

DISTRICT I
P.O. Box 180, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 888210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

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

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address PALADIN ENERGY CORP. 10290 Monroe Drive, Suite 301 Dallas, Texas 75229						2 OGRID Number 164070					
4 Property Code 22557						5 Property Name South Vacuum Unit #35				3 API Number 30-025-36789	
6 Well No. 354											
7 Surface Location											
UL or lot No. H6	Section 35	Township 18-S	Range 35-E	Lot. Ind	Feet from the 1750	North/South Line North	Feet from the 1610	East/West Line East	County Lea		
8 Proposed Bottom Hole Location If Different From Surface											
UL or lot No.	Section	Township	Range	Lot. Ind	Feet from the	North/South Line	Feet from the	East/West Line	County		
9 Proposed Pool 1 Wildcat McKee (u) 97368					10 Proposed Pool 2						
11 Work Type Code N		12 Well Type Code G		13 Cable/Rotary Rotary		14 Lease Type Code S		15 Ground Level Elevation 3870'			
16 Multiple No		17 Proposed depth 14,000'		18 Formation Granite Wash		19 Contractor		20 Spud Date 8/15/2004			
21 Proposed Casing and Cement Program											
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks Cement	Estimated TOC						
17-1/2	13-3/8	48#	420'	450	Sur						
12-1/4	9-5/8	40#	3,800'	1300							
8-3/4"	7	26# & 29#	12,300'	700	7500'						
6-1/4"	5	18#	14,000	250	12,000'						
22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. MOL with drilling rig for new drill. (Straight Hole) Drill 17-1/2" hole and set 13-3/8" conductor, drill out to 3800' (+,-) and set 8-3/4" surface casing at cement to surface. Drill 8-3/4" hole to 12,300' (+,-), set 7" casing and cement with TOC at approx. 7500'. Drill 6-1/4" hole from 12,300' to 14,000' (+,-), run open hole logs & cores, set 5" casing liner from 12,000' to 14,000', cement liner. Perforate McKee Sand, perform proppant fracture treatment job w/ approximately 180,000 gallons water, acid & additives and 170,000 pounds of proppant. Complete and test well.											
BOP - 11" Hydraulic Dual Ram (10M), Blind & Pipe					Permit Expires 1 Year From Approval Date Unless Drilling Underway						
47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>David J. Plaisance</i> Printed name: David Plaisance Title: VP Exploration & Production Date: 7/19/2004					OIL CONSERVATION DIVISION Approved by: <i>Paul J. K... ..</i> Title: PETROLEUM ENGINEER Approval Date: AUG 02 2004 Expiration Date: Conditions of Approval: AUG 02 2004 Attached:						

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
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number 30-025-36789	² Pool Code 97368	³ Pool Name Wildcat McKee (gas)
⁴ Property Code 22557	⁵ Property Name South Vacuum Unit	⁶ Well Number 354
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.	⁹ Elevation 3870'

¹⁰ Surface Location

UL or lot no. G	Section 35	Township 18-S	Range 35-E	Lot Idn	Feet from the 1750	North/South line North	Feet from the 1610	East/West line East	County Lea
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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
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶					Sec 35, T18S, 35E	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. David Plasmance Signature David Plasmance Printed Name VP Exploration & Production Title 7/29/2004 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

shares acreage with SVU 353

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State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: PALADIN ENERGY CORP. Telephone: 214-654-0132 e-mail address: dplaisance@paladineenergy.com

Address: 10290 Monroe Drive, Suite 301, Dallas, Texas 75229

Facility or well name: South Vacuum Unit 354 API #: 30025-36789 U/L or Qtr/Qtr H Sec 35 T 18S R 35E

County: Lea Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 14,366 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not: _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

10

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility: _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface: _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 7/27/04

Printed Name/Title: Vice-President Exploration and Production

Signature: [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: 7/30/04 PETROLEUM ENGINEER

Printed Name/Title: _____

Signature: [Signature]

Date: _____