

DISTRICT I
1625 N.Frnech Dr., Hobbs, NM 88240

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Form C-101
May 27,2004

DISTRICT II
1301 W. Grand Avenue, Atesia, NM 88240

HOBBS OCD

Submit to Appropriate District Office

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410

NOV 06 2013

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

AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

RECEIVED
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		3 API Number 30-025-37429
5 Property Name South Vacuum		6 Well No. 221
9 Proposed Pool 1 Vacuum; Devonian South		10 Proposed Pool 2

7 Surface Location

UL or lot No.	Section	Township	Range	Lot. Ind	Feet from the	North/South Line	Feet from the	East/West Line	County
N	22	18-S	35-E		910	South	1650	West	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
N	22	18-S	35-E		752	South	1680	West	Lea

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 3901'
16 Multiple No	17 Proposed depth 14,500'	18 Formation Granite Wash	19 Contractor	20 Spud Date

Depth to Groundwater: approx 60' Distance from nearest fresh water well 1500'

Pit: Liner: Synthetic Clay Pit Volume: bbls Drilling Method: Fresh Water
 Closed-Loop System Brine Diesel/Oil-Based Gas/Air

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#	416'	630 Sacks	Sur
12-1/4"	9-5/8"	40#	3,931'	1370 Sacks	Sur
8-3/4"	7"	26 & 29#	12,745'	1220 Sacks	5,000'
6-1/4"	5"	18#	14,592'	250 Sacks	12,720'

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.

Squeeze Mississippian perms from 10,744-820', 10,824-38', 10,846-872'. Drill out cement Circulate hole. Drill out CIBP at 11,835'. GIH and perforate Devonian formation for production from 11,670'-720', 11,740-760', 11,784-834'.
Acidize perforations with 7000 gallons 15% HCL, two stages. Swab back.
Install 4-1/8" ESP submersible pump and bring well on production.

(closed loop system)

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 X, a general permit , Or an (attached) alternative

OCD-approved plan

Printed name: David Plaisance *David Plaisance*

Title: V.P. Exploration & Production

E-mail Address: dplaisance@paladinenergy.com

Date: 11/1/2013 Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: Petroleum Engineer

Approval Date: 11/06/13 Expiration Date: 11/06/15

Conditions of Approval: Attached

NOV 06 2013

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

HOBBS 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

NOV 06 2013

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37122		² Pool Code 62010	³ Pool Name Vacuum; Devonian, South
⁴ Property Code 22557	⁵ Property Name South Vacuum		⁶ Well Number 221
⁷ OGRID No. 164070	⁸ Operator Name Paladin EnergyCorp.		⁹ Elevation 3901'

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
N	22	18-S	35-E		910	South	1650	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
N	22	18-S	35-E		752	South	1680	West	Lea

¹² Dedicated Acres 40	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 22, 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 11/1/2013 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
	S. Vacuum 221 752 FSL, 16780FWL •	