

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 DepartmentForm 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 22557	5 Property Name South Vacuum Unit 26	3 API Number 30-025-03134
9 Proposed Pool 1 <i>Reeves Penn Vacuum, South Wildcat Atoka</i>		6 Well No 1
10 Proposed Pool 2 <i>Vacuum Bone Spring South</i>		

7 Surface Location

UL or lot No. M	Section 26	Township 18-S	Range 35-E	Lot Ind	Feet from the 660	North/South Line South	Feet from the 660	East/West Line West	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 R	14 Lease Type Code S	15 Ground Level Elevation 3876'
16 Multiple No	17 Proposed depth 10,660'	18 Formation Atoka	19 Contractor	20 Spud Date Re-completion-10/12/2007
Depth to Groundwater: approx 68'		Distance from nearest fresh water well 1/2 mile plus		Distance from nearest surface water: Playa - 1500 feet
Pit N/A	Liner Synthetic <input type="checkbox"/>	Clay <input type="checkbox"/>	Pit Volume. <input type="checkbox"/>	Drilling Method Brine <input type="checkbox"/>
Closed-Loop System <input type="checkbox"/>		Fresh Water <input type="checkbox"/>		Disel/Oil-Based <input type="checkbox"/>
		Gas/Air <input type="checkbox"/>		

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#	449'	450	Sur
12-1/4	9-5/8	36#	3801'	1350	Sur
8-3/4"	5-1/2"	20 & 17#	11,755'	688	7750'

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 Atoka Perforations:

Perforate Atoka Formation at 10,630-60'. Set packer at 10,500', perform Acid job with 3500 gallons 15% NEFE. Swab back, test and if commercial production established place on production. If not commercial set retrievable bridge plug at 9,850'. Perforate Bone Springs formation from 8,980-9,025' & acidize. If flow is not commercial alone, pull bridge plug and complete with existing Wolfcamp perforations.

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. I further certify that the drill pit will be constructed according NMOCD guideline <u>X</u> , a general permit <u> </u> , Or an (attached) alternative		OIL CONSERVATION DIVISION	
OCD-approved plan <u> </u>		Approved by: <i>Larry W. Wink</i>	
Printed name David Plaisance	Title V P Exploration & Production	Title: OC FIELD REPRESENTATIVE II/STAFF MANAGER	
E-mail Address	Date: 10/3/2007	Approval Date: NOV 27 2007 Expiration Date:	
Phone: 214-654-0132	Oil Conservation Division Conditions of approval: Approval for drilling ONLY -- CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.		

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 30-025-03134	² Pool Code 52060/61900	³ Pool Name Reeves Penn Vacuum Bone Spring Vacuum, South Wildcat Atoka South
⁴ Property Code 22557	⁵ Property Name South Vacuum Unit 26	⁶ Well Number 1
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.	⁹ Elevation 3876'

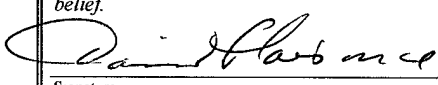
¹⁰ Surface Location

UL or lot no. M	Section 26	Township 18-S	Range 35-E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	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 320.40	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	Sec 26, T18S, 35E	17 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 10/3/2007 Date
S. Vacuum 26 -1 660 FSL, 660 FWL		