

DISTRICT I

1625 N. Fmch Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Atesia, NM 88210

DISTRICT III

1000 Rio Brazos Road, 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

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

Form C-101
 May 27, 2004

Submit to Appropriate District Office

 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 ✓
		3 API Number 30-025-37035 ✓
4 Property Code 22557 ✓	5 Property Name South Vacuum Unit	6 Well No. 265 ✓
9 Proposed Pool 1 Wildcat Silurian ✓		10 Proposed Pool 2

7 Surface Location

UL or lot No.	Section	Township	Range	Lot, Ind	Foot from the	North/South Line	Foot from the	East/West Line	County
L	26	18-S	35-E		1940	South	980	West	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot, Ind	Foot from the	North/South Line	Foot from the	East/West Line	County

Additional Well Information

11 Work Type Code P	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code S	15 Ground Level Elevation 3876'
16 Multiple No	17 Proposed depth 14,700'	18 Formation Silurian	19 Contractor	20 Spud Date 8/1/2005

Depth to Groundwater: *Steel Tanks		Distance from nearest fresh water well		Distance from nearest surface water:	
Pit:	Liner: Synthetic <input type="checkbox"/>	12 mils thick Clay <input type="checkbox"/>	Pit Volume:	Drilling Method:	Fresh Water <input type="checkbox"/>
Closed-Loop System <input type="checkbox"/>				Diesel/Oil-Based <input type="checkbox"/>	Gas/Air <input type="checkbox"/>

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#	415'	445	Sur
12-1/4	9-5/8	40#	3,800'	1290	Sur
8-3/4"	7	26# & 29#	12,300'	750	7086
6-1/4"	5	18#	15,248'	300	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.

Set a Retrievable CIBP at 14,700'

Perforate Silurian Formation at 14,168-74', 14,054-64', 14,020-35', 13,900-20', 13,880-90'. Perform Acid job with 7500 gallons 15% NEFE.

Swab back, test and if commercial production established place on production.

BOP - 6" Hydraulic Dual Ram (5M). Blind & Pipe

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. I further certify that the drill pit will be constructed according to NMOCD guideline X, a general permit, or an (attached) alternative

OCD-approved plan

Printed name: David Plaisance

Title: V.P. Exploration & Production

E-mail Address: dplaisance@paladinenergy.com

Date: 7/20/2005

Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: JUL 20 2005

 PETROLEUM ENGINEER
 Expiration Date:

 Conditions of Approval:
 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 DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-30375 37035	² Pool Code	³ Pool Name Wildcat Silurian
⁴ Property Code 22557	⁵ Property Name South Vacuum	⁶ Well Number 26-5
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.	⁹ Elevation 3876'



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
L	26	18-S	35-E		1940	South	980	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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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 26, T18S, 35E	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature David Plasiance Printed Name VP Exploration & Production Title 7/13/2005 Date
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
 SVU 26-5 1940 FSL, 980 FWL				

Submit 3 C Appropriate District
Office
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87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO.
30-025-37035

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
E0-1479-6

7. Lease Name or Unit Agreement Name
South Vacuum

8. Well Number 265

9. OGRID Number
164070

10. Pool name or Wildcat
Vacuum McKee (gas) 97368 South

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Paladin Energy Corp.

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

4. Well Location

Unit Letter L : 1940 feet from the South line and 980 feet from the West line
Section 26 Township 18-S Range 35-E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3876' GR

Pit or Below-grade Tank Application ☐ or Closure ☐ *Steel Tanks Used

Pit type _____ Depth to Groundwater 60' Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material synthetic

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

NOTICE OF INTENTION TO:

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

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Attempt McKee Sand Completion ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

3/21/05 – 7/10/05

Lower McKee Sand was perforated from 14,970-74', 14,982-86', 14,990-94', 15,006-10' & 15,019-23'. Attempted proppant frac but was unsuccessful because of poor injection rates. Perforate the middle McKee Sand members from 14,936-40', 14,929-33', 14,906-10' & 14,894-98'. Performed a proppant Frac with 43,550 lbs of bauxite at 39 bbls per minute with 6300 psi. Swabbed back and flowed water intermittently and died.

An isolation plug was set at 14,864' and the Upper McKee Sand interval was perforated from 14,820-840'. Performed a proppant Frac with 76,673 lbs of bauxite at 39 bbls per minute with 6635 psi. Flowed back water intermittently and died. The isolation plug was drilled out and the well was washed to bottom at 15,150'. A total of 1,686 bbls was swabbed back with no resultant flow of gas or oil. An isolation cast iron bridge plug was then re-set at 14,864'. Swabbed 2,311 bbls of water without any resultant commercial gas or oil production.

Perforations in the Silurian interval will be attempted and C105 will be filed upon completion.

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

SIGNATURE David Harrison TITLE Manager, Corporate Support DATE 7/13/05

Type or print name Ann Westberry

E-mail address: awestberry@paladinenergy.com Telephone No. 214-654-0132 X4

For State Use Only

APPROVED BY:

ORIGINAL SIGNED BY

DATE JUL 20 2005

Conditions of Approval (if any):

PAUL F. KAUTZ
PETROLEUM ENGINEER