

DISTRICT I

1625 N.Frueh 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 ✓
		3 API Number 30-025-23900 ✓
4 Property Code 22557	5 Property Name South Vacuum Unit	6 Well No. 262 ✓
9 Proposed Pool 1 Vacuum Bone Springs, 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
L	26	18-S	35-E		1980	South	710	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
									Lea

Additional Well Information

11 Work Type Code E	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code S	15 Ground Level Elevation 3877'
16 Multiple No	17 Proposed depth 11,400'	18 Formation Devonian	19 Contractor S	20 Spud Date 3/15/2006

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"/>	12 mils thick Clay <input type="checkbox"/>	Pit Volume:	Drilling Method: <input type="checkbox"/>	Fresh Water <input type="checkbox"/>
Closed-Loop System <input checked="" type="checkbox"/>			Brine <input checked="" type="checkbox"/>	Disel/Oil Based <input checked="" 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#	351'	350	Sur
11"	8-5/8	32#, 24#	3810'		3200'
7-7/8	5-1/2	26# & 29#	11,700'	400	7500'

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 S. Vacuum 26-2 well (previously P&A'd 1-17-92). Drill out cement plugs through 8-5/8" casing down to 3810'. Clean & circulate casing, test casing to 500 psi. Enter open hole and clean out cement to top of 5-1/2" production casing at 4500'. Wash over 5-1/2" and tie back to surface. Test tie-back connection to 500 psi. Clean out bridge plugs and plugs in 5-1/2" casing to plug back TD at 11,400'. Perforate for Production Bone Springs formation at 8,900-9,050" according to new RST log. If not productive, test Mississippian/Penn intervals.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

*Will use steel tanks - No pits.

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: 2/27/2006

Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

MAR 07 2006

Expiration Date:

Conditions of Approval:

Attached ☐

[Signature]
PETROLEUM ENGINEER

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 30-025-23900	² Pool Code 61900	³ Pool Name Vacuum Bone Springs, South
⁴ Property Code 22557	⁵ Property Name South Vacuum Unit	⁶ Well Number 262
⁷ OGRID No. 164070	⁸ Operator Name Paladin EnergyCorp.	⁹ Elevation 3877'

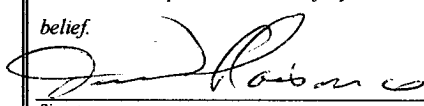
¹⁰ Surface Location

UL or lot no. L	Section 26	Township 18-S	Range 35-E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 710	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			<u>Sec 26, T18S, 35E</u>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Plasiance Printed Name VP Exploration & Production Title 2/27/2006 Date
South Vacuum 262 1980 FSL, 710 FWL •				¹⁸ SURVEYOR CERTIFICATION 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. 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: Mon 3/6/2006 11:40 AM

Okay

From: Mull, Donna, EMNRD
Sent: Monday, March 06, 2006 11:12 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Dorothy, These operators have APD intent to Drill, Deepen, Re-Entry:

Paladin Energy Corp (164070)
Energen Resources Corp (162928)
XTO Energy Inc (5380)
Northstar Operating Co (152527)
Yates Petroleum Corp (25575)
Manzano Oil Corp (13954)

What is their standing on Financial Assurance Requirement?

Please let me know. Thanks Donna