

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 22557							5 Property Name South Vacuum Unit				3 API Number 30-025-36789	
6 Well No. 354												
7 Surface Location												
UL or lot No G	Section 35	Township 18-S	Range 35-E	Lot Ind	Feet from the 1750	North/South Line North	Feet from the 1610	East/West Line East	County 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 Wildcat Silurian					10 Proposed Pool 2 Vacuum, Devonian South							
11 Work Type Code P		12 Well Type Code O		13 Cable/Rotary Rotary		14 Lease Type Code S		15 Ground Level Elevation 3870'				
16 Multiple No		17 Proposed depth 13,450'		18 Formation Silurian		19 Contractor		20 Spud Date 11/10/2007				
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	48#	420'	450	Sur							
12-1/4	9-5/8	40#	3,800'	1300								
8-3/4"	7	26# & 29#	12,300'	700	7500'							
6-1/4"	5	18#	14,000	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.												
<p>Set CIBP in 5" Liner at 13,400', dump bail 35' cement on top to plug McKee perforations from 13,570-13,633'.</p> <p>Perforate for production Silurian formation porosity from 12,620 to 12,640'.</p> <p>Acidize with 5000 gal 15% HCL. Swab back and place on production flowing or on rod pump. If Silurian uneconomical.</p> <p>Set CIBP at 12,400', dump bail 35' cement on top to plug Silurian perforations and another CIBP with 35" of cement in 7" at 11,680' (above 5" liner top).</p> <p>Perforate for production Devonian formation porosity from 11,594-688'. Acidize, swab back and test.</p> <p>If commercial place on production.</p> <p style="text-align: center;">Permit Expires 1 Year From Approval Date Unless Drilling Underway Plugback</p>												
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.					OIL CONSERVATION DIVISION							
Signature: <i>David Plaisance</i>					Approved by: <i>Hay W. Wink</i>							
Printed name: David Plaisance					Title: OC FIELD REPRESENTATIVE II/STAFF MANAGER							
Title: VP Exploration & Production					Approval Date: NOV 21 2007 Expiration Date:							
Date: 10/31/2007					Conditions of Approval:							
Phone: 214-654-0132					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 DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-D25-36789		² Pool Code		³ Pool Name Wildcat Silurian	
⁴ Property Code 22557		⁵ Property Name South Vacuum Unit			⁶ Well Number 354
⁷ OGRID No. 164070		⁸ Operator Name Paladin Energy Corp.			⁹ Elevation 3869'

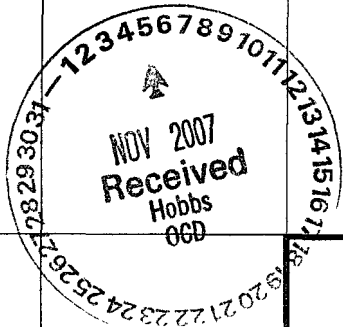

¹⁰ Surface Location

UL or lot no. G	Section 35	Township 18-S	Range 35-E	Lot Idn	Feet from the 1750	North/South line North	Feet from the 1610	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 35, T18S, 35E</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 <u>VP Exploration & Production</u> Title 10/31/2007 Date
	SVU 35-4 1750 FNL, 1610' FEL		
	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		