

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 ✓ |
| 4 Property Code 21139 | | 3 API Number 30-025-30855 |
| 5 Property Name Howard Fleet ✓ | | 6 Well No 5 ✓ |

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 |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| 1 | 35 | 13-S | 37-E | | 2250 | South | 600 | 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 | | | | |

King Devonian

| | | | | |
|--------------------------|------------------------------|---------------------------|-------------------------|------------------------------------|
| 11 Work Type Code D ✓ | 12 Well Type Code O | 13 Cable/Rotary Rotary | 14 Lease Type Code P | 15 Ground Level Elevation 3843' |
| 16 Multiple No | 17 Proposed depth 12,600' | 18 Formation Devonian | 19 Contractor | 20 Spud Date 12/15/2007 |

21 Proposed Casing and Cement Program

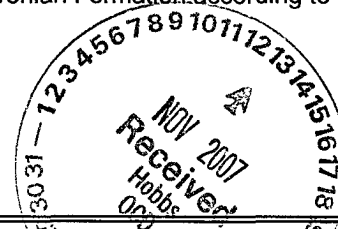
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|--------------|---------------|
| 17-1/2 | 13-3/8 | 54.5# | 415' | 500 | Sur |
| 11 | 8-5/8 | 32# | 4,525' | 1600 | 1773 |
| 7-7/8 | 5-1/2 | 17# | 10,915' | 1835 | 6561 |
| | 4-1/2 | 3-1/2 | 12,600' | 500 | 9,417 |

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.

Drill out CIBP at 9,320', Squeeze Present Penn perforations from 9,322-877', & Wolfcamp perms from 10,087-874'.
Drill out squeeze cement, clean and test casing. Drill out 5-1/2" casing shoe and deepen wellbore from 10,915' to 12,600', set 3-1/2" liner from 10,750' to 12,600'. Cement liner with 500 sacks Class H and re-complete in King Devonian Formation according to logs.

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

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Deepen



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.

Printed name.

David Plaisance

Title:

VP Exploration & Production

Date: 11/05/07

Phone:

214-654-0132

OIL CONSERVATION DIVISION

Approved by:

Title:

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

NOV 15 2007

Expiration Date:

Conditions of Approval:

Attached ☐