

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 888210

DISTRICT III

1000 Rio Brazos Rd., 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

2040 Pacheco St.
Santa Fe, NM 87505

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ 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 122012 169070
3 API Number 30-025-00104		4 Property Code 15218 24985
5 Property Name State 'ECC'		6 Well No. 1

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
G	11	12-S	32-E		1980	North	1980	East	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
9 Proposed Pool 1 Caprock, East Wolfcamp					10 Proposed Pool 2				

11 Work Type Code P	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code S	15 Ground Level Elevation 4361'
16 Multiple No	17 Proposed depth 9400'	18 Formation Wolfcamp	19 Contractor	20 Spud Date 2/25/2006

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks Cement	Estimated TOC
*see original completion report					

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 and POOH with tubing.
- Set CIBP at 9436'. Run Cased Hole RST evaluation log to 8000'. Perforate individual Wolfcamp Formation intervals according to log from 8500-9400'.
- Acidize perforations with 5000 gallons 15% HCL. Swab & test Penn perforations. If economical production established run well setting, rods & pumping unit and resume production.

Permit Expires 1 Year From Approval Date Unless Drilling Underway
Plugback

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.

Signature: *David Plaisance*

Printed name:

David Plaisance

Title:

VP Exploration & Production

Date:

2/15/2006

Phone:

214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title:

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

MAR 02 2006

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 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 30-025-00104	² Pool Code 09310	³ Pool Name Caprock, East Wolfcamp
⁴ Property Code	⁵ Property Name State ECC	⁶ Well Number 1
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.	⁹ Elevation 4361'

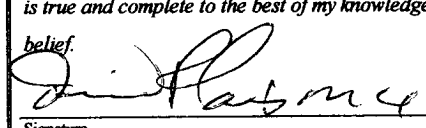
¹⁰ Surface Location

UL or lot no. G	Section 11	Township 12-S	Range 32-E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 1980	East/West line East	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			<u>Sec 11, T12S, 32E</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 2/15/2006 Date
		State ECC #1 1980' FNL, 1980' FEL •		
				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

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Wed 3/1/2006 9:08 AM

Donna, Paladin has 9 Inactive wells and it owns 61 wells and they are allowed to have only 2 inactive wells - I am asking Gail about this one also.

Pogo has 719 wells and are allowed 7 wells and they have 15 inactive and are purchasing 23 inactive from Arch but they do not appear on Jane's list. I have asked Gail about Pogo to see if she has contacted them. The system has been updated so that whenever an operator tries to do an operator change if they are out of compliance with Rule 40 a Warning appears that they are out of compliance and to contact me. I refer them either to Gail or Daniel. They let me know when to proceed with the operator change. However, Pogo submitted the name change before this was in place. Will let you know what Gail says. All the rest are okay.

From: Mull, Donna, EMNRD
Sent: Wednesday, March 01, 2006 7:42 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Dorothy, These Operators have Intent to drill in District 1 for approval:

Trilogy Operating Inc, (21602)
Range Operating New Mexico Inc. (227588)
Marbob Energy Corp. (14049)
Paladin Energy Corp. (164070)
Energen Resources Corp (162928)
Marathon Oil Co. (14021)
BTA Oil Producers (3002)
Northstar Operating Co. (152527)
EverQuest Energy Corp (212929)
Yates Petroleum Corp (35575)
Arch Petroleum Inc, (962)
Chevron USA Inc (4323)
Pogo Producing Co. (17891)

Please check if the Financial Assurance Requirements are OK for these operators to drill. Thanks Donna