

DISTRICT I
1625 N.Fmech 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

Form C-101
May 27, 2004

Submit to Appropriate District Office

OIL CONSERVATION DIVISION

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

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	3 API Number 30-025-37429
9 Proposed Pool 1 Vacuum McKee, South		6 Well No. 221
10 Proposed Pool 2		

7 Surface Location

UL or lot No. N	Section 22	Township 18-S	Range 35-E	Lot. Ind	Feet from the 910	North/South Line South	Feet from the 1650	East/West Line West	County Lea
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot No. N	Section 22	Township 18-S	Range 35-E	Lot. Ind	Feet from the 660	North/South Line South	Feet from the 1650	East/West Line West	County Lea
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Additional Well Information

11 Work Type Code N	12 Well Type Code G	13 Cable/Rotary Rotary	14 Lease Type Code S	15 Ground Level Elevation
16 Multiple No	17 Proposed depth 14,500'	18 Formation Granite Wash	19 Contractor	20 Spud Date 08/28/2005
Depth to Groundwater: approx 60'		Distance from nearest fresh water well 1/2 mile		Distance from nearest surface water: more than 1500 feet
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Closed-Loop System <input type="checkbox"/>		Pit Volume: 14,366 bbls Drilling Method: Brine <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Disel/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#	420'	450	Sur
12-1/4	9-5/8	40#	3,900'	1300	Sur
8-3/4"	7	26# & 29#	12,500'	750	7500'
6-1/4"	5	18#	14,500	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.

Drill 17-1/2" hole and set 13-3/8" conductor, drill out to 3900' (+,-) and set 9-5/8" surface casing - cement to surface.
Drill 8-3/4" hole to 12,500' (+,-), set 7" casing and cement with TOC at approx. 7500'.
Drill 6-1/4" hole from 12,300' to 14,500' (+,-), run open hole logs & cores, set 5" casing liner from 12,200' to 14,500' 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. I further certify that the drill pit will be constructed according NMOCD guideline <u>X</u> , a general permit <u> </u> , or an (attached) alternative OCD-approved plan <u>David Plaisance</u>		OIL CONSERVATION DIVISION	
Printed name: David Plaisance		Approved by:	
Title: V.P. Exploration & Production		ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER	
E-mail Address: dplaisance@paladinenergy.com		Approval Date: Expiration Date:	
Date: 8/1/2005	Phone: 214-654-0132	Conditions of Approval: Attached <input type="checkbox"/>	

DISTRICT I
1625 N. FRANCE DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 3D-025-37429	Pool Code 97368	Pool Name Vacuum McKee, South
Property Code 22557	Property Name SOUTH VACUUM Unit	Well Number 221
OGRID No. 164070	Operator Name PALADIN ENERGY CORPORATION	Elevation 3901'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	18-S	35-E		910	SOUTH	1650	WEST	LEA

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
N	22	18-S	35-E		660	SOUTH	1650	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=629784.1 N X=772262.3 E</p> <p>LAT.=32°43'41.68" N LONG.=103°26'52.80" W</p> <p>GR.AZ.=179°21' H.DIST.=250.0'</p> <p>BOTTOM HOLE Y=629534.1 N X=772265.1 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>David Plaisance</i> Signature</p> <p>David Plaisance Printed Name</p> <p>VP Exploration Title</p> <p>08/02/05 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 22, 2005</p> <p>Date Surveyed 08/01/05 JR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>GARY G. EIDSON</i> GARY G. EIDSON 05-11-1149</p> <p>Certificate No. GARY G. EIDSON 12641</p>
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