

4/10/08

SUSPENSE

W Jones
ENGINEER4/10/08
LOGGED INSWD
TYPEPKVR0810150472
APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Paldin Energy Corp
NM DPS NCT-1472

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

[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

Ollie W Seay

Signature

Agent

Title

4/8/2008

Date

Seay_04@leaco.net

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RECEIVED

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Paladin Energy Corp.
ADDRESS: 10290 Monroe Dr., Ste. 301 Dallas, TX 75229
CONTACT PARTY: David Plaisance PHONE: 214-654-0132
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Eddie W. Seay TITLE: Agent
SIGNATURE: Eddie W. Seay DATE: 4/7/2008
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.

ATTACHMENT TO APPLICATION C-108

NM BH State NCT 1 #2
Unit F, Sect. 11, Tws. 12 S., Rng. 32 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) 2 7/8" plastic coated tubing.
 - 4) Baker lock set.

- B.
 - 1) Injection formation is the Devonian.
 - 2) Injection interval 11110' to 11425'.
 - 3) Well was drilled as a producer.
 - 4) The next higher producing zone is the Penn at approximately 10400'.
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. Drill out and remove all plugs. Squeeze all perforations per OCD. Clean out well bore and deepen well to approximately 200 ft. into open hole section. Run 2 7/8" plastic coated tubing and packer and set at approximately 11000'. Will inject into perforated section and open hole. (see schematic)

- 1) Plan to inject approximately 4000 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 name is the Devonian found from 11100' to 11450'.

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. PREVIOUSLY SUBMITTED TO OCD.

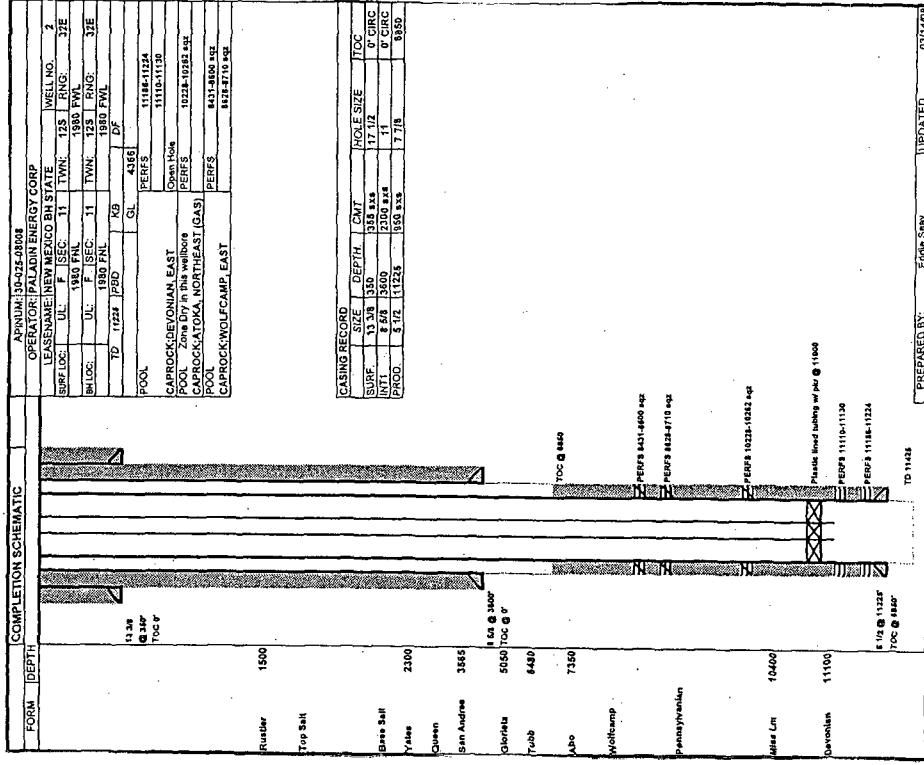
XI. ATTACHED.

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 CorpWELL NAME & NUMBER: New Mexico BH State #2WELL LOCATION: 1980 N 1980 W
FOOTAGE LOCATIONUNIT LETTER F SECTION 11 TOWNSHIP 12 RANGE 32 EWELLBORE SCHEMATICWELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 $\frac{1}{2}$ Casing Size: 13 $\frac{5}{8}$ ft³Cemented with: 350 sx. orTop of Cement: Surface Method Determined: Circ.

Intermediate Casing

Hole Size: 11 Casing Size: 9 $\frac{5}{8}$ Cemented with: 2300 sx. orTop of Cement: Surface Method Determined: Circ.

Production Casing

Hole Size: 7 $\frac{1}{2}$ Casing Size: 5 $\frac{1}{2}$ ft³Cemented with: 950 sx. orTop of Cement: 6850 Method Determined: T5Total Depth: 11215

Injection Interval

feet to 11450 Perforated or Open Hole; indicate which

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2 7/8 Lining Material: IPCType of Packer: Baker lock setPacker Setting Depth: 11000Other Type of Tubing/Casing Seal (if applicable): NONEAdditional Data

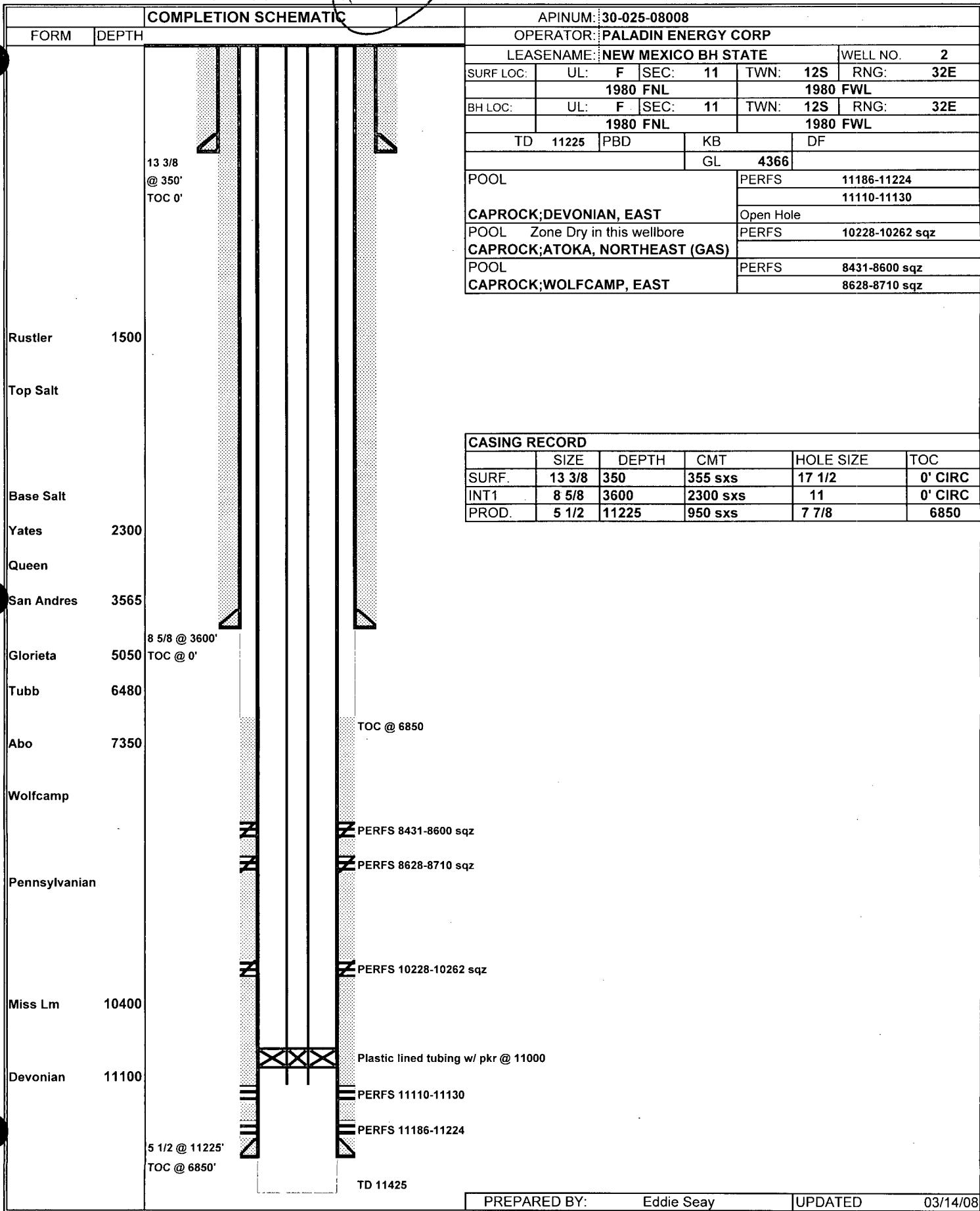
1. Is this a new well drilled for injection? _____ Yes No
If no, for what purpose was the well originally drilled?
oil and gas
2. Name of the Injection Formation: Devonian
3. Name of Field or Pool (if applicable): Bogay
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
3 zones will be cemented s.g.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area.
The Silurian underlying and the Pennsylvanian overlying the Devonian

Wolfcamp 8431 - 8710 Pennsylvanian 10228 - 10282

WELLBORE SCHEMATIC AND HISTORY

		COMPLETION SCHEMATIC		APINUM: 30-025-08008		
FORM	DEPTH			OPERATOR: PALADIN ENERGY CORP		
				LEASENAME: NEW MEXICO BH STATE WELL NO. 2		
		SURF LOC:	UL: F SEC: 11	TWN: 12S RNG: 32E		
			1980 FNL		1980 FWL	
		BH LOC:	UL: F SEC: 11	TWN: 12S RNG: 32E		
			1980 FNL		1980 FWL	
		TD 11225	PBD	KB	DF	
				GL 4366		
		POOL			PERFS 11186-11224	
					11110-11130	
		CAPROCK;DEVONIAN, EAST			Open Hole	
		POOL Zone Dry in this wellbore			PERFS 10228-10262	
		CAPROCK;ATOKA, NORTHEAST (GAS)				
		POOL			PERFS 8431-8600	
		CAPROCK;WOLFCAMP, EAST			8628-8710	
Rustler	1500					
Top Salt						
Base Salt						
Yates	2300					
Queen						
San Andres	3565					
Glorieta	5050	8 5/8 @ 3600'	TOC @ 0'			
Tubb	6480					
Abo	7350	TOC @ 6850				
Wolfcamp						
Pennsylvanian		PERFS 8431-8600 CIBP @ 8625' PERFS 8628-8710				
Miss Lm	10400	CIBP @ 10100' PERFS 10228-10262 ZONE DRY				
Devonian	11100	CIBP @ 11065' PERFS 11110-11130 PERFS 11186-11224				
		5 1/2 @ 11225' TOC @ 6850' TD 11225				
<i>Before PIGRAM</i>						
CASING RECORD						
	SIZE	DEPTH	CMT	HOLE SIZE	TOC	
SURF.	13 3/8	350	355 sxs	17 1/2	0' CIRC	
INT1	8 5/8	3600	2300 sxs	11	0' CIRC	
PROD.	5 1/2	11225	950 sxs	7 7/8	6850	

WELLBORE SCHEMATIC AFTER



WELLBORE SCHEMATIC AFTER

COMPLETION SCHEMATIC				APINUM: 30-025-00100	
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP			
		LEASENAME: H C POSEY A		WELL NO. 3	
		SURF LOC.	UL: J SEC: 11	TWN: 12S RNG: 32E	
			1980 FSL	1980 FEL	
		BH LOC:	UL: J SEC: 11	TWN: 12S RNG: 32E	
			1980 FSL	1980 FEL	
		TD	11237 PBD	KB DF	
				GL 4344	
		POOL		PERFS 11074-11103	
		CAPROCK;DEVONIAN, EAST		Open Hole 11147-11237	
		POOL		PERFS	
		POOL		PERFS	
Rustler	1470				
Top Salt	1530				
Base Salt	2161				
Yates	2277				
Queen					
San Andres	3568				
Glorieta	8 5/8 @ 3590' TOC @ 0'				
Tubb	6393	CIBP @ 5484			
Abo	7190				
Wolfcamp		TOC @ 8282 T.S.			
Pennsylvanian					
Miss Lm	10440				
Devonian	11071	PERFS 11074-11103			
	5 1/2 @ 11147' TOC @ 8350'	Plug 408 sxs			
		TD 11237			
		PREPARED BY: Eddie Seay		UPDATED	03/14/08

DISPOSAL WELL

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

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	UL	SEC	TWN	RNG	N/S	E/W	Distance
30-025-00078	STATE ECD	1	AMERADA PETROLEUM CORP	11206	P&A			N	2	12 S	32 E	660 S	1980 W	2640	
30-025-00100	H C POSEY A	3	PALADIN ENERGY CORP	11237	TA			J	11	12 S	32 E	1980 S	1980 E	1866	
30-025-00103	H C POSEY A	6	PALADIN ENERGY CORP	11215	A			H	11	12 S	32 E	1650 N	990 E	2333	
30-025-00104	STATE ECC	1	PALADIN ENERGY CORP	11240	A			G	11	12 S	32 E	1980 N	1980 E	1320	
30-025-00105	STATE ECC	2	PALADIN ENERGY CORP	11228	A			B	11	12 S	32 E	660 N	1980 E	1866	
30-025-00107	GROSS STATE	1	UNION OIL CO OF CALIFORNIA	11295	P&A			L	11	12 S	32 E	1980 S	660 W	1866	
30-025-00108	NEW MEXICO BH STATE	3	PALADIN ENERGY CORP	11272	A			E	11	12 S	32 E	1980 N	663 W	1317	
30-025-00109	NEW MEXICO BB STATE	1	PALADIN ENERGY CORP	11225	A			K	11	12 S	32 E	1989 S	1985 W	1311	
30-025-00110	NEW MEXICO BH STATE	4	PALADIN ENERGY CORP	11235	A			D	11	12 S	32 E	990 N	990 W	1400	
30-025-08007	NEW MEXICO BH STATE	1	PALADIN ENERGY CORP	11220	A			C	11	12 S	32 E	660 N	1980 W	1320	
30-025-08009	NEW MEXICO BB STATE	2	PALADIN ENERGY CORP	11226	A			N	11	12 S	32 E	660 S	1984 W	2640	

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21
EINSH

2

100

~~OTTEST~~ ~~11-12~~ ~~11-12~~ ~~11-12~~ ~~11-12~~ ~~11-12~~ ~~11-12~~

Stile Sud - 790
ACTIVE DEPARTMENT

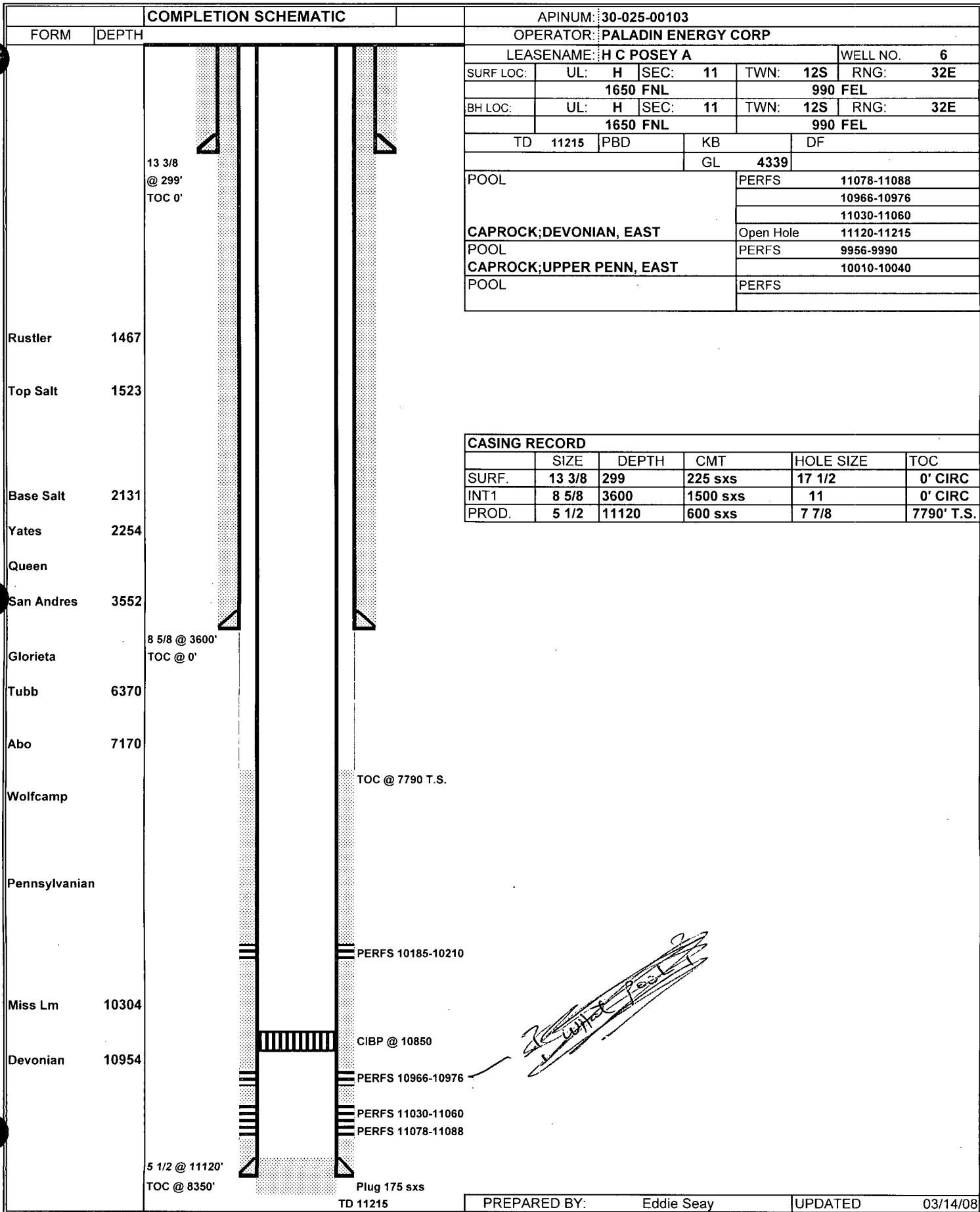
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ACTINIC

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Yates Pet., et al. 9-1-89 V-1216 3076	Yates Pet., et al. 9-1-89 V-1217 3759	Yates Pet., et al. 3-1-94 V-190 3682	ARCO 11-1-2002 VA-1697 221BB	Gates O'Brien 10-28-2000 10-24-2000 10-23-2000 11-25-2000 11-26-2000	Yates Pet., et al. 11-1-2002 V-5198 3722	33854 Endeavor Pure E et al S/R Bellwether, et al K-2037 "Blakney - S"
33 A. Antweil 6-1-89 LG-8488 15823 (wo) State	34 Yates Pet., et al. 9-1-89 V-1216 3076	35 Texas State TD1371 D/A-17-52	ARCO 12-5-99 3-20-2000	36 Elk Oil Bagley St. TD9745 Elk Oil Moore TD1005 DA8770 Elk Oil, M.I. F.E. Levers Top Preuit (S)	37 Elk Oil Bagley St. State	F.B. Gist, John H. M. (D.O. Boma BTA Oil
Texas St. DA2852 1-BC (wo)	Yates Pet., et al. 9-1-89 V-1216 3076	Texas State TD1371 D/A-17-52	State	E.I.C.A. S.A. Matador E-1165 ISADIS 2 "cross" (wo)	E.I.C.A. S.A. Matador E-1165 ISADIS 2 "cross" (wo)	BTA, et al. BTA Myrtle 689 Ltd Top Preuiit State
Ronadera & Tierra Oil 6-1-89 V-1086 13186 Kelly TD1371 D/A-2-155	Yates Pet. 12-1-88 LG-6126	37 89	3 Amerada SF-SCA State D/A-1-28-46	3 Texas State TD1618 D/A-2-28-53 1-1-BX TD1137 D/A-10-53 Bar T Bar, Inc. (S)	3 Amerada ECD Apachel Paladin Energeta Tech State S.I. TD1137 D/A-10-53 Bar T Bar, Inc. (S)	3 Permian West Corp. Bellwether & Pure Tenneco Sunshine TD10502 1 "Tenneco Sunshine" 3 Bellwether 4 Pure VMI Chambers Trust Fund, M.I. Norman Hahn (S)
3 State, MI Bar T Bar, Inc. (S)	3 State, MI Bar T Bar, Inc. (S)	3 State, MI Bar T Bar, Inc. (S)	3 State, MI Bar T Bar, Inc. (S)	3 Elk Oil & Vista Energy 3-1-89 LG-6405 9052	3 Elk Oil Connors St. TD10700 I.W. Lovelady St. Elk (Amerada) (ECG) (D/A-6-27-53)	3 Elk Oil Connors St. TD10700 I.W. Lovelady St. Elk (Amerada) (ECG) (D/A-6-27-53)
9 Amerada EI 4394 TD 3000 1-0-2365 1-0-2854	10 Yates 3-1-89 LG-6406 5625	10 Yates 3-1-89 LG-6406 5625	10 Yates 3-1-89 LG-6406 5625	10 Elk Oil Res. B-10278 #4 736 NCT-1	10 Elk Oil Res. B-10278 #4 736 NCT-1	10 Elk Oil Res. B-10278 #4 736 NCT-1
Texaco Sunny State TD 6917	Texaco Sunny State TD 6917	Texaco Sunny State TD 6917	Texaco Sunny State TD 6917	11 Matador Dual #1 #2 #3 #4 #5 #6 #7 #8 #9 #10 #11 #12 #13 #14 #15 #16 #17 #18 #19 #20 #21 #22 #23 #24 #25 #26 #27 #28 #29 #30 #31 #32 #33 #34 #35 #36 #37 #38 #39 #40 #41 #42 #43 #44 #45 #46 #47 #48 #49 #50 #51 #52 #53 #54 #55 #56 #57 #58 #59 #60 #61 #62 #63 #64 #65 #66 #67 #68 #69 #70 #71 #72 #73 #74 #75 #76 #77 #78 #79 #80 #81 #82 #83 #84 #85 #86 #87 #88 #89 #90 #91 #92 #93 #94 #95 #96 #97 #98 #99 #100 #101 #102 #103 #104 #105 #106 #107 #108 #109 #110 #111 #112 #113 #114 #115 #116 #117 #118 #119 #120 #121 #122 #123 #124 #125 #126 #127 #128 #129 #130 #131 #132 #133 #134 #135 #136 #137 #138 #139 #140 #141 #142 #143 #144 #145 #146 #147 #148 #149 #150 #151 #152 #153 #154 #155 #156 #157 #158 #159 #160 #161 #162 #163 #164 #165 #166 #167 #168 #169 #170 #171 #172 #173 #174 #175 #176 #177 #178 #179 #180 #181 #182 #183 #184 #185 #186 #187 #188 #189 #190 #191 #192 #193 #194 #195 #196 #197 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#5083 #5084 #5085 #5086 #5087 #5088 #5089 #5090 #5091 #5092 #5093 #5094 #5095 #5096 #5097 #5098 #5099 #50100 #50101 #50102 #50103 #50104 #50105 #50106 #50107 #50108 #50109 #50110 #50111 #50112 #50113 #50114 #50115 #50116 #50117 #50118 #50119 #50120 #50121 #50122 #50123 #50124 #50125 #50126 #50127 #50128 #50129 #50130 #50131 #50132 #50133 #50134 #50135 #50136 #50137 #50138 #50139 #50140 #50141 #50142 #50143 #50144 #50145 #50146 #50147 #50148 #50149 #50150 #50151 #50152 #50153 #50154 #50155 #50156 #50157 #50158 #50159 #50160 #50161 #50162 #50163 #50164 #50165 #50166 #50167 #50168 #50169 #50170 #50171 #50172 #50173 #50174 #50175 #50176 #50177 #50178 #50179 #50180 #50181 #50182 #50183 #50184 #50185 #50186 #50187 #50188 #50189 #50190 #50191 #50192 #50193 #50194 #50195 #50196 #50197 #50198 #50199 #50200 #50201 #50202 #50203 #50204 #50205 #50206 #50207 #50208 #50209 #50210 #50211 #50212 #50213 #50214 #50215 #50216 #50217 #50218 #50219 #50220 #50221 #50222 #50223 #50224 #50225 #50226 #50227 #50228 #50229 #50230 #50231 #50232 #50233 #50234 #50235 #50236 #50237 #50238 #50239 #50240 #50241 #50242 #50243 #50244 #50245 #50246 #50247 #50248 #50249 #50250 #50251 #50252 #50253 #50254 #50255 #50256 #50257 #50258 #50259 #50260 #50261 #50262 #50263 #50264 #50265 #50266 #50267 #50268 #50269 #50270 #50271 #50272 #50273 #50274 #50275 #50276 #50277 #50278 #50279 #50280 #50281 #50282 #50283 #50284 #50285 #50286 #50287 #50288 #50289 #50290 #50291 #50292 #50293 #50294 #50295 #50296 #50297 #50298 #50299 #50300 #50301 #50302 #50303 #50304 #50305 #50306 #50307 #50308 #50309 #50310 #50311 #50312 #50313 #50314 #50315 #50316 #50317 #50318 #50319 #50320 #50321 #50322 #50323 #50324 #50325 #50326 #50327 #50328 #50329 #50330 #50331 #50332 #50333 #50334 #50335 #50336 #50337 #50338 #50339 #50340 #50341 #50342 #50343 #50344 #50345 #50346 #50347 #50348 #50349 #50350 #50351 #50352 #50353 #50354 #50355 #50356 #50357 #50358 #50359 #50360 #50361 #50362 #50363 #50364 #50365 #50366 #50367 #50368 #50369 #50370 #50371 #50372 #50373 #50374 #50375 #50376 #50377 #50378 #50379 #50380 #50381 #50382 #50383 #50384 #50385 #50386 #50387 #50388 #50389 #50390 #50391 #50392 #50393 #50394 #50395 #50396 #50397 #50398 #50399 #50400 #50401 #50402 #50403 #50404 #50405 #50406 #50407 #50408 #50409 #50410 #50411 #50412 #50413 #50414 #50415 #50416 #50417 #50418 #50419 #50420 #50421 #50422 #50423 #50424 #50425 #50426 #50427 #50428 #50429 #50430 #50431 #50432 #50433 #50434 #50435 #50436 #50437 #50438 #50439 #50440 #50441 #50442 #50443 #50444 #50445 #50446 #50447 #50448 #50449 #50450 #50451 #50452 #50453 #50454 #50455 #50456 #50457 #50458 #50459 #50460 #50461 #50462 #50463 #50464 #50465 #50466 #50467 #50468 #50469 #50470 #50471 #50472 #50473 #50474 #50475 #50476 #50477 #50478 #50479 #50480 #50481 #50482 #50483 #50484 #50485 #50486 #50487 #50488 #50489 #50490 #50491 #50492 #50493 #50494 #50495 #50496 #50497 #50498 #50499 #50500 #50501 #50502 #50503 #50504 #50505 #50506 #50507 #50508 #50509 #50510 #50511 #50512 #50513 #50514 #50515 #50516 #50517 #50518 #50519 #50520 #50521 #50522 #50523 #50524 #50525 #50526 #50527 #50528 #50529 #50530 #50531 #50532 #50533 #50534 #50535 #50536 #50537 #50538 #50539 #50540 #50541 #50542 #50543 #50544 #50545 #50546 #50547 #50548 #50549 #50550 #50551 #50552 #50553 #50554 #50555 #50556 #50557 #50558 #50559 #50560 #50561 #50562 #50563 #50564 #50565 #50566 #50567 #50568 #50569 #50570 #50571 #50572 #50573 #50574 #50575 #50576 #50577 #50578 #50579 #50580 #50581 #50582 #50583 #50584 #50585 #50586 #50587 #50588 #50589 #50590 #50591 #50592 #50593 #50594 #50595 #50596 #50597 #50598 #50599 #50600 #50601 #50602 #50603 #50604 #50605 #50606 #50607 #50608 #50609 #50610 #50611 #50612 #50613 #50614 #50615 #50616 #50617 #50618 #50619 #50620 #50621 #50622 #50623 #50624 #50625 #50626 #50627 #50628 #50629 #50630 #50631 #50632 #50633 #50634 #50635 #50636 #50637 #50638 #50639 #50640 #50641 #50642 #50643 #50644 #50645 #50646 #50647 #50648 #50649 #50650 #50651 #50652 #50653 #50654 #50655 #50656 #50657 #50658 #50659 #50660 #50661 #50662 #50663 #50664 #50665 #50666 #50667 #50668 #50669 #50670 #50671 #50672 #50673 #50674 #50675 #50676 #50677 #50678 #50679 #50680 #50681 #50682 #50683 #50684 #50685 #50686 #50687 #50688 #50689 #50690 #50691 #50692 #50693 #50694 #50695 #50696 #50697 #50698 #50699 #50700 #50701 #50702 #50703 #50704 #50705 #50706 #50707 #50708 #50709 #50710 #50711 #50712 #50713 #50714 #50715 #50716 #50717 #50718 #50719 #50720 #50721 #50722 #50723 #50724 #50725 #50726 #50727 #50728 #50729 #50730 #50731 #50732 #50733 #50734 #50735 #50736 #50737 #50738 #50739 #50740 #50741 #50742 #50743 #50744 #50745 #50746 #50747 #50748 #50749 #50750 #50751 #50752 #50753 #50754 #50755 #50756 #50757 #50758 #50759 #50760 #50761 #50762 #50763 #50764 #50765 #50766 #50767 #50768 #50769 #50770 #50771 #50772 #50773 #50774 #50775 #50776 #50777 #50778 #50779 #50780 #50781 #50782 #50783 #50784 #50785 #50786 #50787 #50788 #50789 #50790 #50791 #507		

WELLBORE SCHEMATIC AFTER



WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH	Plug 10sx	TOC 25'
	13 3/8 @ 299' TOC 0'		
Rustler	1442		
Top Salt	1518		
Base Salt	2140		
Yates	2268		
Queen			
San Andres	3560	8 5/8 @ 3610' TOC @ 25' T.S.	Plug 35sx 3612-3700
Glorieta	4945		Plug 35sx 4077-4200 PULLED 5 1/2 @ 4100
Abo	7212		TOC @ 7115 T.S.
Wolfcamp			
Pennsylvanian			
Miss Lm	10460		
Devonian	11143		Plug 11020-11140 PERFS 11143-11189
	5 1/2 @ 11204' TOC @ 7115'		Rtr @ 11198 sqz 100 sxs
			TD 11260

APINUM: 30-025-00078

OPERATOR: AMERADA PETROLEUM CORP

LEASENAME	STATE	EC	D	WELL NO.	1
SURF LOC:	UL:	N	SEC:	2	TWN: 12S RNG: 32E
					660 FSL 1980 FWL
BH LOC:	UL:	N	SEC:	2	TWN: 12S RNG: 32E
					660 FSL 1980 FWL
TD	11260	PBD	0	KB	DF
				GL	
POOL				PERFS	11143-11189
CAPROCK;DEVONIAN, EAST				Open Hole	11204-11260 sqz
POOL				PERFS	
POOL				PERFS	

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	299	245 sxs	17 1/2	0' CIRC
INT1	8 5/8	3610	1500 sxs	11	25 T.S.
PROD.	5 1/2	11204	600 sxs	7 7/8	7115' T.S.

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-00079	
FORM	DEPTH	OPERATOR: AMERADA PETROLEUM CORP	
		LEASENAME: STATE EC D	
		SURF LOC: UL: M SEC: 2	WELL NO. 2 TWN: 12S RNG: 32E
		660 FSL	
		BH LOC: UL: M SEC: 2	TWN: 12S RNG: 32E
		660 FSL	
		TD 11336	PBD 0 KB DF 4398
		GL	
		POOL PERFS	
		DRY & ABANDONED Open Hole	
		POOL PERFS	
		POOL PERFS	
Rustler	1515		
Top Salt	1550		
Base Salt	2163		
Yates	2292		
Queen			
San Andres	3570	Plug 35sx 3490-3610	
		8 5/8 @ 3610' TOC @ 0'	
Glorieta			
Abo	7260		
Wolfcamp		PLUG 8589-8800	
Pennsylvanian			
Miss Lm	10720		
Devonian	11307	Plug 11020-11140 Plug 35 sxs 11221-11336	
		TD 11336	

PREPARED BY: Eddie Seay

UPDATED

UPDATED 03/14/08

WELLBORE SCHEMATIC AND HISTORY

		COMPLETION SCHEMATIC				APINUM: 30-025-23278	
FORM	DEPTH					OPERATOR: ELK OIL COMPANY	
				Plug 10sx		LEASENAME: CONNER STATE	WELL NO. 1
					SURF LOC. UL: A SEC: 10	TWN: 12S RNG: 32E	
						660 FNL	660 FEL
					BH LOC: UL: A SEC: 10	TWN: 12S RNG: 32E	
						660 FNL	660 FEL
					TD 10700 PBD 0 KB	DF	
						GL 4383	
				Plug 25 sxs	POOL	PERFS	
					DRY & ABANDONED	Open Hole	
					POOL	PERFS	
					POOL	PERFS	
Rustler	1600						
Top Salt	1750						
Base Salt	2150						
Yates	2350						
Queen							
San Andres	3580				Plug 25sx 3550-3650		
		8 5/8 @ 3650'					
		TOC @ 0'					
Glorieta	5150				PLUG 25 sxs 5000-5100		
Abo	7520				PLUG 25 sxs 7400-7500		
Wolfcamp							
Pennsylvanian					PLUG 25 sxs 9700-9800		
Miss Lm	10680				Plug 25 sxs 10600-10700		
					TD 10700		
						PREPARED BY: Eddie Seay UPDATED 03/14/08	

WELLBORE SCHEMATIC AND HISTORY

		COMPLETION SCHEMATIC		APINUM: 30-025-00104					
FORM	DEPTH			OPERATOR: PALADIN ENERGY CORP					
				LEASENAME: STATE EC C			WELL NO. 1		
Rustler	1468	13 3/8 @ 296' TOC 0'		SURF LOC:	UL: G SEC: 11	TWN: 12S RNG: 32E			
				BH LOC:	UL: G SEC: 11	TWN: 12S RNG: 32E			
				1980 FNL		1980 FEL			
				1980 FNL		1980 FEL			
				TD 11240	PBD	KB	DF	4361	
						GL			
				POOL			PERFS	11120-11170 sqz	
							11047-11082		
							11002-11020		
				CAPROCK;DEVONIAN, EAST			Open Hole	11170-11240 sqz	
				POOL Zone Dry in this wellbore			PERFS	10226-10364	
				CAPROCK;MISSISSIPPIAN, EAST (GAS)					
				POOL CAPROCK;ATOKA, NORTHEAST (GAS)			PERFS	10120-10150	
				POOL CAPROCK;WOLFCAMP,EAST			PERFS	8440-8490	
Top Salt	1524								
Base Salt	2143								
Yates	2270								
Queen									
San Andres	3552	8 5/8 @ 3623' TOC @ 794' TS							
Glorieta									
Tubb	6480								
Abo	7171								
Wolfcamp									
Pennsylvanian				TOC @ 7581 T.S.					
Atoka				PERFS 8440-8090					
Chester				CIBP @ 9500' cap w/ 36' cmnt					
Miss Lm	10327			PERFS 10120-10150					
				CIBP @ 10026'					
Devonian	10990			PERFS 10226-10364					
				CIBP @ 10920'					
				PERFS 11002-11020					
				CIBP @ 11025'					
				PERFS 11047-11082					
				PERFS 11120-11170 sqz					
		5 1/2 @ 11170' TOC @ 7581'		Plug 250 sxs TD 11240					
PREPARED BY: Eddie Seay						UPDATED 03/14/08			

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC			APINUM: 30-025-00105 OPERATOR: PALADIN ENERGY CORP					
FORM	DEPTH							
		SURF LOC: UL: B SEC: 11 TWN: 12S RNG: 32E BH LOC: UL: B SEC: 11 TWN: 12S RNG: 32E TD 11228 PBD KB DF 4361 GL						
		LEASENAME: STATE EC C WELL NO. 2 660 FNL 1980 FEL 660 FNL 1980 FEL						
		POOL PERFS 11064-11138 11004-11014 10953-10963 Open Hole 11155-11170 sqz Open Hole 11170-11228 sqz						
Rustler	1460	POOL Zone Dry in this wellbore PERFS 8336-8456 CAPROCK;WOLFCAMP,EAST POOL CAPROCK;UPPER PENN,EAST PERFS 9736-9796 POOL PERFS						
Top Salt	1524							
Base Salt	2143	CASING RECORD SURF. SIZE DEPTH CMT HOLE SIZE TOC 13 3/8 297 '225 sxs 17 1/2 0' CIRC INT1 8 5/8 3588 1500 sxs 11 800' calc PROD. 5 1/2 11155 600 sxs 7 3/8 7600' calc						
Yates	2270							
Queen								
San Andres	3552							
Glorieta		8 5/8 @ 3588' PERFS 8336-8456 TOC @ 794' TS						
Tubb	6480							
Abo	7170	TOC @ 7600 Calc PERFS 9736-9796						
Wolfcamp								
Pennsylvanian								
Atoka								
Chester								
Miss Lm	10360							
Devonian	10955	CIBP @ 10930' PERFS 10953-10963 CIBP @ 10989' PERFS 11004-11014 CIBP @ 11050' PERFS 11064-11138 sqz 100 sxs Rtr @ 11140 sqz 150 sxs						
		5 1/2 @ 11155' TD 11240 TOC @ 7581' Plug 250 sxs						
		PREPARED BY: Eddie Seay UPDATED 03/14/08						

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-00107	
FORM	DEPTH	OPERATOR: UNION OIL CO OF CALIFORNIA	
		Plug 10 sxs 0-50'	LEASENAME: GROSS STATE WELL NO. 1 SURF LOC: UL: L SEC: 11 TWN: 12S RNG: 32E 1980 FSL 660 FWL BH LOC: UL: L SEC: 11 TWN: 12S RNG: 32E 1980 FSL 660 FWL TD 11295 PBD KB DF GL
	13 3/8 @ 322' TOC 0'	POOL PERFS 11265-11268 CAPROCK;DEVONIAN, EAST Open Hole 11268-11295 POOL Zone Dry in this wellbore PERFS 9530-9615 CAPROCK;UPPER PENN, EAST POOL PERFS	
Rustler	1515	Plug 50 sxs 1380-1555	
Top Salt	1600		
Base Salt	2210	CASING RECORD	
Yates	2305	SURF. SIZE DEPTH CMT HOLE SIZE TOC INT1 8 5/8 3611 924 sxs 11 645' calc PROD. 5 1/2 11268 350 sxs 7 7/8 8690' calc	
Queen	3165		
San Andres	3590	Plug 40 sxs 3179-3346	
Glorieta	5010	8 5/8 @ 3611' TOC @ 645'	
Tubb	6480	Plug 6230-6510	
Abo	7260	TOC @ 8690 Calc	
Wolfcamp		CIBP @ 9430' cap w/ 4 sxs cmnt	
Pennsylvanian		PERFS 9530-9615 Zone Dry	
Miss Lm	10630	CIBP @ 10009'	
Devonian	11260	PERFS 10517-10567 CIBP @ 11210' cap w/35'	
	5 1/2 @ 11268' TOC @ 8690'	PERFS 11265-11268	
		TD 11295	
		PREPARED BY: Eddie Seay UPDATED 03/14/08	

WELLBORE SCHEMATIC AND HISTORY

		COMPLETION SCHEMATIC		APINUM: 30-025-00108	
FORM	DEPTH			OPERATOR: PALADIN ENERGY CORP	
				LEASENAME: NEW MEXICO BH STATE WELL NO. 3	
Rustler	1500			SURF LOC: UL: E SEC: 11 TWN: 12S RNG: 32E	663 FWL
Top Salt				BH LOC: UL: E SEC: 11 TWN: 12S RNG: 32E	1980 FNL 663 FWL
Base Salt				TD 11272 PBD 11270 KB GL	1980 FNL DF 4381
Yates	2300			POOL PERFS 11236-11250	
Queen				POOL PERFS 11251-11270	
San Andres	3565			CAPROCK;DEVONIAN, EAST Open Hole	
Glorieta	5050	13 3/8 @ 335' TOC 0'		POOL PERFS 9547-9640	
Tubb	6480	8 5/8 @ 3589' TOC @ 0'		POOL PERFS 8615-8753 SI	
Abo	7350			CAPROCK;WOLFCAMP, EAST	
Wolfcamp				CASING RECORD	
Pennsylvanian				SURF. SIZE DEPTH CMT HOLE SIZE TOC	
Miss Lm	10500			SURF. 13 3/8 335 350 sxs 17 1/4 0' CIRC	
Devonian	11210			INT1 8 5/8 3589 2300 sxs 11 0' Calc	
				PROD. 5 1/2 11272 500 sxs 7 7/8 8942' Calc	
				Est. TOC @ 8350	
				PERFS 8615-8753	
				Perf & Sqz cmnt	
				Old TOC @ 8942 Calc	
				Pkr @ 9430	
				PERFS 9547-9640	
				CIBP @ 10026'	
				PERFS 10517-10567	
				CIBP @ 10900'	
				PERFS 11236-11250 sqz	
				PERFS 11251-11270 sqz	
		5 1/2 @ 11272' TOC @ 8350'		TD 11272	
				PREPARED BY: Eddie Seay	
				UPDATED 03/14/08	

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-00109							
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP							
		LEASENAME: NEW MEXICO BB STATE WELL NO. <i>4</i>							
		SURF LOC:	UL:	K SEC:	11	TWN:	12S RNG: 32E		
					1989 FSL		1985 FWL		
		BH LOC:	UL:	K SEC:	11	TWN:	12S RNG: 32E		
					1989 FSL		1985 FWL		
		TD	11225	PBD		KB DF	4373		
					GL				
		POOL				PERFS	11162-11192		
		CAPROCK;DEVONIAN, EAST				Open Hole			
		POOL				PERFS	11134-11210		
		SWD;DEVONIAN							
		POOL				PERFS			
Rustler	1490								
Top Salt	1550								
Base Salt	2180								
Yates	2275								
Queen									
San Andres	3570								
Glorieta	5000	8 5/8 @ 3620'	TOC @ 0'						
Tubb	6450								
Abo	7200								
Wolfcamp									
Pennsylvanian		TOC @ 9249 Calc							
Miss Lm	10470								
Devonian	11129	 Pkr @ 11004							
		 PERFS 11134-11210							
		TD 11225							
		PREPARED BY: Eddie Seay				UPDATED	03/14/08		

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-00110 OPERATOR: PALADIN ENERGY CORP							
FORM	DEPTH					LEASE NAME: STATE BH NCT 1	WELL NO. 4		
		SURF LOC:	UL:	D:	SEC: 11	TWN: 12S	RNG: 32E		
			990 FNL			990 FWL			
		BH LOC:	UL:	D:	SEC: 11	TWN: 12S	RNG: 32E		
			990 FNL			990 FWL			
		TD	11235	PBD	10026	KB	DF		
						GL	4375		
		POOL				PERFS			
		CAPROCK; DEVONIAN, EAST				Open Hole 11215-11235			
		POOL Zone Dry in this wellbore				PERFS 10517-10567			
		CAPROCK; MISSISSIPPIAN, EAST (GAS)							
		POOL				PERFS 9817-9878			
		CAPROCK; UPPER PENN, EAST				9916-9980			
Rustler	1500								
Top Salt									
Base Salt									
Yates	2300								
Queen									
San Andres	3565								
Glorieta	5050	8 5/8 @ 3635'	TOC @ 0'						
Tubb	6480								
Abo	7350								
Wolfcamp		TOC @ 8350 Calc							
Pennsylvanian		PERFS 9817-9878							
Miss Lm	10500	PERFS 9916-9980							
Devonian	11210	CIBP @ 10026'							
		PERFS 10517-10567							
		CIBP @ 10900'							
		5 1/2 @ 11215'							
		TOC @ 8350'							
		TD 11235							
CASING RECORD									
		SIZE	DEPTH	CMT	HOLE SIZE	TOC			
		SURF.	13 3/8	355	350 sxs	17 1/2			
		INT1	8 5/8	3635	2300 sxs	11			
		PROD.	5 1/2	11215	400 sxs	7 7/8			
						8350' Calc			
PREPARED BY: Eddie Seay UPDATED 03/14/08									

WELLBORE SCHEMATIC AND HISTORY

		COMPLETION SCHEMATIC			APINUM: 30-025-08007								
FORM	DEPTH				OPERATOR: PALADIN ENERGY CORP								
					LEASENAME: NEW MEXICO BH STATE								
					SURF LOC:	UL:	C	SEC:	11	TWN: 12S RNG: 32E			
										660 FNL 1980 FWL			
					BH LOC:	UL:	C	SEC:	11	TWN: 12S RNG: 32E			
										660 FNL 1980 FWL			
					TD	11220	PBD	KB		DF			
								GL					
					POOL								
					PERFS 11184-11218								
					CAPROCK;DEVONIAN, EAST								
					Open Hole								
					POOL Zone Dry in this wellbore								
					PERFS 9817-9878								
					CAPROCK;ATOKA, NORTHEAST (GAS)								
					PERFS 8360-8690								
					POOL CAPROCK;WOLFCAMP, EAST								
Rustler	1440												
Top Salt													
Base Salt													
Yates	2262												
Queen													
San Andres	3550												
Glorieta	4957	8 5/8 @ 3605' TOC @ 0'											
Tubb	6413												
Abo	7194												
Wolfcamp					TOC @ ??????								
Pennsylvanian					PERFS 8360-869								
Miss Lm	10477				CIBP @ 9000'								
Devonian	11080				CIBP @ 9280'								
					PERFS 9320-9590								
					CIBP @ 9650'								
					PERFS 9680-9880								
					CIBP @ 9890'								
					PERFS 9895-9930								
					CIBP @ 10190'								
					PERFS 10200-10250								
					CIBP @ 10400'								
					PERFS 11093-11110 sqz								
					PERFS 11184-11218								
					TD 11220								
PREPARED BY:						Eddie Seay			UPDATED				
03/14/08													

POOL: Anderson Ranch - Wolfcamp

All values in Parts per Million - PPM.

COMPANY	FORMATION	COD _E	Chloride Cl.	Sodium Na.	Magnesium Mg.	Calcium Ca.	Sulfate So ₄	Sulfide H ₂ S
Conoco	11-16-32	Wt% <i>pw</i>	23,785					
Conoco - obs	2-16-32	Wt% <i>pw</i>	11,040		7,176			

Pool 1 Chloride Average (All Pool Formations):

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WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

POOL: McCORMICK - S/141/242

All values in Parts per Million - ppm.

Pool Chloride Average (All Pool Formations):

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Pool Formation Average - PPM Cl.

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Form. ζ/μ 38/181

WF = Water Flood Water

PW = Produced Water (primary)

POOL: 1921 - Devonian

All values in Parts per Million - PPM.

Pool Chloride Average (All Pool Formations):

Baptism

CODE:

WF = Water Flood Water

PW = Produced Water (primary)

R = Reef water.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (575) 392-6949

Receiving Date: 04/01/08

Reporting Date: 04/03/08

Project Owner: PALADIN

Project Name: PALADIN, BAGLEY EAST CAPROCK

Project Location: SECT. 11 T.12 R.32E. LEA CO., NM

Sampling Date: 03/31/08

Sample Type: GROUNDWATER

Sample Condition: INTACT

Sample Received By: AB

Analyzed By: HM/KS

LAB NUMBER SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:	04/02/08	04/02/08	04/02/08	04/02/08	04/01/08	04/01/08
H14546-1 BEC #1	36	69.2	12.9	1.82	602	188
Quality Control	NR	49.2	50.0	3.07	1,421	NR
True Value QC	NR	50.0	50.0	3.00	1,413	NR
% Recovery	NR	98.5	100	102	100	NR
Relative Percent Difference	NR	2.8	1.6	1.6	0.2	NR

METHODS:	SM3500-Ca-D	3500-Mg E	8049	120.1	310.1
----------	-------------	-----------	------	-------	-------

	Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	04/01/08	04/02/08	04/01/08	04/01/08	04/01/08	04/02/08
H14546-1 BEC #1	52	43.9	0	229	7.57	397
Quality Control	490	25.6	NR	988	7.06	NR
True Value QC	500	25.0	NR	1000	7.00	NR
% Recovery	98.0	102	NR	98.8	101	NR
Relative Percent Difference	2.0	4.7	NR	1.2	0.3	NR

METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1
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Kristen Sepulveda
Chemist

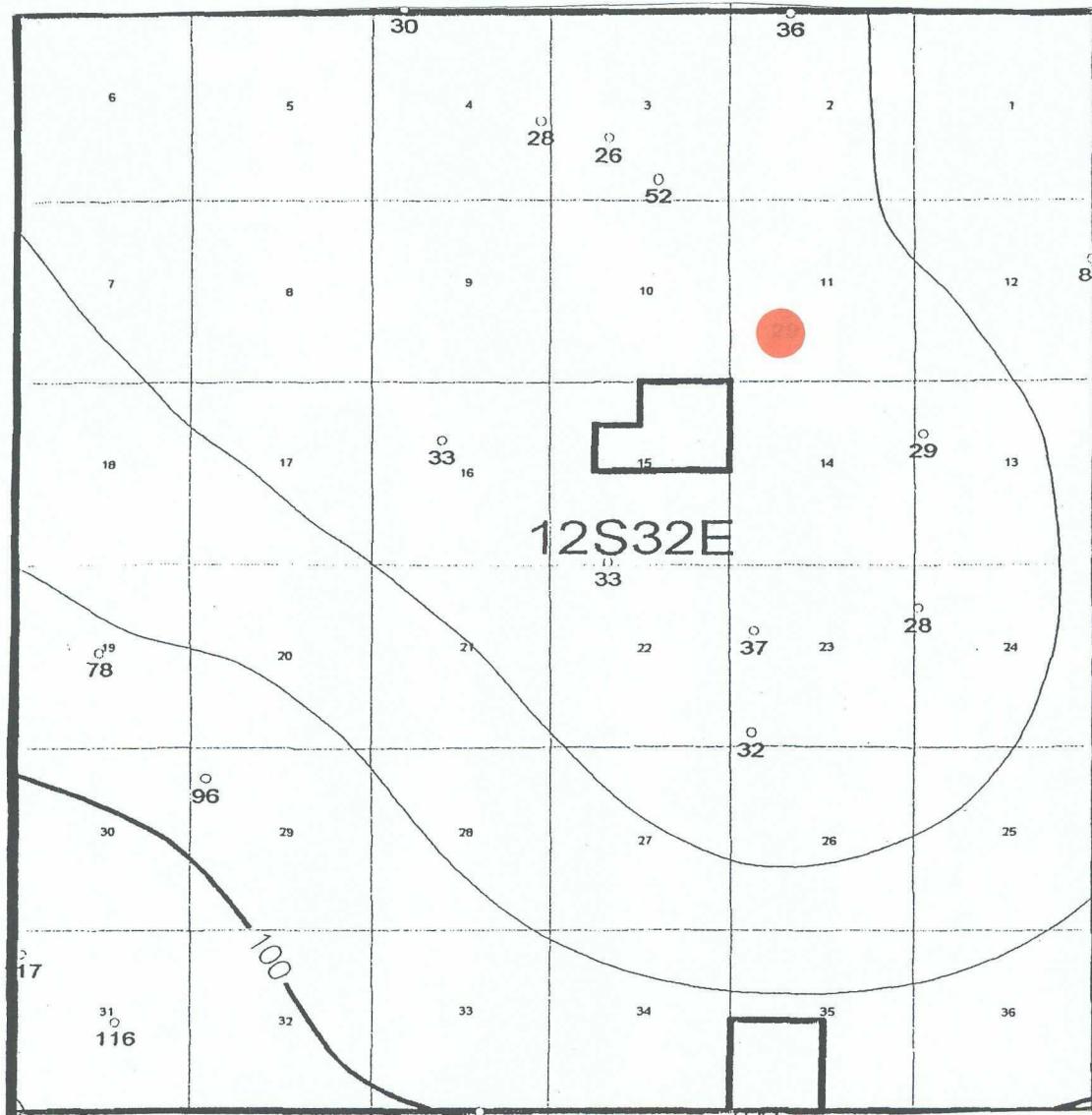
04/03/08
Date


ARDINAL LABORATORIES

 101 East Marland, Hobbs, NM 88240
 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Eddy Soil Consulting</u>		BILL TO		ANALYSIS REQUEST					
Project Manager: <u>Linda Williams</u>	P.O. #:	Commerce:	Attn:						
Address: <u>101 East Marland</u>	State: <u>NM</u>	Zip: <u>88242</u>	Address: <u>Same</u>						
City: <u>Hobbs</u>	Phone #: <u>2-7236</u>	Fax #: <u>2-1949</u>	City: <u>Same</u>						
Project #: <u>Q-Dad-in</u>	Project Owner: <u>Patricia</u>		State: <u>Same</u>						
Project Name: <u>Dad-in, Cedar East Caprock</u>	Phone #: <u>1-800-511-1122</u>		Zip: <u>88242</u>						
Project Location: <u>Sand Hill T.12 R.32 E.</u>	Fax #: <u>1-800-511-1122</u>								
Sampler Name: <u>Edwin Sosa</u>									
FOR LAB USE ONLY								SAMPLING	
Lab I.D.	Sample I.D.		MATRIX	PRESERV.	TIME		DATE		OTHER:
H14546-1	BEC #1		(G)RABOR (COMP)	# CONTAINERS	3/31		4:10		OIL / COOL
			GROUNDWATER	J					ACID/BASE:
			WASTEWATER	J					SLUDGE:
			SOLID	OIL					OTHER:
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Groundwater Map

Water sample

PALADIN ENERGY CORP.

April, 2008

RE: BH State NCT 1 #2
Unit F, Sect. 11, T. 12 S., R. 32 E.
API #30-025-08008

Dear Sir:

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

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

Thank you,

Eddie W. Seay

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

4575 3049
2560 7002

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.82
Certified Fee	265
Return Receipt Fee (Endorsement Required)	215
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.62
Sent To State Land Office 310 Old Santa Fe Trail Box 1148 Santa Fe, NM 87504-1148	
Street, Apt. No.; or PO Box No. City, State, Zip+4	
PS Form 3800, August 2006	
See Reverse for Instructions	

MONUMENT NM
Postmark Here APR 08 2008
USPS - 88265

LEASE OWNERS AND OFFSETS

LANDOWNER

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

OFFSET OPERATORS

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

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 New Mexico BH State NCT 1 #2, API 30-025-08008, located in Unit F, Section 11, Township 12 South, Range 32 East, Lea Co., NM. The injection formation is the Devonian from 11110' to 11425' below surface. Expected maximum injection rate is 4000 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, (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 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 April 3, 2008 and ending with the issue of April 3, 2008.

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 7th day of April 2008

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 New Mexico BH State NCT 1 #2, API 30-025-08008, located in Unit F, Section 11, Township 12 South, Range 32 East, Lea Co., NM. The injection formation is the Devonian from 11110' to 11425' below surface. Expected maximum injection rate is 4000 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, (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.

Published in the Lovington Leader April 3, 2008.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, April 24, 2008 11:39 AM
To: 'seay04@leaco.net'
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Kautz, Paul, EMNRD
Subject: SWD Application on behalf of Paladin Energy Corp.: New Mexico BH State #2 API No. 30-025-08008 Proposed Devonian Injection Sec 11 T12S R32E

Hello Eddie:

After a review, have a few questions or requests:

- 1) Please ask a landman if there is any division of interests between the Wolfcamp and the Devonian in this well.
- 2) Please send notice to Collins & Ware, Inc. out of Midland - It is the operator of record of an inactive Wolfcamp well in Unit O of Section 2. *Annotated since 5/7/08*
- 3) Ask Paladin's Landman who controls the Devonian in the E/2 E/2 of Section 10 - if any other notice needs to be sent, please do.
- 4) Please ask Paladin to send copies of any logs and temp. surveys they have in their file for this well to Hobbs district for scanning - OCD web site shows no logs.
- 5) The permit will have a condition that Paladin complete the P&A and Release of the H.C. Posey A #3 30-025-00100. This well especially needs an internal plug set above the inactive Devonian perfs and the well plugged uphole from there.

I see that Paladin recently tried an acid job on this well in the Wolfcamp - largely unsuccessful and its Financial Assurance and Inactive Wells are fine - Rule 40 OK.

Thanks for the application.

Let me know of any progress - especially the date of any notices.

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

The handwritten notes include:
 - A large 'X' mark.
 - The word 'Cancelled' written twice, once above the 'X' and once below it.
 - The word 'Reopened' written below the 'Cancelled' notes.
 - The word 'Release' followed by the date '5/22/08' written in cursive script.

May 6, 2008

RECEIVED

2008 MAY 9 PM 2 33

NMOCD Engineering
ATTN: Will Jones
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: Paladin Energy
New Mexico BH State #2 API 30-025-08008
C-108

Mr. Jones:

Find enclosed answers to the questions concerning the above listed permit.

- 1) Paladin owns the Wolfcamp and Devonian, 100%. There is no division of interest.
- 2) The Collins & Ware well you noted is P & A. Also, Collins & Ware is no longer in operation. I have attached the C-103.
- (3) The area in the East half of Section 10 is state minerals, Amerada has mineral lease, find enclosed notice to Amerada.
- (4) Logs were sent to Paul Kautz, Hobbs.
- (5) The HC Posey A has already been P & A, will get location ready for release.

Should you have additional questions, please call.

Sincerely,



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

cc: Paladin - David Plaisance

Eddie W. Seay

From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: <seay04@leaco.net>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>; "Warnell, Terry G, EMNRD" <TerryG.Warnell@state.nm.us>; "Kautz, Paul, EMNRD" <paul.kautz@state.nm.us>
Sent: Thursday, April 24, 2008 11:39 AM
Subject: [SPAM] SWD Application on behalf of Paladin Energy Corp.: New Mexico BH State #2 API No. 30-025-08008 Proposed Devonian Injection Sec 11 T12S R32E

Hello Eddie:

After a review, have a few questions or requests:

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Let me know of any progress - especially the date of any notices.

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

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the

Submit 3 Copies
to Appropriate
District Office

STATE OF NEW MEXICO
Energy - Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1088, Hobbs, NM 88240

DISTRICT II
P.O. Box 1088, Artesia, NM 88210

DISTRICT III
P.O. Box 1088, Carlsbad, NM 88220

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL #/PI NO.

30-025-0080

00080

5. Indicate Type of Lease

STATE

FBB

6. State Oil & Gas Lease No.

B-9675

SUNDAY 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 O-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator:
COLLINS & WARE, INC.

3. Address of Operator:
508 W. WALL, Suite 1200, Midland, Texas 79701

4. Well Location:

Unit Letter 0, 660 Feet From The South Line and 1980 Feet From The East Line

Section 2 Township 12-S Range 32-E NFMN LEA County

10. Elevation (Show whether LF, RKB, RT, OR, etc.)

4359' DF

11. 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.

PLUG AND ABANDONMENT

PULL OR ALTER CASING

CASING TEST AND CEMENT JOB

OTHER: _____

OTHER: _____

12. 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.

11-25-96 SET CIRP @ 8300' - spot 35' cement on top

11-26-96 SPOT 40 SXS @ 5100'-4892'

11-26-96 SPOT 40 sxs @ 3660'-3415' tagged

11-26-96 SPOT 40 SXS @ 1539'-1400'

11-27-96 SPOT 10 sxs @ 30'-surface

INSTALL DRY HOLE MARKER

CIR. 10# mud

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

SIGNATURE

Dianne Sumrall TITLE Production Supervisor

DATE 12/06/96

TYPE OR PRINT NAME

Dianne Sumrall

(915) 687-3435

TELEPHONE NO.

(This space for State Use)

APPROVED BY

CORRECTIONS OR APPROVAL, IF ANY

OIL & GAS INSPECTOR

JG

Jack Griffin

DATE

TC

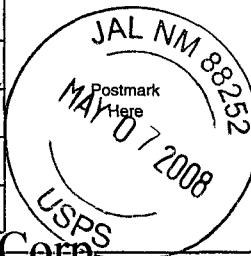
9
JG

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

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Postage	\$ 1.14
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.94



Sent To **Amerada-Hess Corp.**

Box 840

Street, Apt. No.
or PO Box No.

City, State ZIP: **Seminole, TX 79360**

PS Form 3800, August 2006

See Reverse for Instructions

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

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

WELL API NO. 30-025-08008

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
 New Mexico State BH NCT 1

8. Well Number 2

9. OGRID Number

10. Pool name or Wildcat
 Caprock, Wolfcamp East

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.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator Paladin Energy Corp.

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

4. Well Location

Unit Letter F : 1980 feet from the North line and 1980 feet from the West line
 Section 11 Township 12S Range 32E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4366' GR

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

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: Acidize Wolfcamp – return to production

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.

9/13/2007 – 9/19/2007

Tagged CIBP in 5-1/2" csg. at 8,625'. Picked up packer and tubing, set packer at 8,300'. Acidize existing Wolfcamp perforations from 8,431-8,600' with 2,700 gallons 15% HCL. Swabbed back load. Pull tubing and packer. Ran 2-7/8" tubing and tubing anchor. Ran rod pump and rods. Put well on production.

Test 9/24/07: 7 BOPD, 15 BWPD, 0 MCF

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

David Plaisance

TITLE VP Exploration & Production DATE 10/17/2007

Type or print name
 For State Use Only

E-mail address:

Telephone No.

OC FIELD REPRESENTATIVE II/STAFF MANAGER

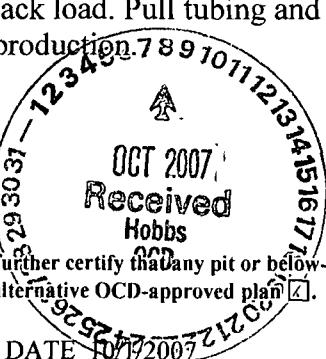
TITLE

OCT 09 2007

APPROVED BY: Gary W. Wink

Conditions of Approval (if any):

DATE



SWD Order Number 1123 Dates: Division Approved _____ District Approved _____Well Name/Num: NM BH STATE #2 Date Spudded: OLDAPI Num: (30-) 025-03008 County: LeeFootages 1980 FNL / 1980 FWL Sec 11 Tsp 12S Rge 32EOperator Name: Paladin Energy CORP. Contact David PlaisanceOperator Address: 10290 Monroe Dr Suite 301, Dallas, TX 75229Current Status of Well: Planned Planned Work: Re-side, Deepen Inj. Tubing Size: 7/8

SINCE 1984	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	<u>7 1/2</u> <u>13 3/8</u>	<u>350</u>	<u>350</u>	<u>CIRC</u>
Intermediate	<u>11</u> <u>8 5/8</u>	<u>3600</u>	<u>2300</u>	<u>CIRC</u>
Production	<u>7 7/8</u> <u>5 1/2</u>	<u>11225</u>	<u>950</u>	<u>6850 T.S.</u>
Last DV Tool				
Open Hole/Liner				<u>will be Deepened off. To 11425</u>
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion After Conversion Checks (Y/N): Well File Reviewed ELogs in Imaging None

Intervals:	Depths	Formation	Producing (Yes/No)
<u>Salt/Potash</u>	<u>1500 — 2300 ft</u>		
<u>Capitol Reef</u>			
<u>Cliff House, Etc.</u>			
<u>Formation Above</u>	<u>10,400 — Penn</u>		
<u>Top Inj Interval</u>	<u>11,110</u>	<u>Dev (Perf)</u>	<u>2022</u> PSI Max. WHIP
<u>Bottom Inj Interval</u>	<u>11,425</u>	<u>Dev (Open hole)</u>	<u>Open Hole (Y/N)</u>
<u>Formation Below</u>	<u>12,100 — Silurian</u>		<u>Deviated Hole (Y/N)</u>

Fresh Water: Depths: 0 - 160' Wells(Y/N) _____ Analysis Included (Y/N): yes Affirmative Statement Salt Water Analysis: Injection Zone (Y/N/NA) _____ DispWaters (Y/N/NA) _____ Types: McFee, Dev, SIL, WCNotice: Newspaper(Y/N) _____ Surface Owner SLO Mineral Owner(s) _____

Other Affected Parties: _____

AOR/Repairs: NumActiveWells 9 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) yes AOR STRs: Sec 11 Tsp all Rge _____ UIC Form Completed (Y/N) New AOR Table Filename E2/E2/S1/S1 Sec E2/E2 Tsp S1/S1 Rge _____ This Form completed yesConditions of Approval: Sec 5 1/2 S 1/2 S 2 Tsp 2 Rge _____ Data Request Sent 7/24/08TA or PEA any long-term lease wells in AOR— PEA 30-025-00100 H.C. Posey A#3 (dry) NE Caprock ATOKAAOR Required Work: Machine Wolfcamp OilfieldCollins & Ware NC in Sec 2 UNIT 0Required Work to this Well: MIDLAND TX