

3/29/09
 12-16-08 DATE IN SUSPENSE ENGINEER W. Jones LOGGED IN 12-16-08 TYPE SWD APP NO. PKAA0835152830

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

2008 DEC 16 11:28 AM NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



API 30-025-33002
 Lowe 25 #01
 Paladin Energy Corp
 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]

- [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 12/8/2008
 Print or Type Name Signature Title Date
 seay_04@leaco.net
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Paladin Energy Corp

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

CONTACT PARTY: David Plaisance PHONE: 214-654-0132

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

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____

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

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

VII. Attach data on the proposed operation, including:

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

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

IX. Describe the proposed stimulation program, if any.

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

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

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

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

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

NAME: Eddie W. Seay TITLE: Agent

SIGNATURE: Eddie W. Seay DATE: 1/29/2009

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: _____

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

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

NAME: Eddie W. Seay TITLE: Agent

SIGNATURE: Eddie W. Seay DATE: 12/5/2008

E-MAIL ADDRESS: seay04@leaco.net

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

ATTACHMENT TO APPLICATION C-108

Lowe SWD #1
Unit E, Sect. 25, Tws. 13 S., Rng. 37 E.
Lea Co., NM
API 30-025-33002

III. WELL DATA

- A.
- 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 2 7/8" plastic coated tubing.
 - 4) Baker tension packer.
- B.
- 1) Injection formation is the Devonian.
 - 2) Injection interval 125~~55~~⁷' to 12820' into open hole.
 - 3) Well was drilled as a dry well.
 - 4) The next higher producing zone is the Strawn at approximately 10855' .
The next lower producing zone is the silurian at approximately 12850' .

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 run new 5 1/2" casing to top of Devonian and complete in open hole. Run 2 7/8" plastic coated tubing with 5 1/2" packer and set at approximately 12500' .

- 1) Plan to inject approximately 5000 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 12555' to 12820' into open 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.

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8 Lining Material: IPC

Type of Packer: Baker Loc Set

Packer Setting Depth: 12500

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? a new well that tested dry as a producer

2. Name of the Injection Formation: King - 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. NONE

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

The streamer is the zone that overlays the Devonian and Occurs at 10855.

The Silurian underlays the Devonian at approx. 12850

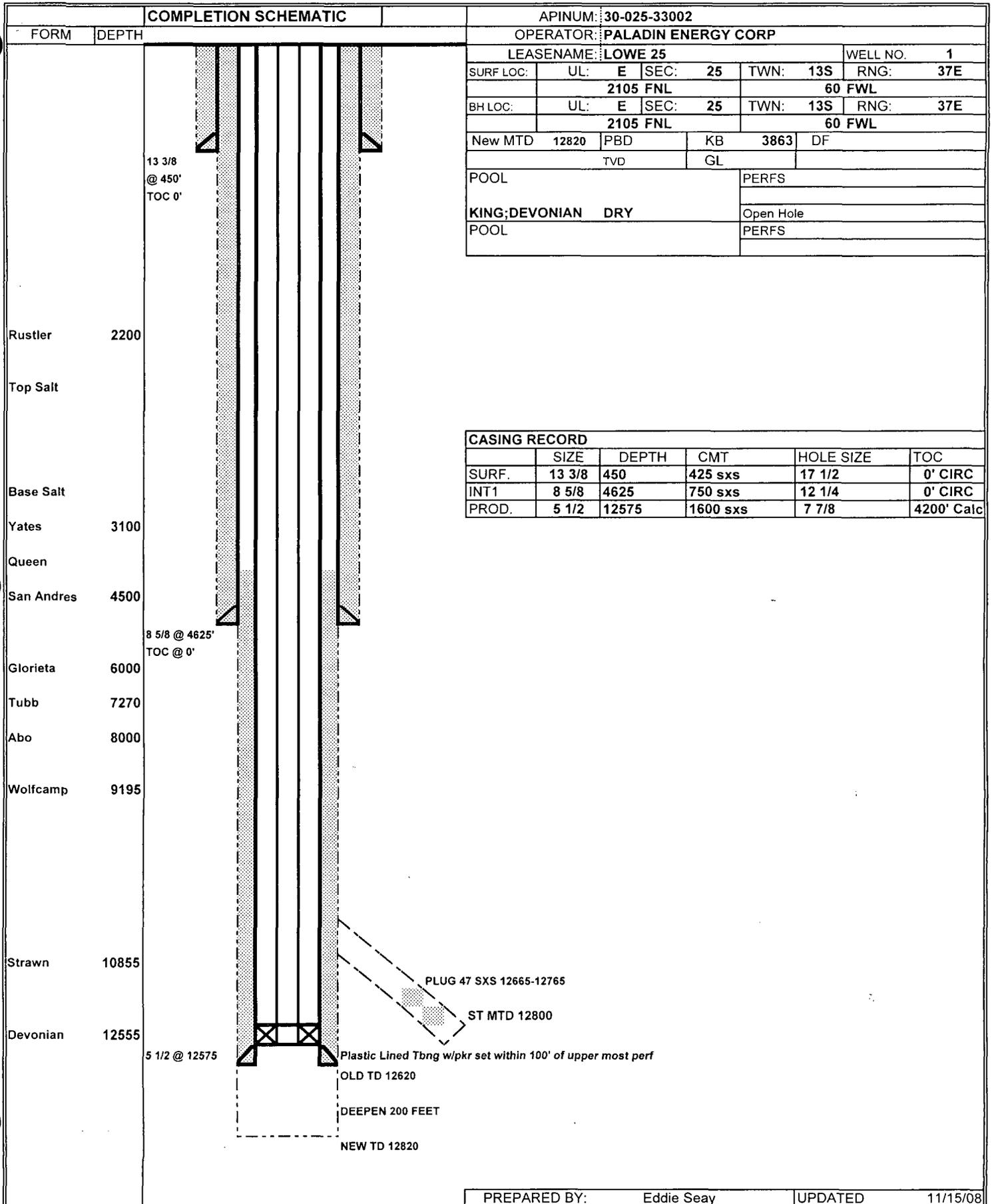
WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-33002
FORM	DEPTH	OPERATOR: PALADIN ENERGY CORP
		LEASENAME: LOWE 25 WELL NO. 1
		SURF LOC: UL: E SEC: 25 TWN: 13S RNG: 37E
		2105 FNL 60 FWL
		BH LOC: UL: H SEC: 26 TWN: 13S RNG: 37E
		2267 FNL 531 FEL
		MTD 12620 PBD KB 3863 DF
		SD TRACT MTD 12800 TVD GL
		POOL PERFS
		KING;DEVONIAN DRY Open Hole
		POOL PERFS

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	450	425 sxs	17 1/2	0' CIRC
INT1	8 5/8	4625	750 sxs	12 1/4	0' CIRC
PROD.				7 7/8	7500' Calc

FORMATION	DEPTH	SCHEMATIC
Rustler	2200	
Top Salt		
Base Salt		
Yates	3100	
Queen		
San Andres	4500	
Glorieta	6000	
Tubb	7270	
Abo	8000	
Wolfcamp	9195	
Strawn	10855	
Devonian	12555	

WELLBORE SCHEMATIC After



PREPARED BY: Eddie Seay

UPDATED

11/15/08

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

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

WELL API NO.
25-33002

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

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
Lowe "25"

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
Sullivan and Company 3D Program I, L.L.C.

8. Well No.
1

3. Address of Operator
3031 First Place Tower, 15 E. 5, Tulsa, OK 74103

9. Pool name or Wildcat
King-Devonian 35901

4. Well Location
Unit Letter E : 2105 Feet From The North Line and 60 Feet From The West Li
Section 25 Township 13S Range 37E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3859' GLE KB-14' AGL

11. 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 checked="" 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"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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

6/30/95 Spud
8/11/95 Day 42 - Reach TD in Hole #1 - 12,700' MD. Survey in Hole #1 included.
8/12/95 to 8/16/95 WOO.
8/17/95 Plug back to 9885 for kick-off plug. KOP 10,027'. Sidetrack Hole #1A.
8/17/95 to 9/12/95 Drill and survey to TD. 12,800' MD - Day 27. Survey in Hole #1 included. Plugs set per NMOCD orders.

NOTE! No plugs were needed in original wellbore, but plugs set in #1A sidetrack were per NMOCD orders (see back).

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

SIGNATURE Marc Garret TITLE assistant DATE 6-17-96
TYPE OR PRINT NAME MARC GARRET TELEPHONE NO. 918 584-42

(This space for State Use)
APPROVED BY Jack Griffin TITLE OIL & GAS DATE NOV 04 1996
CONDITIONS OF APPROVAL, IF ANY:

5C

Handwritten initials and date

R 37 E

23

24

SULLIVAN et al
(Palladin Farmin)

SULLIVAN et al

SULLIVAN et al
(BTA Farmin)

SULLIVAN et al

Proposed Bottom Hole Location
2205'FNL-100'FWL

26

25

12,547'

10,145'

12,670'

T
13
S

12,272'

6300'

12,689'

12437'

12,675'

13,145'

AMERICAN EXPLORATION

AMERICAN EXPLORATION

11,686'

12,585'

12,590'

11,570'

12,615'

11,200'
12,430'

11,100'
12,670'

12,249'

35

36

LEGEND

 Wolfcamp Producer

 Devonian Producer

SULLIVAN AND COMPANY
3D PROGRAM I L.L.C.

APPLICATION FOR
UNORTHODOX WELL LOCATION

LOWE 25 #1
Section 25, T13S, R37E
Lea County, New Mexico

SCALE: 1" = 1000'

BY:

DATE:

GEO DRAFT

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-opened or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is filed in triplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzie _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Perm _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

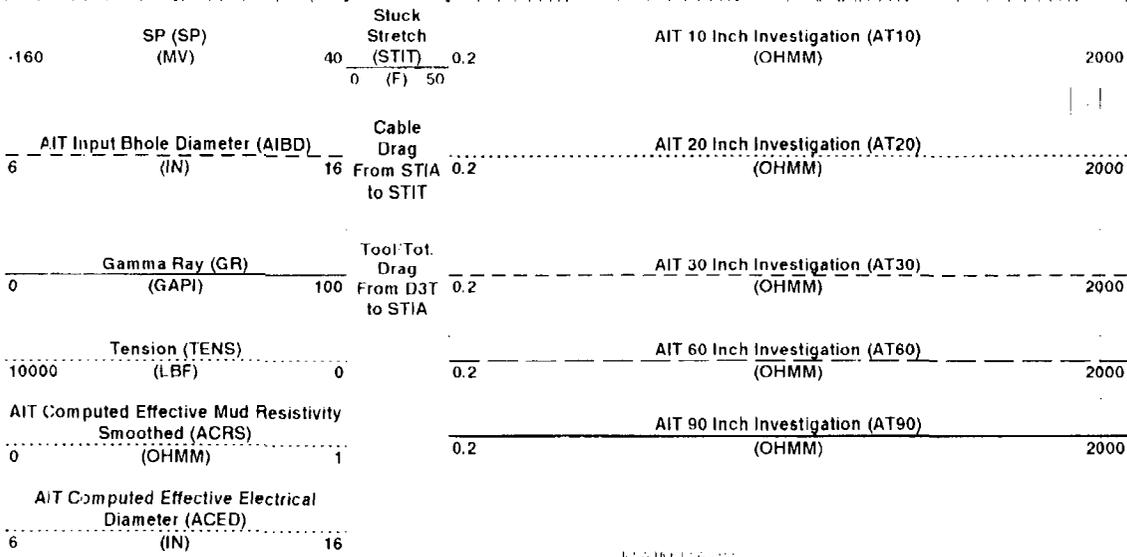
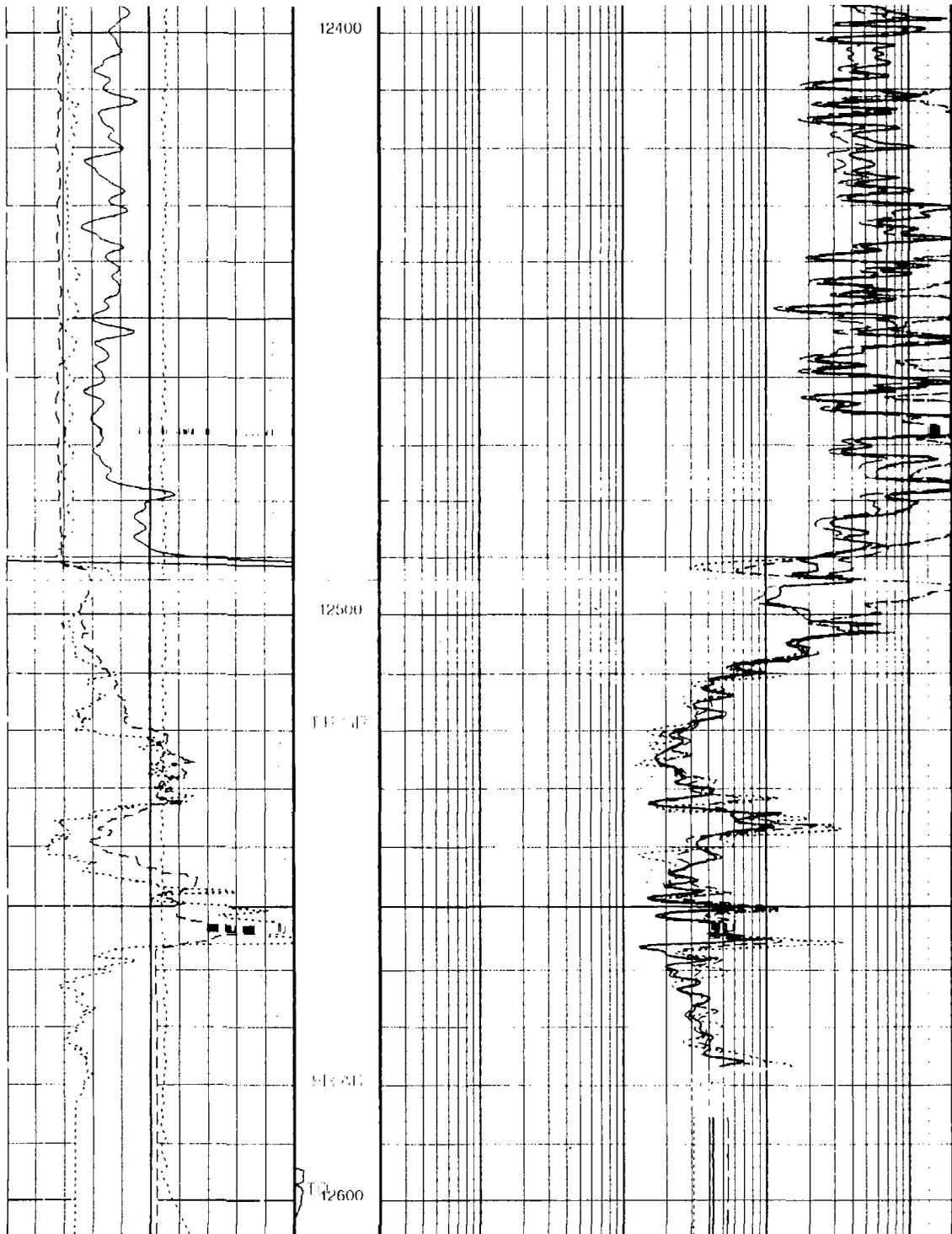
Include data on rate of water inflow and elevation to which water rose in hole.

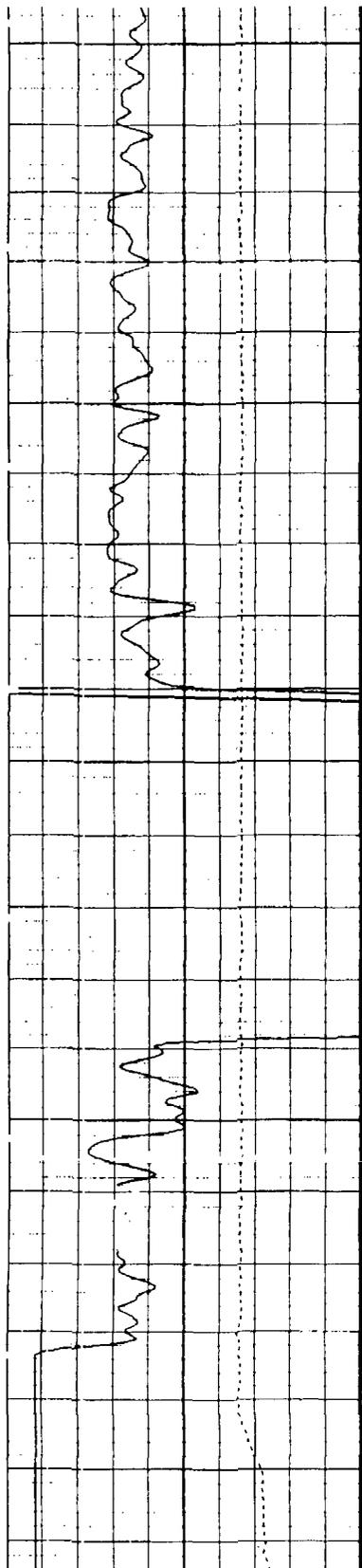
No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
12,800			TD-(Sidetrack)				
11,932			Mississippi				
11,900			Barnett Shale				
11,588			Atoka				
11,438			Strawn				
11,045			KOP				

A
 JUL 1936
 Received
 Harris
 060





12400

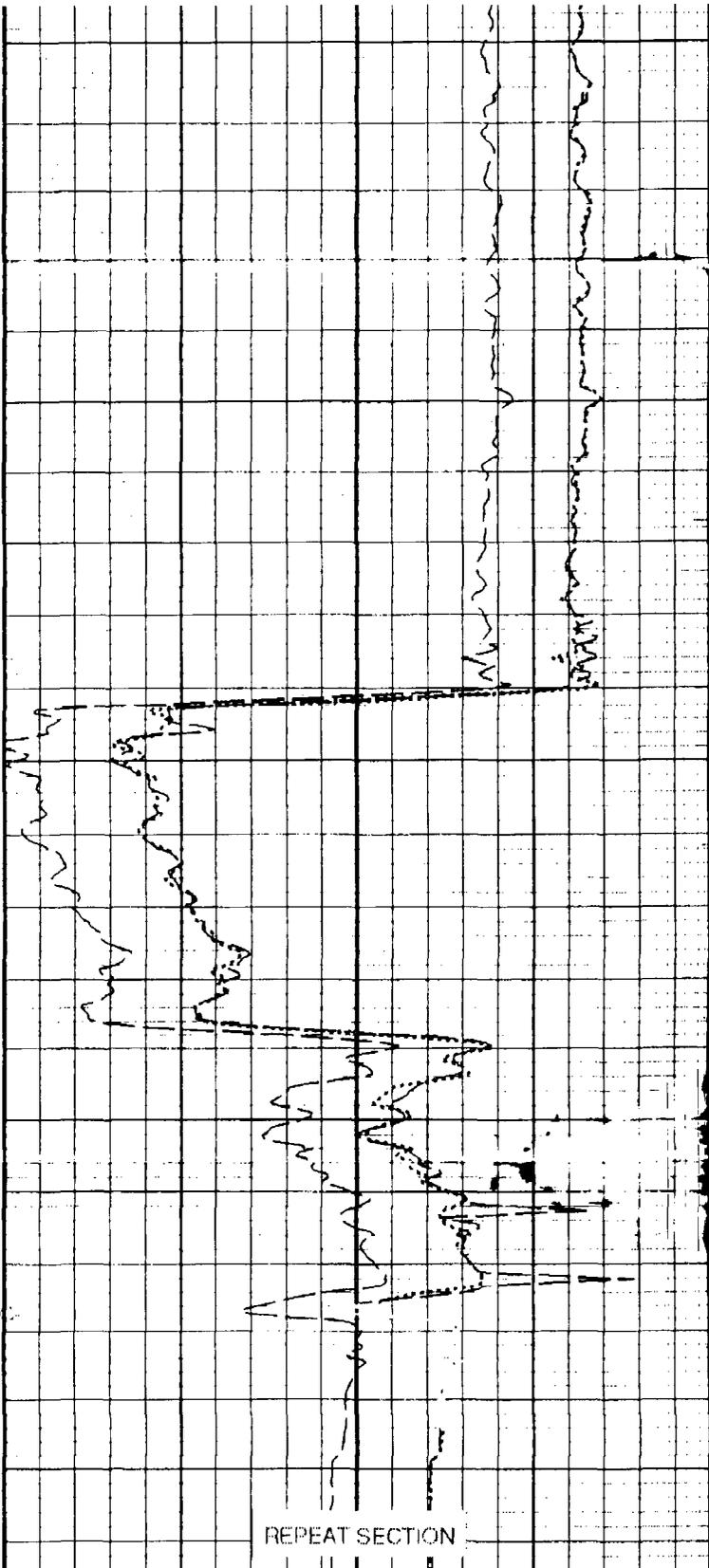
12500

FR GR

FR SONIC

TD

12600



REPEAT SECTION

Gamma Ray (GR)
(GAPI) 0 100

Stuck
Stretch
(STIT) 100
(F) 50

Delta-T Long Spacing Near (DTLN)
(US/F) 0 40

Tension (TENS)
(LBF) 10000 0

Cable
Drag
From STIA
to STIT 100

Delta-T Long Spacing Far (DTLF)
(US/F) 0 40

Tool/Tot.
Drag
From D3T
to STIA 0.3

Sonic Porosity (SPHI)
(V/V) 0.3 -0.1

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
Att. Rich. 000	35-15-36	Dev.	PW	19,525	12,691				
Att. 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.



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

Receiving Date: 11/21/08
 Reporting Date: 12/02/08
 Project Owner: PALADIN
 Project Name: LOWE #1
 Project Location: MCDONALD-KING FIELD

Sampling Date: 11/21/08
 Sample Type: GROUNDWATER
 Sample Condition: COOL & INTACT
 Sample Received By: ML
 Analyzed By: HM/TR

LAB NUMBE SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:	12/01/08	12/01/08	12/01/08	12/01/08	11/25/08	11/25/08
H16379-1 KING #1	34	68.9	14.6	2.5	551	160
Quality Control	NR	48.1	51.0	2.98	1,434	NR
True Value QC	NR	50.0	50.0	3.00	1,413	NR
% Recovery	NR	96.2	102	99.3	101	NR
Relative Percent Difference	NR	< 0.1	4.8	7.3	0.3	NR

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

	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	11/21/08	11/26/08	11/25/08	11/25/08	11/25/08	11/25/08
H16379-1 KING #1	44	84.8	0	195	8.18	435
Quality Control	500	43.8	NR	1013	7.02	NR
True Value QC	500	40.0	NR	1000	7.00	NR
% Recovery	100	110	NR	101	100	NR
Relative Percent Difference	< 0.1	4.9	NR	1.3	< 0.1	NR

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



 Chemist

12-04-08

 Date



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

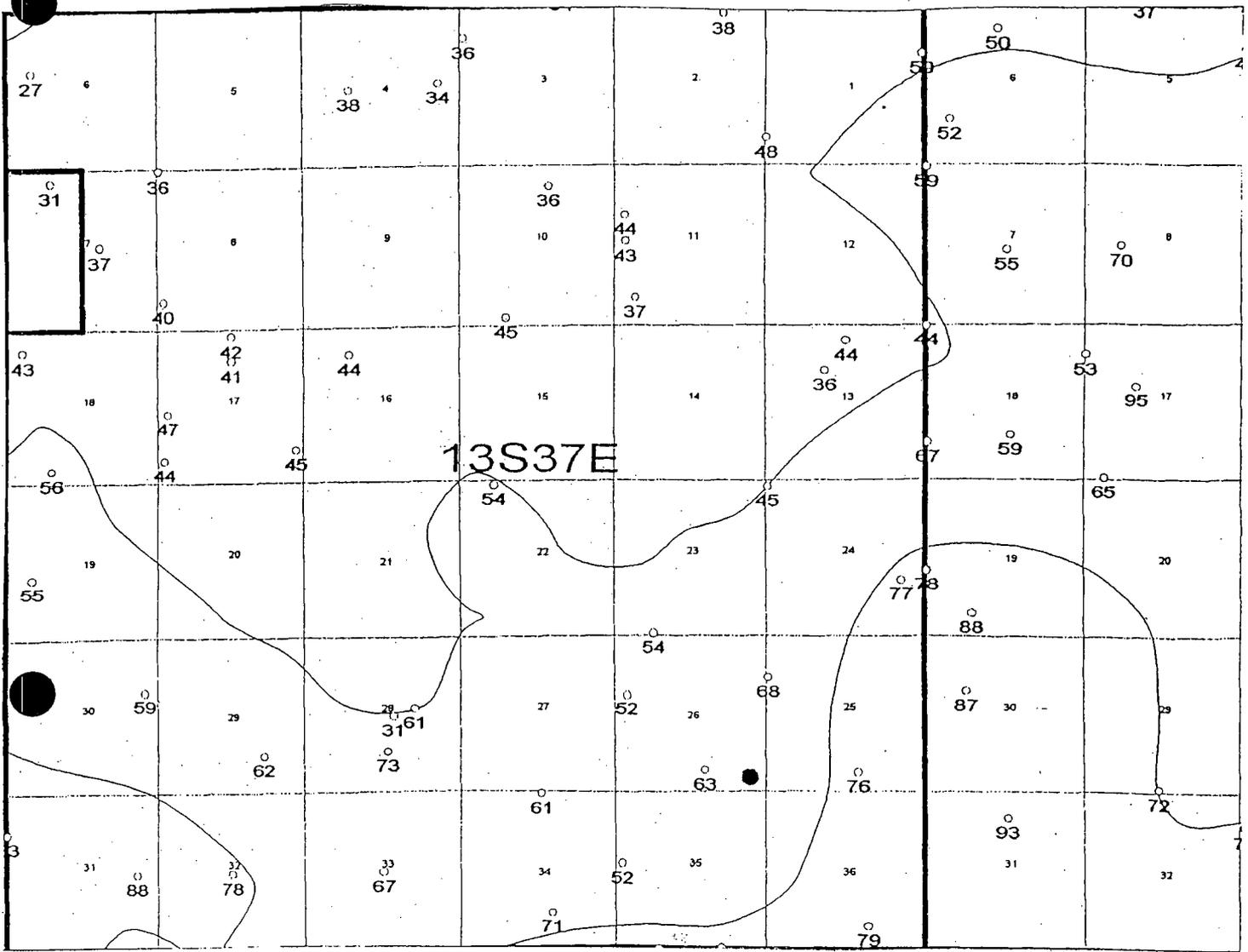
Page _____ of _____

BILL TO		ANALYSIS REQUEST															
Company Name: <u>Edeline Sam Consulting</u>		P.O. #:		Company:		Attn: <u>Gen. Chemistry</u>		Address:		City:		State:		Phone #:		Fax #:	
Project Manager: <u>Edeline Sam</u>		City: <u>Hobbs</u>		State: <u>NM</u>		Zip: <u>88240</u>		Phone #: <u>2-2234</u>		Fax #: <u>2-6949</u>		Project Owner: <u>Paladin</u>		Project Name: <u>house #1</u>		Project Location: <u>McDonald - King Field</u>	
Address: <u>601 W Ithaca</u>		City: <u>Paladin</u>		State: <u>NM</u>		Zip: <u>88240</u>		Phone #: <u>2-2234</u>		Fax #: <u>2-6949</u>		Project Owner: <u>Paladin</u>		Project Name: <u>house #1</u>		Project Location: <u>McDonald - King Field</u>	
Sampler Name: <u>Edeline Sam</u>		City: <u>Paladin</u>		State: <u>NM</u>		Zip: <u>88240</u>		Phone #: <u>2-2234</u>		Fax #: <u>2-6949</u>		Project Owner: <u>Paladin</u>		Project Name: <u>house #1</u>		Project Location: <u>McDonald - King Field</u>	
FOR LAB USE ONLY		Lab I.D. <u>H16379-1 King #1</u>		Sample I.D. _____		Date: <u>11/21</u>		Time: <u>3:30</u>		Date: <u>11/24</u>		Time: <u>9:30</u>		Date: _____		Time: _____	
Sampler Reinquished: <u>Edeline Sam</u>		Date: <u>11/21</u>		Time: <u>3:30</u>		Date: <u>11/24</u>		Time: <u>9:30</u>		Date: _____		Time: _____		Date: _____		Time: _____	
Reinquished By: <u>Edeline Sam</u>		Date: <u>11/21</u>		Time: <u>3:30</u>		Date: <u>11/24</u>		Time: <u>9:30</u>		Date: _____		Time: _____		Date: _____		Time: _____	
Delivered By: (Circle One) <u>Edeline Sam</u>		Date: _____		Time: _____		Date: _____		Time: _____		Date: _____		Time: _____		Date: _____		Time: _____	
Sampler - UPS - Bus - Other: _____		Temp. _____		Sample Condition: <u>Cool</u> <input checked="" type="checkbox"/> <u>Intact</u> <input checked="" type="checkbox"/>		Checked By: <u>Edeline Sam</u>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #: _____		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Fax #: _____		REMARKS: _____	

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 analysis. 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.

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



● water well location
 water level map

DISPOSAL WELL

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATICO	LAND	U/L	SEC	TWN	RNG	N/S	E/W
30-025-33002	LOWE 25	1	PALADIN ENERGY CORP	12620				E	25	13 S	37 E	2105 N	60 W

5280 5280

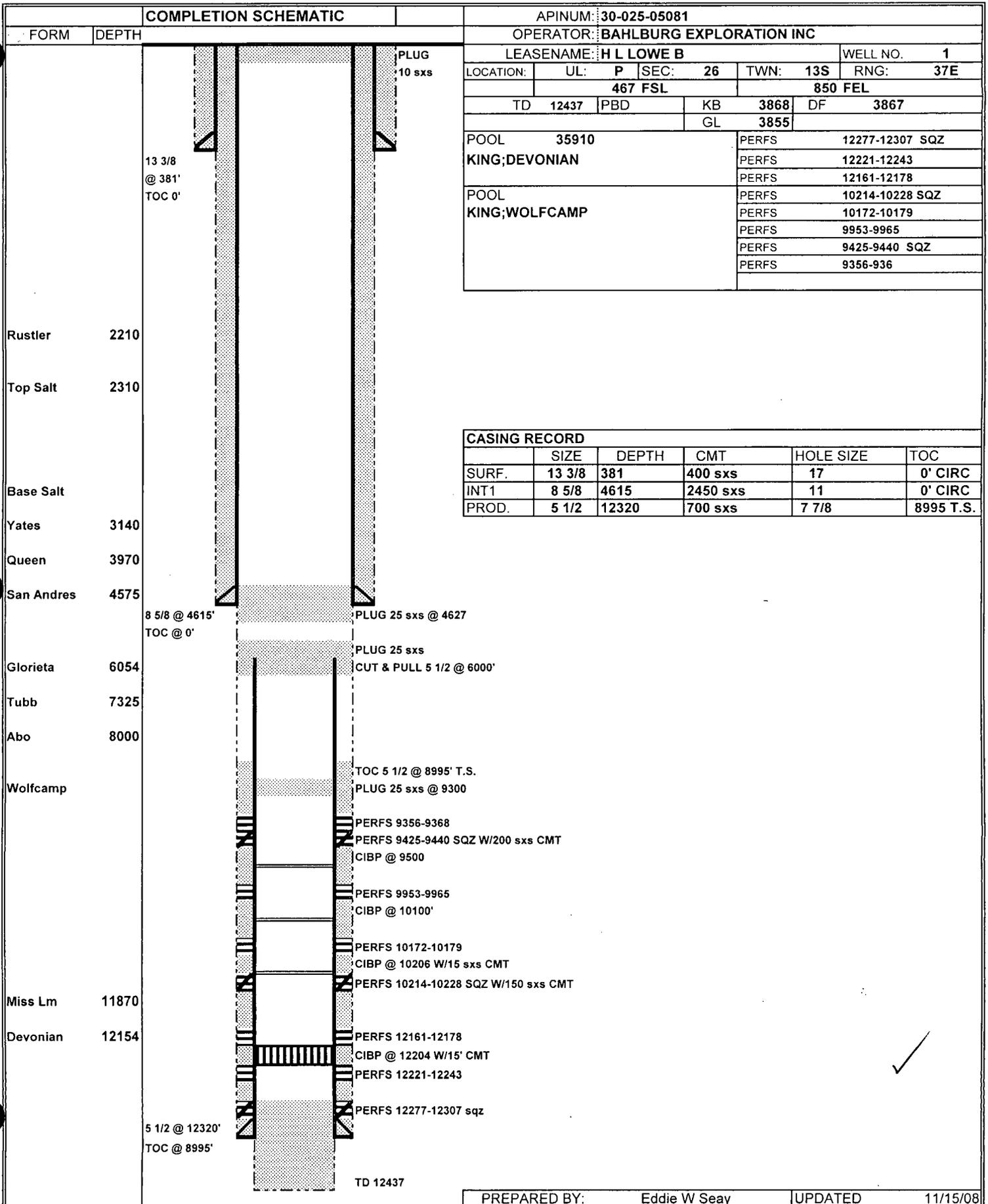
Wells within 1/2 mile of the proposed disposal well, which penetrate the proposed disposal interval.

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATICO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Distance
30-025-05081	H L LOWE B	1	BAHLBURG EXPLORATION INC	12437		Lea	P	P	26	13 S	37 E	467 S	850 E	1395 ✓
30-025-05082	H L LOWE C	1	CABOT CORP	12689		Lea	P	O	26	13 S	37 E	467 S	1650 E	2219 X
30-025-05083	STATE	1	FOREST OIL CORP	13495		Lea	S	E	26	13 S	37 E	1980 N	660 W	2115 X
30-025-26059	LOWE LAND	2	COTTON PETROLEUM CORP	12675		Lea	P	P	26	13 S	37 E	330 S	500 E	730 X
30-025-29800	HARTLEY 8609 IV-P	1	BTA OIL PRODUCERS	12670		Lea	P	I	26	13 S	37 E	1650 S	330 E	1614 ✓
30-025-05078	LOWE I-R	1	MANZANO OIL CORP	13145		Lea	P	M	25	13 S	37 E	660 S	660 W	1564 ✓
30-025-30702	LOWE	1	PALADIN ENERGY CORP	12272		Lea	P	M	25	13 S	37 E	900 S	50 W	1548 ✓

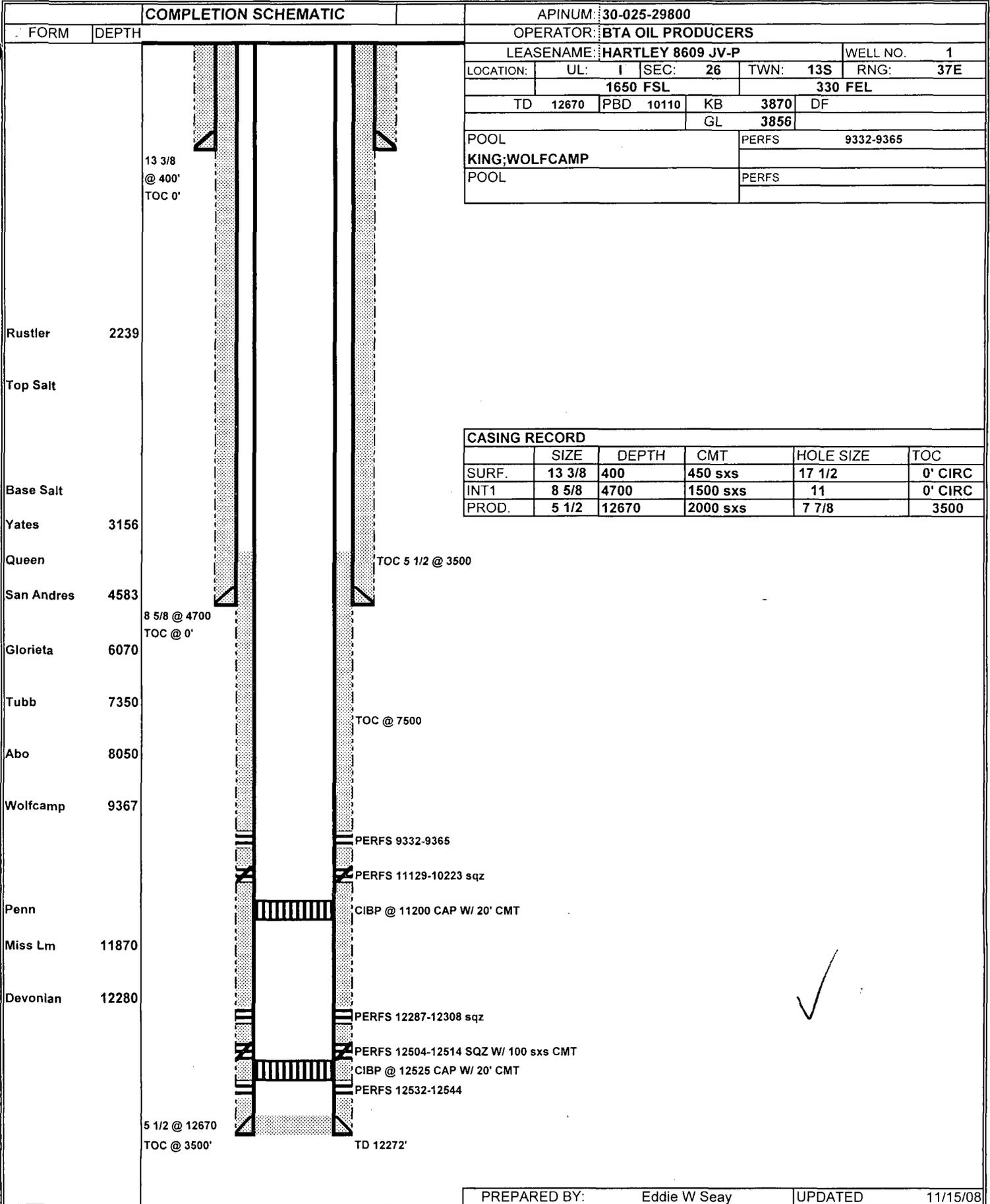
Wells within 1/2 mile which do not penetrate proposed disposal interval

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATICO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Distance
30-025-33748	STATE 26	1	RAND PAULSON ENERGY COMPANY	11950		Lea	S	L	26	13 S	37 E	1800 S	990 W	1714
30-025-05079	H L LOWE	2	FOREST OIL CORP	10240		Lea	P	L	25	13 S	37 E	1980 S	660 W	339
30-025-05080	REED B-25	1	J C WILLIAMSON	15		Lea	P	P	25	13 S	37 E	660 S	660 E	1177

WELLBORE SCHEMATIC AND HISTORY



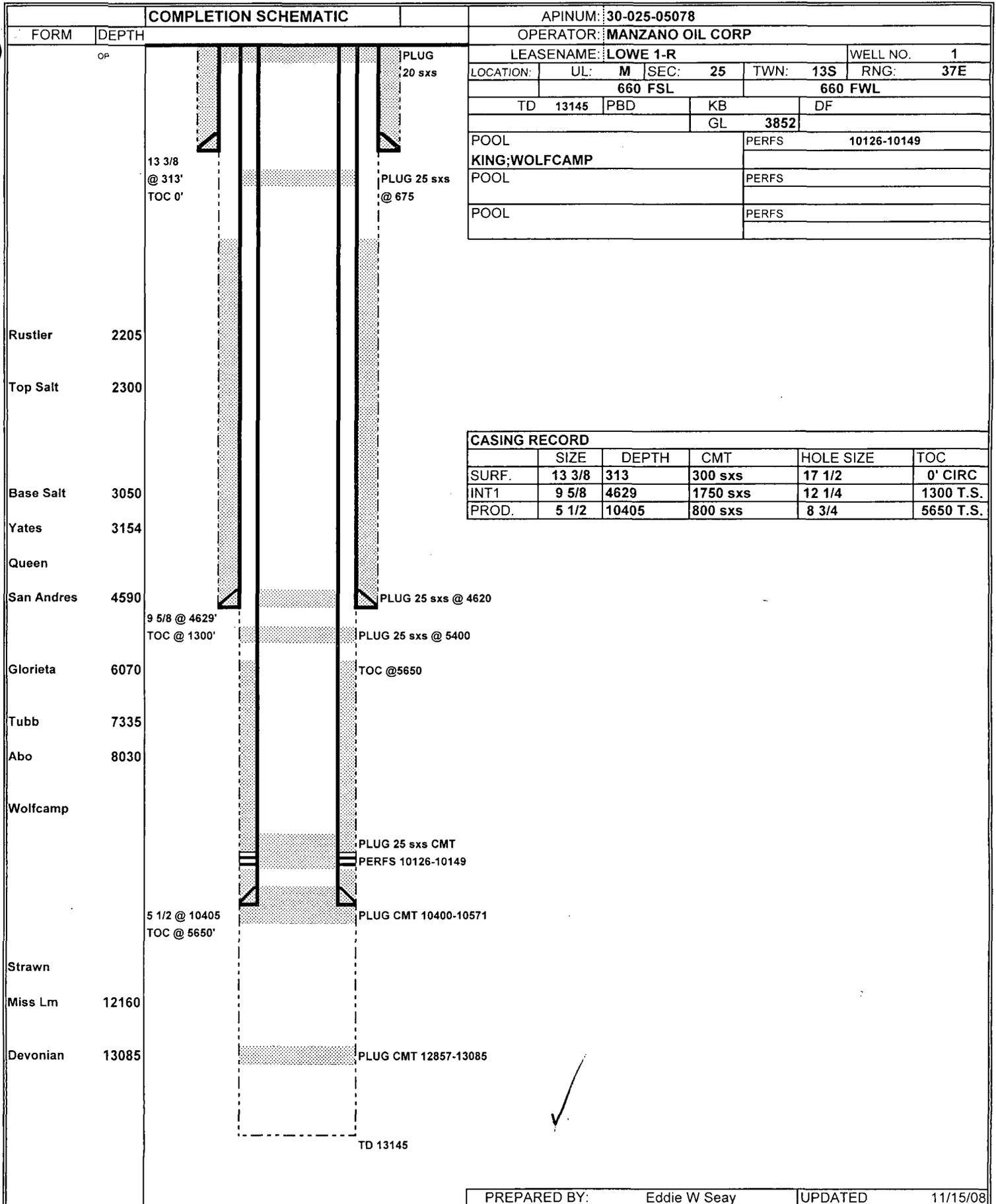
WELLBORE SCHEMATIC AND HISTORY



COMPLETION SCHEMATIC		APINUM: 30-025-29800	
FORM	DEPTH	OPERATOR: BTA OIL PRODUCERS	
		LEASENAME: HARTLEY 8609 JV-P	
		WELL NO.:	1
LOCATION:	UL: I	SEC: 26	TWN: 13S
			RNG: 37E
		1650 FSL	
		330 FEL	
TD	12670	PBD	10110
		KB	3870
		DF	
		GL	3856
POOL		PERFS	9332-9365
KING;WOLFCAMP			
POOL		PERFS	

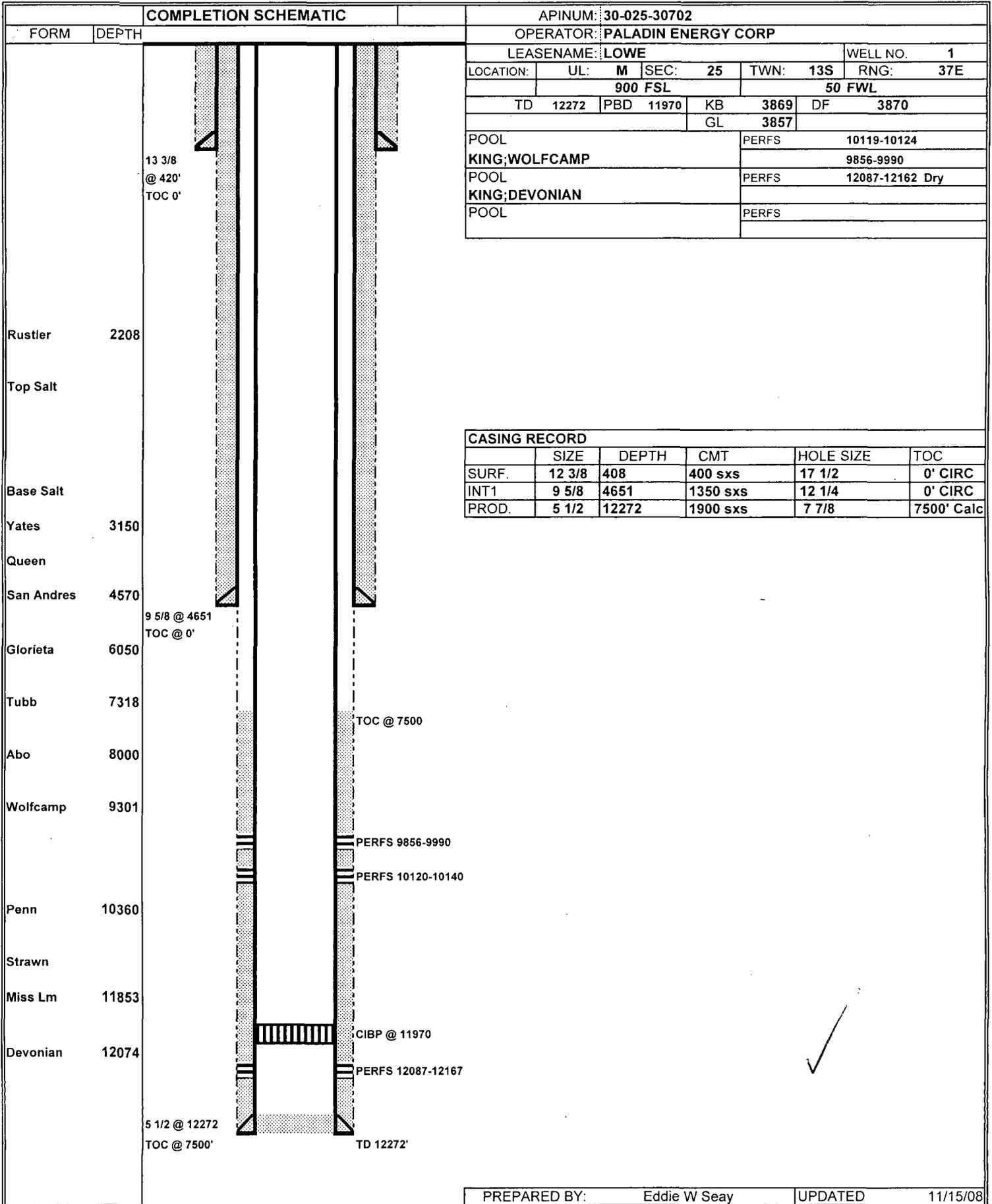
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	400	450 sxs	17 1/2	0' CIRC
INT1	8 5/8	4700	1500 sxs	11	0' CIRC
PROD.	5 1/2	12670	2000 sxs	7 7/8	3500

WELLBORE SCHEMATIC AND HISTORY



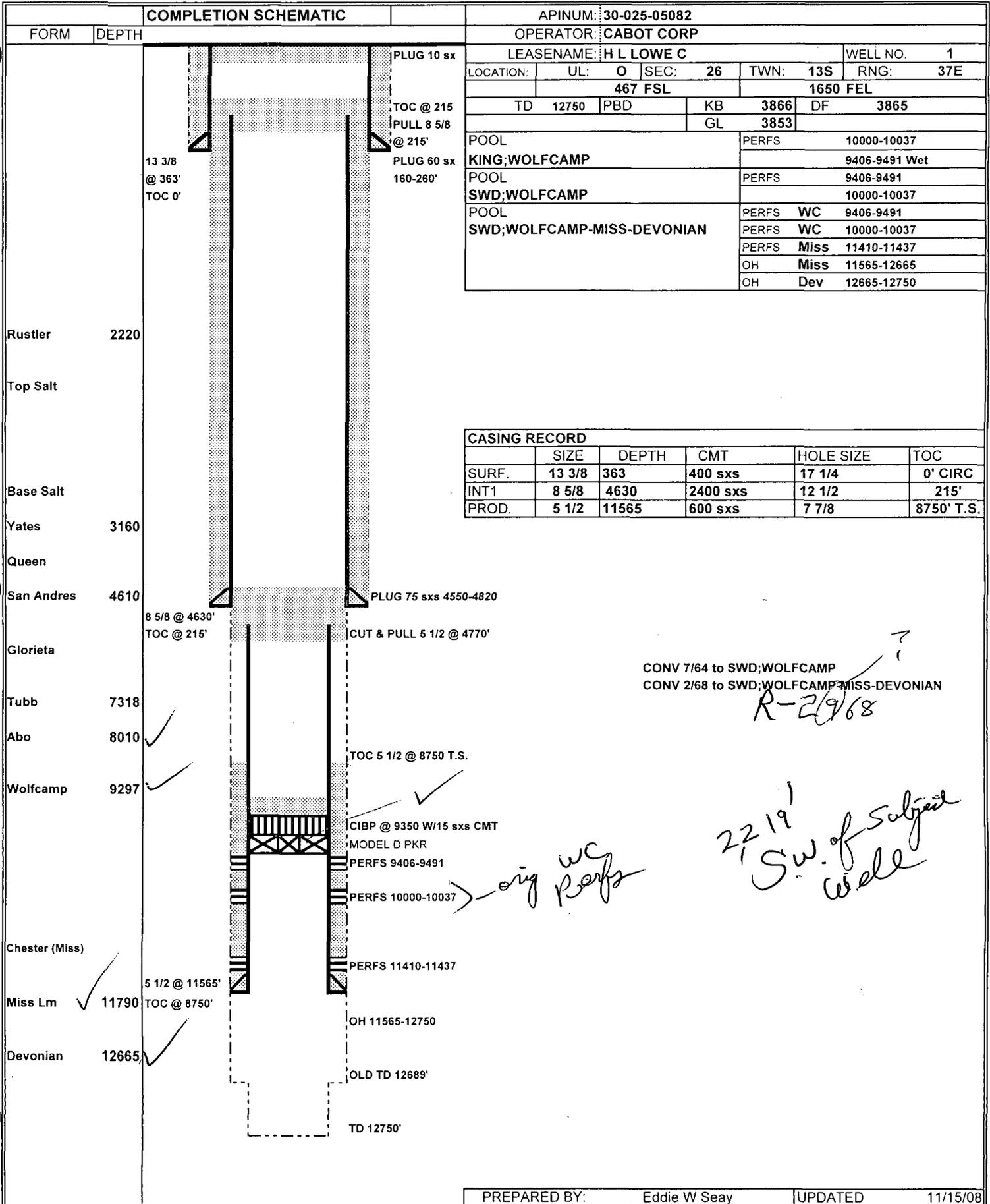
CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	313	300 sxs	17 1/2	0' CIRC
INT1	9 5/8	4629	1750 sxs	12 1/4	1300 T.S.
PROD.	5 1/2	10405	800 sxs	8 3/4	5650 T.S.

WELLBORE SCHEMATIC AND HISTORY



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

WELLBORE SCHEMATIC AND HISTORY



COMPLETION SCHEMATIC

APINUM: 30-025-05082

FORM DEPTH

OPERATOR: CABOT CORP

LEASENAME: H L LOWE C

WELL NO. 1

LOCATION: UL: 0 SEC: 26 TWN: 13S RNG: 37E

467 FSL

1650 FEL

TD 12750 PBD KB 3866 DF 3865

GL 3853

POOL KING;WOLFCAMP PERFS 10000-10037

9406-9491 Wet

POOL SWD;WOLFCAMP PERFS 9406-9491

10000-10037

POOL SWD;WOLFCAMP-MISS-DEVONIAN PERFS WC 9406-9491

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.

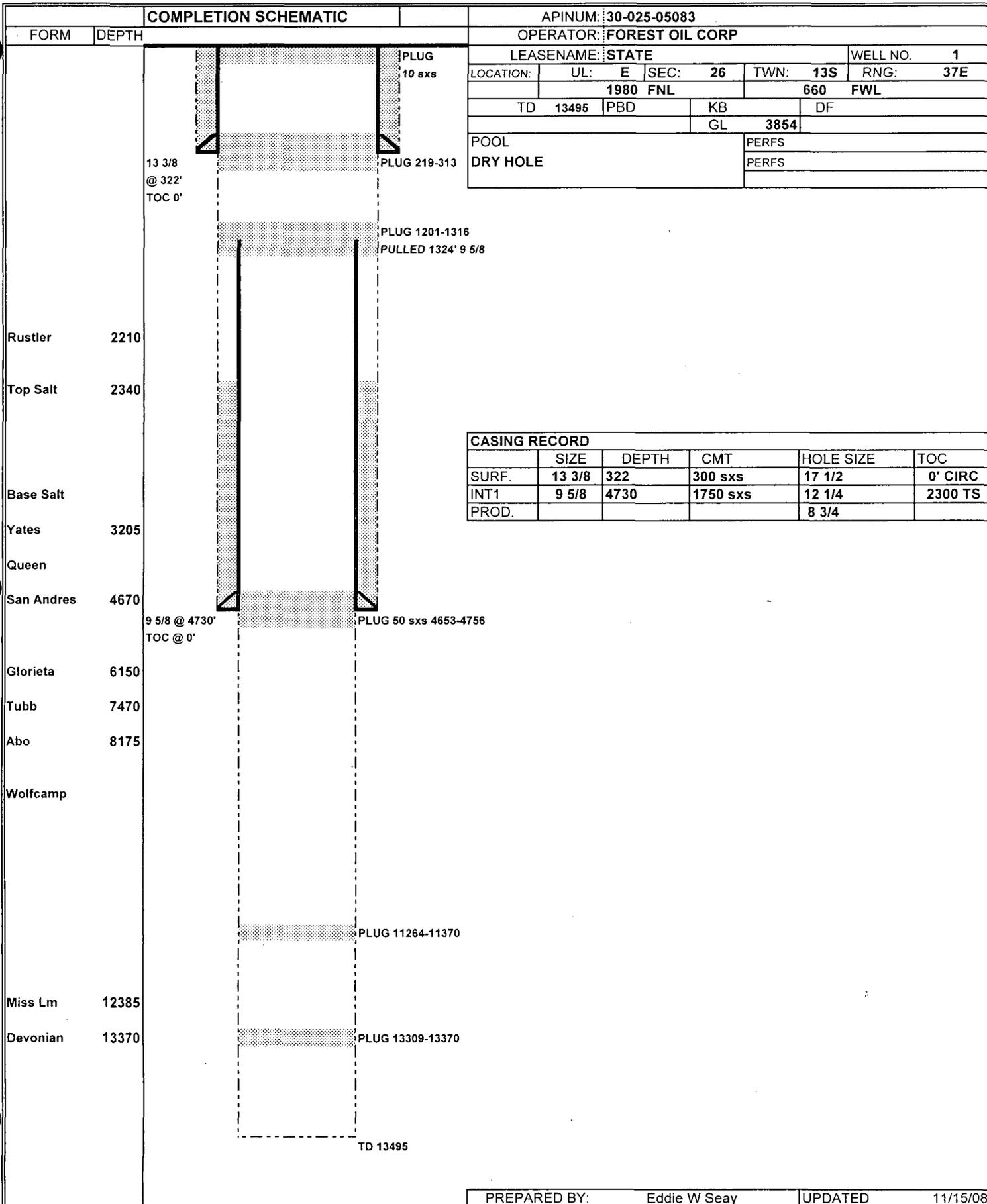
CONV 7/64 to SWD;WOLFCAMP
CONV 2/68 to SWD;WOLFCAMP-MISS-DEVONIAN

R-2/9/68

2219' SW of Subject well

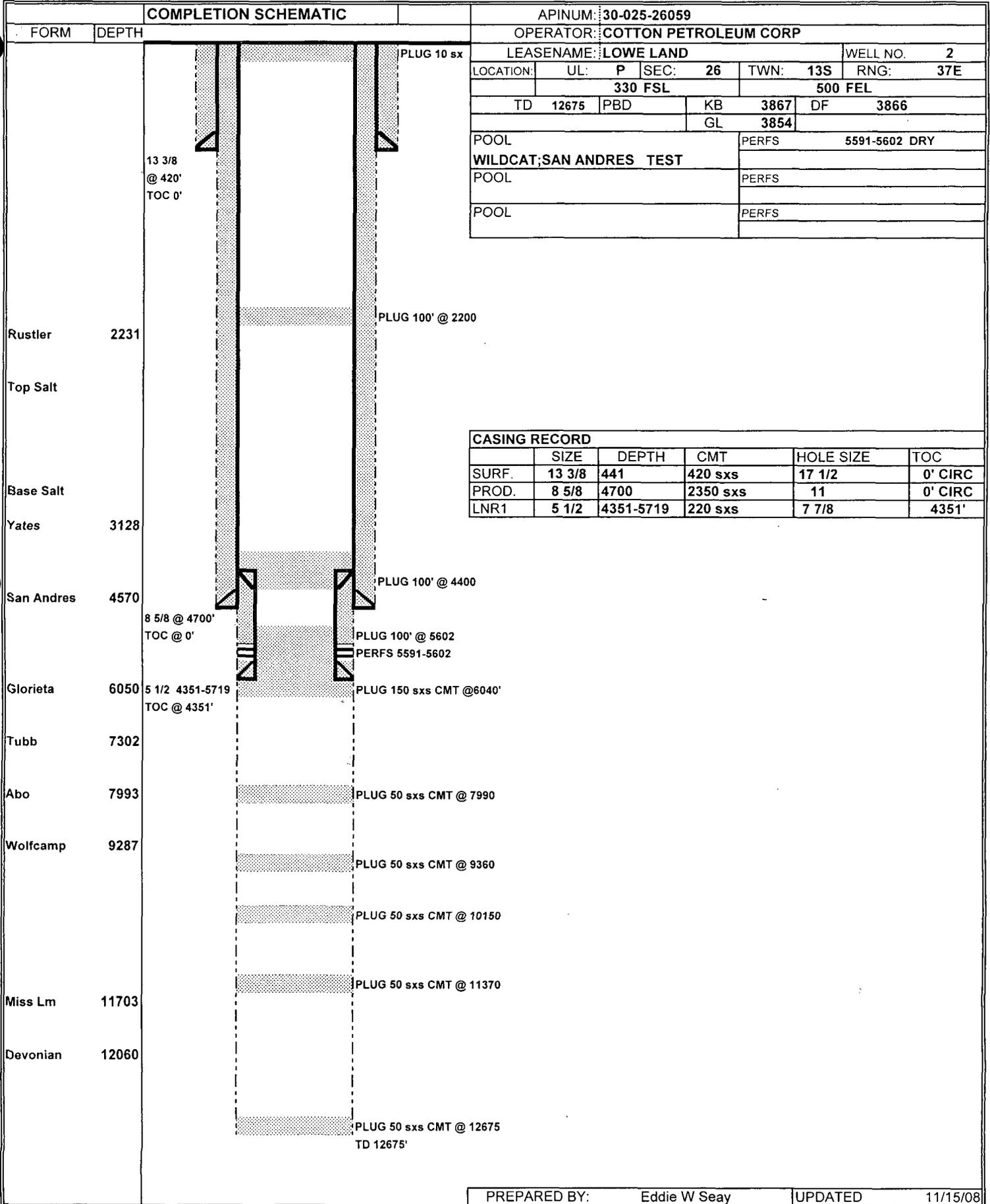
orig WC Perfs

WELLBORE SCHEMATIC AND HISTORY



CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	322	300 sxs	17 1/2	0' CIRC
INT1	9 5/8	4730	1750 sxs	12 1/4	2300 TS
PROD.				8 3/4	

WELLBORE SCHEMATIC AND HISTORY



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'

LEGAL NOTICE

*FIRST
NOTICE Redone
Later*

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 Lowe SWD #1, API 30-025-33002, located in Unit E, Section 25, Township 13 South, Range 37 East, Lea Co., NM. The injection formation is the Devonian from 12555' to 12820' below surface. Expected maximum injection rate is 5000 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.

PALADIN ENERGY CORP.

December 5, 2008

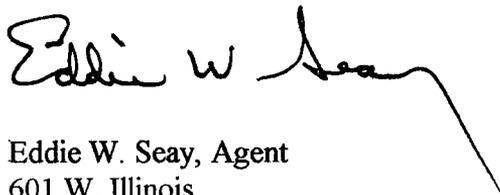
RE: Lowe SWD #1
Unit E, Sect. 25, T. 13 S., R. 37 E.
API #30-025-33002

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

LEASE OWNERS AND OFFSET OPERATORS

Bahlburg Exp. Inc.
P.O. Box 866937
Plano, TX 75086-6937

Cabot Corp.
P.o. Box 1101
Pampa, TX 79065

Forrest Oil Corp.
707 17th St., Ste. 3600
Denver, CO 80202

BTA Oil Producers
104 S. Pecos
Midland, TX 79701

Manzano Oil Corp.
P.O. Box 2107
121 W. Third St.
Roswell, NM 88202-2107

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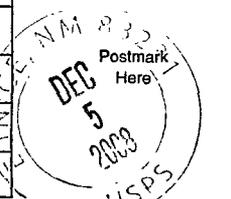
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City, State, ZIP+4: **Pampa, TX 79065**
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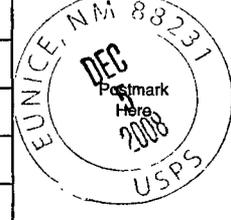
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Sent to: **Manzano Oil Corp.**
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City, State, ZIP+4: **2 W. Third St. Roswell, NM 88202-2107**
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Affidavit of Publication

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

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

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of November 22, 2008 and ending with the issue of November 22, 2008.

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

Joyce Clemens

Subscribed and sworn to before me this 4th day of December 2008

Debbie Schilling
Debbie Schilling

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

LEGAL NOTICE
Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Paladin Energy Corp., 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Lowe SWD #1, API 30-025-33002, located in Unit E, Section 25, Township 13 South, Range 37 East, Lea Co., NM. The injection formation is the Devonian from 12555' to 12820' below surface. Expected maximum injection rate is 5000 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 November 22, 2008.

FIRST NOTICE
See Next one

March 2, 2009

RECEIVED

2009 MAR 12 PM 1 07

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

RE: Paladin Energy
C-108 Application
Lowe #1

*New
NOTICES*

Mr. Jones:

Find enclosed the revised C-108 Application as you requested.

As you requested, the Wolfcamp production was spotted on a map (map attached). The wells which were of concern actually are not in our AOR.

Also, the landowner was noticed, the Lowe family also has the minerals in the SW 1/4 of Section 24. The mineral interest for the SE 1/4 of Section we is federal. I have noticed both parties, we are researching other interests to notify.

there is a depth severance between the Wolfcamp and Devonian of approximately 300 ft. As stated, Paladin is only interested in disposing into the Devonian.

If you have any questions or need additional information, please call.

Sincerely,

Eddie W. Seay

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

*check on
THIS*

PALADIN ENERGY CORP.

January 29, 2009

RE: Lowe SWD #1
Unit E, Sect. 25, T. 13 S., R. 37 E.
API #30-025-33002

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

LEASE OWNERS AND OFFSET OPERATORS

Bahlburg Exp. Inc.
P.O. Box 866937
Plano, TX 75086-6937

Cabot Corp.
P.O. Box 1101
Pampa, TX 79065

Forest Oil Corp.
707 17th St., Ste. 3600
Denver, CO 80202

BTA Oil Producers
104 S. Pecos
Midland, TX 79701

Manzano Oil Corp.
P.O. Box 2107
121 W. Third St.
Roswell, NM 88202-2107

LANDOWNER

Larry Lowe or Nathan M. Lowe
2313 Broadway
Lubbock, TX 79401

MINERAL INTEREST

BLM
620 E. Green St.
Carlsbad, NM 88220

Lowe
2313 Broadway
Lubbock, TX 79401

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Sent To **Larry Lowe or Nathan M. Lowe**
 Street, Apt. No. or PO Box No. **2613 Broadway**
 City, State, ZIP+4 **Lubbock, TX 79401**
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 Street, Apt. No. or PO Box No. **P.O. Box 2107**
 City, State, ZIP+4 **121 W. Third St. Roswell, NM 88202-2107**
 PS Form 3800, August 2006 See Reverse for Instructions

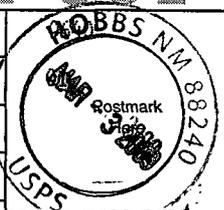
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Bureau of Land Management

ATTN: Paul Evans

620 E. Greene St.

Carlsbad, NM 88220

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 Wolfcamp and Devonian from 9195' to 12820' 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 Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

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

one (1) day, beginning with the issue of January 24, 2009 and ending with the issue of January 24, 2009.

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

Joyce Clemens

Subscribed and sworn to before me this 26th day of January, 2009.

Debbie Schilling

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

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 Wolfcamp and Devonian from 9195' to 12820' 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 January 24, 2009.

LEGAL NOTICE

Pursuant to the rules and

RECEIVED

2009 MAR 25 PM 4 13

March 23, 2009

Paladin
3/26/09

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

RE: Paladin Energy Corp.
Lowe SWD #1 (API 30-025-33002)
Supplement to C-108

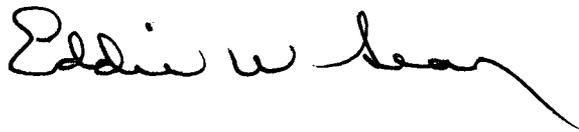
Mr. Jones:

Find enclosed additional information on the mineral interest owners in the AOR for the above listed well. Notices have been sent and copies of the certified mailings are attached.

I hope this will enable you to continue the review process and hopefully approving the SWD.

Should you have any questions, please call.

Sincerely,



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

cc: Paladin Energy

PALADIN ENERGY CORP.

March 10, 2009

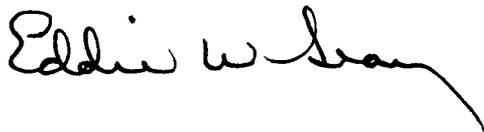
RE: Lowe SWD #1
Unit E, Sect. 25, T. 13 S., R. 37 E.
API #30-025-33002 Lea Co., NM

Dear Sir:

In accordance with the request of the Oil Conservation Division of the State of New Mexico, as a mineral owner in the area of review, you are being provided with notice and information that the above listed company is filing application to inject into the above listed 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, Agent
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

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 Lowe SWD #1, API 30-025-33002, located in Unit E, Section 25, Township 13 South, Range 37 East, Lea Co., NM. The injection formation is the Wolfcamp and Devonian from 9195' to 12820' below surface. Expected maximum injection rate is 5000 bpd., and the expected maximum injection pressure is 1200 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

Affidavit of Publication

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

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

That the notice which is hereto attached, entitled

Legal Notice
was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of March 14, 2009 and ending with the issue of March 14, 2009.

And that the cost of publishing said notice is the sum of \$24.48 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 18th day of March 2009

Debbie Schilling

Debbie Schilling
Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

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 Lowe
SWD #1, API 30-025-
33002 located in Unit E,
Section 25, Township 13
South, Range 37 East,
Lea Co. NM. The injection
formation is the
Wolfcamp and Devonian
from 9195' to 12820'
below surface. Expected
maximum injection rate is
5000 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.

LEGAL NOTICE

Pursuant to the rules and
regulations of the Oil
Conservation Division of
the State of New Mexico,
Paladin Energy Corp.

Published in the
Lovington Leader March
14, 2009

7008 1140 0001 3075 9460

U.S. Postal Service™
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MIDLAND TX 79702

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.32

0640
 HOBBS NM 88240
 Postmark Here
 MAR 1 2 2009
 03/12/2009 USPS

Sent To **H.L. Lowe Family trust**
 2313 Broadway
 Lubbock, TX 79702

PS Form 3800, August 2006 See Reverse for Instructions

1642 690E 1000 0411 9008

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TULSA OK 74103

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.32

0640
 HOBBS NM 88240
 Postmark Here
 MAR 1 2 2009
 03/12/2009 USPS

Sent To **Fannin Family Trust**
 John Edgar Milan, SSP
 700 N. 31st. St.
 Waco, TX 74103

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3069 2507

U.S. Postal Service™
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SAN ANTONIO TX 78209

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.32

0640
 HOBBS NM 88240
 Postmark Here
 MAR 1 2 2009
 03/12/2009 USPS

Sent To **C.F. Bowen, Trustee**
 535 Rockhill Drive
 San Antonio, TX 78209

PS Form 3800, August 2006 See Reverse for Instructions

4152 690E 1000 0411 9008

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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LOVINGTON NM 88260

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.32

0640
 HOBBS NM 88240
 Postmark Here
 MAR 1 2 2009
 03/12/2009 USPS

Sent To **W.T. Reed Trust**
 Western Commerce Bank
 P.O. Box 1627
 Lovington, NM 88260

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3075 9460

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

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

LOVINGTON NM 88260

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$2.20
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.32

0640
 HOBBS NM 88240
 Postmark Here
 MAR 1 2 2009
 03/12/2009 USPS

Sent To **Jerome T. Hanners Family Trust**
 P.O. Box 1224
 Lovington, NM 88260

PS Form 3800, August 2006 See Reverse for Instructions

TOWNSHIP 13 SOUTH, RANGE 37 EAST, N.M.P.M.

**Section 26: SE4, S2NE4
Lea County, New Mexico**

Containing 240.00 acres, more or less

RECORD DATE: 1/28/09

PREPARED OF THE PURPOSE OF NOTIFICATION OF THE

LOWE SWD WELL #1

2505' FNL & 60' FWL

SECTION 25, T13S, R37E

MINERAL OWNERSHIP

NAME OF MINERAL OWNERS	INTEREST	NET ACRES	LEASEHOLD STATUS

THE HARMON L. LOWE FAMILY

Odell L. Lowe, et al	100.0000%	240.0000	OGL: 404/907 AMEND: 446/554 Lessee: W. Wayne Gill Date: 10/15/1986 Term: HBP Roy: 1/5th
Total	100.0000%	240.0000	

OPERATOR(S) AND WELL(S)

Well Name: Hartley 8609 JV-P No. 1
Location: 1605' FSL & 330 FEL
Sec. 26, T13S, R37E
Operator: BTA Oil Producers, LLC
104 S. Pecos
Midland, TX 79701
Spud: 12/4/86
Completed: 4/27/87
TD: 12,670'
PBTD: 10,110'
Producing Zone: King-Wolfcamp

TOWNSHIP 13 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 25: N2NW4, SW4
Lea County, New Mexico

Containing 240.00 acres, more or less

RECORD DATE: 2/8/09

MINERAL OWNERSHIP

NAME OF MINERAL OWNERS	INTEREST	NET ACRES	LEASEHOLD STATUS

THE HARMON L. LOWE FAMILY

M. Dion Lowe, ssp 2306 Cypress Point West Austin, TX 78746	2.00000%	4.80000	Open of Record SW4SW4 only OGL: 1498/115 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Debra Lowe Finn, ssp 4601 50 th Street, Suite 212 Lubbock, TX 79414	2.00000%	4.80000	Open of Record SW4SW4 only OGL: 1478/808 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Kay Lowe Atcheson, ssp c/o Larry Lowe 2313 Broadway Lubbock, TX 79702	8.00000%	19.20000	Open of Record SW4SW4 only OGL: 1474/265 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Vivian Lowe Anselmi, ssp c/o Larry Lowe 2313 Broadway Lubbock, TX 79702	8.00000%	19.20000	Open of Record SW4SW4 only OGL: 1478/806 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th

Denise Maner Lowe, ssp P.O. Box 65506 Lubbock, TX 79464	3.00000%	7.20000	Open of Record SW4SW4 only See Note Below
Haley Day Lowe, ssp 4601 50 th Street, Suite 212 Lubbock, TX 79464	2.99997%	7.19928	Open of Record SW4SW4 only OGL: 1483/432 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Teddy Lowe Hartley, ssp PO Box 895 Clovis, NM 88102	12.00000%	28.80000	Open of Record SW4SW4 only OGL: 1474/267 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Robert Thomas Hartley aka Tom Hartley, ssp PO Box 895 Clovis, NM 88102	19.9999%	47.99976	Open of Record SW4SW4 only OGL: 1478/802 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Shana Lowe Conine, ssp 5605 Equestrian Court Granbury, TX 76049	12.00000%	28.80000	Open of Record SW4SW4 only OGL: 1476/574 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
LKM Family Partnership 2313 Broadway Lubbock, TX 79401	24.00000%	57.60000	Open of Record SW4SW4 only OGL: 1478/804 & 1492/119 Lessee: Paladin Energy Corp. Date: 9/13/2006 Term: 3 years Roy: 1/5 th
Total	100.0000%	240.0000	

TOWNSHIP 13 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 25: N2NW4
Lea County, New Mexico

Containing 80.00 acres, more or less

RECORD DATE: 1/28/09

MINERAL OWNERSHIP

NAME OF MINERAL OWNERS	INTEREST	NET ACRES	LEASEHOLD STATUS
------------------------	----------	-----------	------------------

THE MATTIE FANNIN FAMILY

Tedde Birkhead, ssp 10403 W. 16 th Odessa, TX 79763	3.787879%	3.030303	Open of Record
Florence F. Bales, mssp (B.L.) Rt. 1 Box 35 Lampass, TX 76550	6.313131%	5.050505	Open of Record
John Edgar Milam, ssp 700 N. 31 st Street Waco, TX 74103	11.728772%	9.383018	Open of Record
Charles C. Compton, mssp (Norma Jean) 46 Pico Court Chula Vista, CA 91911-4445	5.098438%	4.078750	Open of Record

THE JEROME T. HANNERS FAMILY

Jerome T. Hanners, ssp (Imogene) P.O. Box 1224 Lovington, NM 88260	12.500000%	10.000000	Open of Record
--	------------	-----------	----------------

THE J. L. REED FAMILY

Western Commerce Bank, Trustee of the W.T. Reed Trust P.O. Box 1627 Lovington, NM 88260	7.16089%	5.728712	Open of Record
James Reed McCrory, mssp (Cynthia Ann) P.O. Box 25764 Albuquerque, NM 87125-0764	7.16089%	5.728712	Open of Record

THE TODD FAMILY

Thomas E. Todd, Jr. (Cecille) P.O. Box 338 Ruidoso, NM 88355	.084390%	.067514	Open of Record
Margaret Todd Sherrill 4920 N. Carriage Road Hobbs, NM 88242	.084390%	.067514	Open of Record
Thomas E. Todd, Jr. & Margaret Todd Sherrill, Jointly c/o Margaret Sherrill 4920 N. Carriage Road Hobbs, NM 88242	.000834%	.000686	Open of Record

THE PHIL LAWS FAMILY

Phil Laws (Lonnie B.) 850 Camino Del Rex Las Cruces, NM 88001	1.250000%	1.000000	Open of Record
--	------------------	-----------------	-----------------------

THE C.F. BOWEN, TRUSTEE

C.F. Bowen 535 Rockhill Drive San Antonio, TX 78209	.312500%	.250000	Open of Record
Gretchen I. Warner Address Unknown	.312500%	.250000	Open of Record
Martin F. Casey Trust of 1990 7701 Broadway, Suite 207 San Antonio, TX 78209	.156250%	.125000	Open of Record
Dorothy S. Casey Trust of 1990 7701 Broadway, Suite 207 San Antonio, TX 78209	.156250%	.125000	Open of Record
Jack L. Russell P.O. Box 1604 Midland, TX 79702	.312500%	.250000	Open of Record
DDDF Co., Inc. P.O. Box 554 Midland, TX 79702	.312500%	.250000	Open of Record
R.I. Dickey Address Unknown See Note Below	.312500%	.250000	Open of Record
Dale H. Dorn, Agent #3 Address Unknown See Note Below	1.250000%	1.000000	Open of Record

THE HARMON L. LOWE FAMILY

M. Dion Lowe 2306 Cypress Point West Austin, TX 78746	1.265000%	1.012000	Open of Record
Debra Lowe Finn, ssp 4601 50 th Street, Suite 212 Lubbock, TX 79414	1.265000%	1.012000	Open of Record
Estate of Coy S. Lowe, deceased c/o Billie Ann Lowe 3301 42 nd Street Lubbock, TX 79413	1.034075%	.827260	Open of Record
Larry K. Lowe, ssp 2313 Broadway Lubbock, TX 79702	2.882675%	2.306140	Open of Record
Kay Lowe Atcheson, ssp c/o Larry Lowe 2313 Broadway Lubbock, TX 79702	1.577050%	1.261640	Open of Record
Vivian Lowe Anselmi, ssp c/o Larry Lowe 2313 Broadway Lubbock, TX 79702	1.577050%	1.261640	Open of Record
Ronny P. Lowe, ssp 6001 71 st Street Lubbock, TX 79424	1.577050%	1.261640	Open of Record
Kelly Lowe Read 207 Cottonwood Levelland, TX 79336	.585800%	.468640	Open of Record
Lauren Lowe 4601 50 th Street, Suite 212 Lubbock, TX 79414	.585800%	.468640	Open of Record
Denise Lowe P.O. Box 65506 Lubbock, TX 79464	.837100%	.669680	Open of Record
Haley Lowe 4601 50 th Street, Suite 212 Lubbock, TX 79464	.585800%	.023432	Open of Record
Teddy Lowe Hartley PO Box 895 Clovis, NM 88102	2.363100%	1.890480	Open of Record
Robert Thomas Hartley	2.368025%	1.894420	Open of Record

Loretta D. Lowe, ssp 7235 Villa Maria Lane Austin, TX 78759	2.882675%	2.306140	Open of Record
Odell L. Lowe, ssp 4601 50 th Street, Suite 212 Lubbock, TX 79464	.428400%	.342720	Open of Record
Total	100.0000%	80.000000	

NOTES

1. H.L Fannin was the owner of 10/99th interest. In a Quiet Title Suite (DC-9404), the heirs of H.L. Fannin were granted the following interests:

Julia Fannin, widow	8-56/693 of 320 acres
Florence Fannin Bates, daughter	12-84/693 of 320 acres
H.L. Fannin, Jr., son	12-84/693 of 320 acres

In an Affidavit of Heirship dated 2/7/78 (346/732) for Julia Fannin, deceased, Florence Fannin Bates states that she is the sole heir of Julia Fannin and her brother, H.L. Fannin, Jr. is not listed in the Affidavit. The Affidavit also states that Julia Fannin had a Will and that Florence Fannin Bates was the sole heir, however, it also states that the Will and Estate was never probated. In an oil and gas lease dated 12/20/77 (307/757), Mary C. Fannin U/W of H.L. Fannin, Jr. executed the lease. No probate could be located for H.L. Fannin, Jr. It is possible that H.L. Fannin, Jr. death preceded the death of his mother Julia Fannin and therefore under the New Mexico laws of decent and distribution, Florence Fannin Bates would be the sole heir of Julia Fannin. For the purpose of this report, Florence Fannin Bates has been credited with all the interest of Julia Fannin, deceased.

2. In an Affidavit of Heirship dated 10/11/95 for Mary C. Fannin, deceased, (610/392) Tedde Fannin Birkhead claims that she is the sole heir, but does list a brother, William C. Fannin, but does not know if he is still alive. For the purpose of this report, all interest of Mary C. Fannin, deceased, is credited to Tedde Fannin Birkhead.

3. In a Mineral Deed dated 5/31/51 (140/277), Fred T. Hogan, et ux, conveyed 1/32 mineral interest to C.F. Bowen, Trustee. In an Assignment dated 3/13/78, C.F. Bowen, Trustee, conveyed the interest to the following:

C.F. Bowen	10%
Gretchen I. Warner	10%
Martin F. Casey	10%
W.G. Terry	20%
R.I. Dickey	10%

Eddie W. Seay

From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: "Eddie Seay" <seay04@leaco.net>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>; "Warnell, Terry G, EMNRD" <TerryG.Warnell@state.nm.us>; "Kautz, Paul, EMNRD" <paul.kautz@state.nm.us>
Sent: Tuesday, December 30, 2008 4:29 PM
Subject: Disposal Application from Paladin Energy Corp: Lowe 25 #1 30-025-33002 Unit E Sec 25 T13S R37E Lea County (Devonian)

Hello Eddie:

After reviewing, I can find only two issues with this application:

AOR Confinement Issues:

The big issue seems to be "confinement" in only the Devonian in the AOR. The application and the notices were for injection only into the Devonian, yet there are two or three AOR plugged wells that have open intervals from the Wolfcamp down through the Devonian. It is likely the Devonian is the only permeable interval suitable for disposal, but we don't know that for sure, and this application is in violation of Division rules requiring AOR confinement of injection.

The only Pools I could find that cover Section 25 produce from the Wolfcamp and the Devonian. There are other deep pools in the area, located to the Southwest of here, but none in the Area of Review. The Wolfcamp Pool extends to the North of the subject well's location. Also, the Wolfcamp through the Devonian has been used for SWD purposes in 30-025-05082 located SW of the subject well.

- 1) Please research the nearest Wolfcamp (past or current) production and spot the wells on a map and send that in.

Since this application as it stands is in violation of the Division rules that all injected waters should be confined to the injection interval and Paladin probably does not want to re-enter and replug wells, my recommendation is to:

- 2) Re-submit your C-108 and re-notice all "affected" parties that the "Wolfcamp through the Devonian" (specify those depths) may be used for Disposal Purposes, but Paladin is intending to inject into only the Devonian.

The affected parties can object if they think the Wolfcamp in this area is productive and would be hurt by injection. Then Paladin can proceed to inject ONLY in the Devonian as it planned to do originally.

Notice Issues:

- 3) Please let us know which tracts wholly or partially within the ½ mile AOR are owned by which affected parties. For instance, who owns the rights to the **Wolfcamp and Devonian** in the SE/4 SE/4 of section 23 and in the S/2 SW/4 of Section 24? Were these parties notified?
- 4) Is there a depth severance between the Wolfcamp and the Devonian in the Area of Review?
- 5) Who is the "surface owner" of the disposal wellsite and where they notified? Our records say the surface is "private".

Thank you for the detailed wellbore diagrams.

Since this application must be re-noticed and re-submitted, we are cancelling this application but will save correspondence records to make it go smoothly the next time.

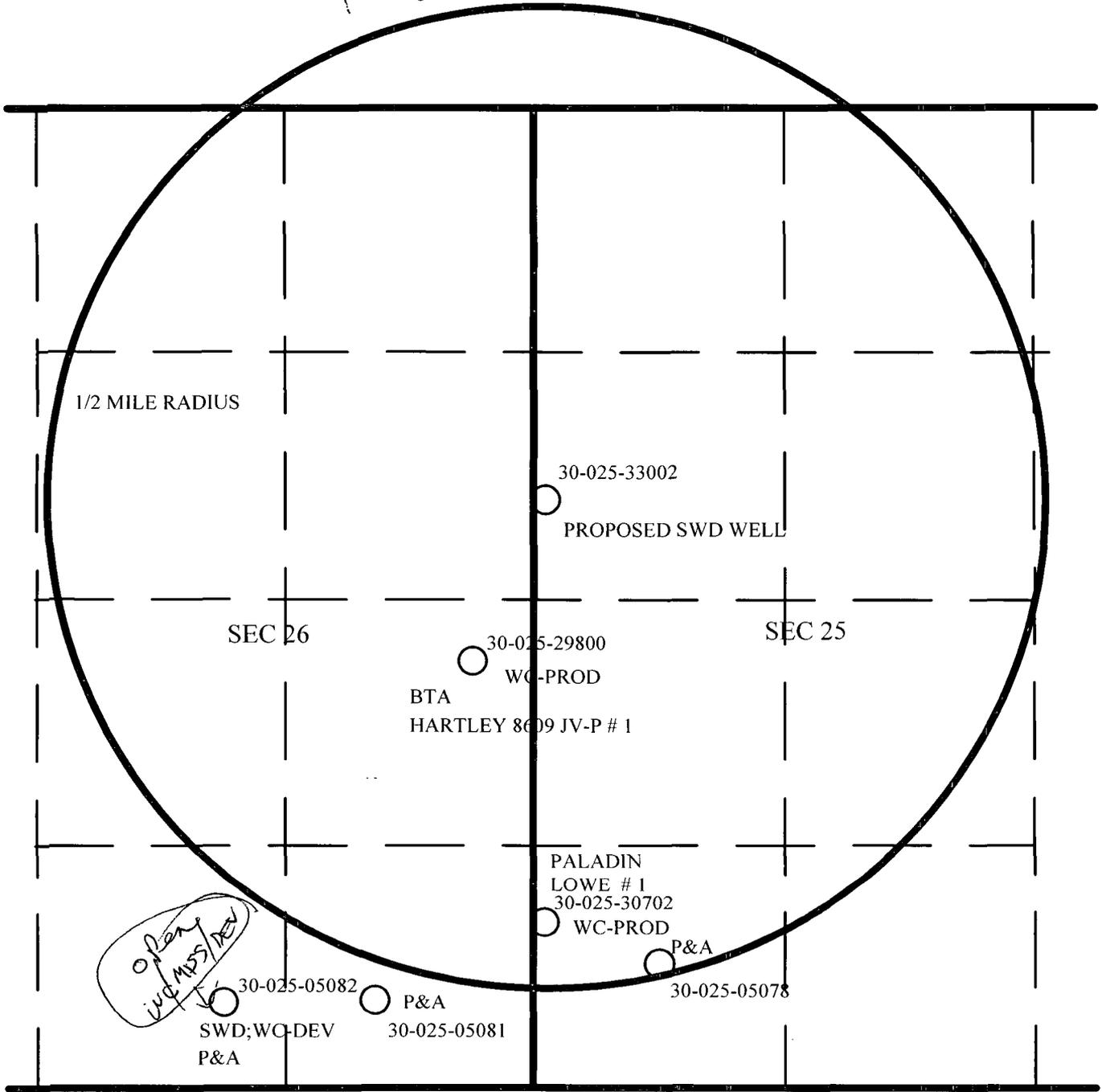
Thank You,

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

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1/6/2009

Request Map



TWN 13 SOUTH RNG 37 EAST

PRODUCING AND P&A WOLFCAMP WELLS

Injection Permit Checklist (7/8/08)

Case 1170 R- (SWD) WFX PMX IPI Permit Date _____ UIC Qtr _____

Wells 1 Well Name: Low 25 #1

API Num: (30-) 025-33002 Spud Date: 05/09/95 New/Old: N (UIC primacy March 7, 1982)

Footages 2105 FWL/6 FWL Unit E 25 Tsp 13S Rge 37E County La

Operator: Poladin Energy Corp. Contact Eddie Seay / David Plouffe

OGRID: 164070 RULE 40 Compliance (Wells) 1/58 (Finan Assur) OK

Operator Address: 10290 Mouse Dr, Suite 301, Dallas, TX, 75229

Current Status of Well: Dry Hole

Planned Work to Well: Reaming inside CSG Planned Tubing Size/Depth: 2 7/8 @ 12500'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	17 1/2 13 3/8	450	425	CIRC
Existing <input checked="" type="checkbox"/> Intermediate	12 1/4 8 5/8	4625	750	CIRC
New Existing <input checked="" type="checkbox"/> Long String	7 7/8 5 1/2	12575	1600	4200 CALC

DV Tool — Liner — Open Hole 12575-12820 Total Depth 12620 PBTB —
12820

Well File Reviewed

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)	10855	STeam	
Above (Name and Top)			
Injection.....			
Interval TOP:	12575	Dev	
Injection.....			
Interval BOTTOM:	12820	Dev	
Below (Name and Top)	12850	SIL	

KING; DEV POOL area

2511 PSI Max. WHIP
 Open Hole (Y/N)
 Deviated Hole?

W/OCT CAMP
DEVONIAN
THIS IS
W/OCT CAMP
W/OCT CAMP
W/OCT CAMP

Sensitive Areas: Capitan Reef _____ Giff House _____ Salt Depths 2500-3000 _____

Rotash Area (B-111-P) _____ Potash Lessee _____ Noticed? _____

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

Salt Water: Injection Water Types: _____ Analysis? _____

Injection Interval: Water Analysis: _____ Hydrocarbon Potential _____

McKee / Dev / SIL

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

RULE 701B(2) Affected Parties: Balldog / Forest / Cabot / BTA / Morgan / Sullivan

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

Active Wells _____ Num Repairs _____ Producing in Injection Interval in AOR _____

.P&A Wells _____ Num Repairs _____ All Wellbore Diagrams Included? _____

Questions to be Answered:

(05082) HL Love C #1 open 9406' - 12750' WC/MISS/DEV
(05083) STOR #1 open 11370 - 13309' WC/MISS/DEV
(06059) Love Land #2 open 11370 - 12675 MISS/DEV

Required Work on This Well: Request Sent _____ Reply: _____

AOR Repairs Needed: Request Sent _____ Reply: _____

Request Sent _____ Reply: _____

12595
25710

need
structure
map of
DEV.

N/2 NE/4 Sec 26 = ?