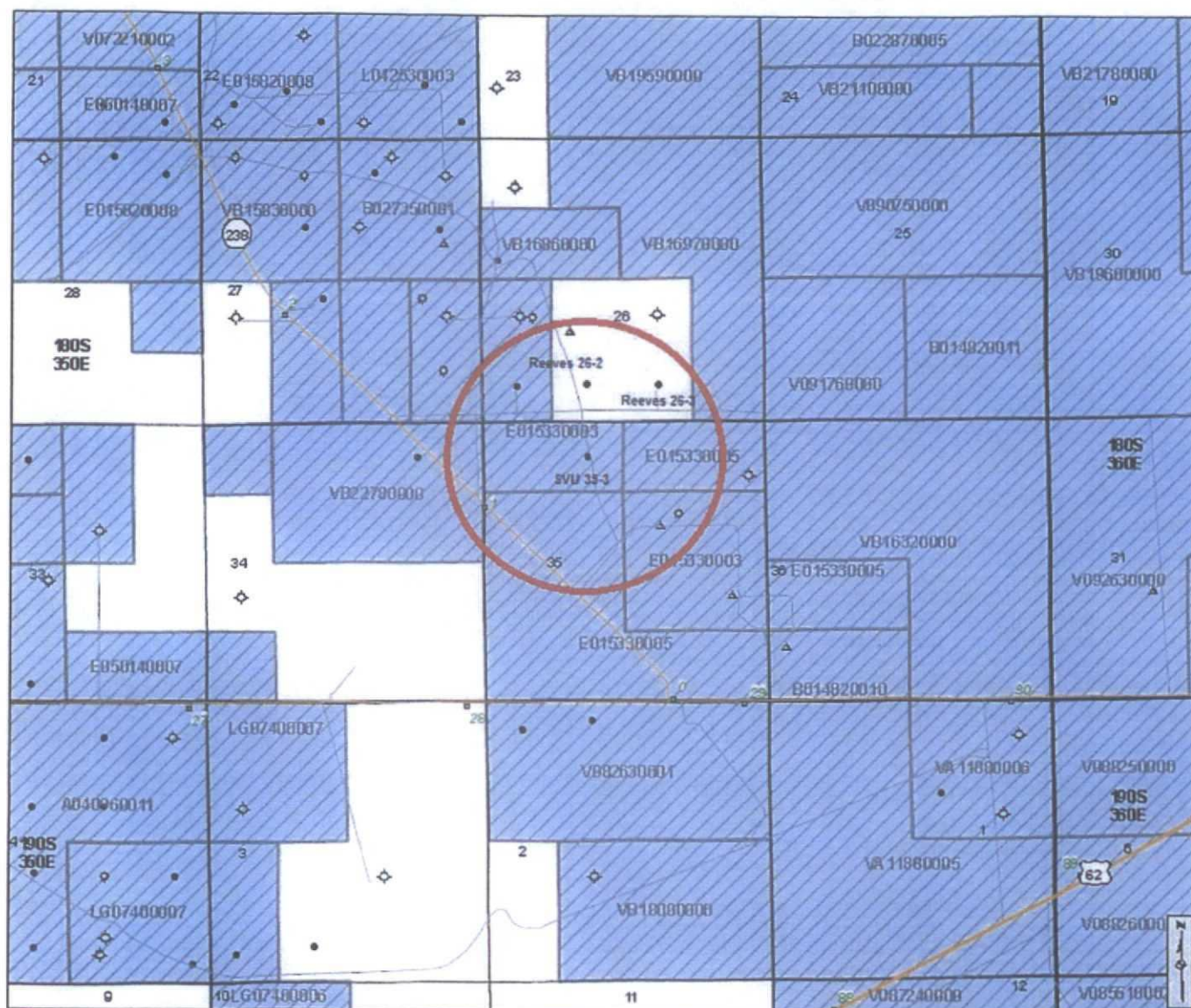
Palinbock Corp.  
5925 Forest Lane #418  
Dallas, TX 75230

Sabine Royalty Trust  
Box 840887  
Dallas, TX 75284-0887

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

Zia Realty, LLC  
Box 2160  
Hobbs, NM 88241

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



#### Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Highway Mileposts
- Interstate
- US Hwy
- NM Hwy
- Local Road
- Continental Divide

#### Federal Minerals Ownership

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

#### State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

#### State Leases

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

#### Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOCD Order R-111-P
- Potash Exclusive Outline

#### NMOCD Oil and Gas Wells

- CO<sub>2</sub>
- Gas
- Injection
- Miscellaneous
- Oil
- Salt Water Disposal
- Water
- DA or PA

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

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

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

Land Office Geographic Information Center  
logistics@sls.state.nm.us

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www.nmsl.state.nm.us

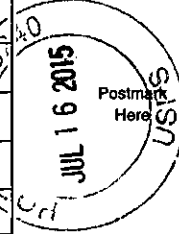
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White Living Trust			
Street, Apt. No., or PO Box 442 La Cuesta Dr.			
City, State, ZIP+4 La Mesa, CA 91941-5634			
PS Form 3800, August 2006		See Reverse for Instructions	

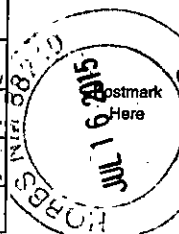
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Street, Apt. No., or PO Box 3801 Pinto Place			
City, State, ZIP+4 Spring Valley, CA 91977			
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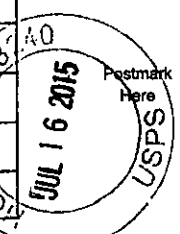
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City, State, ZIP+4 Dallas, TX 75201			
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Palinbock Corp.			
Street, Apt. No., or PO Box 925 Forest Lane #418			
City, State, ZIP+4 Dallas, TX 75230			
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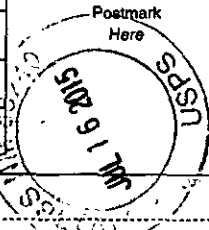
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Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 9.19		
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Snyder Ranches, Ltd.			
Street, Apt. No., or PO Box 2158			
City, State, ZIP+4 Hobbs, NM 88241			
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Sent To NM State Land Office  
Street, Apt. No., or PO Box No. 310 Old Santa Fe Trail  
Box 1-148  
City, State, ZIP+4 Santa Fe, NM 87504-1148

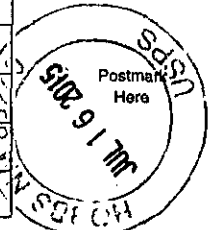
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Street, Apt. No., or PO Box No. 10290 Monroe Dr., Ste. 301  
City, State, ZIP+4 Dallas, TX 75229

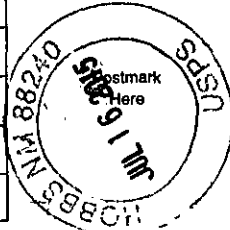
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City, State, ZIP+4 Dallas, TX 75284-0887

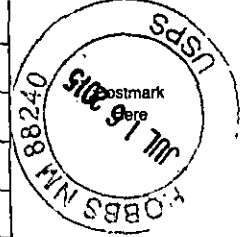
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Street, Apt. No., or PO Box No. Box 2160  
City, State, ZIP+4 Hobbs, NM 88241

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## **LEGAL NOTICE**

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


## Affidavit of Publication

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

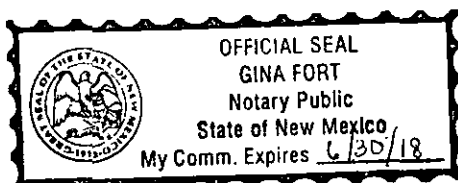
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county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

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

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

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

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



### LEGAL NOTICE

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

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Published in the Lovington Leader July 16, 2015, 2015



## C-108 Review Checklist:

Received 7/30/15 Add. Request: Protested NMSLO/Protest withdrawn 8/1/15 Reply Date: 8/1/15 Suspended: 8/1/15 [Ver 16]ORDER TYPE: WFX / PMX SWD Number: 1579Order Date: 09/16/15

Legacy Permits/Orders:

Associated orders:

R-4147; R-8645

Well No. 353 Well Name(s): South Vacuum UnitAPI: 30-0 25-03152Spud Date: 10/10/1958New or Old Old (UIC Class II Primacy 03/07/1982)Footages 660 FNL/1980 FNL (surf) Lot - or Unit C Sec 35 Tsp 18S Rge 35E County LeaGeneral Location: 4 mi W of Artesian 2004 C-102 (bottom) 660 FNL/1200 FNL Wildcat McKee SWD; Devonia/Mossburn Pool: Vacuum, Devonia, South Pool No.: 96319BLM 100K Map: Hobbs Operator: Paladin Energy Corp. OGRID: 164070 Contact: E. Seal AgentCOMPLIANCE RULE 5.9: Total Wells: 54 Inactive: 0/1 Fincl Assur: OK Compl. Order? NO IS 5.9 OK? YES 09/16/15 Date: 09/16/15WELL FILE REVIEWED ☒ Current Status: TA - well side tracked in 2004, poor production, TA in 09/17/15WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☒ After Conv. ☒ Logs in Imaging: DSN BDL & DLL/MSFL (for side track)Planned Rehab Work to Well: Drill out plugs to McKee perf - install CIBP w/mt caps above perf; set CIBP below lowest perfor squeeze Devonia perf

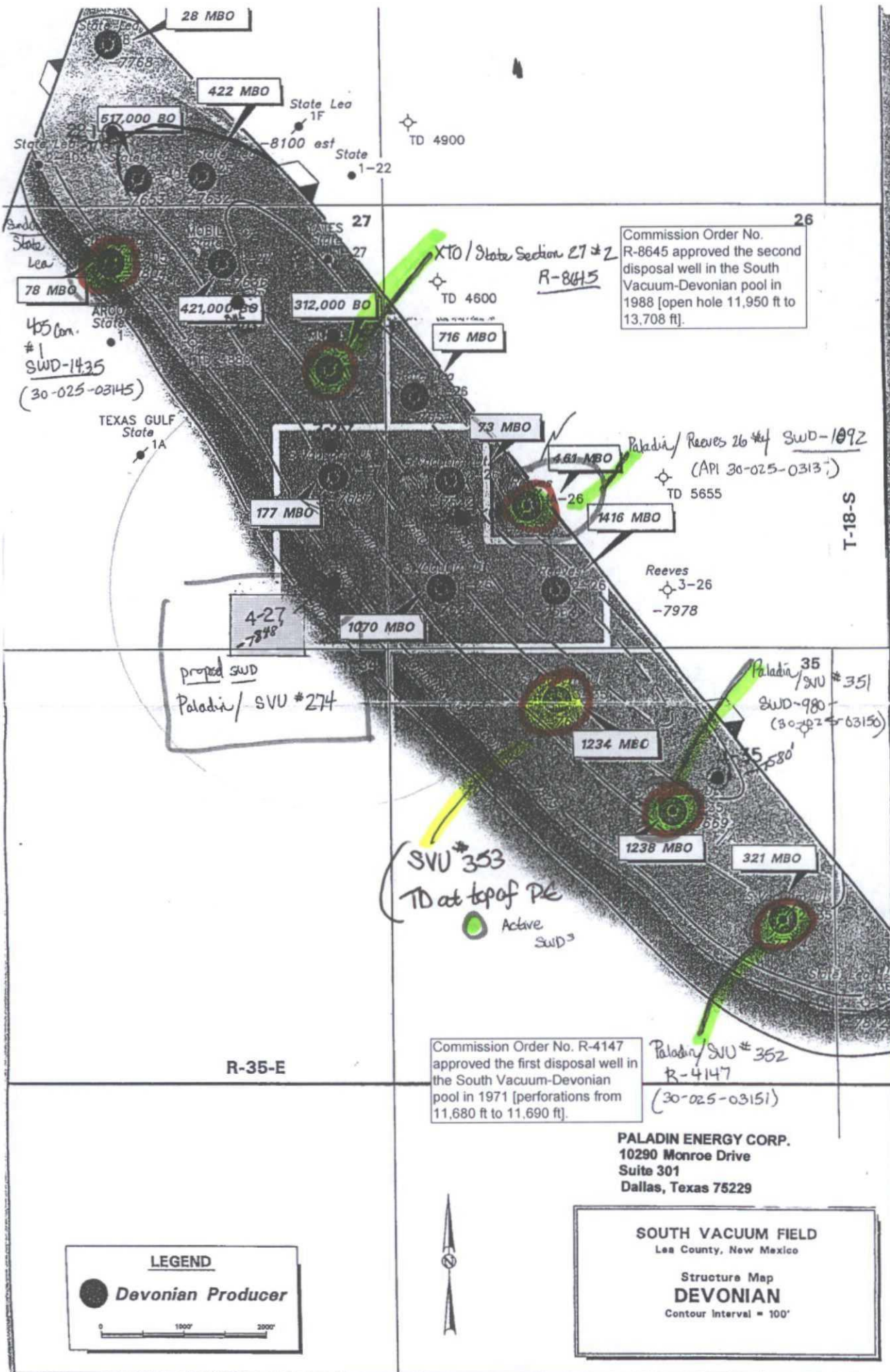
Well Construction Details		Sizes (in)	Setting	Cement	Cement Top and
		Borehole / Pipe	Depths (ft)	Sx or Cf	Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Surface	17 1/2 / 13 3/8	0 to 450	450	Cir to surface
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Interm/Prod	12 1/4 / 9 5/8	0 to 3943	1300	Cir to surface
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Interm/Prod	8 3/4 / 7	0 to 12194	715	CBL - 7490
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Prod/Liner	6 1/4 / 5	11773 to 13761	250	CBL @ top of liner
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Liner				
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	OH/PERF	Existing: 11 5/8 to 11 7/8	10820 - 12300	Inj Length: 1576 / 1480	

Injection/Lithostratigraphic Units:		Injection or Confining Units		Completion/Operation Details:	
Depths (ft)		Tops			
Adjacent Unit: Litho. Struc. Por.		Wolfcamp	1020	Drilled TD: 13763 (side track)	PBTD: T&A at 11945
Confining Unit: Litho. Struc. Por.		Strain	10313	NEW TD: —	NEW PBTD: ~12500
Proposed Inj Interval TOP:	10724 10820	Mississippian	10724	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>	
Proposed Inj Interval BOTTOM:	12300	Devonia	11512	Tubing Size: 3 1/2 in. Inter Coated? <u>Yes</u>	
Confining Unit: Litho. Struc. Por.		Montoya	13002	Proposed Packer Depth: 10624 ft	
Adjacent Unit: Litho. Struc. Por.		Simpson		Min. Packer Depth: 10 (100-ft limit)	
				Proposed Max. Surface Press: 2000 psi	
				Admin. Inj. Press: 2145 2164 (0.2 psi per ft)	

## AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? NA BLM Sec Ord NA WIPP NA Noticed? NA Salt/Salado T: — B: — NW: Cliff House fm NAFRESH WATER: Aquifer Gallala + possible Santa Rosa Depth: <150 to 1000' (SR) HYDRO AFFIRM STATEMENT By Qualified Person ☒NMOSE Basin: Lea CAPITAN REEF: thru adj. NA No. GW Wells in 1-Mile Radius? 2 FW Analysis? YesDisposal Fluid: Formation Source(s) McKee/Devonia/Silurian Analysis? Yes On Lease ☐ Operator Only ☒ or Commercial ☐Disposal Interval: Inject Rate (Avg/Max BWPD): NA/16000 Protectable Waters? NO Source: prod. info. System: Closed or OpenHC Potential: Producing Interval? Miss-No Formerly Producing? Yes Method: Logs/DSN/P&A/Other: prod. curves 2-Mile Radius Pool Map ☒AOR Wells: 1/2-M. Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 6 Horizontals? 0Penetrating Wells: No. Active Wells 6 Num Repairs? 0 on which well(s)? — Diagrams? YesPenetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? —NOTICE: Newspaper Date 07/16/2015 Mineral Owner: SLO Surface Owner: SLO N. Date: 07/16/15RULE 26.7(A): Identified Tracts? Yes Affected Persons: White Living Trust, Junkie Trust, Sabine, Patinback N. Date: 07/16/15Order Conditions: Issues: BH in granite wash (on top of PE); cement placement on CBL (no copy)Add Order Cond: Obtain copy of CBL; injection survey within 2 years



Submit 3 Copies  
to Appropriate  
District Office

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.

Santa Fe, NM 87505

DISTRICT II

P.O. Drawer DD, Artesia, NM 888210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-03152

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

South Vacuum Unit

1. Type of Well:

OIL ☐

GAS

WELL ☒

OTHER

2. Name of Operator

Paladin Energy Corp.

8. Well No.

3. Address of Operator

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

9. Pool name or Wildcat

Wildcat McKee

4 Well Location

Unit Letter C : 660 Feet From The North Line and 1980 Feet from The West Line

Section 35 Township 18-S Range 35-E NMPM Lea County

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

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

TEMPORARILY ABANDON ☐

PULL OR ALTER CASING ☐

OTHER ☐

PLUG AND ABANDON ☐

CHANGE PLANS ☐

REMEDIAL WORK ☐

COMMENCE DRUG OPNS. ☐

CSG TST & CMT JOB ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

ALTRG CSG ☐

P&A ☐

Completion ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated

date of starting any proposed work) SEE RULE 1103

Completion 5/7/2004 to 6/4/2004

MI/RU Pulling Unit, Drilled cement and cleaned top of 5" hanger at 11,773', dressed hanger. Tagged cement in 5" Liner and drilled cement from 12,835' to 13,755'. Circulated hole clean, POOH. Run CBL, TOC at 7,490'.

Perforated 5" liner from 13,506-09', 13,522-25', 13,556-59', 13,591-94', 13,627-30'.

Rig up and set surface tanks and pumping equipment & performed Fracture job with 3000 gallons 10% Acetic Acid breakdown, 177,000 gallon gel & treated 3% kcl water with 138,000 pounds of sand.

MI/RI Pulling Unit TIH w/ 2-3/8" x 10' sub, F nipple, 1 jt. 2-3/8" p-110 tbg., 2-3/8" x 5" Arrow set packer, 2-3/8" SN, 62 jts. 2-3/8" tbg. x-over and 56 jts. Of 2-7/8" tbg. Set packer at 13,400'. Swabbed and flowed back 1100 bbls. Water

Set pressure gauges in F nipple, Tested well: 833 MCFPD, 0 Oil, 5 bbls water, 3487 psi FTP. 9/64th choke. Shut-in well.

Dropped Bottom Hole Pressure gauges through tubing. Will attempt to fish gauges and wash sand to TD.

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

SIGNATURE

*David Plaisance*

TITLE

VP Exploration & Production

DATE 6/17/2004

214-654-0132

TYPE OR PRINT NAME

David Plaisance

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

ORIGINAL SIGNED BY  
PAUL F. KAUTZ  
PETROLEUM ENGINEER

DATE

CONDITIONS OF APPROVAL, IF ANY:

JUN 25 2004

## Goetze, Phillip, EMNRD

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

Mr. Goetze,

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

Thank you,

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

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

Phil,

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

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

Thank you,

*Anchor Holm*

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

## Goetze, Phillip, EMNRD

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

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

Mr. Seay:

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

Contact Information:

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

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

