

DISTRICT I
1625 N. Fruech 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 22876 22557	5 Property Name Reeves 26	3 API Number 30-025-03137
9 Proposed Pool 1 Vacuum Wildcat Mississippian South		6 Well No. 4
10 Proposed Pool 2		

7 Surface Location									
UL or lot No. K	Section 26	Township 18-S	Range 35-E	Lot. Ind.	Feet from the 1654	North/South Line South	Feet from the 1654	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 E	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code P	15 Ground Level Elevation 3861'
16 Multiple No	17 Proposed depth 11,465'	18 Formation Devonian	19 Contractor	20 Spud Date 1/15/2006

Depth to Groundwater:	Distance from nearest fresh water well 1/2 mile	Distance from nearest surface water: more than 1 mile
Pit: Liner: Synthetic <input type="checkbox"/> Closed-Loop System <input checked="" type="checkbox"/>	12 mils thick Clay <input checked="" type="checkbox"/>	Pit Volume: Drilling Method: Fresh Water <input type="checkbox"/> 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	11-3/4	42#	451'	475	Sur
12-1/4	8-5/8	32# & 24#	3,802'	1488	Sur
7-7/8	5-1/2	26# & 29#	11,730'	320	8100'

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.

MIRU, excavate and tie back to surface the 11-3/4" and 8-5/8" casing strings. Install BOP's & re-enter Reeves 26 #4 well (previously P&A'd 12-27-84). Drill out cement plugs through 8-5/8" casing down to 3802'. Clean & circulate casing, test casing to 500 psi. Enter open hole and clean out cement to top of 5-1/2" production casing at 5370'. Wash over 5-1/2" and tie back to surface. Test tie-back connection to 500 psi. Clean out 5-1/2" casing to plug back TD at 11,465'. Perforate for production Wildcat Mississippian formation at 10,600-650'. If not productive, test Penn intervals.

*Will use steel tanks - No pits.

Permit Expires 1 Year From Approval
Data Unless Drilling Underway
Re-Entry

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

Title: V.P. Exploration & Production

E-mail Address: dplaisance@paladinenergy.com

Date: 9/27/2004

Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Chris Williams
Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

Expiration Date:

Conditions of Approval:
Attached ☐

JAN 19 2006

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 API Number 30-025-03137	² Pool Code 92411	³ Pool Name Vacuum Wildcat Mississippiian South
⁴ Property Code 22876	⁵ Property Name Reeves 26	⁶ Well Number 4
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.	⁹ Elevation 3861'

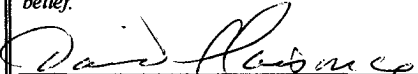
10 Surface Location

UL or lot no. K	Section 26	Township 18-S	Range 35-E	Lot Idn	Feet from the 1654	North/South line South	Feet from the 1654	East/West line West	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
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				<p><u>Sec 26, T18S, 35E</u></p>
				<p>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></p> <p> Signature</p> <p>David Plasiance Printed Name</p> <p><u>VP Exploration & Production</u> Title</p> <p>1/3/2006 Date</p>
	<p>Reeves A 26 -4 1654 FSL, 1654 FWL</p> <p>•</p>			<p>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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>