

DISTRICT I
1625 N.Fmeh 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 24964 | 5 Property Name W. W. Hamilton | 3 API Number 30-025-29316 |
| 9 Proposed Pool 1 Wildcat Mckee | | 6 Well No. 2Y |
| 10 Proposed Pool 2 | | |

7 Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|----------|-----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot No. L | Section 35 | Township 16-S | Range 38-E | Lot. Ind | Feet from the 1520 | North/South Line South | Feet from the 500 | East/West Line West | 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 Lea |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|---------------|

Additional Well Information

| | | | | |
|--|------------------------------|--|-------------------------|---|
| 11 Work Type Code D | 12 Well Type Code G | 13 Cable/Rotary Rotary | 14 Lease Type Code P | 15 Ground Level Elevation 3699' |
| 16 Multiple No | 17 Proposed depth 14,168' | 18 Formation Granite Wash | 19 Contractor | 20 Spud Date 11/01/2005 |
| Depth to Groundwater: approx 60' | | Distance from nearest fresh water well less than 1/2 mile | | Distance from nearest surface water: more than 1 mile |
| *Pit: Liner: Synthetic <input type="checkbox"/> Clay <input type="checkbox"/> Pit Volume: <input type="checkbox"/> | | Drilling Method: Fresh Water <input type="checkbox"/> | | |
| Closed-Loop System <input checked="" type="checkbox"/> (Steel Tanks will be used) | | Brine <input checked="" type="checkbox"/> Diesel/Oil-Based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | |

21 Proposed Casing and Cement Program

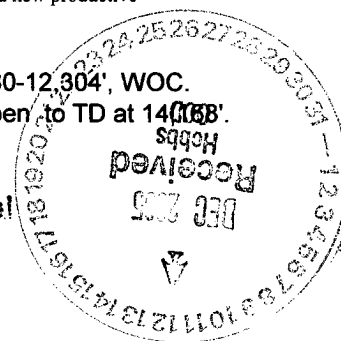
| | | | | | |
|-----------|-------------|--------------------|---------------|--------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks Cement | Estimated TOC |
| 17-1/2" | 13-3/8 | 48/54/50# | 404' | 425 | |
| 11" | 8-5/8 | 24/28/32# | 4924' | 1700 | |
| 7-7/8" | 5-1/2 | 17/20# | 13,200' | 425 | |
| 4-3/4" | 3-1/2" | 9# | 14,168' | 330 | |

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.

R/U Pulling Unit, N/D tree, N/U BOP's. Pull tubing and packer. Squeeze Devonian perforations at 12-280-12,304', WOC. Drill out cement and plugs down to end of casing at 13,200'. Test 5-1/2" casing. Drill open hole and deepen to TD at 14,006'. Run logs and perforate selected intervals in Mckee Sand from 14,006-14,106'. Perform proppant fracture treatment job w/ approximately 180,000 gallons water, acid & additives and 170,000 pounds of proppant. Complete and test well.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

BOP - 11" Hydraulic Dual Ram (10M), 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 NMOC 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: 12/6/2005

Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

Expiration Date:

Conditions of Approval:
Attached ☐

DEC 13 2005

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State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30-025-29316 | ² Pool Code ✓ | ³ Pool Name Wildcat McKee |
| ⁴ Property Code 24964 | ⁵ Property Name W. W. Hamilton | ⁶ Well Number 2Y |
| ⁷ OGRID No. 164070 | ⁸ Operator Name Paladin Energy Corp. | ⁹ Elevation 3699' |


¹⁰ Surface Location

| | | | | | | | | | |
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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 |
| ¹² Dedicated Acres 320 | 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 | | | <u>Sec 35, T16S, 38E</u> | 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 12/6/2005 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 |
| | | | | |