DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
12/27/07	1/12/08	W Jones	12/27/07	SWD 1112	PKUR0736149077

ABOVE THIS LINE FOR DIVISION USE ONLY

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

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

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

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[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	12/12/2007
Print or Type Name	Signature	Title	Date

seay04@leaco.net
e-mail Address

12/20/2007

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

RE: Paladin Energy
C – 108 application

Mr. Jones:

Enclosed, please find a C – 108 application for SWD. Since this well was sidetracked, I am including the deviation information, all of which occurred in the Devonian formation.

If you need any additional information please do not hesitate to call.

Sincerely,

Eddie W. Seay

Eddie W. Seay, Agent
575.392.2236
601 W. Illinois
Hobbs, NM 88242
Seay04@leaco.net

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: Paladin Energy Corp.

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

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

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes __X__No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

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

SIGNATURE: Eddie W Seay DATE: 12/12/2007

E-MAIL ADDRESS: seay04@leaco.net

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

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

ATTACHMENT TO APPLICATION C-108

State C #3
Unit E, Sect. 36, Tws. 13 S., Rng. 37 E.
Lea Co., NM

III. WELL DATA

A. 1) See injection well data sheets and attached schematics.
2) See injection well data sheets and attached schematics.
3) 3 1/2" plastic coated tubing.
4) Baker tension packer.

B. 1) Injection formation is the Devonian.
2) Injection interval 11920' to 12890' into deveated interval.
3) Well was drilled as a producer, then P & A.
4) The next higher producing zone is the Strawn at approximately 10855'.
The next lower producing zone is the silurian at approximately 12300'.

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 5 1/2" packer and set at approximately 11850'.

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

VIII. The proposed disposal formations are interbedded shale and limestone. The primary geologic name is the Devonian from 11920' to 12890' into deveated hole.

The fresh water formation in the area is the Ogallala which ranges in thickness from 40' to 240'. Analysis of water wells attached.

IX. ACID AS NEEDED.

X. PREVIOUSLY SUBMITTED TO OCD.

XI. ATTACHED.

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

XIII. ATTACHED.

Side 1

INJECTION WELL DATA SHEET

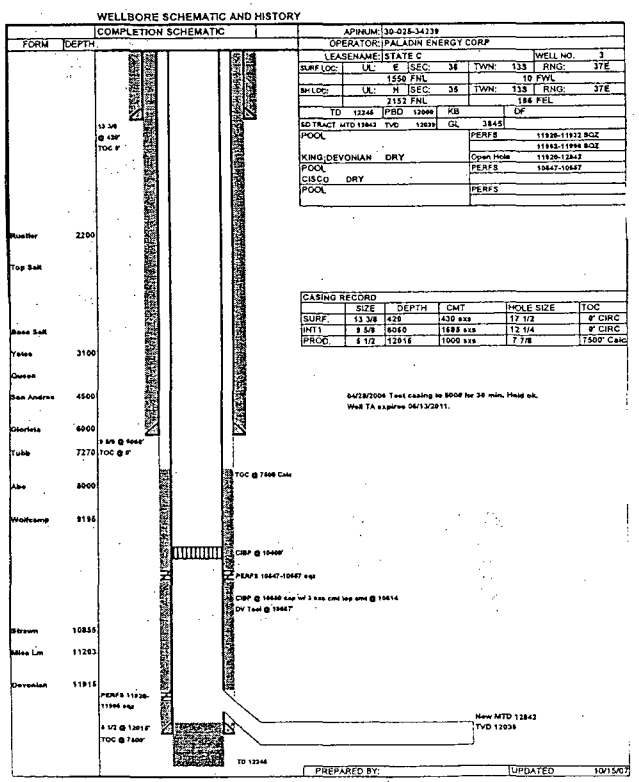
OPERATOR: Paladin Energy Corp

WELL NAME & NUMBER: State C #3

WELL LOCATION: 1550/N 10/W | E | 36 | 13 | 37 E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8

Cemented with: 430 sx. *or* _____ ft³

Top of Cement: surface Method Determined: circulated

Intermediate Casing

Hole Size: 12 1/4 Casing Size: 9 5/8

Cemented with: 1685 sx. *or* _____ ft³

Top of Cement: surface Method Determined: circulated

Production Casing

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

Cemented with: 1000 sx. *or* _____ ft³

Top of Cement: 7500' Method Determined: calc.

Total Depth: w/ sidTrack 12842

Injection Interval

11920' feet to 12890'

(Perforated or Open Hole; indicate which)

Both

Side 2

INJECTION WELL DATA SHEET

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

Type of Packer: Baker Tension

Packer Setting Depth: 11850'

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

Additional Data

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

   If no, for what purpose was the well originally drilled? oil and gas

2. Name of the Injection Formation: Devonian

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

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. Wolfcamp

   10547 to 10557 cement squeezed + CIBP

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

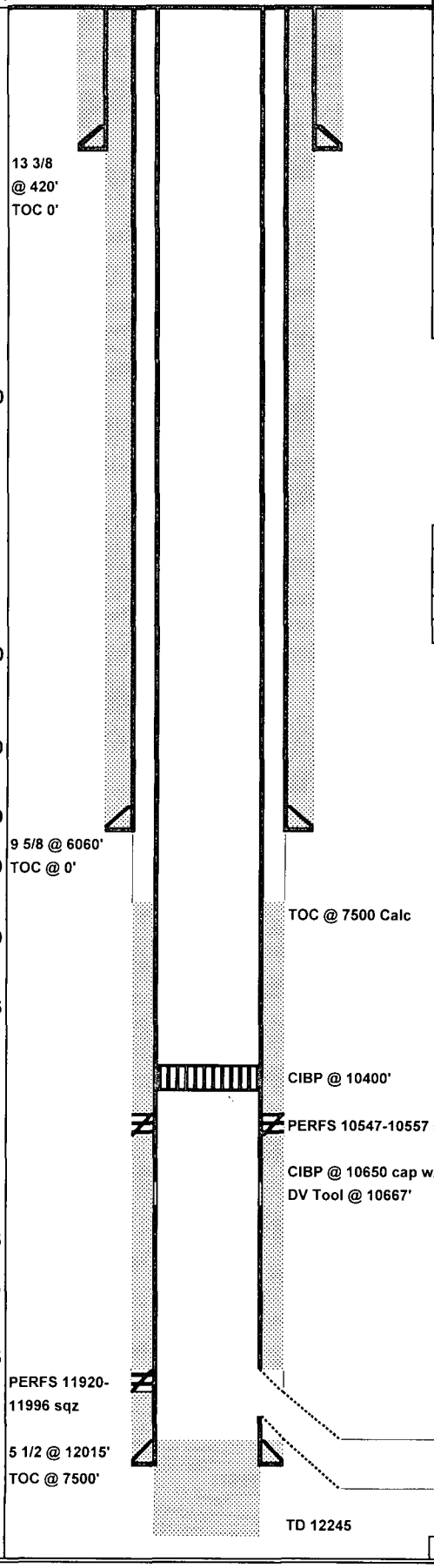
   Strawn - 10855'

   Silurian - 12300'

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2200
Top Salt	
Base Salt	
Yates	3100
Queen	
San Andres	4500
Glorieta	6000
Tubb	7270
Abo	8000
Wolfcamp	9195
Strawn	10855
Miss Lm	11203
Devonian	11915



APINUM:	30-025-34239				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	STATE C			WELL NO.	3
SURF LOC:	UL: E	SEC: 36	TWN: 13S	RNG:	37E
	1550 FNL		10 FWL		
BH LOC:	UL: H	SEC: 35	TWN: 13S	RNG:	37E
	2152 FNL		186 FEL		
TD 12245	PBD 12000	KB	DF		
SD TRACT MTD 12842	TVD 12039	GL 3845			

POOL	PERFS 11920-11932 SQZ
	11962-11996 SQZ
KING;DEVONIAN DRY	Open Hole 11920-12842
POOL	PERFS 10547-10557
CISCO DRY	
POOL	PERFS

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	420	430 sxs	17 1/2	0' CIRC
INT1	9 5/8	6060	1685 sxs	12 1/4	0' CIRC
PROD.	5 1/2	12015	1000 sxs	7 7/8	7500' Calc

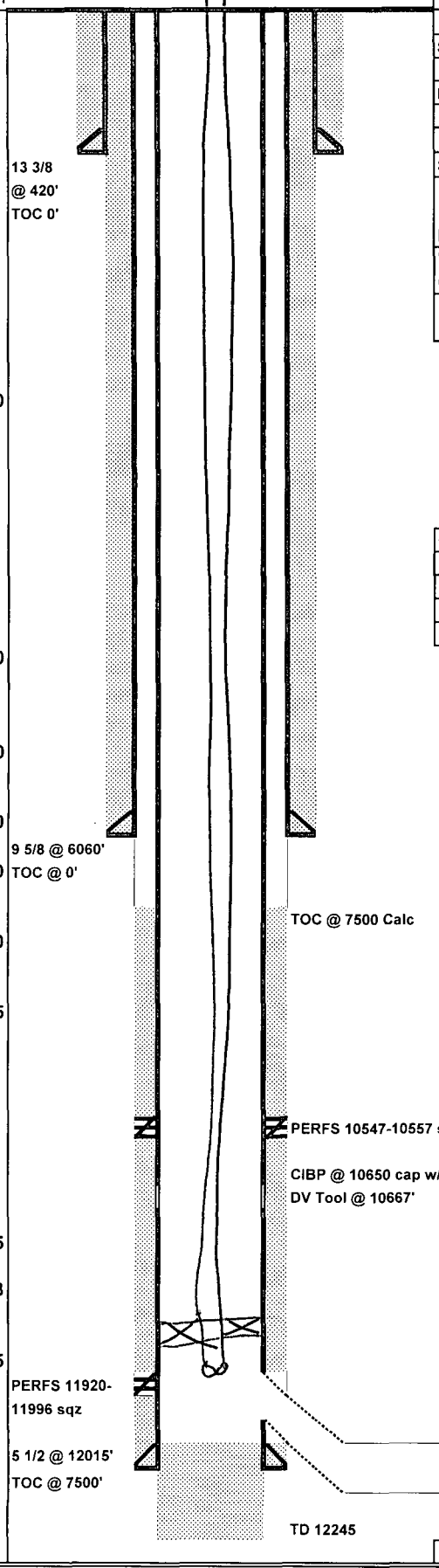
04/28/2006 Test casing to 500# for 30 min. Held ok.
Well TA expires 06/13/2011.

PREPARED BY:	UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2200
Top Salt	
Base Salt	
Yates	3100
Queen	
San Andres	4500
Glorieta	6000
Tubb	7270
Abo	8000
Wolfcamp	9195
Strawn	10855
Miss Lm	11203
Devonian	11915



APINUM:	30-025-34239				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	STATE C			WELL NO.	3
SURF LOC:	UL: E	SEC: 36	TWN: 13S	RNG:	37E
	1550 FNL		10 FWL		
BH LOC:	UL: H	SEC: 35	TWN: 13S	RNG:	37E
	2152 FNL		186 FEL		
TD 12245	PBD 12000	KB	DF		
SD TRACT MTD 12842	TVD 12039	GL 3845			

POOL	PERFS 11920-11932 SQZ
	11962-11996 SQZ
KING;DEVONIAN DRY	Open Hole 11920-12842
POOL	PERFS 10547-10557
CISCO DRY	
POOL	PERFS

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	420	430 sxs	17 1/2	0' CIRC
INT1	9 5/8	6060	1685 sxs	12 1/4	0' CIRC
PROD.	5 1/2	12015	1000 sxs	7 7/8	7500' EST

PREPARED BY: | UPDATED 10/15/07

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-34239		

[4] Property Code	[5] Property Name	[6] Well Number
26954	State "C"	3

[7] OGRID No.	[8] Operator Name	[9] Elevation
013954	Manzano Oil Corporation	3845'GL

[10] Surface Location

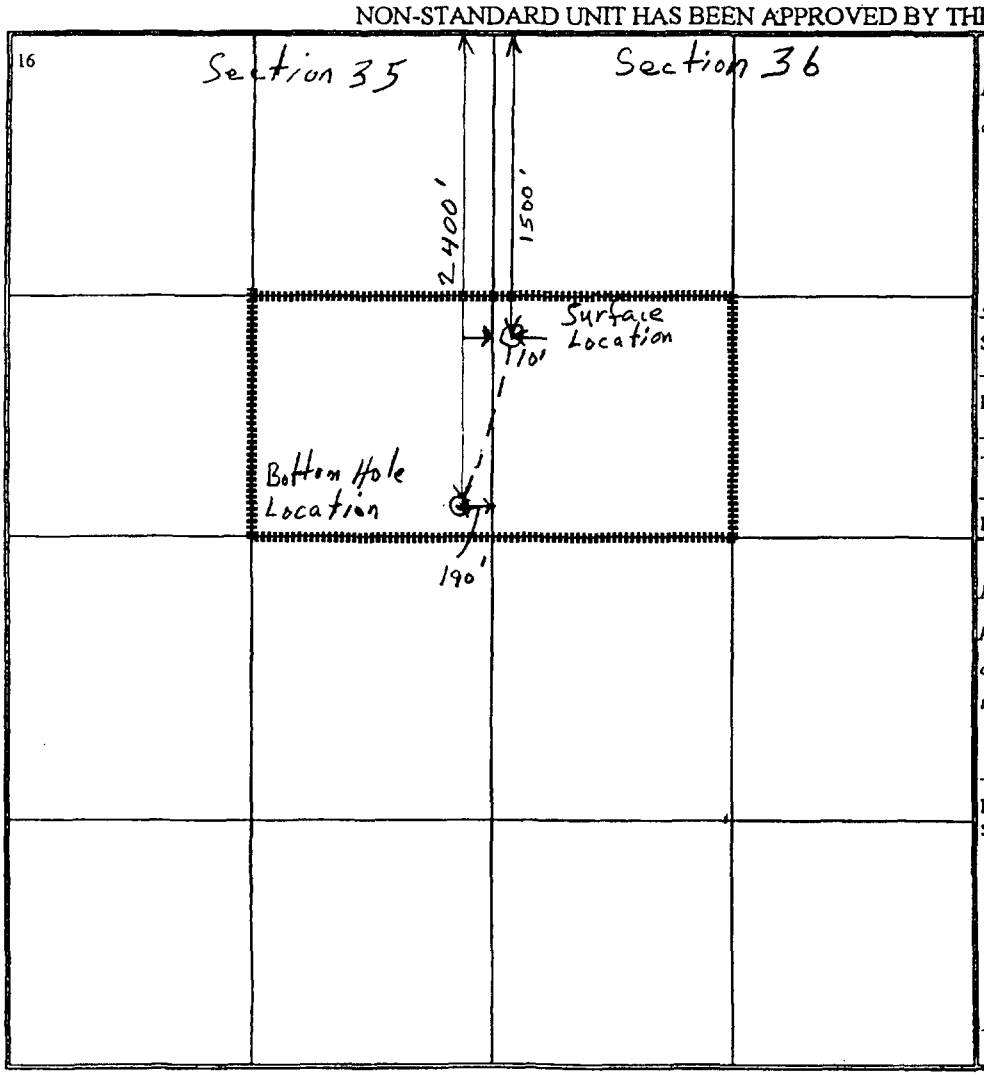
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	13S	37E		1550	North	10	West	Lea

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	35	13S	37E		2400	North	190	East	Lea

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
80			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

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

Signature: Donnie E. Brown

Printed Name: VP Engineering

Title: 1/09/01

Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 12516
ORDER NO. R-11497

APPLICATION OF MANZANO OIL CORPORATION FOR DIRECTIONAL DRILLLING AND AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 16, 2000, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 30th day of November, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Manzano Oil Corporation ("Manzano"), seeks authorization to re-enter its New Mexico C - #3 Well (**API No. 30-025-34239**) at a previously approved unorthodox surface location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East, NMPM, and directionally drill in the Devonian formation, King-Devonian Pool, to an unorthodox bottomhole location 2400 feet from the North line and 190 feet from the East line of Section 35, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The original unorthodox surface location of Paladin Energy Corporation's State "C" Well No. 3, now the New Mexico C-#3 Well was approved by Division Order No. R-10917, issued in Case No. 11871 and dated November 20, 1997.

(4) The SE/4 NE/4 of Section 35 and the SW/4 NW/4 of Section 36 are to be dedicated to the subject well.

WELL LOGS

K z

API number:	30-025-34239			
OGRID:		Operator:	PALADIN ENERGY	
		Property:	STATE C	# 3

surface	ULSTR:	E	36	T	13S	R	37E
			1550	FNL	10	FWL	
BH Loc	ULSTR:	E	36	T	13S	R	37E
			1550	FNL	10	FWL	

Ground Level:	3845	DF:	3858	KB:	3859	
Datum:	KB			TD:	12245	

Land:	STATE	Completion Date: (1)	6/2/1998
		Date Logs Received:	10/23/2007
		Date Logs Due in: (2)	

Confidential:	NO			Date out:	

Confidential period: 90 Days for State & Fee, 1 Year for federal

Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	100	11428	Spectral Density Dual Spaced Neutron
DIL	6050	12009	Dual Induction Laterolog

K z **OCD TOPS**

Rustler	2250	Strawn	10855		
Tansill		Atoka	11170		
Yates	3100	Morrow			
7R	3362				
T. Bowers Sd					
B. Bowers Sd		Miss Lm	11244		
Queen		Woodford	11863		
Penrose		Silurian ?	11916		
Grayburg					
San Andres	4545				
Glorieta	6026				
Tubb	7269				
Drinkard	7545				
Abo	7995				
Wolfcamp	9427				

Submit to Appropriate District Office
State Lease – 6 copies
Fee Lease – 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, [illegible]ral's and Natural Resources Department

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO. 30-025-34239

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. 22179

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL [X] GAS WELL [ ] DRY [ ] OTHER

b. Type of Completion: NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF RESVR [ ] OTHER

7. Lease Name or Unit Agreement Name: Paladin Unit

2. Name of Operator: Paladin Energy Corp.

8. Well No. 1

3. Address of Operator: 10290 Monroe Drive, #301, Dallas, TX 75229

9. Pool name or Wildcat: King; Devonian

4. Well Location
Unit Letter E : 1550 Feet From The North Line and 10 Feet From The West Line
Section 36 Township 13S Range 37E NMPM Lea County

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	13. Elevations (DF& RKB, RT, GR, etc.)	14. Elev. Casinghead
2/6/98	5/7/98	6/2/98	3845	

15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
12,245	12,000			0-12,245	

19. Producing Interval(s), of this completion - Top, Bottom, Name: 11,920 to 11,996 - Devonian

20. Was Directional Survey Made: No

21. Type Electric and Other Logs Run: Dual Induction Laterlog,Dual Spaced Neutron Log

22. Was Well Cored: No

23. **CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	40#	420	17 1/2"	430 sxs	
9 5/8"	43.50#	6060	12 1/4"	1685 sxs	
5 1/2"	17#	12015	7 7/8"	1000 sxs	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)
4" gun, 4/SPF
11920' to 11932', 11962' to 11968',
11,974' to 11,996'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
11,935-11,989'	6,630 gals NEFE acid

28. **PRODUCTION**

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
6/12/98	Pumping	Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7/12/98	24	Open		11	15	360	1364

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
30	30		11	15	360	43.5

29. Disposition of Gas (Sold, used for fuel, vented, etc.): Venting, Waiting on Pipeline Hook-up

Test Witnessed By

30. List Attachments: Deviation Survey

31. *I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief*

Signature Ann Westberry Printed Name Ann Westberry Title Mgr, Corp Sup. Date 7/20/98

IC

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Submit 3 Copies to Appropriate District Office

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 888210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30- 025-34239

5. Indicate Type of Lease
STATE [XX] FEE [ ]

6. State Oil & Gas Lease No.
22179

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
NEW MEXICO STATE "C"

1. Type of Well:
OIL WELL [XX] GAS WELL [ ] OTHER

2. Name of Operator
PALADIN ENERGY CORP.

8. Well No.
3

3. Address of Operator
10290 Monroe Dr., St. 301, Dallas, TX 75229

9. Pool name or Wildcat
King Devonian

4 Well Location

Unit Letter E : 1550 Feet From The North Line and 10 Feet from The West Line

Section 36 Township 13S Range 37E NMPM Lea County

Elevation (Show whether DF,RKB, RT, GR, etc)
3845' GR

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	[ ]	ALTRG CSG	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRLG OPNS.	[ ]	P&A	[ ]
PULL OR ALTER CASING	[ ]			CSG TST & CMT JOB	[ ]		
OTHER	[ ]			OTHER	Drilling ahead & acidize		[X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

Page 2

RU Swab, swabbed total load. RU Dowell service, pumped 5000 gals 24% NEFE and 71 bls water. Swabbed. Set 2 frac tanks for acid frac. Well shut in 15 hrs. Tbg pressure 190#. Open well, tbg dead in 10 min. RU Dowell, pressured csg to 2000#. Pumped 500 gal WF 130 pad at 5 bls per min at 5500#. Pumped 3600 gals SXE at 5 bls per min at 5500#, SXE is 70% (20%AFE) and 30% crude oil. Packer or tbg failed, shut job down. Released packer, circulated tbg clean w/2% KCL water. RD Dowell. RU Dowell service, pumped 1000 gals 20% NEFE acid at 5 bls per min at 5370#, Pumped 7200 gal SXE at 3.5 bls per min at 5500#. Pumped 1000 bls 20% NEFE acid at 4 bls per min at 5500#. Flushed 75 bls 2% KCL water at 4.5 bls per min CONTINUE ON NEXT PAGE

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

SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE 6/8/98

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214\654-0135

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

STA. _ OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Submit 3 Copies to Appropriate District Office

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 888210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30- 025-34239

5. Indicate Type of Lease
STATE [XX] FEE [ ]

6. State Oil & Gas Lease No.
22179

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
NEW MEXICO STATE "C"

1. Type of Well:
OIL WELL [xx] GAS WELL [ ] OTHER

2. Name of Operator
PALADIN ENERGY CORP.

8. Well No.
3

3. Address of Operator
10290 Monroe Dr., St. 301, Dallas, TX 75229

9. Pool name or Wildcat
King Devonian

4 Well Location

Unit Letter E : 1550 Feet From The North Line and 10 Feet from The West Line

Section 36 Township 13S Range 37E NMPM Lea County

Elevation (Show whether DF,RKB, RT, GR, etc)
3845' GR

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	[ ]	ALTRG CSG	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRLG OPNS.	[ ]	P&A	[ ]
PULL OR ALTER CASING	[ ]			CSG TST & CMT JOB	[ ]		
OTHER	[ ]			OTHER	Drilling ahead & acidize		[X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

Page 3

ISIP 4150, 5 min 3720, 10 min 3488, 15 min 3337. Swabbed, total load recovered. Left well open to tanks. Tagged fluid level at 1700'.

TIH w/21 jts 2 7/8" tbg. TAC at 4574' w/14,000# in tension. TIH w/ 2 1/2" X 2" X 24' RWBC pump, 12 - 1 1/2" sinker bars, 112 - 7/8" rods, 58 1" rods, 1 - 1 1/2" X 26' polish rod, RD & MO. Waiting on Pumping Unit.

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

SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE 6/8/98

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214\654-0135

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30- 025-34239

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STATE [XX] FEE [ ]

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PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTRG CSG	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRLG OPNS.	[ ]	P&A	[ ]
PULL OR ALTER CASING	[ ]			CSG TST & CMT JOB	[ ]		
OTHER			[ ]	OTHER	Perforations & acid		[X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

CONTINUED FOR PREVIOUS PAGE

Spotted acid from 12,000' to 11,950'. TOH w/2 jts tbg. Pressured tbg to 3500#. Pressure leaked off at a rate of 100# per min. Worked acid for 3 hrs, could not break down perfs.

Tested intervals from 11,920' to 11,996', tested tight.

Drilling ahead. (Note: Permitted to a proposed depth of 12,700')

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

SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE May 11, 1998

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214\654-0135

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY [illegible] TITLE DATE JUN 02 1998

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Submit 3 Copies to Appropriate District Office

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 888210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30- 025-34239

5. Indicate Type of Lease
STATE XX FEE

6. State Oil & Gas Lease No.
22179

SUNDRY NOTICES AND REPORTS ON WELLS

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TEMPORARILY ABANDON		CHANGE PLANS		COMMENCE DRLG OPNS.		P&A	
PULL OR ALTER CASING				CSG TST & CMT JOB			
OTHER				OTHER	2 nd page		X

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

Casing String	Footage	Casing String	Footage
Float Shoe	2.10	232 Jts 5 1/2" 17#	
1 jt 5 1/2" 17# S-96 LTC Casing	40.34	N-80 LTC Casing	9355.59
Float Collar	2.10	25 jts 5 1/2" 17#	
30 jts 5 1/2" 17# S-95 LTC Casing	1208.32	N-80 Buttress	989.15
2 jts 5 1/2" 17# N-80 LTC Casing	82.93	10 jts 5 1/2" 17#	
DV Tool	3.98	S-95 Buttress	315.66
		KB	15.00
		TOTAL	**12,18.17**

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

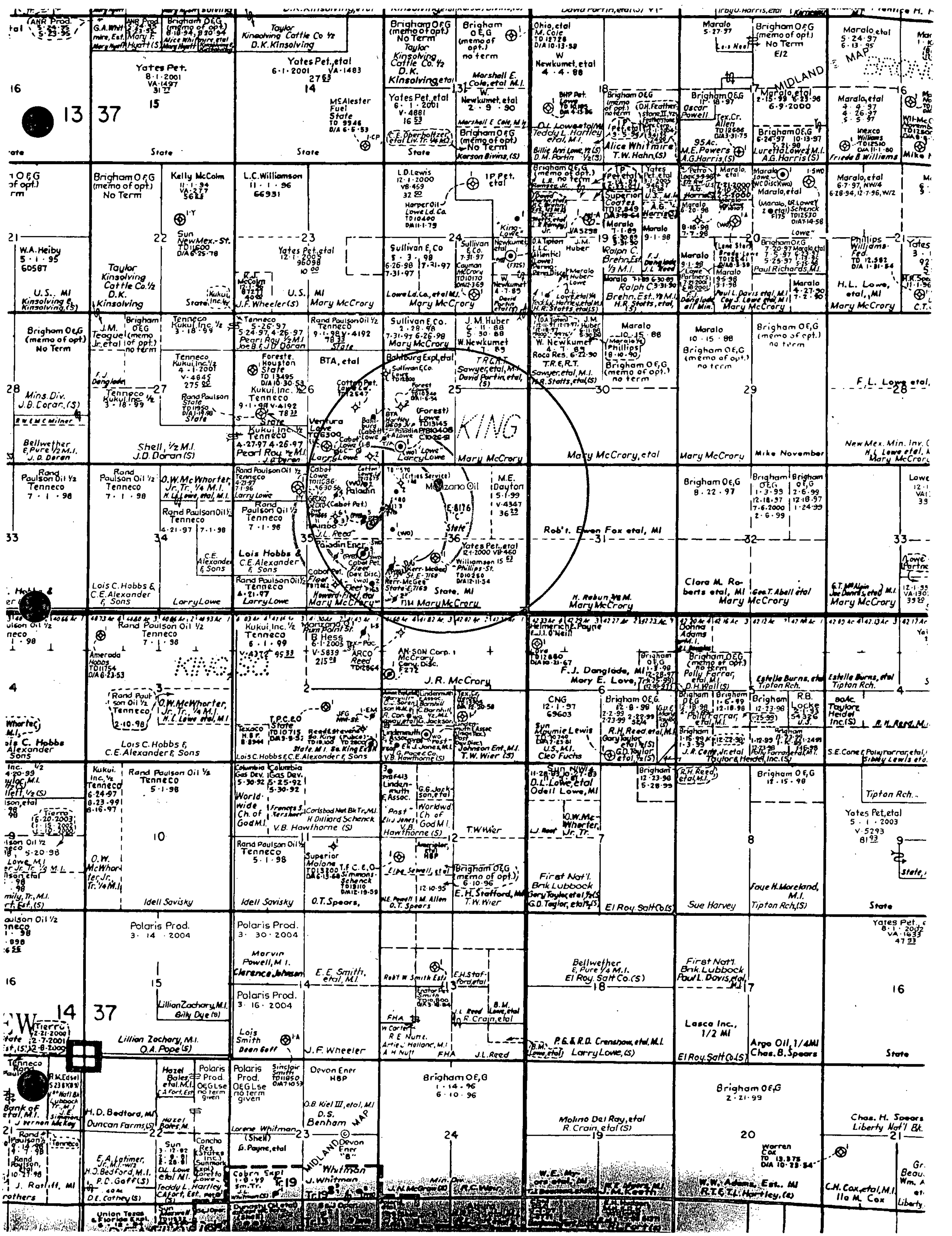
SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE 3/23/98

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214\654-0135

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:



13
37
14
37
State
KING
MIDLAND MAP
Yates Pet.
Brigham O&G (memo of opt.) No Term
Taylor Kinsolving Cattle Co. 1/2 D.K. Kinsolving
Kelly McColm
L.C. Williamson
Sun NewMex.-St.
W.A. Heiby
U.S., MI
Mary McCrory
Tenneco
Kukui, Inc. 1/2
Rand Paulson Oil 1/2
Sullivan E. Co.
J.M. Huber
W. Newkumet
Marala
Brigham O&G
F.L. Lowe etal
Mins. Div. J.B. Coran, (S)
Shell, 1/2 M.I. J.D. Doran (S)
BTA, etal
Manzano Oil
Mary McCrory, etal
Mike November
New Mex. Min. Inv.
O.W. McWhorter, Jr. Tr. 1/4 M.I.
Lois Hobbs & C.E. Alexander & Sons
Larry Lowe
Rob't. Ewen Fox etal, MI
Clara M. Roberts etal, MI
State, MI
J.R. McCrory
F.J. Danglade, MI
Mary E. Love
Lois C. Hobbs & C.E. Alexander & Sons
Estelle Burns, etal Tipton Rch.
Polaris Prod.
Idell Savisky
O.T. Spears
E.H. Stafford, MI
T.W. Wier
El Roy Salt Co.(S)
Sue Harvey
Faye H. Moreland, M.I. Tipton Rch.(S)
Yates Pet., etal
Marvin Powell, M.I. Clarence Johnson
E.E. Smith, etal, M.I.
Bellwether E. Pure 1/4 M.I. El Roy Salt Co.(S)
First Nat'l. Bnk. Lubbock Paul L. Davis, etal
Lillian Zachary, M.I. O.A. Pope (S)
J.F. Wheeler
J.L. Reed
P.G. & R.D. Crenshaw, etal, M.I. Larry Lowe (S)
Lasco Inc., 1/2 MI
Argo Oil, 1/4 MI Chas. B. Spears
Brigham O&G 1-14-96 6-10-96
Molino Del Ray, etal R. Crain, etal (S)
Chas. H. Spears Liberty Nat'l Bk.
H.D. Bedford, MI
Duncan Farms (S)
Devon Ener HBP
D.S. Benham
W.W. Adams, Est., MI
C.H. Cox, etal, M.I.

DISPOSAL WELL

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W	
30-025-34239	STATE C	3	PALADIN ENERGY CORP	12245			LEA		E	36	13	S	37	E	1550	N	10	W

Wells within 1/2 mile of the proposed disposal well. THAT "DO" PENETRATE THE INTERVAL 5280 5280

	API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W		Distance
1	30-025-05081	H L LOWE B	1	BAHLBURG EXPLORATION INC	12437			LEA		P	26	13	S	37	E	467	S	850	E	2192
2	30-025-05082	H L LOWE C	1	CABOT CORP	12689			LEA		O	26	13	S	37	E	467	S	1650	E	2612
3	30-025-26059	LOWE LAND	2	COTTON PETROLEUM CORP	12675			LEA		P	26	13	S	37	E	330	S	500	E	1947
4	30-025-05078	LOWE 1-R	1	MANZANO OIL CORP	13145			LEA		M	25	13	S	37	E	660	S	660	W	2303
5	30-025-30702	LOWE	1	PALADIN ENERGY CORP	12272			LEA		M	25	13	S	37	E	900	S	50	W	2450
6	30-025-05086	HOWARD FLEET	1	CABOT CORP	12839			LEA		I	35	13	S	37	E	1980	S	660	E	1873
7	30-025-05088	HOWARD FLEET	3	CABOT CORP	12513			LEA		J	35	13	S	37	E	1930	S	1650	E	2448
8	30-025-05091	J L REED	1	PALADIN ENERGY CORP	12670			LEA		H	35	13	S	37	E	1980	N	660	E	796
9	30-025-05092	J L REED	2	PALADIN ENERGY CORP	12590			LEA		A	35	13	S	37	E	660	N	660	E	1114
10	30-025-05093	J L REED	3	PALADIN ENERGY CORP	12430			LEA		G	35	13	S	37	E	1980	N	1650	E	1714
11	30-025-05094	J L REED	4	CABOT CORP	12245			LEA		B	35	13	S	37	E	990	N	1650	E	1751
16	30-025-05096	NEW MEXICO C STATE	1	PALADIN ENERGY CORP	12249			LEA		E	36	13	S	37	E	2310	N	330	W	824
17	30-025-05097	NEW MEXICO C STATE	2	PALADIN ENERGY CORP	12615			LEA		D	36	13	S	37	E	990	N	440	W	706
18	30-025-05098	STATE E 7169	1	PENROC OIL CORP	12680			LEA		L	36	13	S	37	E	1650	S	330	W	2104

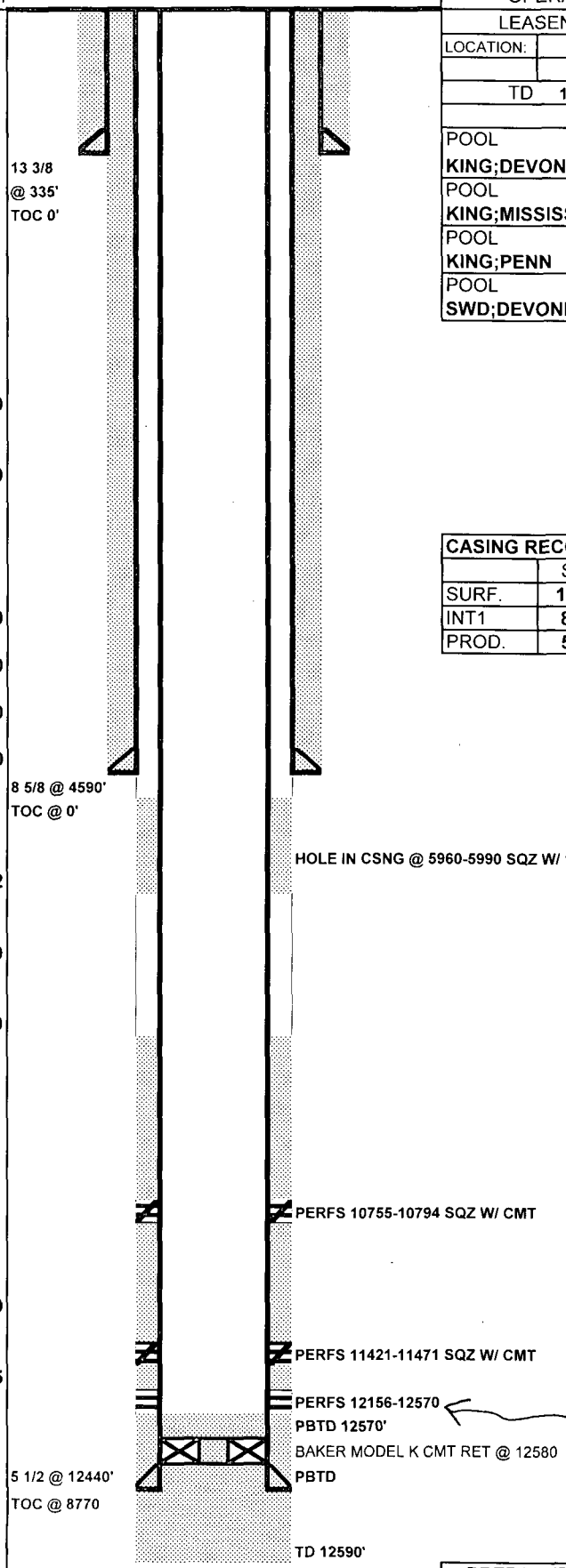
Wells within 1/2 mile which do not penatrate proposed disposal interval

	API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W		Distance
12	30-025-29554	J L REED	5	PALADIN ENERGY CORP	11100			LEA		H	35	13	S	37	E	1830	N	660	E	726
13	30-025-30855	HOWARD FLEET	5	PALADIN ENERGY CORP	10915			LEA		I	35	13	S	37	E	2250	S	600	E	1600
14	30-025-30856	J L REED	6	PALADIN ENERGY CORP	11120			LEA		G	35	13	S	37	E	1800	N	1650	E	1678
15	30-025-05095	STATE AB	1	HOUSTON OIL CO OF TEXAS	11570			LEA		D	36	13	S	37	E	660	N	660	W	1102
19	30-025-05099	PHILLIPS STATE	1	J C WILLIAMSON	10250			LEA		K	36	13	S	37	E	1980	S	1980	W	2635

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2190
Top Salt	2290
Base Salt	3070
Yates	3130
Queen	3920
San Andres	4520
Glorieta	6012
Tubb	7270
Abo	7940
Wolfcamp	
Strawn	
Miss Lm	11360
Devonian	12145



APINUM:	30-025-05091				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	J L REED			WELL NO.	1
LOCATION:	UL: H	SEC: 35	TWN: 13S	RNG:	37E
	1980 FNL		660 FEL		
TD 12670	PBD	KB 3857	DF 3856		
		GL 3846			

POOL 35910 KING;DEVONIAN	Open Hole 12590-12670
POOL KING;MISSISSIPPIAN (GAS)	PERFS 11421-11471
POOL KING;PENN	PERFS 10755-10794
POOL SWD;DEVONIAN	PERFS 12156-12570

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	335	400 sxs	17 1/2	0' CIRC
INT1	8 5/8	4590	2400 sxs	11	0' CIRC
PROD.	5 1/2	12590	700 sxs	7 7/8	8770 T.S.

ACTIVE DEVONIAN INJ well (SWD-?)

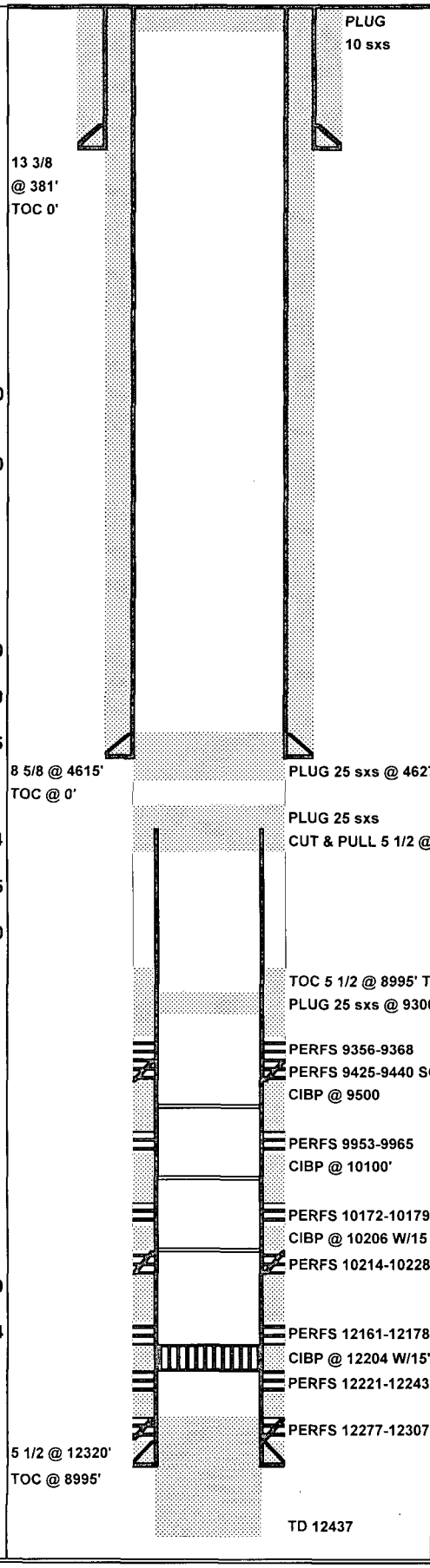
R-8761 Devonian inj well 9/10/79

PREPARED BY: UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2210
Top Salt	2310
Base Salt	
Yates	3140
Queen	3970
San Andres	4575
Glorieta	6054
Tubb	7325
Abo	8000
Wolfcamp	
Miss Lm	11870
Devonian	12154



APINUM:	30-025-05081				
OPERATOR:	BAHLBURG EXPLORATION INC				
LEASENAME:	H L LOWE B			WELL NO.	1
LOCATION:	UL: P	SEC: 26	TWN: 13S	RNG:	37E
	467 FSL		850 FEL		
TD 12437	PBD	KB 3868	DF 3867		
		GL 3855			

POOL 35910	
KING;DEVONIAN	PERFS 12277-12307 SQZ
	PERFS 12221-12243
	PERFS 12161-12178
POOL	PERFS 10214-10228 SQZ
KING;WOLFCAMP	PERFS 10172-10179
	PERFS 9953-9965
	PERFS 9425-9440 SQZ
	PERFS 9356-936

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	381	400 sxs	17	0' CIRC
INT1	8 5/8	4615	2450 sxs	11	0' CIRC
PROD.	5 1/2	12320	700 sxs	7 7/8	8995 T.S.

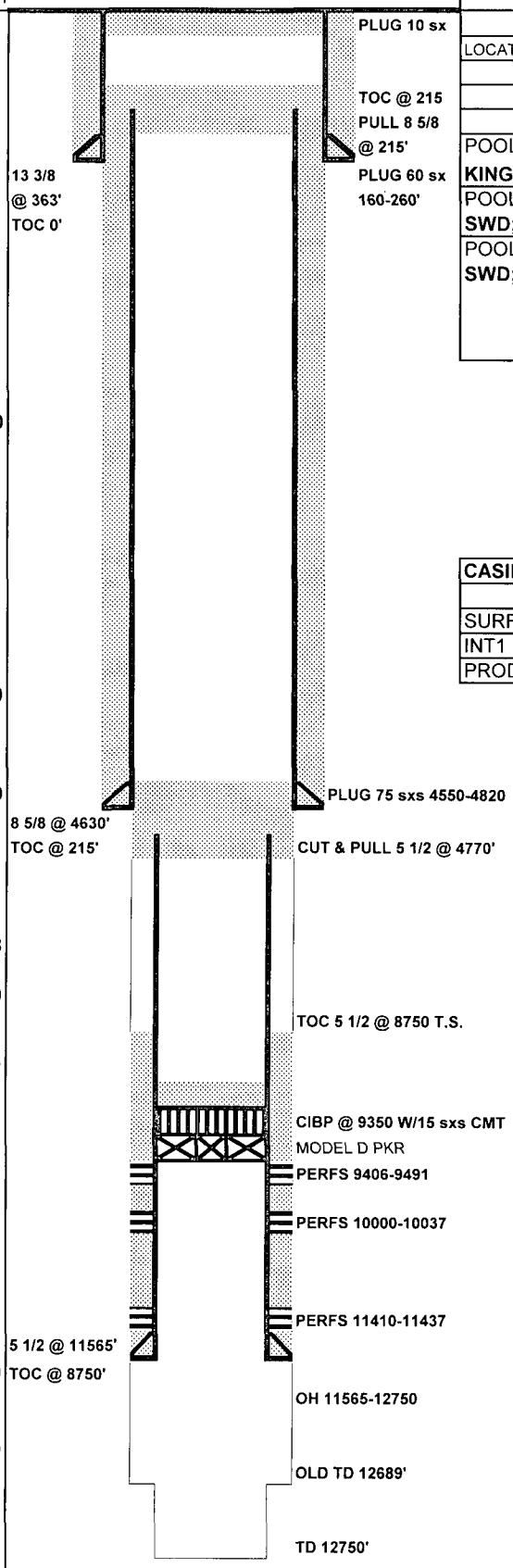
PREPARED BY:

UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2220
Top Salt	
Base Salt	
Yates	3160
Queen	
San Andres	4610
Glorieta	
Tubb	7318
Abo	8010
Wolfcamp	9297
Chester (Miss)	
Miss Lm	11790
Devonian	12665



APINUM:	30-025-05082				
OPERATOR:	CABOT CORP				
LEASENAME:	H L LOWE C			WELL NO.	1
LOCATION:	UL: O	SEC: 26	TWN: 13S	RNG:	37E
	467 FSL		1650 FEL		
TD 12750	PBD	KB 3866	DF 3865		
		GL 3853			

POOL	PERFS		10000-10037
KING;WOLFCAMP			9406-9491 Wet
POOL	PERFS		9406-9491
SWD;WOLFCAMP			10000-10037
POOL	PERFS	WC	9406-9491
SWD;WOLFCAMP-MISS-DEVONIAN	PERFS	WC	10000-10037
	PERFS	Miss	11410-11437
	OH	Miss	11565-12665
	OH	Dev	12665-12750

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	363	400 sxs	17 1/4	0' CIRC
INT1	8 5/8	4630	2400 sxs	12 1/2	215'
PROD.	5 1/2	11565	600 sxs	7 7/8	8750' T.S.

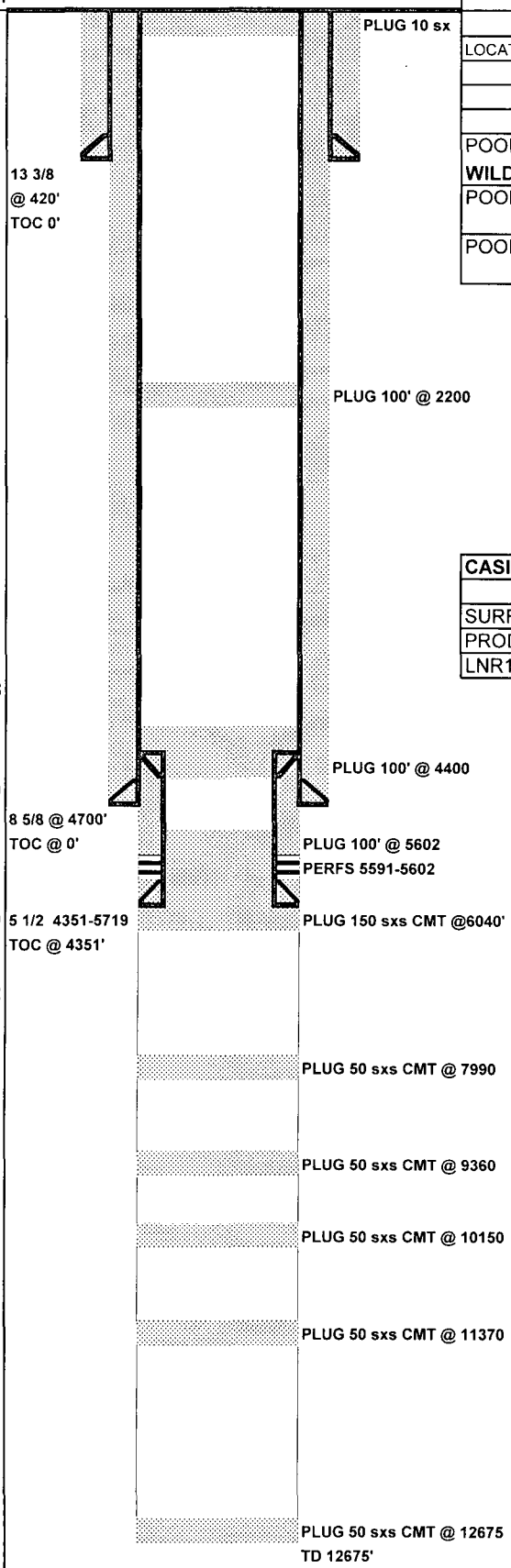
CONV 7/64 to SWD;WOLFCAMP
CONV 2/68 to SWD;WOLFCAMP-MISS-DEVONIAN

PREPARED BY:	UPDATED	10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2231
Top Salt	
Base Salt	
Yates	3128
San Andres	4570
Glorieta	6050
Tubb	7302
Abo	7993
Wolfcamp	9287
Miss Lm	11703
Devonian	12060



APINUM:	30-025-26059				
OPERATOR:	COTTON PETROLEUM CORP				
LEASENAME:	LOWE LAND			WELL NO.	2
LOCATION:	UL: P	SEC: 26	TWN: 13S	RNG:	37E
	330 FSL		500 FEL		
TD	12675	PBD	KB 3867	DF	3866
			GL 3854		
POOL			PERFS	5591-5602 DRY	
WILDCAT;SAN ANDRES TEST					
POOL			PERFS		
POOL			PERFS		

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	441	420 sxs	17 1/2	0' CIRC
PROD.	8 5/8	4700	2350 sxs	11	0' CIRC
LNR1	5 1/2	4351-5719	220 sxs	7 7/8	4351'

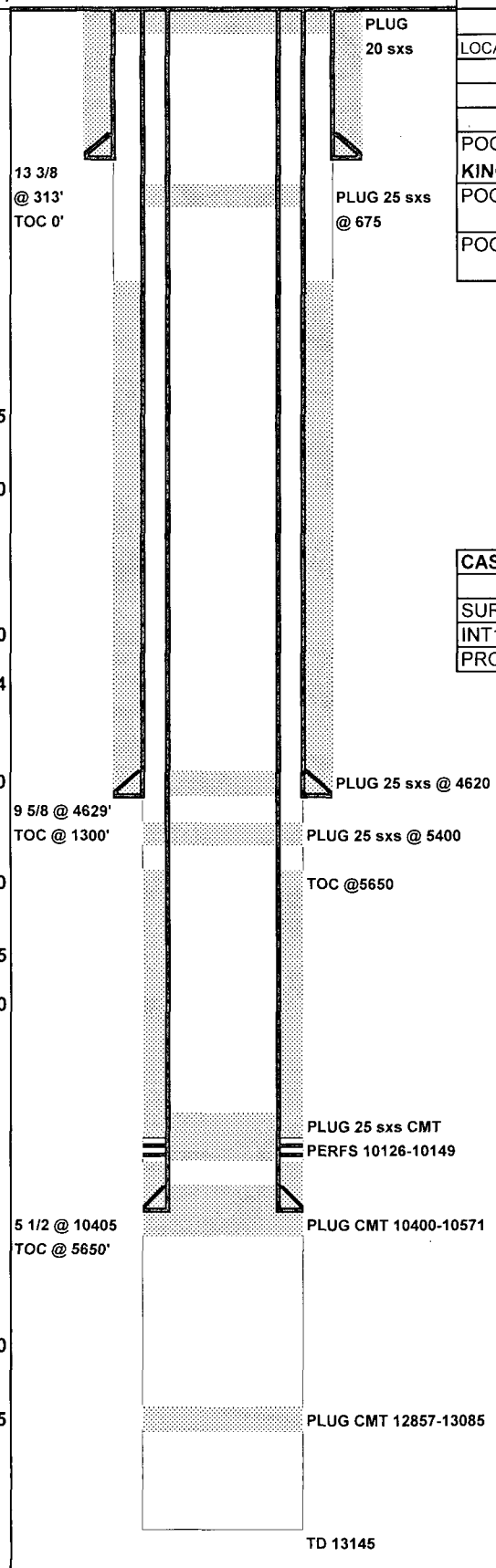
PREPARED BY:

UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
	OP
Rustler	2205
Top Salt	2300
Base Salt	3050
Yates	3154
Queen	
San Andres	4590
Glorieta	6070
Tubb	7335
Abo	8030
Wolfcamp	
Strawn	
Miss Lm	12160
Devonian	13085



APINUM:	30-025-05078				
OPERATOR:	MANZANO OIL CORP				
LEASENAME:	LOWE 1-R			WELL NO.	1
LOCATION:	UL: M	SEC: 25	TWN: 13S	RNG:	37E
	660 FSL		660 FWL		
TD 13145	PBD	KB		DF	
		GL 3852			
POOL		PERFS	10126-10149		
KING;WOLFCAMP					
POOL		PERFS			
POOL		PERFS			

CASING RECORD

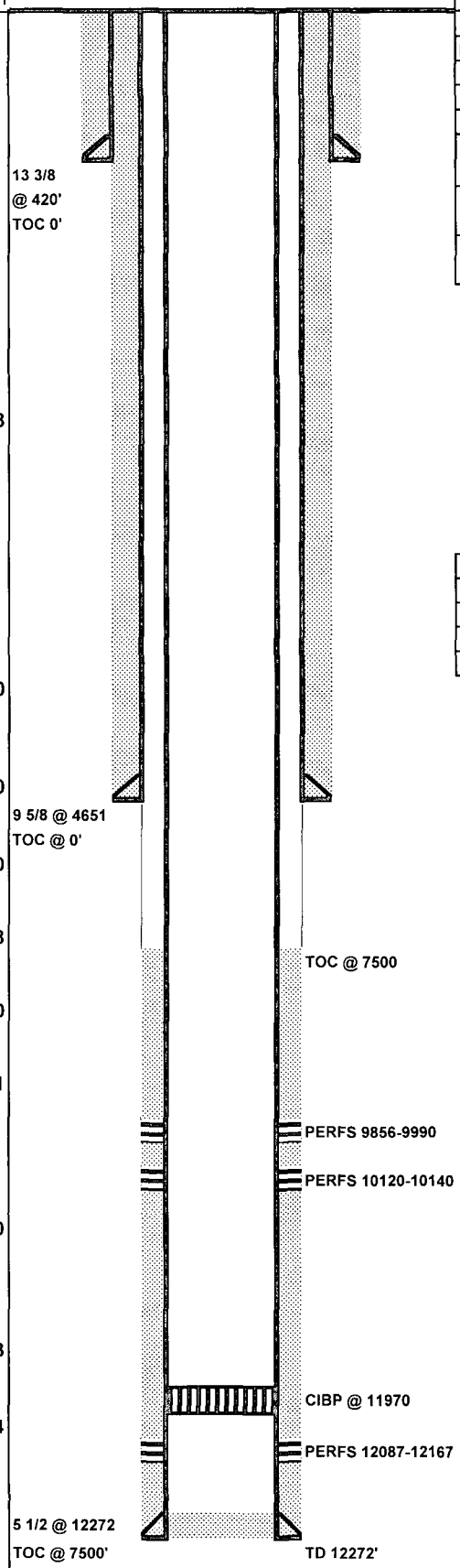
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	313	300 sxs	17 1/2	0' CIRC
INT1	9 5/8	4629	1750 sxs	12 1/4	1300 T.S.
PROD.	5 1/2	10405	800 sxs	8 3/4	5650 T.S.

PREPARED BY: | UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2208
Top Salt	
Base Salt	
Yates	3150
Queen	
San Andres	4570
Glorieta	6050
Tubb	7318
Abo	8000
Wolfcamp	9301
Penn	10360
Strawn	
Miss Lm	11853
Devonian	12074



APINUM:	30-025-30702				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	LOWE			WELL NO.	1
LOCATION:	UL: M	SEC: 25	TWN: 13S	RNG:	37E
	900 FSL		50 FWL		
TD 12272	PBD 11970	KB 3869	DF 3870		
		GL 3857			

POOL	PERFS 10119-10124
KING;WOLFCAMP	9856-9990
POOL	PERFS 12087-12162 Dry
KING;DEVONIAN	
POOL	PERFS

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	12 3/8	408	400 sxs	17 1/2	0' CIRC
INT1	9 5/8	4651	1350 sxs	12 1/4	0' CIRC
PROD.	5 1/2	12272	1900 sxs	7 7/8	7500' Calc

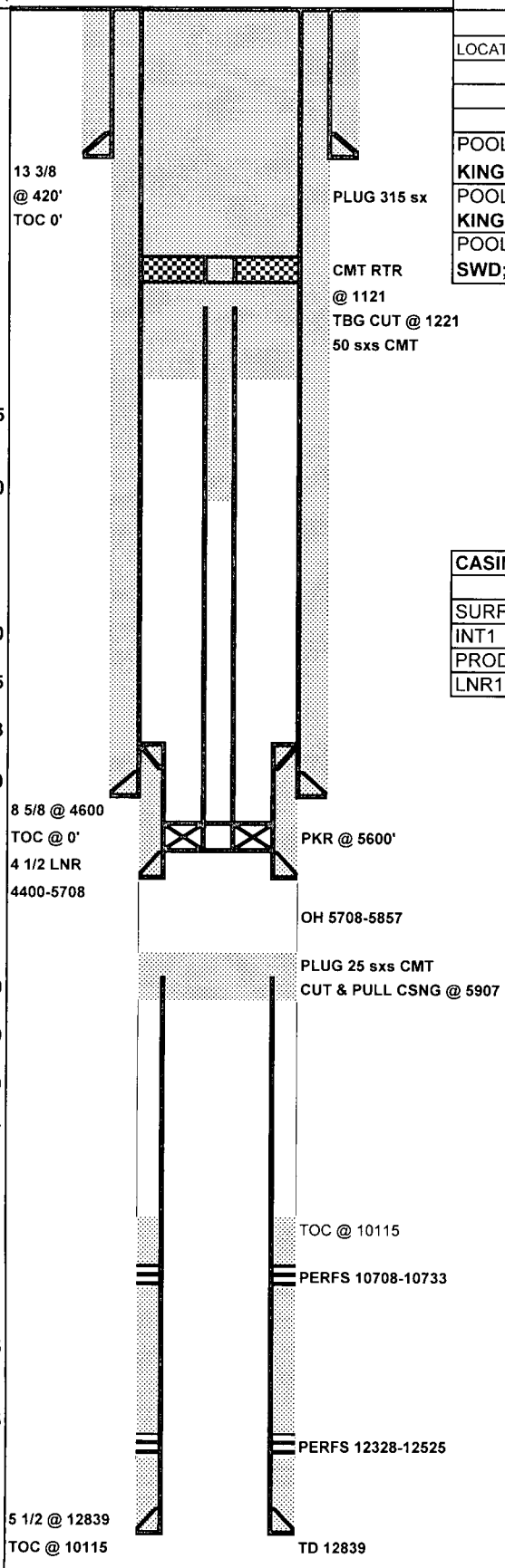
PREPARED BY:

UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2225
Top Salt	2350
Base Salt	3040
Yates	3125
Queen	3923
San Andres	4530
Glorieta	6020
Tubb	7280
Abo	7950
Wolfcamp	9297
Miss Lm	11485
Devonian	12315



APINUM:	30-025-05086				
OPERATOR:	CABOT CORP				
LEASENAME:	HOWARD FLEET			WELL NO.	1
LOCATION:	UL: I	SEC: 35	TWN: 13S	RNG:	37E
	1980 FSL		660 FEL		
TD 12839	PBD	KB 3856	DF 3854		
		GL 3842			

POOL 35910 KING;DEVONIAN	PERFS 12451-12528
POOL KING;WOLFCAMP	PERFS 10708-10733
POOL SWD;SAN ANDRES	Open Hole 5708-5857

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	366	400 sxs	17	0' CIRC
INT1	8 5/8	4600	2500 sxs	11	0' CIRC
PROD.	5 1/2	12839	500 sxs	7 7/8	10115 T.S.
LNR1	4 1/2	4400-5708	200 sxs	7 7/8	4400'

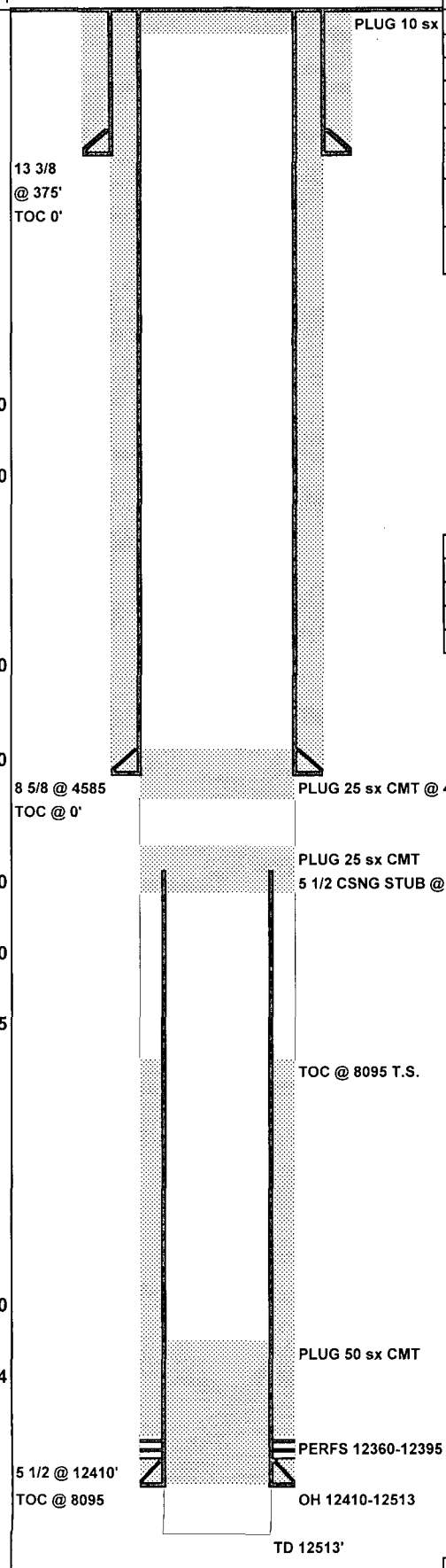
PREPARED BY:

UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2170
Top Salt	2280
Base Salt	
Yates	3110
Queen	
San Andres	4560
Glorieta	6000
Tubb	7310
Abo	7985
Wolfcamp	
Strawn	
Miss Lm	11610
Devonian	12294



APINUM:	30-025-05088				
OPERATOR:	CABOT CORP				
LEASENAME:	HOWARD FLEET			WELL NO.	3
LOCATION:	UL: J	SEC: 35	TWN: 13S	RNG:	37E
	1930 FSL		1650 FEL		
TD	12513	PBD	KB 3859	DF	3858
			GL 3846		

POOL	35910	PERFS	12360-12395
KING;DEVONIAN		Open Hole	12410-12513
POOL		PERFS	
POOL		PERFS	

CASING RECORD

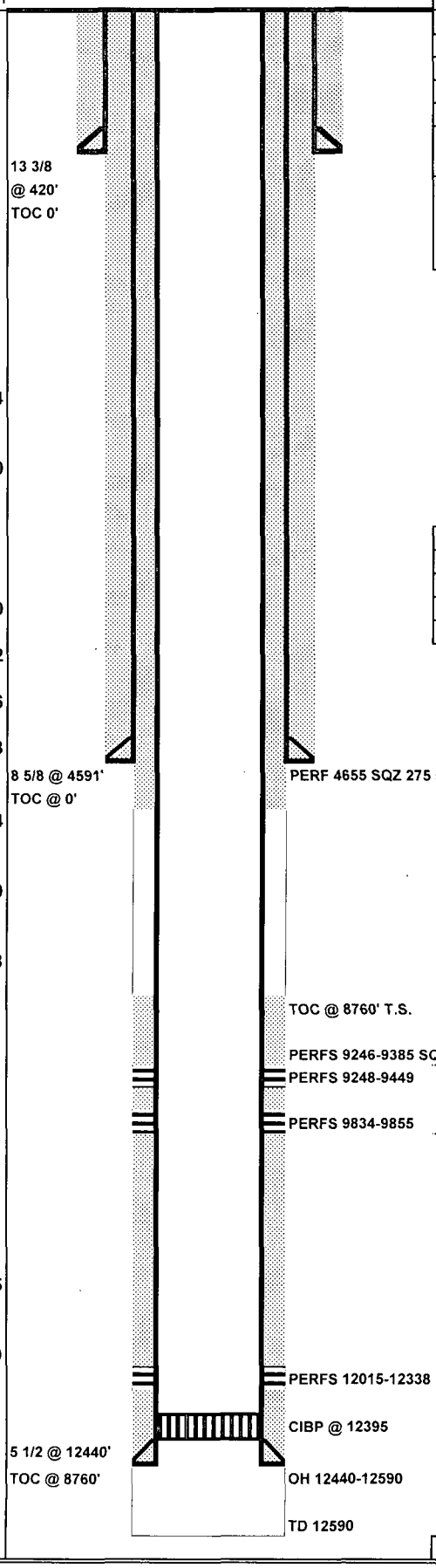
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	375	400 sxs	17 1/4	0' CIRC
INT1	8 5/8	4585	2400 sxs	12 1/2	0' CIRC
PROD.	5 1/2	12410	600 sxs	7 7/8	8095' T.S.

PREPARED BY: | UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2204
Top Salt	2290
Base Salt	3060
Yates	3122
Queen	3916
San Andres	4558
Glorieta	6034
Tubb	7290
Abo	7968
Wolfcamp	
Strawn	
Miss Lm	11455
Devonian	11950



APINUM:	30-025-05092
OPERATOR:	PALADIN ENERGY CORP
LEASENAME:	J L REED
WELL NO.	2
LOCATION: UL:	A
SEC:	35
TWN:	13S
RNG:	37E
	660 FNL
	660 FEL
TD	12590
PBD	
KB	
DF	
GL	3848

POOL	35910	Open Hole	12440-12590
KING;DEVONIAN		PERFS	12015-12338
POOL		PERFS	9246-9385 SQZ
KING;WOLFCAMP		PERFS	9248-9449
		PERFS	9834-9855

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	325	350 sxs	17 1/2	0' CIRC
INT1	8 5/8	4591	2100 sxs	11	0' CIRC
PROD.	5 1/2	12440	350 sxs	7 7/8	8760 TS*

* Old TOC @ 10000' by T.S. Perf 4 holes @ 9900' Sqz CMT
New TOC @ 8760' by T.S.

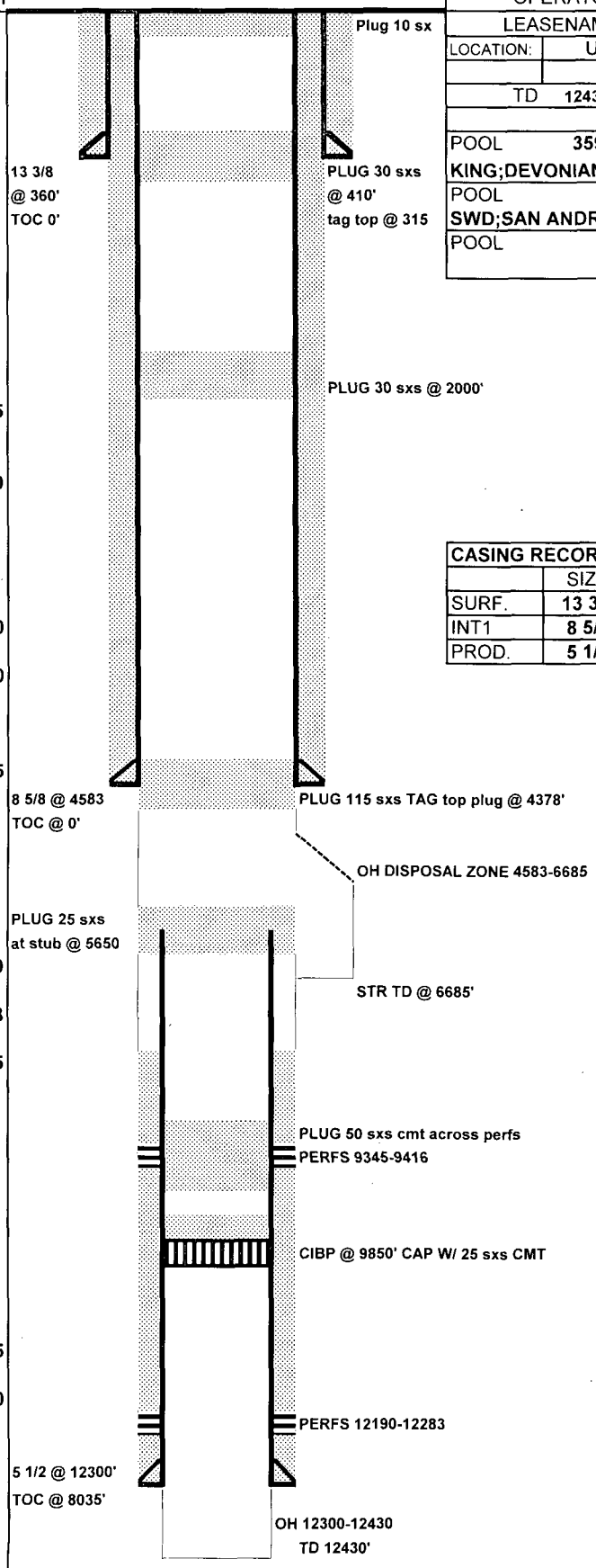
Wolfcamp perfs isolated w/ 2 7/8 tbng lnr and packers

PREPARED BY:	UPDATED	10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2175
Top Salt	2280
Base Salt	3060
Yates	3120
Queen	
San Andres	4565
Glorieta	6050
Tubb	7298
Abo	7975
Wolfcamp	
Miss Lm	11415
Devonian	12160



APINUM:	30-025-05093				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	J L REED			WELL NO.	3
LOCATION:	UL: G	SEC: 35	TWN: 13S	RNG:	37E
	1980 FNL		1650 FEL		
TD 12430	PBD	KB 3858	DF 3857		
		GL			

POOL	35910	Open Hole	12300-12430
KING;DEVONIAN		PERFS	12190-12283
POOL		Open Hole	4583-6685
SWD;SAN ANDRES-GLORIETA			
POOL		PERFS	

CASING RECORD

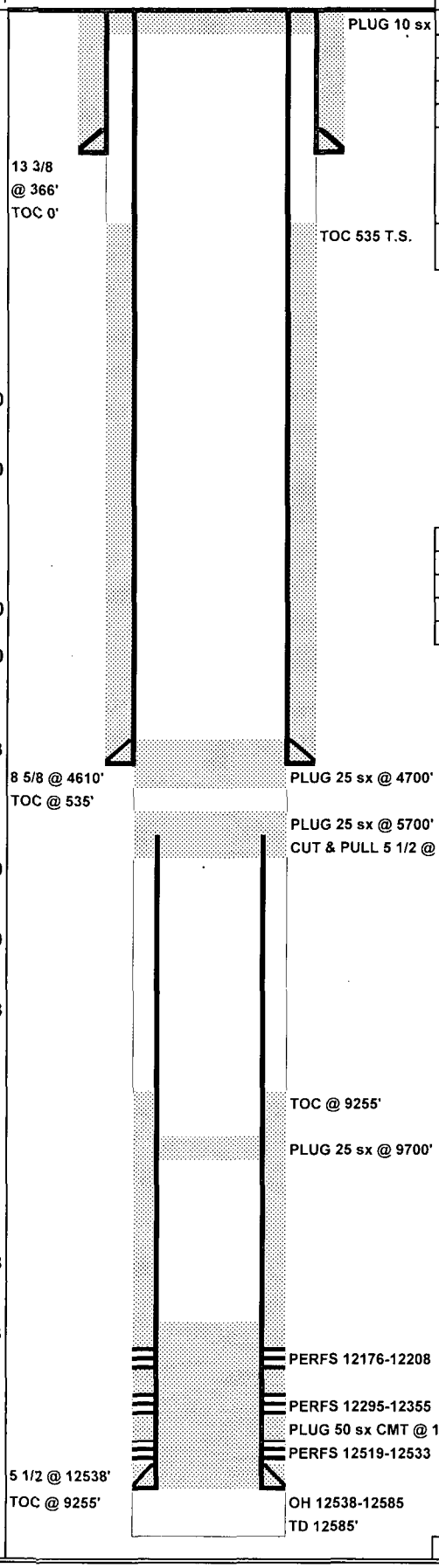
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	360	400 sxs	17	0' CIRC
INT1	8 5/8	4583	2400 sxs	11	0' CIRC
PROD.	5 1/2	12300	700 sxs	7 7/8	8035' T.S.

PREPARED BY: | UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2180
Top Salt	2290
Base Salt	3050
Yates	3140
Queen	
San Andres	4583
Glorieta	6050
Tubb	7310
Abo	7983
Wolfcamp	
Strawn	
Miss Lm	11418
Devonian	12173



APINUM:	30-025-05094
OPERATOR:	PALADIN ENERGY CORP
LEASENAME:	J L REED
WELL NO.	4
LOCATION: UL:	B
SEC:	35
TWN:	13S
RNG:	37E
	990 FNL
	1650 FEL
TD	12585
PBD	
KB	3862
DF	3861
GL	3849
POOL	35910
	KING;DEVONIAN
Open Hole	12528-12585
PERFS	12519-12533
PERFS	12295-12355
PERFS	12176-12208
POOL	
PERFS	

CASING RECORD

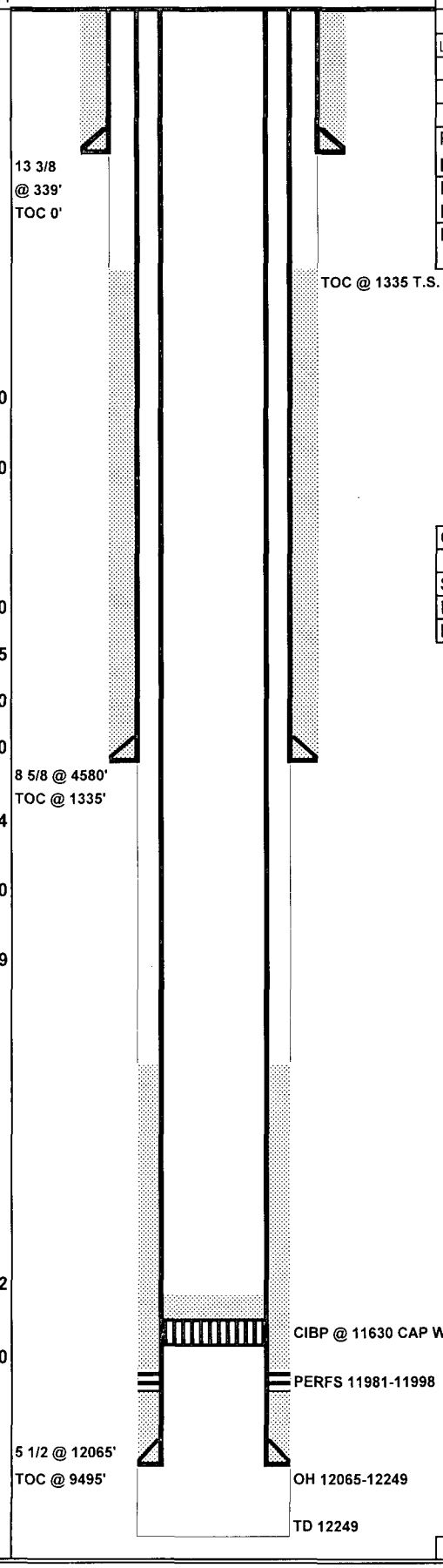
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	366	400 sxs	17 1/4	0' CIRC
INT1	8 5/8	4610	2400 sxs	12 1/2	535 T.S.
PROD.	5 1/2	12538	700 sxs	7 7/8	9255 T.S.

PREPARED BY: | UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2200
Top Salt	2300
Base Salt	3070
Yates	3135
Queen	3920
San Andres	4530
Glorieta	6024
Tubb	7280
Abo	7949
Wolfcamp	
Strawn	
Miss Lm	11252
Devonian	11970



APINUM:	30-025-05096				
OPERATOR:	PALADIN ENERGY CORP				
LEASENAME:	NEW MEXICO C STATE			WELL NO.	1
LOCATION:	UL: E	SEC: 36	TWN: 13S	RNG:	37E
	2310 FNL		330 FWL		
TD 12249	PBD	KB	DF		
		GL 3844			
POOL 35910		Open Hole	12065-12249		
KING;DEVONIAN		PERFS	11981-11998		
POOL		PERFS	9266-9388		
KING;WOLFCAMP			9728-10095		
POOL		PERFS			

CASING RECORD

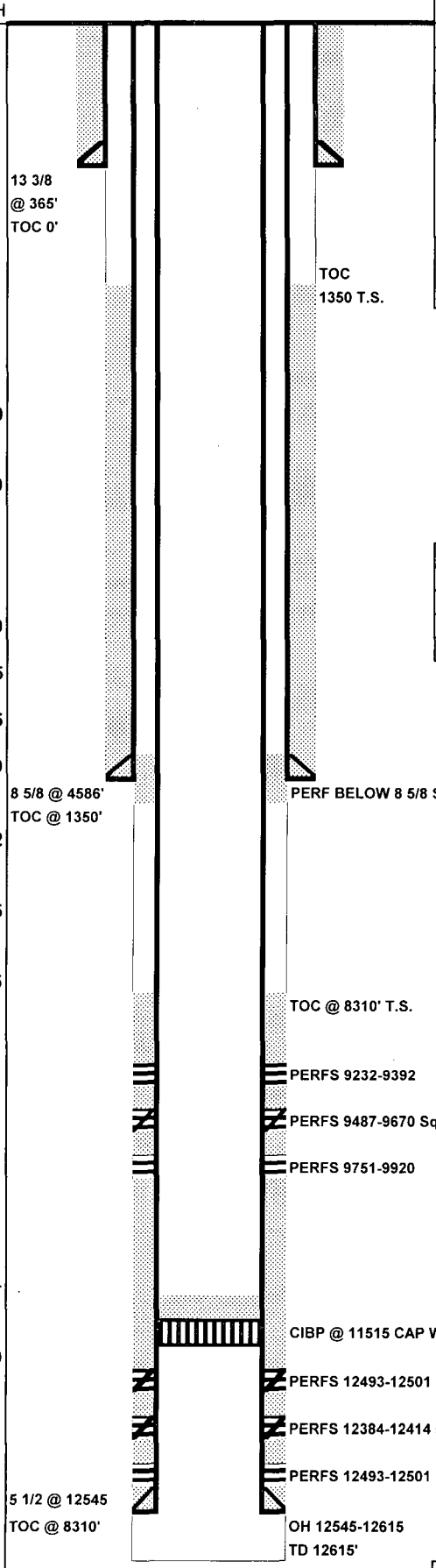
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	339	300 sxs	17	0' CIRC
INT1	8 5/8	4580	2100 sxs	11	1335 T.S.
PROD.	5 1/2	12065	600 sxs	7 7/8	9495 T.S.

PREPARED BY: | UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2210
Top Salt	2310
Base Salt	3080
Yates	3145
Queen	3925
San Andres	4540
Glorieta	6032
Tubb	7295
Abo	7975
Wolfcamp	
Miss Lm	11404
Devonian	12290



APINUM:	30-025-05097
OPERATOR:	PALADIN ENERGY CORP
LEASENAME:	NEW MEXICO C STATE
WELL NO.	2
LOCATION: UL:	D
SEC:	36
TWN:	13S
RNG:	37E
	990 FNL
	440 FWL
TD	12615
PBD	
KB	3858
DF	3857
GL	3843

POOL 35910 KING;DEVONIAN	Open Hole	12545-12615
	PERFS	12493-12501
	PERFS	12384-12414 Sqz
	PERFS	12301-12347 Sqz
POOL KING;WOLFCAMP	PERFS	9232-9394
	PERFS	9487-9670 Sqz
	PERFS	9751-9920

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	365	350 sxs	17	0' CIRC
INT1	8 5/8	4586	2400 sxs	11	1350 T.S.
PROD.	5 1/2	12545	700 sxs	7 7/8	8310 TS*

* Old TOC @ 9670' by T.S. Perf 4 holes @ 9599-9600' Sqz CMT
Sqz CMT New TOC @ 8310' by T.S.

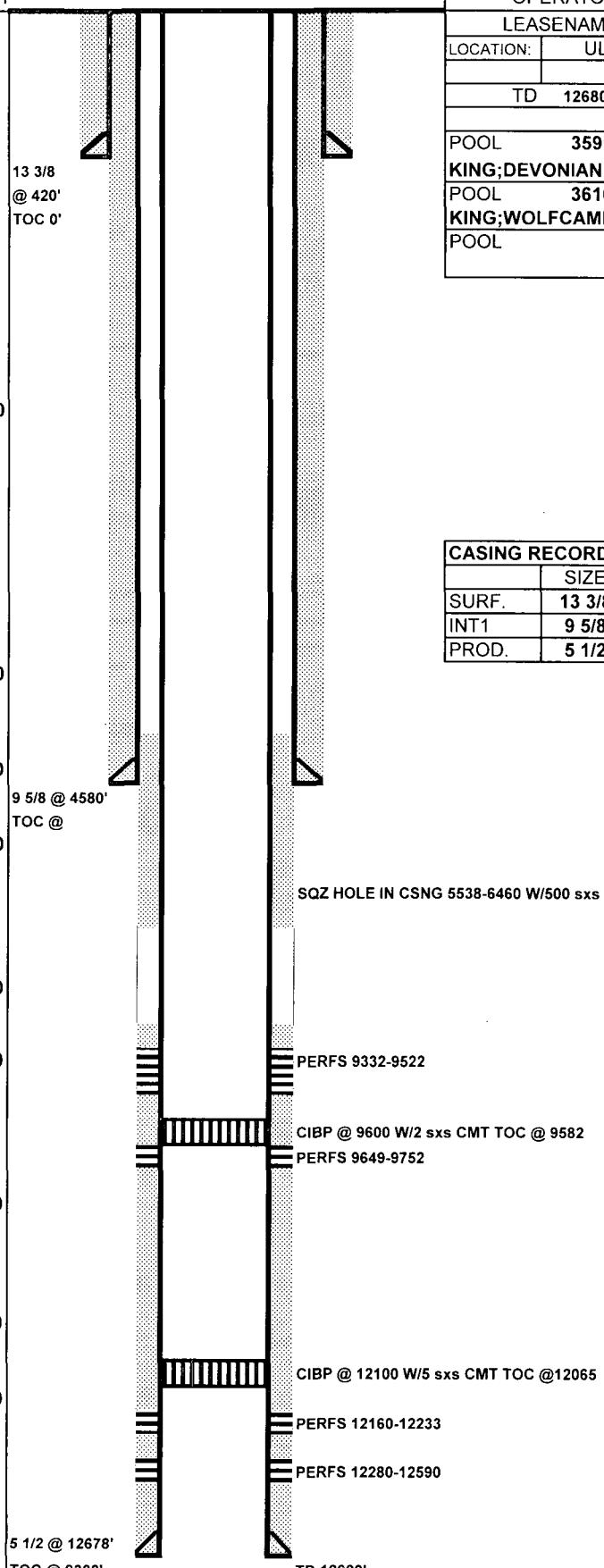
PREPARED BY:

UPDATED 10/15/07

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC

FORM	DEPTH
Rustler	2200
Top Salt	
Base Salt	
Yates	3100
Queen	
San Andres	4540
Glorieta	6050
Tubb	
Abo	7970
Wolfcamp	9400
Penn	10620
Strawn	
Miss Lm	11460
Devonian	12150



APINUM:	30-025-05098				
OPERATOR:	PENROC OIL CORP				
LEASENAME:	STATE E 7169			WELL NO.	1
LOCATION:	UL: L	SEC: 36	TWN: 13S	RNG:	37E
	1650 FSL		330 FWL		
TD	12680	PBD	KB	DF	
			GL 3844		

POOL 35910	PERFS 12280-12590
KING;DEVONIAN	12160-12233
POOL 36100	PERFS 9332-9522
KING;WOLFCAMP	9649-9752 DRY
POOL	PERFS

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	355	350 sxs	17 1/2	0' CIRC
INT1	9 5/8	4580	2250 sxs	12 1/4	0' CIRC
PROD.	5 1/2	12678	850 sxs	8 3/4	9300 Calc

PREPARED BY: | UPDATED 10/15/07

API	WELL_NAME	OPERATOR	FTG_NS	NS_CD	FTG_EW	EW_CD	OCD_UL	SDIV_UL	Sec	Tsp	Rge	TVD_DEPTH	OGRID_CDE
3002505092	J L REED 002	PALADIN ENERGY CORP	660	N	660	E	A	A	35	13S	37E	12440	164070
3002530856	J L REED 006	PALADIN ENERGY CORP	1800	N	1650	E	G	G	35	13S	37E	11112	164070
3002505091	J L REED 001	PALADIN ENERGY CORP	1980	N	660	E	H	H	35	13S	37E	12670	164070
3002529554	J L REED 005	PALADIN ENERGY CORP	1830	N	660	E	H	H	35	13S	37E	11100	164070
3002530855	HOWARD FLEET 005	PALADIN ENERGY CORP	2250	S	600	E	I	I	35	13S	37E	11000	164070
3002505087	HOWARD FLEET 002	PALADIN ENERGY CORP	990	S	330	E	P	P	35	13S	37E	12625	164070
3002505097	NEW MEXICO C STATE 002	PALADIN ENERGY CORP	990	N	440	W	D	D	36	13S	37E	12615	164070
3002505096	NEW MEXICO C STATE 001	PALADIN ENERGY CORP	2310	N	330	W	E	E	36	13S	37E	12249	164070
3002534239	STATE C 003	PALADIN ENERGY CORP	1550	N	10	W	E	E	36	13S	37E	12245	164070
3002534239	STATE C 003	PALADIN ENERGY CORP	1550	N	10	W	E	E	36	13S	37E	12245	164070
3002505098	STATE E 7169 001	PENROC OIL CORP	1650	S	330	W	L	L	36	13S	37E	12680	17213
3002505079	H L LOWE ETAL 002	FOREST OIL-HOUSTON	1980	S	660	W	L	L	25	13S	37E	10240	214263
3002505078	H L LOWE 001	FOREST OIL CORP	660	S	660	W	M	M	25	13S	37E	13145	214263
3002505082	H L LOWE C 001	CABOT CORP	467	S	1650	E	O	O	26	13S	37E	12689	3507
3002505084	H L LOWE 001	VENTURA OIL CO	660	S	1980	E	O	O	26	13S	37E	6300	214263
3002505081	H L LOWE B 001	BAHLBURG EXPLORATION INC	467	S	850	E	P	P	26	13S	37E	12437	122762
3002526059	LOWE LAND 002	COTTON PETROLEUM CO	330	S	500	E	P	P	26	13S	37E	12675	214263
3002505094	J L REED 004	CABOT CORP	990	N	1650	E	B	B	35	13S	37E	12585	214263
3002505093	J L REED 003	PALADIN ENERGY CORP	1980	N	1650	E	G	G	35	13S	37E	12430	164070
3002505086	HOWARD FLEET 001	CABOT CORP	1980	S	660	E	I	I	35	13S	37E	12840	3507
3002505088	HOWARD FLEET 003	CABOT CORP	1930	S	1650	E	J	J	35	13S	37E	12513	3507
3002505089	HOWARD FLEET 004	CABOT CORP	990	S	1650	E	O	O	35	13S	37E	12471	3507
3002505095	STATE AB 001	HOUSTON OIL CO OF T	660	N	660	W	D	D	36	13S	37E	11570	214263
3002505099	PHILLIPS A STATE 001	J C WILLIAMSON	1980	S	1980	W	K	K	36	13S	37E	10250	214263
3002505100	STATE E 7169 002	KERR-MCGEE CORP	467	S	467	W	M	M	36	13S	37E	12667	214263
3002530702	LOWE 001	PALADIN ENERGY CORP	900	S	50	W	M	M	25	13S	37E	12272	164070

PROPERTY	D_T	L_T	COI	ACRES	SPUD_DATE	MPL_STAT	PLUG_DATE	PRODUCING_POOL_N	TER_INJ	TER_INJ_1	PROI	PROD	PROD_1	PROD_	PROD_2	R_PROD	R_PROD	ER_PROD	COUNTY
21142	P	O	2	80		Active		KING;DEVONIAN			05	144	3289	7219	4432	59332	105405	86384	Lea
21142	P	O	1	40	11-Jul-90	Active						0	0	0	0	0	0	0	Lea
21142	P	S	1	40	15-Oct-61	Active			82005	147843									Lea
21142	P	O	1	40	30-Jan-86	Active		KING;WOLFCAMP			05	144	1096	3219	1478	19778	41842	32348	Lea
21139	P	O	2	80	03-Jun-90	Active					08	0	0	0	0	0	0	0	Lea
21139	P	O	3	120	21-Dec-56	Active		KING;WOLFCAMP			05	151	1205	2656	1706	2225	5312	4909	Lea
21141	S	O	1	40	19-Jan-57	Active					08	0	0	0	0	0	0	0	Lea
21141	S	O	1	40	25-Sep-85	Active		KING;WOLFCAMP			05	151	1447	2495	1458	2184	4806	4282	Lea
28991	S	O	1	40	06-Feb-98	Active					07	0	0	0	0	0	0	0	Lea
28991	S	O	1	40	06-Feb-98	Active					07	0	0	0	0	0	0	0	Lea
8930	S	O	1	40		Active					01	0	0	0	0	0	0	0	Lea
30041	P	O				Plugged													Lea
30041	P	O	1	40		Plugged													Lea
2414	P	S	1	40		Plugged	11-Apr-75												Lea
30041	P	O				Plugged													Lea
18253	P	O	1	40	17-May-57	Plugged	06-May-96												Lea
30041	P	O				Plugged													Lea
30041	P	O	1	40		Plugged													Lea
21142	P	S	1	40	05-Aug-85	Plugged	19-Nov-02												Lea
2413	P	S	1	40	08-Nov-55	Plugged	21-Nov-80												Lea
2413	P	O	1	40		Plugged													Lea
2413	P	S	1	40		Plugged	01-Jan-94												Lea
30041	S	O				Plugged													Lea
30041	S	O				Plugged													Lea
30041	S	O	1	40		Plugged													Lea
25419	P	O	2	80	03-Feb-93	TA					03	0	0	0	0	0	0	0	Lea

DIG Drilling Systems
DIG Survey Report

Company: PALADIN EXPLORATION CO. INC.	Date: 9/18/98	Time: 14:36:15	Page: 1
Field: LEA COUNTY, NEW MEXICO	Co-ordinate (N/E) Reference:	Site: STATE C #3, True North	
Site: STATE C #3	Vertical (TVD) Reference:	SITE 0.0 above Mean Sea Level	
Well: STATE C #3	Section (V/S) Reference:	Slot (0.0E,0.0N,0.0Azi)	
Wellpath: DIG SINGLE SHOT SURVEY	Survey Calculation Method:	Minimum Curvature	

Annotation

MD ft	TVD ft	
12015.0	12008.1	Projection Bottom Hole Location

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS d/100ft	CLD ft	CLA deg
6028.0	0.14	107.67	6027.2	18.7	26.4	18.7	0.00	32.3	54.71
6203.0	0.75	340.00	6202.2	19.7	26.2	19.7	0.48	32.8	53.07
6400.0	0.50	241.00	6399.2	20.5	25.0	20.5	0.49	32.3	50.68
6600.0	0.50	329.00	6599.2	20.8	23.8	20.8	0.35	31.6	48.83
6791.0	0.50	325.00	6790.2	22.2	22.9	22.2	0.02	31.9	45.86
6979.0	1.00	326.00	6978.1	24.2	21.5	24.2	0.27	32.4	41.57
7133.0	0.75	335.00	7132.1	26.3	20.3	26.3	0.18	33.2	37.72
7320.0	0.75	290.00	7319.1	27.8	18.6	27.8	0.31	33.5	33.86
7506.0	1.00	285.00	7505.1	28.6	15.9	28.6	0.14	32.8	29.10
7694.0	1.50	260.00	7693.0	28.6	11.9	28.6	0.39-	31.0	22.61
7881.0	1.00	225.00	7880.0	27.0	8.4	27.0	0.48	28.3	17.17
8069.0	1.00	230.00	8068.0	24.8	5.9	24.8	0.05	25.5	13.45
8258.0	0.75	245.00	8257.0	23.2	3.6	23.2	0.18	23.5	8.69
8446.0	1.25	220.00	8444.9	21.1	1.1	21.1	0.35	21.2	3.03
8632.0	1.00	225.00	8630.9	18.4	-1.3	18.4	0.14	18.5	355.87
8819.0	1.00	230.00	8817.9	16.2	-3.7	16.2	0.05	16.7	347.05
9006.0	1.25	210.00	9004.8	13.4	-6.0	13.4	0.25	14.7	335.90
9191.0	1.00	235.00	9189.8	10.8	-8.3	10.8	0.29	13.6	322.22
9374.0	1.25	219.00	9372.8	8.3	-10.9	8.3	0.22	13.7	307.24
9562.0	1.00	280.00	9560.7	7.0	-13.8	7.0	0.62	15.5	296.81
9750.0	1.00	240.00	9748.7	6.4	-16.8	6.4	0.36	18.0	290.93
9936.0	1.00	230.00	9934.7	4.6	-19.5	4.6	0.09	20.0	283.25
10124.0	1.00	195.00	10122.6	1.9	-21.2	1.9	0.32	21.3	275.26
10274.0	1.50	216.00	10272.6	-0.9	-22.7	-0.9	0.45	22.7	267.72
10459.0	1.75	230.00	10457.5	-4.7	-26.3	-4.7	0.25	26.7	259.90
10640.0	2.50	220.00	10638.4	-9.5	-30.9	-9.5	0.46	32.3	252.95
10765.0	2.75	200.00	10763.3	-14.4	-33.7	-14.4	0.76	36.6	246.88
10877.0	2.50	209.00	10875.2	-19.0	-35.8	-19.0	0.43	40.5	241.98
11042.0	2.25	201.00	11040.0	-25.2	-38.7	-25.2	0.25	46.2	236.91
11165.0	2.25	205.00	11162.9	-29.7	-40.6	-29.7	0.13	50.3	233.84
11281.0	2.30	65.00	11278.9	-30.7	-39.4	-30.7	3.69	50.0	232.06
11343.0	3.40	46.00	11340.8	-28.9	-37.0	-28.9	2.32	47.0	231.96
11438.0	4.30	33.00	11435.6	-24.0	-33.0	-24.0	1.31	40.8	233.99
11501.0	4.70	34.00	11498.4	-19.9	-30.3	-19.9	0.65	36.2	236.73
11562.0	5.70	36.00	11559.2	-15.3	-27.1	-15.3	1.67	31.2	240.48
11622.0	7.10	35.00	11618.8	-9.9	-23.2	-9.9	2.34	25.3	246.91
11682.0	8.00	37.00	11678.3	-3.5	-18.6	-3.5	1.56	18.9	259.25
11745.0	7.80	40.00	11740.7	3.2	-13.2	3.2	0.73	13.6	283.81
11838.0	8.50	39.00	11832.7	13.4	-4.8	13.4	0.77	14.3	340.24
11900.0	8.00	35.00	11894.1	20.5	0.5	20.5	1.23	20.5	1.50
12015.0	7.06	27.52	12008.1	33.3	8.4	33.3	1.18	34.4	14.13

1550
33
1517
+ 602
2119 FNL

+ 10
18
-196

196
18
178 FEL
Sec 35

Bailey

Job Number: WTX0301-0044
Company: Manzano Oil Corporation
Lease/Well: State C Well #3
Location: Lea County
Rig Name: Pool # 601
RKB:
G.L. or M.S.L.:

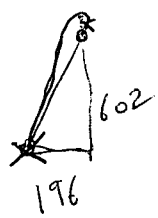
State/Country: New Mexico
Declination: 8.83° East
Grid: True North
File name: A:\STATEC3.SVY
Date/Time: 09-Apr-01 / 17:30
Curve Name: S.T. 01

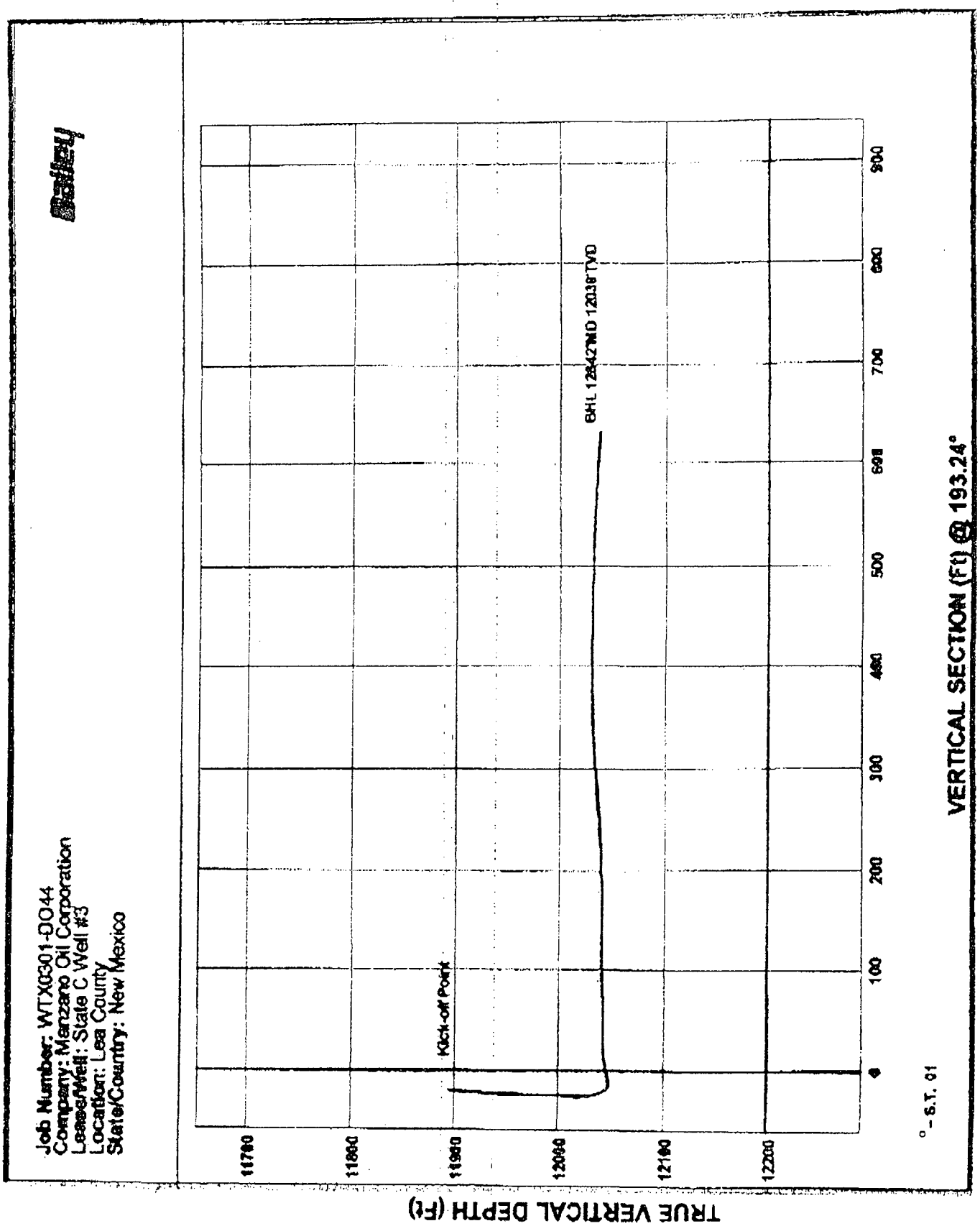
WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 193.24
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100	BUILD RATE Deg/100
Tie-In Survey										
11900.00	8.00	35.00	11884.06	20.54	.53	-20.12	20.55	1.48	.00	.00
11940.00	4.70	81.70	11933.83	23.06	3.75	-23.31	23.36	9.24	14.67	-8.25
11945.00	3.00	51.20	11938.82	23.17	4.06	-23.48	23.52	9.93	52.10	-34.00
11950.00	1.40	35.80	11943.82	23.30	4.20	-23.64	23.67	10.21	33.20	-32.00
11955.00	2.20	311.50	11948.82	23.41	4.18	-23.74	23.78	10.08	51.02	16.00
11960.00	4.70	301.10	11953.81	23.58	3.91	-23.85	23.90	9.43	51.34	50.00
11965.00	8.00	290.40	11958.78	23.81	3.41	-23.96	24.05	8.16	69.84	66.00
11970.00	11.20	293.50	11963.71	24.12	2.64	-24.09	24.27	6.25	64.81	64.00
11975.00	14.40	290.00	11968.58	24.53	1.61	-24.25	24.58	3.76	65.82	64.00
11980.00	17.60	283.80	11973.38	24.92	.28	-24.33	24.93	.66	76.11	68.00
11985.00	19.20	282.50	11978.13	25.28	-1.26	-24.32	25.32	357.15	29.19	28.00
11990.00	21.60	279.30	11982.81	25.61	-2.97	-24.25	25.78	353.38	52.91	48.00
11995.00	24.20	277.40	11987.42	25.89	-4.90	-24.08	26.35	349.28	54.06	52.00
12000.00	27.60	286.20	11991.92	26.35	-7.03	-24.04	27.27	345.07	102.47	68.00
12005.00	29.50	291.80	11996.31	27.13	-9.28	-24.28	28.67	341.11	66.61	38.00
12010.00	31.70	292.80	12000.61	28.09	-11.64	-24.68	30.41	337.50	46.16	44.00
12015.00	32.30	293.70	12004.85	29.14	-14.07	-25.14	32.36	334.23	15.33	12.00
12020.00	35.80	290.20	12008.99	30.18	-16.67	-25.56	34.48	331.09	80.20	70.00
12025.00	38.40	289.20	12012.98	31.20	-19.51	-25.90	36.79	327.98	53.38	52.00
12030.00	41.80	284.60	12016.81	32.13	-22.59	-26.10	39.27	324.89	90.16	68.00
12035.00	46.50	280.80	12020.39	32.89	-25.98	-26.06	41.92	321.69	107.85	94.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100	BUILD RATE Deg/100
12040.00	48.60	279.30	12023.77	33.53	-29.62	-25.86	44.74	318.55	47.47	42.00
12045.00	51.80	278.00	12026.97	34.11	-33.41	-25.55	47.75	315.59	67.04	64.00
12050.00	54.90	277.10	12029.95	34.64	-37.39	-26.15	50.97	312.81	63.86	62.00
12055.00	57.70	276.70	12032.73	35.10	-41.52	-24.66	54.37	310.21	60.65	56.00
12060.00	61.10	274.40	12035.27	35.48	-45.81	-24.04	57.94	307.75	71.59	68.00
12065.00	64.30	273.50	12037.57	35.78	-50.24	-23.32	61.68	305.46	65.97	64.00
12070.00	67.50	273.40	12039.61	36.06	-54.80	-22.55	65.60	303.35	64.03	64.00
12075.00	69.60	277.10	12041.44	36.48	-59.43	-21.90	69.73	301.55	80.66	42.00
12080.00	72.70	276.00	12043.05	37.02	-64.13	-21.36	74.05	300.00	65.40	62.00
12085.00	75.70	275.90	12044.41	37.52	-68.91	-20.74	78.47	298.57	60.03	60.00
12090.00	77.60	275.20	12045.57	37.99	-73.76	-20.09	82.97	297.25	40.37	38.00
12095.00	81.60	273.40	12046.47	38.36	-78.66	-19.33	87.51	296.00	87.48	80.00
12100.00	84.80	273.80	12047.06	38.67	-83.61	-18.49	92.12	294.82	64.49	64.00
12105.00	88.70	273.70	12047.43	39.00	-88.59	-17.67	96.79	293.76	38.05	38.00
12110.00	87.00	272.70	12047.71	39.28	-93.57	-16.80	101.48	292.77	20.85	6.00
12115.00	87.70	272.00	12047.94	39.48	-98.56	-15.86	106.18	291.83	19.79	14.00
12120.00	89.20	268.00	12048.07	39.48	-103.56	-14.71	110.83	290.87	85.41	30.00
12125.00	90.30	265.30	12048.09	39.19	-108.55	-13.29	115.41	289.85	58.31	22.00
12130.00	91.30	263.40	12048.03	38.70	-113.53	-11.67	119.94	288.82	42.94	20.00
12135.00	92.30	261.60	12047.87	38.04	-118.48	-9.90	124.44	287.80	41.17	20.00
12140.00	93.60	259.60	12047.61	37.23	-123.41	-7.98	128.90	286.79	47.66	26.00
12145.00	94.70	257.50	12047.25	36.24	-128.29	-5.89	133.31	285.77	47.32	22.00
12150.00	96.00	256.60	12046.78	35.08	-133.13	-3.65	137.68	284.76	47.56	26.00
12155.00	96.30	253.70	12046.25	33.76	-137.93	-1.27	142.00	283.75	36.29	6.00
12160.00	96.20	252.20	12045.70	32.30	-142.68	1.24	146.29	282.76	29.89	-2.00
12165.00	96.00	250.30	12045.17	30.70	-147.39	3.87	150.55	281.77	38.00	-4.00
12170.00	95.40	247.90	12044.67	28.93	-152.03	6.66	154.76	280.77	49.25	-12.00
12175.00	93.80	244.90	12044.27	26.93	-156.60	9.65	158.90	279.76	67.83	-32.00
12180.00	93.50	244.20	12043.96	24.79	-161.11	12.77	163.00	278.75	15.21	-6.00
12185.00	91.60	240.80	12043.72	22.48	-165.54	16.03	167.06	277.73	75.96	-34.00
12190.00	91.70	240.80	12043.57	20.04	-169.90	19.40	171.08	276.73	2.00	-2.00
12195.00	90.40	238.30	12043.48	17.51	-174.21	22.85	175.08	275.74	56.35	-26.00
12200.00	90.20	236.80	12043.45	14.83	-178.43	26.43	179.04	274.75	30.27	-4.00
12205.00	90.10	234.90	12043.44	12.02	-182.56	30.11	182.96	273.77	38.05	-2.00
12210.00	90.40	232.70	12043.42	9.07	-186.60	33.91	186.82	272.78	44.41	6.00
12215.00	90.60	231.10	12043.37	5.98	-190.53	37.81	190.63	271.80	32.25	4.00
12220.00	91.10	226.90	12043.30	2.70	-194.31	41.87	194.32	270.80	84.68	10.00
12225.00	91.30	226.80	12043.20	-.75	-197.92	46.08	197.92	269.78	22.36	4.00
12230.00	91.90	223.30	12043.06	-4.31	-201.43	50.33	201.47	268.77	51.40	12.00
12235.00	92.00	221.30	12042.89	-8.00	-204.79	54.69	204.95	267.76	40.03	2.00
12240.00	92.00	219.80	12042.71	-11.81	-208.03	59.14	208.37	266.75	33.98	.00
12245.00	92.10	217.40	12042.53	-15.72	-211.14	63.68	211.73	265.74	44.02	2.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100	BUILD RATE Deg/100
12250.00	91.60	215.90	12042.37	-19.73	-214.13	68.24	215.03	264.74	31.61	-10.00
12255.00	91.50	213.70	12042.24	-23.83	-216.98	72.69	218.28	263.73	44.03	-2.00
12260.00	91.70	211.70	12042.10	-28.04	-219.65	77.60	221.46	262.73	40.18	4.00
12265.00	91.60	210.00	12041.95	-32.33	-222.24	82.37	224.56	261.72	34.04	-2.00
12270.00	91.60	208.30	12041.81	-36.69	-224.68	87.17	227.65	260.73	33.98	.00
12275.00	91.70	206.50	12041.67	-41.13	-226.98	92.02	230.67	259.73	36.04	2.00
12280.00	91.10	203.50	12041.55	-45.66	-229.09	96.91	233.59	258.73	61.17	-12.00
12285.00	91.10	202.70	12041.45	-50.26	-231.05	101.84	236.45	257.73	16.00	.00
12290.00	90.80	200.70	12041.38	-54.90	-232.90	106.78	239.28	256.74	41.23	-10.00
12295.00	90.20	199.10	12041.34	-59.60	-234.60	111.75	242.05	255.75	32.98	-8.00
12300.00	89.80	197.50	12041.34	-64.35	-236.17	116.73	244.78	254.76	32.98	-8.00
12305.00	89.70	195.90	12041.36	-69.14	-237.61	121.72	247.48	253.78	32.06	-2.00
12310.00	89.70	190.80	12041.39	-74.00	-238.76	126.72	249.97	252.78	102.00	.00
12315.00	89.80	190.70	12041.41	-78.91	-239.69	131.71	252.35	251.78	2.83	2.00
12320.00	90.00	189.60	12041.42	-83.83	-240.57	136.70	254.76	250.79	22.36	4.00
12325.00	90.00	187.60	12041.42	-88.78	-241.33	141.69	257.14	249.80	36.00	.00
12330.00	90.20	185.80	12041.41	-93.74	-241.92	146.68	259.45	248.82	40.20	4.00
12335.00	90.20	184.20	12041.39	-98.72	-242.36	151.61	261.69	247.84	32.00	.00
12340.00	90.40	182.80	12041.37	-103.71	-242.66	156.53	263.90	246.88	28.28	4.00
12376.00	91.00	178.70	12040.94	-138.70	-243.12	190.69	279.90	240.30	11.84	1.71
12407.00	93.00	178.80	12039.82	-170.67	-242.42	221.66	296.48	234.85	6.26	6.25
12438.00	93.30	177.80	12038.12	-201.61	-241.51	251.56	314.60	230.14	3.36	.97
12470.00	93.60	176.90	12036.19	-233.52	-240.03	282.28	334.86	225.79	2.96	.94
12501.00	95.50	177.00	12033.73	-264.37	-238.38	311.94	355.98	222.04	6.14	6.13
12533.00	91.40	176.50	12031.81	-296.24	-236.29	342.48	378.94	218.58	13.64	-12.81
12564.00	90.80	174.70	12031.21	-327.12	-233.85	371.94	401.99	215.54	3.23	-1.94
12595.00	91.20	173.80	12030.67	-357.96	-230.54	401.25	425.78	212.78	3.16	1.29
12627.00	89.00	172.50	12030.62	-389.73	-226.73	431.30	450.88	210.19	7.99	-6.88
12658.00	88.40	172.90	12031.34	-421.46	-222.66	461.25	476.66	207.85	2.25	-1.87
12691.00	89.10	172.80	12032.04	-453.20	-218.68	491.24	503.20	205.76	2.21	2.19
12722.00	89.20	171.70	12032.50	-483.92	-214.50	520.18	529.33	203.91	3.56	.32
12753.00	86.60	171.10	12033.64	-514.55	-209.87	548.93	555.70	202.19	8.61	-8.39
12788.00	86.80	171.30	12035.54	-547.10	-204.63	579.47	584.19	200.53	.66	.61
Projection to TD										
12842.00	86.80	171.30	12038.66	-602.37	-196.37	631.34	633.57	198.06	.00	.00




Job Number: WTX0301-D044
Company: Manzano Oil Corporation
Lease/Well: State C Well #3
Location: Lea County
State/Country: New Mexico
Baker Hughes
Kick-off Point
BHL 12842'MD 12038'TVD
VERTICAL SECTION (Ft) @ 193.24°
TRUE VERTICAL DEPTH (Ft)
11760
11880
11940
12060
12180
12300
0
100
200
300
400
500
600
700
800
900
° - G.T. 01

POOL: Dean - Devonian

All values in Parts per Million - PPM.

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

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

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 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:

Receiving Date:
Reporting Date:
Project Owner: ALEXANDER
Project Name: ALEXANDER FARMS
Project Location: NOT GIVEN

Sampling Date:
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/AH

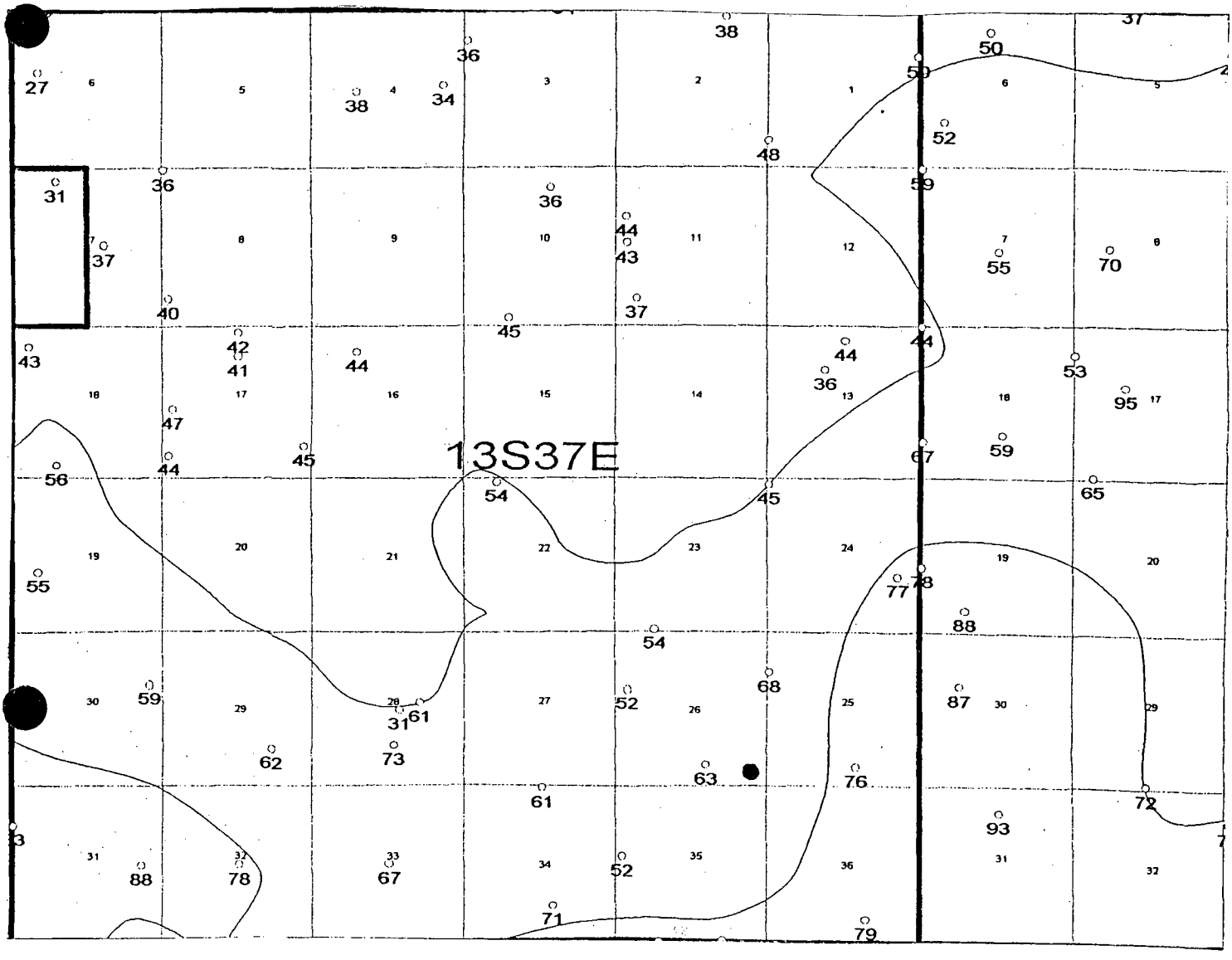
LAB NUMBER	SAMPLE ID	TPH (mg/L)	Cl (mg/L)
ANALYSIS DATE:		10/15/04	10/14/04
H9235-1	AF #2	<1.0	104
Quality Control		29.4	1050
True Value QC		30.0	1000
% Recovery		97.9	105
Relative Percent Difference		4.2	2.9

METHODS: TPH-EPA 600/4-79-020 418.1; Cl-Std. Methods 4500-Cl-B

Chemist

10/18/04
Date

H9235.XLS



• water well location
water level map

LEASE OWNERS AND OFFSETS

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

Manzano Oil Corp.
121 W. Third St.
Roswell, NM 88201

Penroc Oil Corp.
Box 2769
Hobbs, NM 88241-2769

PALADIN ENERGY CORP.

December 12, 2007

RE: State C #3
Unit E, Sect. 36, T. 13 S., R. 37 E.
API #30-025-34239

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
(575)392-2236
seay04@leaco.net

7007 0220 0001 1731 7934

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Restricted Delivery Fee (Endorsement Required)	6.40 ~~4.30~~
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USPS - 88265

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Street, Apt. No.; or PO Box No.
310 Old Santa Fe Trail
Box 1148
City, State, ZIP+4
Santa Fe, NM 87504-1148

PS Form 3800, August 2006 See Reverse for Instructions

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PS Form 3800, August 2006 See Reverse for Instructions

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Street, Apt. No.; or PO Box No.
Box 2769
City, State, ZIP+4
Hobbs, NM 88241-2769

PS Form 3800, August 2006 See Reverse for Instructions

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Paladin Energy Corp., 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the State C #3, API 30-025-34239 located in Unit E, Section 36, Township 13 South, Range 37 East, Lea Co., NM. The injection formation is the Devonian from 11920′ to 12890′ 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.

Affidavit of Publication

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

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

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for

One (1) day, beginning with the issue of December 15, 2007 and ending with the issue of December 15, 2007.

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

Joyce Clemens

Subscribed and sworn to before me this 19th day of December 2007.

Debbie Schilling

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

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Published in the Lovington Leader December 15, 2007.

Injection Permit Checklist 2/8/07

SWD Order Number 1112 Dates: Division Approved _____ District Approved _____

Well Name/Num: State "C" #3 Date Spudded: 7/82

API Num: (30-) 025-34239 County: LEA

Footages 1550 FNL / 10 FWL Sec 36 Tsp 13S Rge 37E

Operator Name: Paladin Energy Corp. Contact David Plaisance

Operator Address: 10290 Monroe Dr. Suite 301 Dallas, TX 75229

Current Status of Well: P&A Planned Work: Inj. Tubing Size: 3 1/2 @ 11,850'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/2 13 3/8	420	430	CIRC
Intermediate	12 1/4 9 5/8	6060	1685	CIRC
Production	7 7/8 5 1/2		1000	
Last DV Tool		10,687		
Open Hole/Liner				
Plug Back Depth				

(1640 70 = OGRID)

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

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

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
Capitan Reef			
Cliff House, Etc:			
Formation Above	10855	STRAWN	
Top Inj Interval	11920	DEV	
Bottom Inj Interval	12890		
Formation Below	12300	SILURIAN	

2384 PSI Max. WHIP

BOTH Open Hole (Y/N) old well

Y/N Deviated Hole (Y/N) A=Riz

11922 / 3840

Fresh Water: Depths: 40'-240' Wells(Y/N) ? Analysis Included (Y/N): ✓ Affirmative Statement ✓

Salt Water Analysis: Injection Zone (Y/N/NA) OK DispWaters (Y/N/NA) ✓ Types: McKee, DEV, SLK

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

Other Affected Parties: Morgan, Penroc ✓

AOR/Repairs: NumActiveWells 0 Repairs? — Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 14 Repairs? — Diagrams Included? ✓ RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) Y/92 AOR STRs: Sec_____ Tsp_____ Rge_____ UIC Form Completed (Y/N) _____

New AOR Table Filename — Sec_____ Tsp_____ Rge_____ This Form completed _____

Conditions of Approval: Sec_____ Tsp_____ Rge_____ Data Request Sent _____

AOR Required Work: _____

Required Work to this Well: _____