

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 164070
		3 API Number 30-025-01012
4 Property Code 24982	5 Property Name State BT N	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
P	34	11-S	35-E		660	South	660	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					10 Proposed Pool 2				

Bagley Siluro-Devonian

11 Work Type Code P	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code P	15 Ground Level Elevation 4258'
16 Multiple No	17 Proposed depth 10,970'	18 Formation Devonian	19 Contractor	20 Spud Date 10/30/2006

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	36#	300'	225	Sur
11	8-5/8	32#	4000'	1500	1700'
7-7/8	5-1/2	15.5 & 17#	10,970'	600	7000'

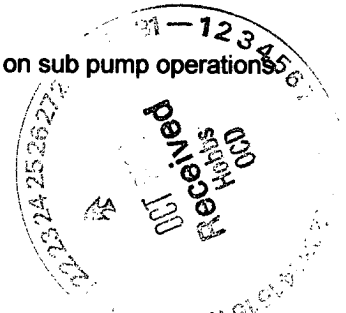
22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Squeeze Present Bagley Penn perforations from 8,682-9,034'. Drill out 5-1/2" CIBP at 10,680'.

Re-perforate Devonian from 10,828-42', acidize perms and open hole interval from 10,850-970'. Place on sub pump operations.

BOP - 6" Hydraulic Dual Ram (5M), Blind & Pipe

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: <i>David Plaisance</i>		OIL CONSERVATION DIVISION	
Printed name: David Plaisance		Approved by: <i>Gay W. Wink</i>	
Title: VP Exploration & Production		Title: OCS FIELD REPRESENTATIVE II/STAFF MANAGER	
Date: 10/20/2006	Phone: 214-654-0132	Approval Date: OCT 26 2006 Expiration Date:	
		Conditions of Approval: Attached <input type="checkbox"/>	

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 30-025-01012	² Pool Code 03990	³ Pool Name Bagley; Siluro Devonian
⁴ Property Code 24979	⁵ Property Name State BT N	⁶ Well Number 1
⁷ OGRID No. 164070	⁸ Operator Name Paladin EnergyCorp.	⁹ Elevation 4258'


¹⁰ Surface Location

UL or lot no. P	Section 34	Township 11-S	Range 33-E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	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 34, T11S, 33E</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 10/20/2006 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
			BTN 1 660 FSL, 660 FEL •	