

DISTRICT I

1625 N Frnech 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

OIL CONSERVATION DIVISION

1220 South St. Francis
Santa Fe, NM 87505

Submit to Appropriate District Office

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 35080 22557	5 Property Name South Vacuum	3 API Number 37122 30-025-37112
9 Proposed Pool 1 Vacuum Mississippian, South 97411	6 Well No 274	10 Proposed Pool 2

7 Surface Location

UL or lot No P	Section 27	Township 18-S	Range 35-E	Lot Ind	Feet from the 960	North/South Line South	Feet from the 693	East/West Line East	County Lea
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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
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Additional Well Information

11 Work Type Code P	12 Well Type Code G	13 Cable/Rotary Rotary	14 Lease Type Code S	15 Ground Level Elevation 3886'
16 Multiple No	17 Proposed depth 12,500'	18 Formation Devonian	19 Contractor	20 Spud Date 8/7/2007
Depth to Groundwater: approx 68'		Distance from nearest fresh water well: 1/2 mile plus		Distance from nearest surface water: Playa - 1500 feet
Liner: Synthetic ☐ Clay ☐ Pit Volume		Drilling Method Brine ☐ Fresh Water ☐ Diesel/Oil-Based ☐ Gas/Air ☐		
Closed-Loop System ☒				

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	48#	420'	450	Sur
12-1/4	9-5/8	40#	3,800'	1300	
8-3/4"	7	26# & 29#	12,600	700	7500'
6-1/4"	5	18#	15,000	250	12,000'

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.

Set CIBP at 13,700', dump bail 35' cement on top to plug McKee perforations from 13,814-938.

Set CIBP at 12,000' dump bail 35' cement on top in 7" casing.

Perforate for production Mississippi formation from 10,858-78, 10,890-900', 10,920-30'.

Acidize with 5000 gal HCL. Swab back and place on production flowing or on rod pump. If Mississippian uneconomical, perforate Pennsylvanian formation from 10,570-600', 10,616-361. Acidize with 5000 gal HCL. Swab back and place on production.

Co-mingle Mississippian and Pennsylvanian perforations if necessary.

Permit Expires 1 Year
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. 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	<i>David Plaisance</i>
Title V.P. Exploration & Production	
E-mail Address dplaisance@paladinenergy.com	
Date 8/2/2007	Phone 214-654-0132

OIL CONSERVATION DIVISION	
Approved by: <i>Ana Williams</i>	
Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Approval Date: SEP 17 2007	Expiration Date:
Conditions of Approval: Attached ☐	