

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 22875		3 API Number 30-025-03138
5 Property Name State Lea J		6 Well No. 1-26
9 Proposed Pool 1 Reeves Vacuum, Wolfcamp, 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
E	26	18-S	35-E		2310	North	330	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 P	12 Well Type Code O	13 Cable/Rotary R	14 Lease Type Code S	15 Ground Level Elevation 3884'
16 Multiple No	17 Proposed depth 11,400'	18 Formation Wolfcamp	19 Contractor	20 Spud Date Re-completion-10/10/2005
Depth to Groundwater: approx 68'		Distance from nearest fresh water well 1/2 mile plus		Distance from nearest surface water: 1500 feet
Pit: N/A	Liner: Synthetic Closed-Loop System	Clay	Pit Volume:	Drilling Method: Fresh Water Brine Disel/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	11-3/4	42#	450'	475	Sur
11	8-5/8	32#	3801'	1764	Sur.
7-7/8	5-1/2"	20 & 17#	11,755'	170	9250'

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.

Proposed Wolfcamp Plug Back:

Set a Retrievable CIBP at 11,400'

Perforate selective Wolfcamp Formation intervals between 9,950-10,150'. Perform Acid job with 7500 gallons 15% NEFE. Swab back, test and if commercial production established place on rod pump operations. If not commercial alone, complete with possible Mississippian perforations between 10,580-10620'.

BOP - 6" Hydraulic Dual Ram (5M), 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 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: 10/6/2006

Phone: 214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Title: OC DISTRICT SUPERVISOR / STAFF MANAGER

Approval Date: OCT 24 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

<sup>1</sup> API Number 30-025-03138	<sup>2</sup> Pool Code 97467	<sup>3</sup> Pool Name Reeves vacuum; Wolfcamp, South
<sup>4</sup> Property Code 22875	<sup>5</sup> Property Name State Lea 'J' ✓	<sup>6</sup> Well Number 1-26
<sup>7</sup> OGRID No. 164070	<sup>8</sup> Operator Name Paladin Energy Corp.	<sup>9</sup> Elevation 3884'

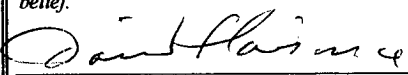
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	26	18-S	35-E		2310	North	330	West	Lea

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 40 ✓	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup>			<u>Sec 26, T18S, 35E</u>	<sup>17</sup> 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 10/6/2006 Date
State Lea J 26 -1 2310 FNL, 330 FWL •				
				<sup>18</sup> 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