

DATE IN 8/7/09	SUSPENSE 9/3/09	ENGINEER Jones	LOGGED IN 8-10-09	TYPE SWD	APP NO. 0922228644
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8/18/09

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



South Vacuum Unit 352
30-025-03/51
Paladin (164070)

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]

22557

97368 rec

[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

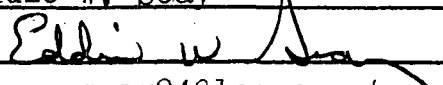
[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

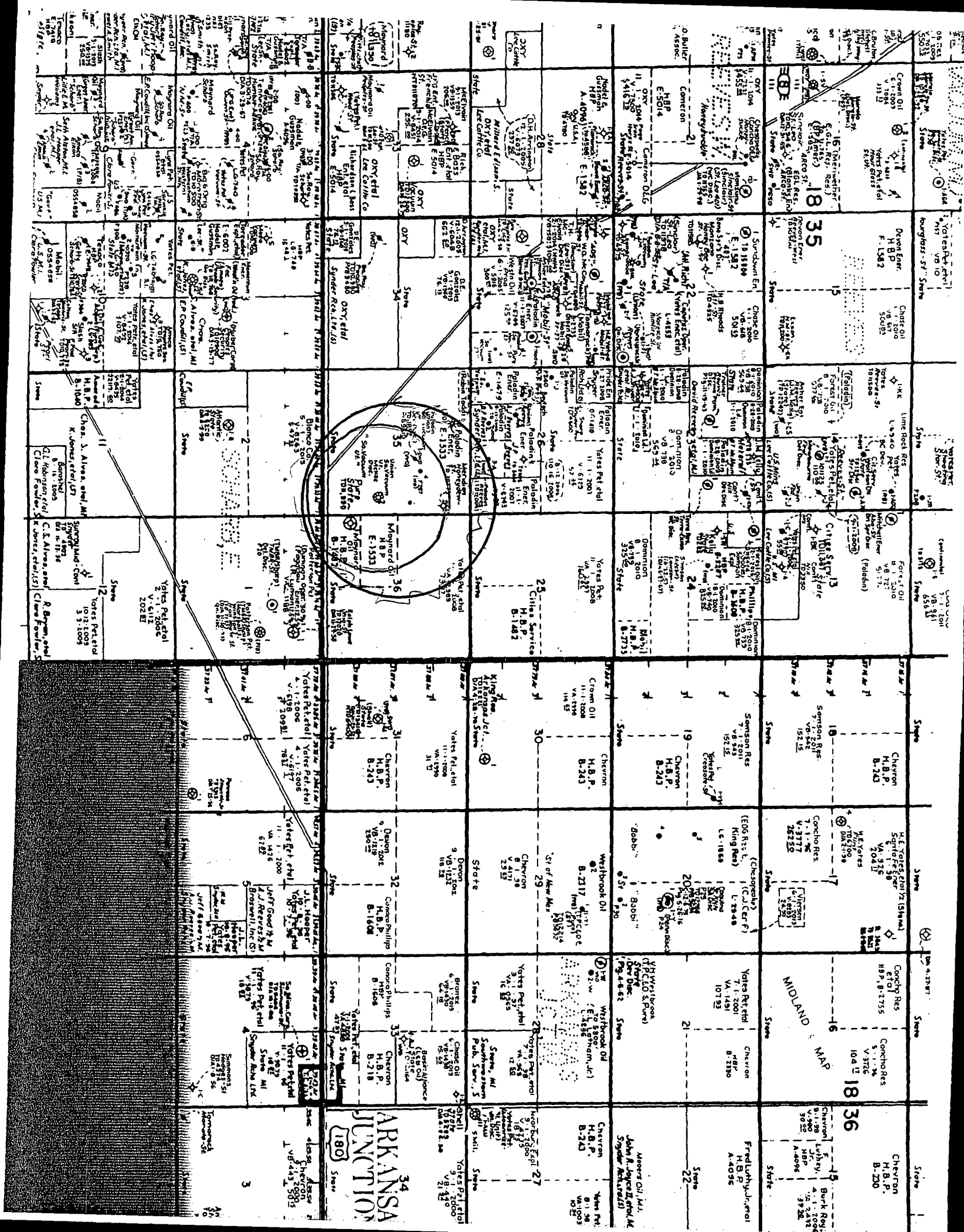
[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted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

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

Eddie W Seay Eddie W Seay Agent 8/3/09
Print or Type Name Signature Title Date
seay04@leaco.net
e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Paladin Energy Corp.
ADDRESS: 10290 Monroe Dr., Ste. 301 Dallas, TX 75229
CONTACT PARTY: David Plaisance PHONE: 214-654-0132
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No Previous SWD No. R-4147
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:  DATE: 7/28/09
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: 1958 when drilled.



ATTACHMENT TO APPLICATION C-108

South Vacuum Unit 35 #2
Unit I, 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) Baker Lock Set.
- B.
 - 1) Injection formation is the Devonian.
 - 2) Injection interval 11630' to 11840'.
 - 3) Well was drilled as a producer, converted to a Devonian SWD, then converted to a McKee gas well.
 - 4) The next higher producing zone is the Mississippian at approximately 10752'.
The next lower producing zone is the Simpson at approximately 13,400'.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

- VII. Paladin proposes to re-complete the above listed well. ~~Clean out well bore and plugs down~~ to old Devonian perfs, either re-perforate or acidize old perfs. Perforate Devonian. Run 3 1/2" plastic coated tubing with 7" packer and set at approximately 11570'.

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

- VIII. The proposed disposal formation is interbedded shale and limestone. The primary geologic formation is the Devonian from 11630' to 11840'.

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.

Paladin Energy Corp

South Vaseum Unit

35-7

1980/5

Unit I

FOOTAGE LOCATION

35
SECT

18
TOWNSHIP

35
RANGE

Schematis

Well Construction Data

[illegible]

Surface Casing

Size 13 7/8

Cemented with 395

SX.

TOC Surface

feet determined by Circulation

Hole Size 172

Intermediate Casing

Size **9 5/8**

Cemented with 960

SX.

TOC 5/2/20

feet determined by Civil

Hole Size 12-4

Long String

Size 7

Cemented with

SX-

TOC 7490

feet determined by TS

Hole Size 8 3/4

Total Depth 13919

5 in line for
injection interval

3305x

三

11840 feet to

feet

(perforated or open-hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size 3 1/2 " lined with IPC set in a
Baker Lock Set packer at 11570 feet
 (Type of internal coating)

Other type of tubing / casing seal if applicable NONE

Other Data

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

If no, for what purpose was the well originally drilled? Production, + converted to
Deviation SUD, then to a McKee open well.

2. Name of the Injection formation Devonian

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

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 at 13120 to 13823 CIRP + cement at 13580

5. Give the names and depths of any over or underlying oil or gas zones (pools) in this area.

Mississippian at 10752
Simpson at 13400

BEFORE WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-03151																																											
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP																																											
		LEASENAME: SOUTH VACUUM UNIT 352																																											
		WELL NO. 352																																											
		SURF LOC:	UL: I SEC: 35 TWN: 18S RNG: 35E																																										
		1980 FSL 660 FEL																																											
		BH LOC:	UL: I SEC: 35 TWN: 18S RNG: 35E																																										
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<div style="display: flex; justify-content: space-between;"> <div> <p>Rustler 1811</p> <p>T. Salt</p> <p>B. Salt 3220</p> <p>Yates 3350</p> <p>San Andres 5000</p> <p>Delaware 5747</p> <p>Bone Spring 7080</p> <p>Wolfcamp 9850</p> <p>Penn 10343</p> <p>Mississippian 10720</p> <p>Devonian 11574</p> <p>Simpson 13400</p> <p>Mckee 13617</p> <p>GW 13873</p> </div> <div> <p>13 3/8" @ 351' TOC @ 0'</p> <p>9 5/8" @ 3808' TOC @ 0'</p> <p>TOC 7 @ 7490'</p> <p>SCAB LINER 11620-11854</p> <p>Perfs 11680-11690'</p> <p>Perfs 11690-11730'</p> <p>TOP OF LINER @ 11854'</p> <p>7 @ 11953' TOC @ 7490'</p> <p>5 LINER @ 13881' TOC @ 11854'</p> <p>TD 13919'</p> </div> </div>		<div style="display: flex; justify-content: space-between;"> <div> <p>TD 13919</p> <p>PBD</p> <p>KB</p> <p>GL</p> </div> <div> <p>DF</p> </div> </div>																																											
		<div style="display: flex; justify-content: space-between;"> <div> <p>POOL VACUUM;DEVONIAN, SOUTH</p> <p>POOL VACUUM;MCKEE, SOUTH (GAS)</p> <p>POOL SWD;DEVONIAN</p> <p>POOL</p> </div> <div> <p>PERFS 11680-11690 SQZ</p> <p>11691-11730 SQZ</p> <p>PERFS 13620-13823</p> <p>PERFS 11680-11690 SQZ</p> <p>PERFS</p> <p>Open Hole</p> </div> </div>																																											
		<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>13 3/8</td> <td>351</td> <td>395 sxs</td> <td>17 1/2</td> <td>0' CIRC</td> </tr> <tr> <td>INTM1</td> <td>9 5/8</td> <td>3808</td> <td>760 sxs</td> <td>12 1/4</td> <td>0' CIRC</td> </tr> <tr> <td>PROD</td> <td>7</td> <td>11953</td> <td>1065 sxs</td> <td>8 3/4</td> <td>7490</td> </tr> <tr> <td>LINER1</td> <td>5</td> <td>11854-13881</td> <td>330 sxs</td> <td>6</td> <td>11854</td> </tr> <tr> <td>LINER2</td> <td>5</td> <td>11620-11854</td> <td></td> <td></td> <td>11620</td> </tr> </tbody> </table>		CASING RECORD							SIZE	DEPTH	CMT	HOLE SIZE	TOC	SURF.	13 3/8	351	395 sxs	17 1/2	0' CIRC	INTM1	9 5/8	3808	760 sxs	12 1/4	0' CIRC	PROD	7	11953	1065 sxs	8 3/4	7490	LINER1	5	11854-13881	330 sxs	6	11854	LINER2	5	11620-11854			11620
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<div style="display: flex; justify-content: space-between;"> <div>PREPARED BY:</div> <div>UPDATED</div> </div>																																													
07/20/09																																													

AFTER WELLBORE SCHEMATIC AND HISTORY

[illegible]

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-03150	
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP	
		LEASENAME: SOUTH VACUUM UNIT	
		WELL NO. 351	
		SURF LOC: UL: G SEC: 35 TWN: 18S RNG: 35E	
		1980 FNL 1980 FEL	
		BH LOC: UL: G SEC: 35 TWN: 18S RNG: 35E	
		1980 FNL 1980 FEL	
		TD 12030 PBD KB 3879 DF 3869	
		GL 3868	
		POOL VACUUM;DEVONIAN, SOUTH PERFS 11643-11680	
		POOL VACUUM;BONE SPRING, SOUTH PERFS 8892-8902	
POOL SWD;DEVONIAN PERFS 11643-11680			
Open Hole 11846-12030			

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	328	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

1/2 mile NW of Subject well

offset (SWD 980 - 6/8/15)

well

PREPARED BY:

UPDATED

07/20/09

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. 30-025-03150
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-1533-3
7. Lease Name or Unit Agreement Name South Vacuum
8. Well Number 351
9. OGRID Number 164070
10. Pool name or Wildcat SWD, Devonian <i><96101></i>

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type _____ Depth to Groundwater 60' _____ Distance from nearest fresh water well 1/2 Mile _____ Distance from nearest surface water more than mile _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Paladin Energy Corp.
3. Address of Operator 10290 Monroe Drive, Suite 301 Dallas, TX 75229
4. Well Location Unit Letter G : 1980 feet from the North line and 1980 feet from the East line Section 35 Township 18-S Range 35-E NMPM 8 Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3869'

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 ☐

OTHER: ☐

SUBSEQUENT REPORT ON:

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

OTHER: Convert well to SWD ☒

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.

8/16/05 - 9/15/05

MIRU. TIH w/ 4 3/4" bit & drill collars, drill out and clean casing to EOC at 11,846', circ clean. POOH. Tally into hole tag @ 11,845', drill to 12,030'. POOH, lay down drill collars, PU & RIH W/ pkr, set @ 11,485', ND BOP, NU wellhead, tst csg to 550#, lost 250# in 20 min. Bled off air & retest, lost 150 in 20 min. POOH, RIH w/ packer and RBP and check for leak. Leak between 7951-8550'. RIH w/tbg to 8597', balance 21 bls (100 sks) Class "H", 8597-7650', pull tbg to 7727', reverse out 2 bls of cmt, pull tbg to 7415', Squeeze 3 bls into formation, final squeeze pressure 1800#. Tag cmt to 8113', RU and drill 8113-8320', circ clean. Break circ and drill cmt 8320-8618 circ clean., drill cmt 8618-8680', circ clean. TIH w/retrieving head, wash sand off RBP, catch and release plug, POOH LD RBP. PU & ran in hole with 372 jts 3 1/2" plastic coated tbg & packer. RU pump truck & displace hole w/packer fluid. Set packer @ 11,575', tst pkr & casing to 500# (OK). ND BOP, NU Well head. RD pulling unit. Perforations from 11,643-680', open hole 11,846-12,030'

9/16/05 Workover completed, ready to start injecting water.

SWD - 980

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 Ann Westberry TITLE Manager, Corporate Support DATE 10/11/05

Type or print name Ann Westberry E-mail address: awestberry@paladinenergy.com Telephone No. 214-654-0132 X4

For State Use Only
APPROVED BY: Larry Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE OCT 20 2005
Conditions of Approval (if any):

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-03153	
FORM	DEPTH	OPERATOR: UNION OIL CO OF CALIFORNIA	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>11 3/4 @ 455' TOC 0'</p> <p>Rustler 1818</p> <p>Yates 3280</p> <p>8 5/8 @ 3801' TOC 0'</p> <p>San Andres 4964</p> <p>Delaware 5965</p> <p>Bone Spring 7084</p> <p>Wolfcamp 9300</p> <p>Strawn 10395</p> <p>Mississippian 10779</p> <p>Woodford Sh 11513</p> <p>Devonian 11666</p> </div> <div style="width: 45%; text-align: right;"> <p>PLUG 200 sxs 0-620'</p> <p>PLUG 75 sxs 2070-3600'</p> <p>PLUG 300 sxs 3800-5400'</p> <p>BASE CMNT PLUG 5400'</p> <p>PLUG 100 sxs 7655-10250'</p> <p>TOC PLUG @ 10250</p> <p>PLUG 100 sxs 10250-11950'</p> <p>OLD TD 11794</p> <p>TD 11950'</p> </div> </div>		<p>LEASENAME: LEA STATE I</p> <p>WELL NO. 1</p>	
		<p>SURF LOC: UL: M SEC: 36 TWN: 18S RNG: 35E</p> <p>997 FSL 330 FWL</p>	
		<p>BH LOC: UL: M SEC: 36 TWN: 18S RNG: 35E</p> <p>997 FSL 330 FWL</p>	
		<p>TD 11950 PBD KB DF</p> <p>GL 3854</p>	
		<p>POOL DRY & ABANDONED</p> <p>PERFS</p>	
		<p>POOL SWD</p> <p>PERFS</p>	
		<p>POOL</p> <p>Open Hole 3801-11950</p>	
		<p>PERFS</p>	
		<p>PERFS</p>	
		<p>PERFS</p>	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11 3/4	455	475 sxs	17 1/2	0' CIRC
INTM1	8 5/8	3801	1235 sxs	11	0' CIRC
PROD				7 7/8	
OH					

SPUD: 03/22/1960

COMP: 05/25/1960 DRY HOLE

P&A: 06/01/1960

RE ENTRY 09/22/1962

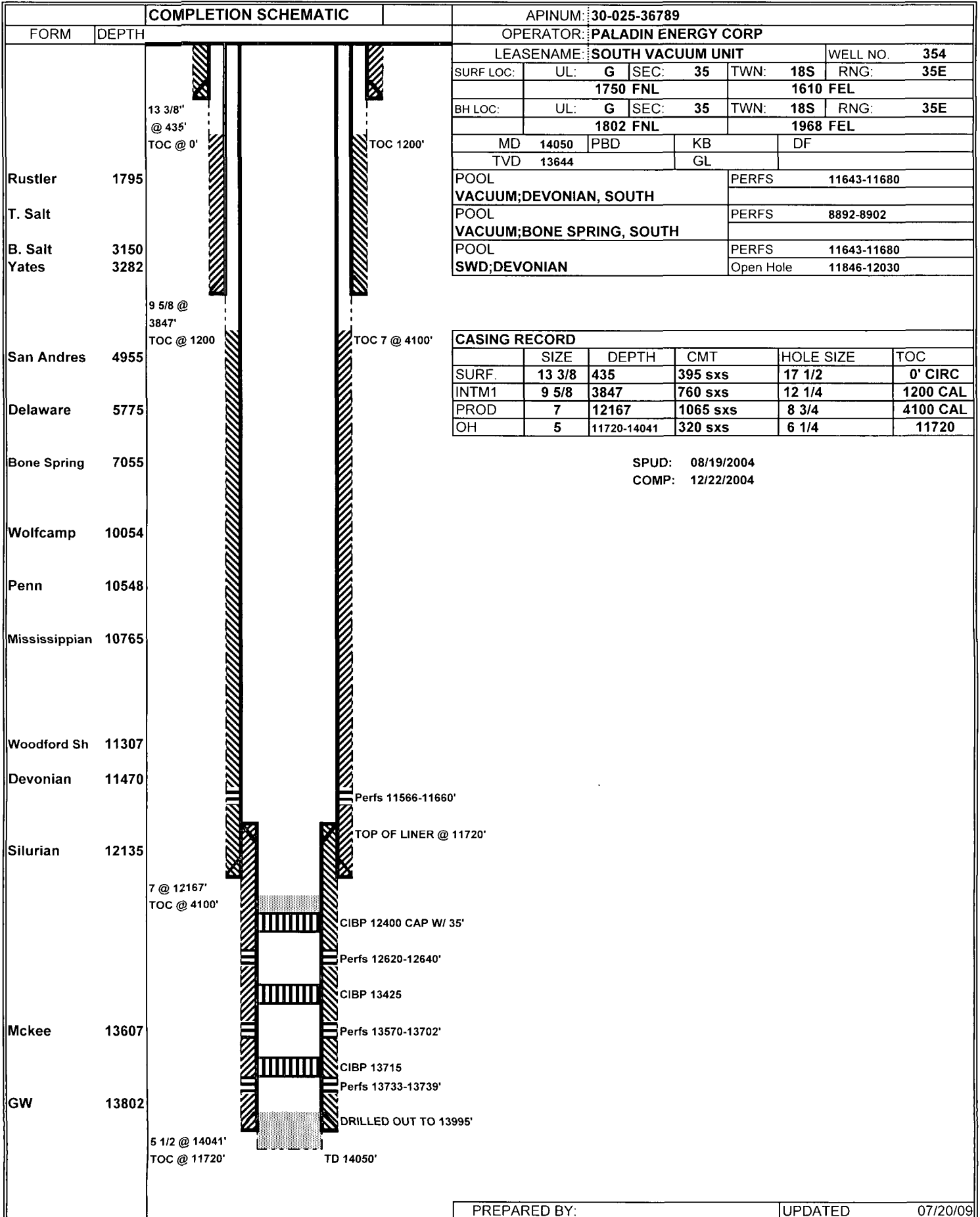
DEEPEN FROM 11794 TO 11950

P&A: 04/05/1971

PREPARED BY:

UPDATED 07/20/09

WELLBORE SCHEMATIC AND HISTORY



PREPARED BY:

UPDATED

07/20/09



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: 07/27/09
Reporting Date: 07/28/09
Project Owner: PALADIN
Project Name: PALADIN ST 35
Project Location: BUCKEYE

Sampling Date: 07/27/09
Sample Type: GROUNDWATER
Sample Condition: INTACT @ 21°C
Sample Received By: CK
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (u S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		07/27/09	07/27/09	07/27/09	07/27/09	07/27/09	07/27/09
H17870-1	SECTION 35-1	18	72.0	15.6	2.1	684	156
Quality Control		NR	49.7	51.5	2.95	1,412	NR
True Value QC		NR	50.0	50.0	3.00	1,413	NR
% Recovery		NR	99.4	103	98.3	100	NR
Relative Percent Difference		NR	<0.1	1.9	18.1	1.1	NR

METHODS:	SM3500-Ca-D	13500-Mg E	8049	120.1	310.1
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	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	07/27/09	07/27/09	07/27/09	07/27/09	07/27/09	07/27/09
H17870-1 SECTION 35-1	44	65.5	0	190	7.68	404
Quality Control	490	37.1	NR	964	7.02	NR
True Value QC	500	40.0	NR	1000	7.00	NR
% Recovery	98.0	92.8	NR	96.4	100	NR
Relative Percent Difference	2.0	1.9	NR	3.7	0.1	0.3

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

Date

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



ARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

BILL TO

ANALYSIS REQUEST

Company Name: Eddie Sany Consulting

Project Manager: Eddie Sany

P.O. #:

Address: Laos in Illinois

Company:

City: Hobbs

State: NM Zip: 88242

Attn:

Phone #: 2-2236

Fax #: 2-6949

Address:

Project #: Paladin

Project Owner: Paladin

City:

Project Name: Paladin St 35

State:

Zip:

Project Location: Bunkers

Phone #:

Sampler Name: Eddie Sany

Fax #:

FOR LAB USE ONLY

Lab I.D.

Sample I.D.

(G) GAS OR (C) COMP.

CONTAINERS

GROUNDWATER

WASTEWATER

SOIL

OIL

SLUDGE

OTHER :

ACID/BASE:

ICE / COOL

OTHER :

DATE

TIME

Section 35 - 1

11

✓

7/27 7:15

Gen. Chemistry

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished:

Date: 7/27

Received By: Chris Mune

Time: 9:10

Relinquished By: Eddie Sany

Date:

Received By:

Time:

Delivered By: (Circle One)

Temp:

Sample Condition
Cool ☒ Intact ☒
Yes ☒ No ☐

CHECKED BY: (Initials)

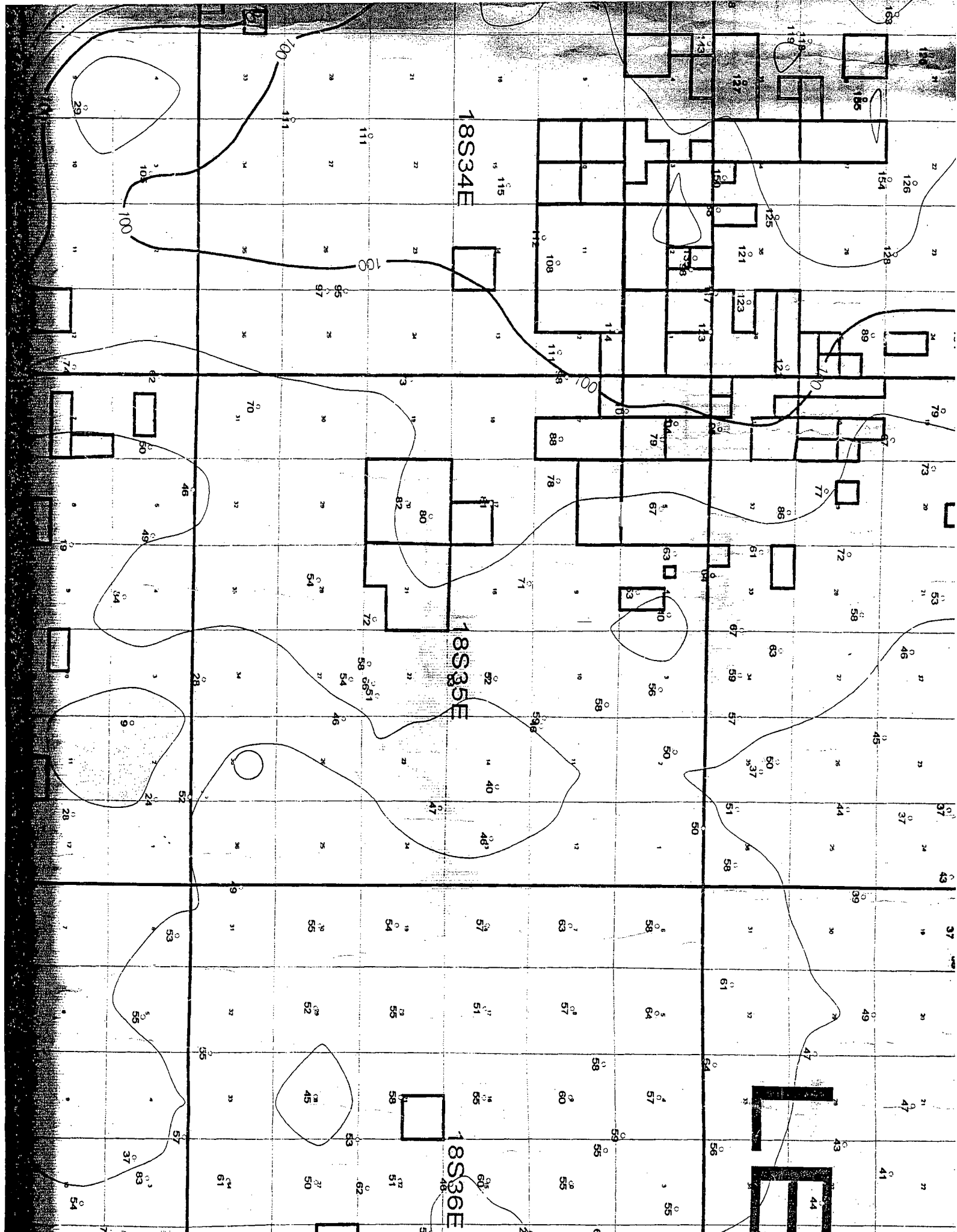
Sampler - UPS - Bus - Other:

Temp:

Sample Condition
Cool ☒ Intact ☒
Yes ☒ No ☐

CHECKED BY: (Initials)

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



Dean-Devonian

[illegible]

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

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

LEASE OWNERS AND OFFSETS

LANDOWNER

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 OPERATORS

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

Union Oil of California
108 Vzcr 1417
Van, TX 75790

PALADIN ENERGY CORP.

July 28, 2009

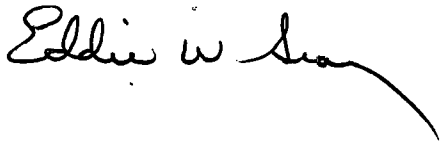
RE: South Vacuum Unit 35 #2
Unit I, Sect. 35, T. 18 S., R. 35 E.
API #30-025-03151

Dear Sir:

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

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

Thank you,

A handwritten signature in black ink, appearing to read "Eddie W. Seay", with a long, sweeping underline that extends to the right.

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

7008 1140 0001 3075 9491

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
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For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.39
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49

HOBBS NM
JUL 28 2009
P.M.

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

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3075 9484

U.S. Postal Service™	
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Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49

HOBBS NM
JUL 28 2009
P.M.
88240

Sent To **Union Oil of California**
 Street, Apt. No., or PO Box No. **108 Vzcr 1417**
 City, State, ZIP+4 **Van, TX 75790**

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3075 9477

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	\$ 1.39
Certified Fee	1.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49

HOBBS NM
JUL 28 2009
P.M.

Sent To **NM State Land Office**
 Street, Apt. No., or PO Box No. **310 Old Santa Fe trail**
 City, State, ZIP+4 **Box 1148 Santa Fe, NM 87504 1148**

PS Form 3800, August 2006 See Reverse for Instructions

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 LOV-**

INGTON LEADER and not in any supplement thereof, for

one (1) day, beginning with the issue of

July 30, 2009 and ending with the issue

of July 30, 2009.

And that the cost of publishing said notice is the sum of

\$ 26.20 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 31st day of

July 2009

Debbie Schilling

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

LEGAL NOTICE

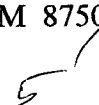
Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Paladin Energy Corp. 10290 Monroe Dr., Ste 301, Dallas, Texas 75229 is filing a C-108

Application for Salt Water Disposal. The well being applied for is the South Vacuum Unit 35 #2 located in Unit 1, Section 35, Township 18 South, Range 35 East, Lea Co., NM. The injection formation is the Devonian from 11630' to 11840' below surface. Expected maximum injection rate is 3000 bpd, and the expected maximum injection pressure is 1200 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (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 July 30, 2009.

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 35 #2 located in Unit I, Section 35, Township 18 South, Range 35 East, Lea Co., NM. The injection formation is the Devonian from 11630' to 11840' below surface. Expected maximum injection rate is 3000 bpd., and the expected maximum injection pressure is 1200 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (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.



August 4, 2009

NMOCD Engineering
ATTN: Will Jones
1220 South St. Francis Dr.
Santa Fe, NM 87505

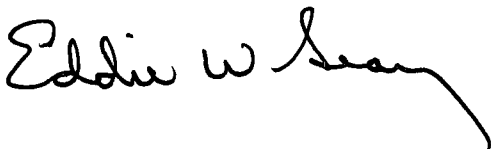
RE: Paladin Energy Corp.
C-108 Application
South Vacuum 35 #2 API 30-025-03151

Mr. Jones:

Find enclosed the C-108 Application to Convert the above listed well back to a Devonian SWD. This well was originally approved as a SWD under R 4147. Paladin recompleted it as a McKee gas well, the gas has depleted, so we are seeking to re-permit.

Your consideration is appreciated.

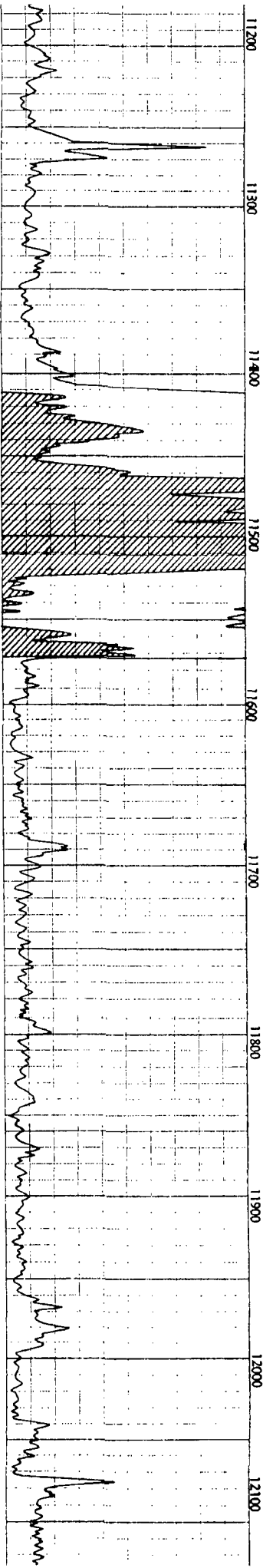
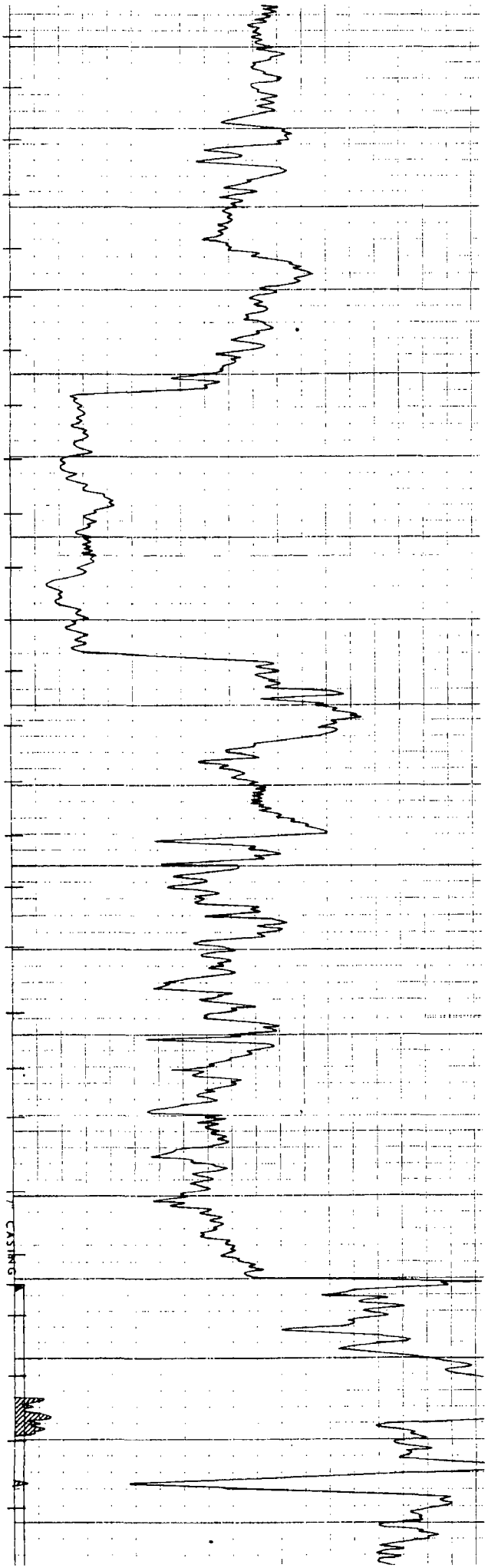
Sincerely,

A handwritten signature in black ink, appearing to read "Eddie W. Seay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

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

cc: Paladin Energy

API	Formation	WELL NAME	WI Status	IN Status	OPERATOR	FTG NS	NS CD	FTG EW	EW CD	OCB UL	SDIV UL	Sec	Tap	Rge	TVD DEP	COORD CDE	PROPERTY	LAWENR	ACRES	STUD DATE	COMPL STATUS	PLUG DATE	ONE PRODUCING POOL NAME	ESN		
3002503150	MCKEE	SOUTH VACUUM UNIT 151	A	16-Sep-05	PALADIN ENERGY CORP	1980 N	1980 N	1980 E	1980 E	G	G	35 185	35E	13030	164070	23557 S	23557 S	S	31	120	08-Sep-57	Active		VACUUMMCKEE SOUTH (GAS)	18	
3002503151	MCKEE	SOUTH VACUUM UNIT 152	A		PALADIN ENERGY CORP	1980 S	1980 S	1980 E	1980 E	H	H	35 185	35E	13919	164070	23557 S	23557 S	G	21	360	21-Mar-58	Active		VACUUMMCKEE SOUTH (GAS)	18	
3002503152	MCKEE	SOUTH VACUUM UNIT 153	A		PALADIN ENERGY CORP	660 N	660 N	1980 W	1980 W	C	C	35 185	35E	11725	164070	23557 S	23557 S	O	2	360	10-Nov-58	Active		VACUUMMCKEE SOUTH (GAS)	18	
3002503153	MCKEE	LEA STATE 1001	P		UNION OIL CO OF CALIFORNIA	997 S	997 S	130 W	130 W	M	M	36 185	35E	11794	23710	11469 S	11469 S	S	11	40		01-Apr-71	Plugged		VACUUMMCKEE SOUTH (GAS)	18
300250789	MCKEE	SOUTH VACUUM UNIT 154	A		PALADIN ENERGY CORP	1750 N	1750 N	1610 E	1610 E	G	G	35 185	35E	14090	164070	23557 S	23557 S	G	11	320	19-Aug-04	Active		VACUUMMCKEE SOUTH (GAS)	18	



NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. E-1533	

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 - 1" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Salt Water Disposal		7. Unit Agreement Name
2. Name of Operator Union Oil Company of California		8. Farm or Lease Name South Vacuum Unit "35"
3. Address of Operator P.O. Box 671 - Midland, Texas 79701		9. Well No. 2
4. Location of Well UNIT LETTER I 1980 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE, SECTION 35 TOWNSHIP 18-S RANGE 35-E NMPM.		10. Field and Pool, or Wildcat Vacuum Devonian South
15. Elevation (Show whether DF, RT, GR, etc.) 3862' GR		12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER Conversion to disposal service <input checked="" type="checkbox"/>

17. 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.

T.D.: 11700'

Ran Baker Lok-Set Packer on 11606' 2-3/8" Plasticcoated tubing at 11622'.
Acidized with 1500 gals. 20% Unisol acid.
Initial disposal rate: 3360 BPD at 950 psi wellhead pressure.
Well placed on disposal service June 5, 1971.

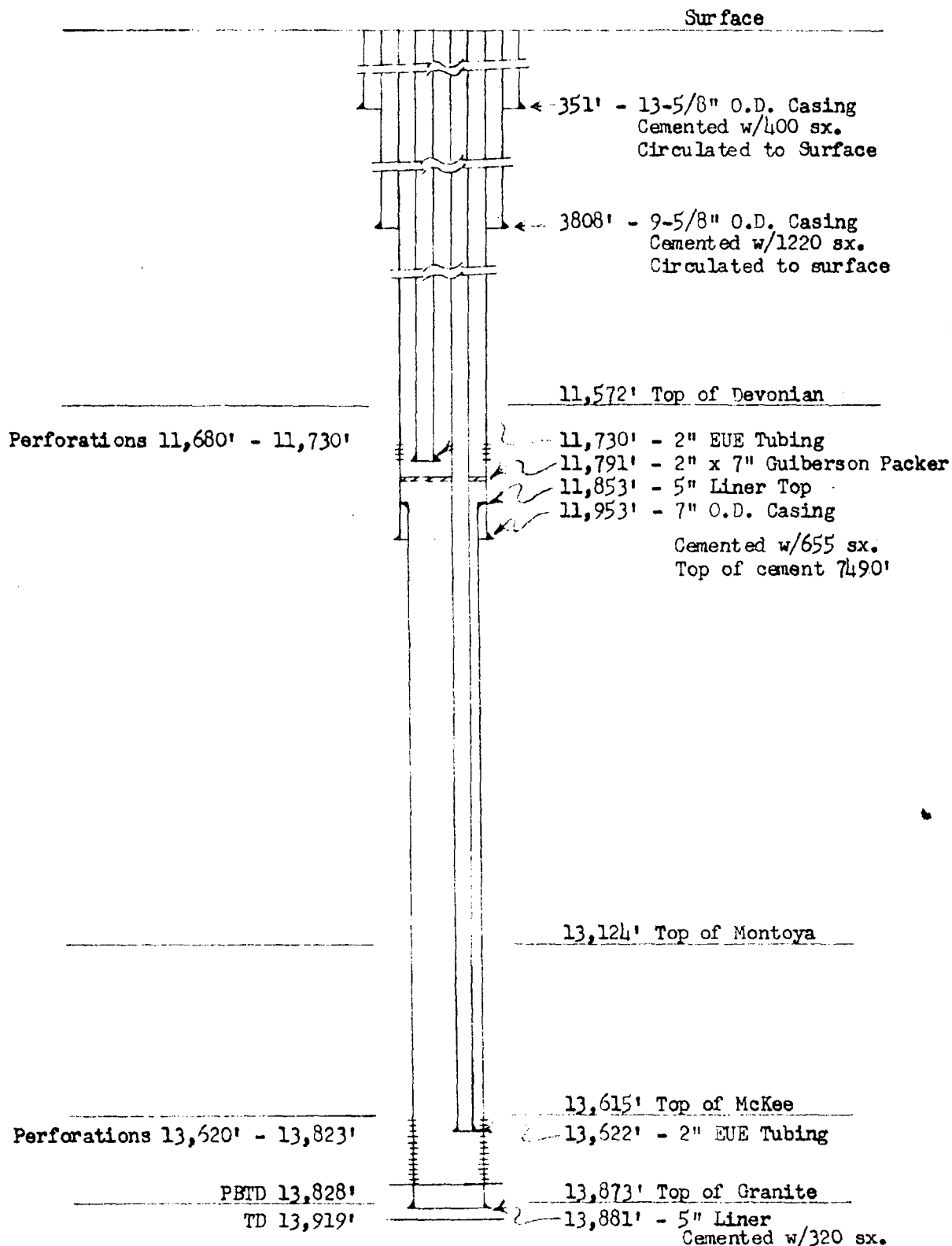
Auth: OCC Order No. R-4147 dated May 24, 1971.

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

SIGNED John Tyler TITLE District Production Supt. DATE March 1, 1972

APPROVED BY Joe D. Ramey TITLE Dist. I, Supv. DATE MAR 3 1972
CONDITIONS OF APPROVAL, IF ANY:

THE PUR OIL COMPANY—PROCESS CALCULATIC SHEET



WELL EQUIPMENT - SOUTH VACUUM UNIT #2-35

Subject

Date

9-26-58

HCS File No.

Page

By

RECORD OF DRILL-STEM AND SPECIAL TESTS

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

TOOLS USED

Rotary tools were used from 0 feet to 13,919 feet, and from feet to feet.
Cable tools were used from feet to feet, and from feet to feet.

PRODUCTION

Put to Producing October 1 58, 1958
OIL WELL: The production during the first 24 hours was 756 barrels of liquid of which 99-6/10 % was was oil; 4/10 % was emulsion; 0 % water; and 0 % was sediment. A.P.I. Gravity 49.5 Deg. at 60 Deg. (based on 8 hour test of 252 bbls. oil)
GAS WELL: The production during the first 24 hours was M.C.F. plus barrels of liquid Hydrocarbon. Shut in Pressure lbs.
Length of Time Shut in

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

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy.	1,811'	T. Devonian	11,574'
T. Salt		T. Silurian	
B. Salt		T. Montoya	13,124'
T. Yates	3,350'	T. Simpson	13,400'
T. 7 Rivers		T. McKee	13,617'
T. Queen	4,443'	T. Ellenburger	
T. Grayburg		T. Gr. Wash.	13,873'
T. San Andres	4,977'	T. Granite	13,908'
DELAWARE SAND	5,747'		
BORE SPRING	7,080'		
T. Tubbs			
T. Abo	8,743'		
T. Penn.	10,343'		
T. Miss.	10,720'		

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	25	25	Caliche				(continued)
25	156	131	Sand & shells	8018	8124	106	Lime
156	1540	1384	Redbed	8124	8184	60	Lime & chert
1540	1668	128	Redbed & gypsum	8184	8484	300	Lime
1668	1844	176	Redbed & anhydrite	8484	8530	46	Lime & chert
1844	1928	84	Anhydrite & gypsum	8530	8590	60	Lime
1928	2020	92	Salt	8590	8636	46	Lime & chert
2020	2308	288	Redbed, salt & anhydrite	8636	8728	92	Lime
2308	3208	900	Anhydrite & salt	8728	8807	79	Lime & sand
3208	3322	114	Anhydrite & sand	8807	8842	35	Lime
3322	3451	129	Anhydrite	8842	8867	25	Lime, sand & shale
3451	3611	160	Anhydrite & gypsum	8867	8990	123	Lime
3611	3809	198	Anhydrite	8990	9036	46	Lime & shale
3809	3823	14	Lime	9036	9056	20	Shale & chert
3823	4059	236	Anhydrite & lime	9056	9078	22	Lime & shale
4059	6208	2149	Lime	9078	9100	22	Lime, shale & chert
6208	6365	157	Lime & sand	9100	9125	25	Lime, shale & sand
6365	7196	831	Lime	9125	9131	6	Lime & shale
7196	7280	84	Lime & shale	9131	9175	44	Lime
7280	7704	424	Lime	9175	9278	103	Lime & shale
7704	7870	166	Lime & shale	9278	9289	11	Shale & sand
7870	7930	60	Lime	9289	9332	43	Lime
7930	7993	63	Lime & chert	9332	9352	20	Sand & shale
7993	8018	25	Chert	9352	9375	23	Lime
			(continued)				(continued)

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

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

October 21, 1958

Company or Operator The Pure Oil Company Address Box 2107, Fort Worth 1, Texas
Name J. L. Suttle Position or Title Chief Clerk

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/14/09 13:27:36
OGOWVJ -TPS7
PAGE NO: 2

Sec : 35 Twp : 12S Rng : 25W Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
NMSH	NMSH	NMSH	NMSH
E01533 0004	E01533 0004	E01533 0003	E01533 0003
FOREST OIL PERMIA	FOREST OIL PERMIA	PALADIN ENERGY CO	PALADIN ENERGY CO
C 10/10/57	C 10/10/57	C U 10/10/57	C U 10/10/57
			A
M	N	O	P
40.00	40.00	40.00	40.00
NMSH	NMSH	NMSH	NMSH
E01533 0004	E01533 0004	E01533 0004	E01533 0004
FOREST OIL PERMIA	FOREST OIL PERMIA	FOREST OIL PERMIA	FOREST OIL PERMIA
C 10/10/57	C 10/10/57	C 10/10/57	C 10/10/57

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/14/09 13:29:34
OGOWVJ -TPS7
PAGE NO: 1

Sec : 02 Twp : 13S Rng : 35E Section Type : NORMAL

4	3	2	1
39.50	39.46	39.42	39.38
CS	CS	CS	CS
V08263 0000	V08263 0000	V08263 0000	V08263 0000
THE BLANCO COMPAN	THE BLANCO COMPAN	THE BLANCO COMPAN	THE BLANCO COMPAN
05/01/13	05/01/13	05/01/13	05/01/13
E	F	G	H
40.00	40.00	40.00	40.00
CS	CS	CS	CS
V08263 0000	V08263 0000	V08263 0000	V08263 0000
THE BLANCO COMPAN	THE BLANCO COMPAN	THE BLANCO COMPAN	THE BLANCO COMPAN
05/01/13	05/01/13	05/01/13	05/01/13

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OCSSECT

ONGARD
INQUIRE LAND BY SECTION

04/29/05 13:44:16
OGOWVJ -TPOG
PAGE NO: 1

Sec : 35 Twp : 18S Rng : 35E Section Type : NORMAL

D 40.00 NMSH E01533 0003 PALADIN ENERGY CO C U 10/10/57 A	C 40.00 NMSH E01533 0003 PALADIN ENERGY CO C U 10/10/57 A	B 40.00 NMSH E01533 0004 FOREST OIL PERMIA C 10/10/57 A	A 40.00 NMSH E01533 0004 FOREST OIL PERMIA C 10/10/57 A
E 40.00 NMSH E01533-0004 FOREST OIL PERMIA C 10/10/57	F 40.00 NMSH E01533-0004 FOREST OIL PERMIA C 10/10/57	G 40.00 NMSH E01533 0003 PALADIN ENERGY CO C U 10/10/57 A A	H 40.00 NMSH E01533 0003 PALADIN ENERGY CO C U 10/10/57

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

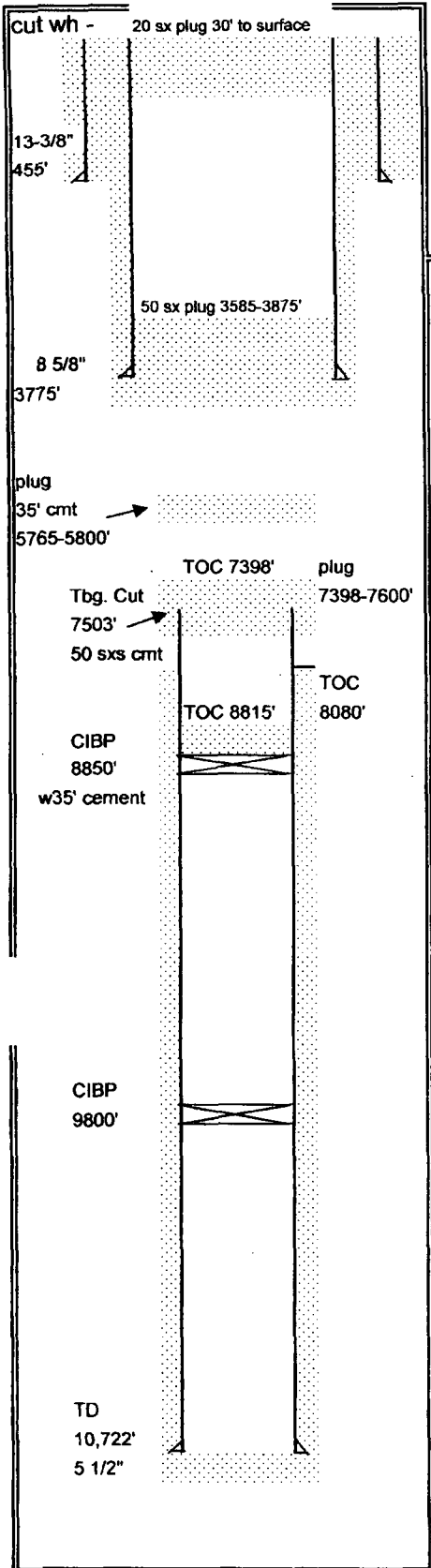
PF03 EXIT
PF09 PRINT

PF04 GOTO
PF10 SDIV

PF05
PF11

PF06
PF12

WELLBORE SCHEMATIC



Lease: Honeydew 35 State **Well:** 1 **API #** 30-025-30003
Operator: State BTD
Field: S. Vacuum **County:** Lea **State:** New Mexico
Section: 35 **Township:** 18-S **Range:** 35-E
Elev. GL: 3866' **Elev. DF:** **Elev. KB:**
Spudded: 10/12/1987 **Completed:** 11/9/1987

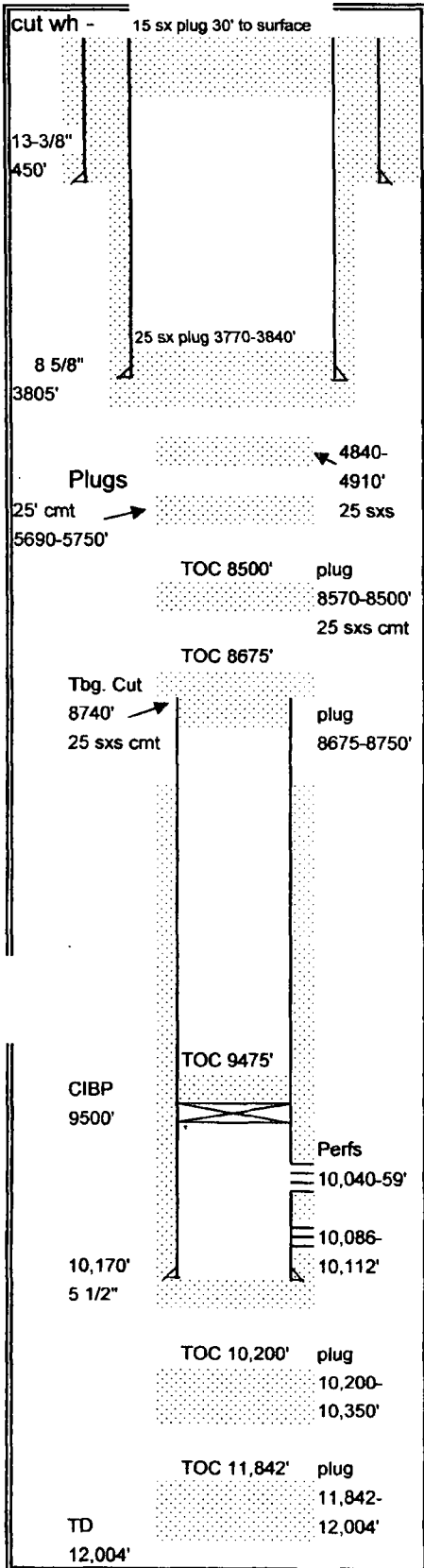
Surface Casing	13-3/8"	48#	Grade	
	Set @	455'	Hole Size	17 1/2"
	TOC	Surface	Sacks	475
Intermediate Casing	8 5/8"	32#/Ft.	Grade	
	Set @	3775'	Hole Size	12-1/4"
	TOC	Surface	Sacks	1,500
Production Casing	5 1/2" OD	17#/Ft.	Grade	
	Set @	10,722'	Hole Size	7 7/8"
	TOC	8,080'	Sacks	600
	*Temp Survey			
Liner Record	" OD	#/Ft.	Grade	
	Top @		Bottom @	
	Screen		Hole Size	
	TOC		Sacks	
Tubing Detail			Grade/Trd.	
	TAC Set @		EOT	
	Nipples			
	Anchors		Rods	
Perforation Record	No perforations - dry hole			
P&A Record	CIBP @9800'			
	CIBP @ 8850", dump bailed 35', TOC 8815"			
	50 sxs 7398-7600'			
	50 sxs 3585-3875'			
	10 sxs 0 to surface			
	Cut off Wellhead-install dry hole marker			
Comments:	Well P&A'd 9/30/88			
	dry hole marker 9/30/88			

PRESENT COMPLETION

Date: _____

Prepared By: _____

WELLBORE SCHEMATIC



Lease: Reeves A **Well:** 3-26 **API #** 30-025-03136
Operator: State BTD
Field: S. Vacuum **County:** Lea **State:** New Mexico
Section: 26 **Township:** 18-S **Range:** 35-E
Elev. GL: 3866' **Elev. DF:** **Elev. KB:**
Spudded: **Completed:** 8/1/1960

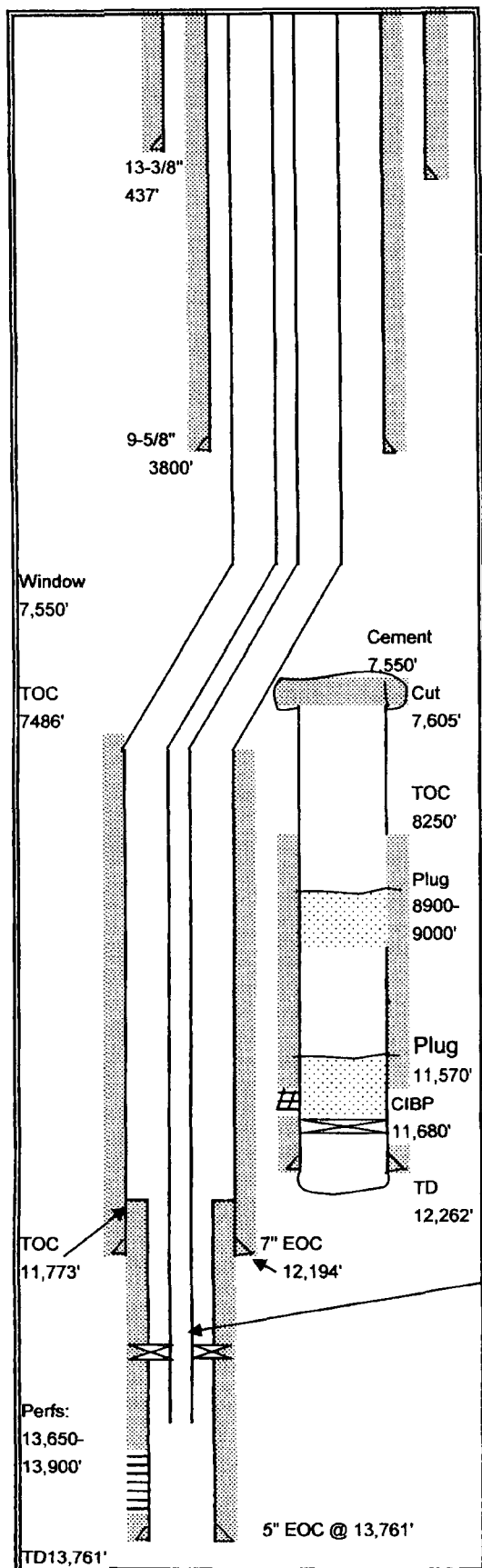
Surface Casing	13-3/8"	48#	Grade	
	Set @	455'	Hole Size	17 1/2
	TOC	Surface	Sacks	475
Intermediate Casing	8 5/8"	32#/#ft.	Grade	
	Set @	3805'	Hole Size	12-1/4"
	TOC	Surface	Sacks	1,500
Production Casing	5 1/2" OD	17#/#ft.	Grade	
	Set @	10,170'	Hole Size	7 7/8"
	TOC		Sacks	115
Liner Record	" OD	#/#ft.	Grade	
	Top @		Bottom @	
	Screen		Hole Size	
	TOC		Sacks	
Tubing Detail			Grade/Trd.	
	TAC Set @		EOT	
	Nipples			
	Anchors		Rods	
Perforation Record	10,046-59'			
	10,086-112'			
	Drilled to a total depth of 12,004'			
	45 sxs open hole 11,842-12,004'			
P&A Record	45 sxs open hole 12,200-10350'			
	CIBP @ 9,475' w25' of cmt'			
	25 sxs 7398-7600'			
	50 sxs 8675-875'			
	25 sxs 8570-8500'			
	25 sxs 5690-5750'			
	25 sxs 4840-4910'			
	25 sxs 3770-3840'			
	15 sxs surface to 30'			
	Comments:			
	Well P&A'd 2/7/62			
	dry hole marker 2/7/62			

PRESENT COMPLETION

Date: _____

Prepared By: _____

Wellbore Schematic



Lease: South Vacuum Unit Well: 35-3 API # 30-025-03152
 Operator: PALADIN Energy Corp.
 Field: South Vacuum County: Lea State: New Mexico
 Section: 35 Township: 18-S Range: 35-E
 Elev. GL: 3870' Elev. DF: _____ Elev. KB: _____
 Spudded _____ Completed _____

Surface Casing 13-3/8" 48# Grade _____
 Set @ 437' Hole Size 17-1/2"
 TOC surf. Sacks 450

Intermediate Casing 9-5/8" 40# Grade _____
 Set @ 3800' Hole Size 12-1/4"
 TOC Surface Sacks 1,300

Production Casing 7" 26 & 29# Grade N-80
 Set @ 12,194' Hole Size 8-3/4"
 TOC 7,486' Sacks 715

Liner Record 5" 18# Grade _____
 Top @ 11,773' Bottom @ 13,761'
 Screen _____ Hole Size 6-1/8"
 TOC 11,773' Sacks 250

Tubing Detail 2-3/8" & 2-7/8" Grade/Trd. _____
 Pkr. Set @ 13,414' EOT _____
 Nipples X - 13,432' _____
 Anchors _____ Rods _____

Perforation Record Original Hole Perfs - Devonian - 11,592-616' squeezed
 Proposed Perfs - McKee - 13,650-13,900' (selected)

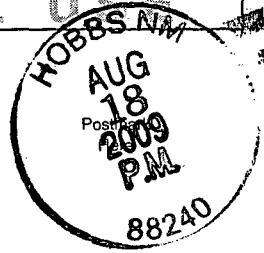
Completion
 Perfs: 13,506-09', 13,522-25', 13,556-59', 13,591-94', 13,627-30'.

 2-3/8" P 110 tubing to 11,494'
 2-7/8" P110 & N-80 tubing from 11,494' to surface
 5" Arrow set Retrievable Packer @ 13,414'
 Otis X Nipple (1.85" profile) @ 13,432'

PPRESENT COMPLETION 7/30/2004

7008 1140 0001 3075 9521

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Postage	\$ 139
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Total Postage & Fees	\$ 649
Sent To Yates Petroleum Corp.	
Street, Apt. No., or P.O. Box No.	
105 S. 4th St.	
City, State, ZIP+4	
Artesia, NM 88210	
PS Form 3800, August 2006 See Reverse for Instructions	



7008 1140 0001 3075

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Postage	\$ 139
Certified Fee	280
Return Receipt Fee (Endorsement Required)	230
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649
Sent To Forrest Oil Permian Corp.	
Street, Apt. No., or P.O. Box No.	
707 17th St., Ste. 3600	
City, State, ZIP+4	
Denver, CO 80202	
PS Form 3800, August 2006 See Reverse for Instructions	



Eddie W. Seay

From: "David Plaisance" <dplaisance@paladinenergy.com>
To: "Eddie Seay" <seay04@leaco.net>
Sent: Wednesday, August 19, 2009 3:28 PM
Eddie,

To answer W. Jones question #1, our landman took a look at unit order R-1048. He feels that the unit is still in force and being held as it was originally defined, and we are the operator of the entire unit. On question #2, the static fluid level of the S. Vac 35 #1 well is 2,500 ft. If you need any further information let me know.

Thanks,
David Plaisance

8/20/2009

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, August 14, 2009 2:37 PM
To: 'Eddie Seay'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD
Subject: Disposal application on behalf of Paladin: South Vacuum Unit 35 #2 30-025-03151 Devonian

Hello Eddie:

Application looks generally fine, but (as usual) I have a couple questions:

- 1) Is the (State) South Vacuum Unit still in place as defined in R-1048 and is Paladin now the operator of the whole Unit?
- 2) Please ask Paladin for the current static fluid level in the Devonian SWD-980 (South Vacuum Unit 35 #1). We asked for this in the SWD-980 order and I cannot find where Paladin ever turned it in.
- 3) The permit would require a CIBP and cement within 200 feet of the bottommost injection perforation – I don't see one on the "after" wellbore diagram.
- 4) Please send notice to Yates Petroleum Corporation and Forest Oil Permian – or send a land takeoff of Devonian ownership within all tracts located within ½ mile of this well. Our records show Yates and Forest as lessees. The ½ mile circle extends south into Sections 1 and 2 and southeast into the S/2 SW/4 of Section 36 (which does not seem to be in the South Vacuum Unit).

Thank You,

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

Cancelled 8/14/09

Tracking:

Jones, William V., EMNRD

From: Eddie Seay [seay04@leaco.net]
Sent: Tuesday, August 18, 2009 11:06 AM
To: Jones, William V., EMNRD
Subject: Read: Disposal application on behalf of Paladin: South Vacuum Unit 35 #2 30-025-03151
Devonian
Attachments: ATT4353029.txt

This is a receipt for the mail you sent to "Eddie Seay" <seay04@leaco.net> at 8/14/2009 2:37 PM

This receipt verifies that the message has been displayed on the recipient's computer at 8/18/2009 11:05 AM

This inbound email has been scanned by the MessageLabs Email Security System.

August 24, 2009

NMOCD Engineering
ATTN: Will Jones
1220 S. Saint Francis Drive
Santa Fe, NM 87505

RE: Paladin Energy Corp.
South Vacuum Unit 35 #2 (API 30-025-03151)
Supplement to C-108

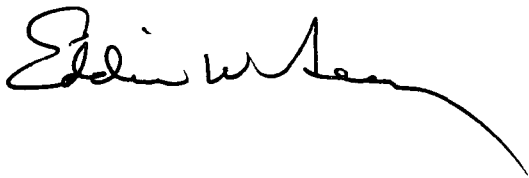
Mr. Jones:

Find answers to questions concerning the above permit request:

- (1) Paladin is the operator of the entire unit, and all is still in place as defined by R-1048.
- (2) The static fluid level of 35 #1 is 2500 ft.
- (3) Paladin will place CIBP with cement above perforations as requested.
- (4) Find copies of notices as requested.

Should you need anything further, please call.

Thanks,



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

cc: Paladin Operating

RECEIVED OGD
2009 AUG 26 P 12:21

Case _____ R-_____ **SWD** _____ WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr _____

Wells 1 Well Name: SOUTH Vacuum UNIT 35 #2

API Num: (30-) 025-03151 Spud Date: 1958 New/Old: 0 (UIC primacy March 7, 1982)

Footages 1980 FSL/660 FEL Unit I Sec 35 Tsp 18S Rge 35E County Lea

Operator: PALADIN Energy CORP. Contact: DAVID PLAISANCE

OGRID: 164670 ⁸⁸ RULE 5.9 Compliance (Wells) 1/57 (Finan Assur) OK OK

Operator Address: 10290 MONROE DR, SUITE 301, DALLAS, TX, 75229

Scab Line 11832 - 11834
Current Status of Well: ~~Off~~ ~~Major~~ Major Gas Well

Planned Work to Well: PLUG BACK Planned Tubing Size/Depth: 3 1/2 @ 11570

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or of	Cement Top and Determination Method
Existing ✓ Surface	17 1/2 13 3/8	351	395	CIRC.
Existing ✓ Intermediate	12 3/4 9 5/8	3808	760	CIRC.
Existing Long String	8 3/4 7	11953	1065	7490 T.S.

Day/Tool _____ Liner 5 1/2" 11834-13881 Open Hole 13881-13919 Total Depth 13919

Well File Reviewed

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File:

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	10753	MISS.	
Injection.....	11574	Dev	
Interval TOP:	11630	Dev	NOT NOW
Injection.....	11840	Dev	" "
Interval BOTTOM:			
Below (Name and Top)	13400	SIMPSON	

Core 4537 ✓ This well
See R-4147 5/24/71
also see SWD-980
off core well

2326 PSI Max. WHIP
Open Hole (Y/N)

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths ~~75 ft~~ 3220

.... ~~Potash Area (R-111-P)~~ _____ ~~Potash Lessee~~ _____ ~~Noticed?~~ _____

Fresh Water: Depths: 100'-160' Wells Yes Analysis? ☒ Affirmative Statement NO

Disposal Fluid Sources: Paladin on operation, McKee, DEV, SIL, WC Analysis?

Disposal Interval Production Potential/Testing/Analysis Analysis: Depleted IN 1960's

Notice: Newspaper(Y/N) _____ Surface Owner SLO - /SPY Mineral Owner(s) _____

RULE 26.7(A) Affected Parties: ~~First~~ UNION OIL & Energy

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N)

Active Wells 4 Num Repairs 0 Producing in Injection Interval in AOR No
 ..P&A Wells 1 Num Repairs 0 All Wellbore Diagrams Included? Yes *The B. L. Amco Co.*

Questions to be Answered:

Questions to be Answered:

Set CIBP within 200' of Lower Perf.
~~(Detailed) Sand DEV Structure map with well outline.~~
Sand TRACTS in CIRCLE with ownership.

Required Work on This Well: 0.55 cu yd Request Sent 1 Reply: 1

AOR Repairs Needed: *See 10/10/00* Request Sent Reply:

Request Sent Reply: