

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 21142		3 API Number 30-025-30856
5 Property Name J.L. Reed		6 Well No 6

7 Surface Location

UL or lot No G	Section 35	Township 13-S	Range 37-E	Lot Ind	Feet from the 1800	North/South Line North	Feet from the 1650	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
9 Proposed Pool 1					10 Proposed Pool 2				

King Devonian

<35910>

11 Work Type Code D	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code P	15 Ground Level Elevation 3849'
16 Multiple No	17 Proposed depth 12,600'	18 Formation Devonian	19 Contractor	20 Spud Date 12/10/2007

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#	415'	450	Sur
11	8-5/8	24#	4,625'	1225	Sur
7-7/8	5-1/2	17#	11,200'	1257	4500'
	4-1/2	3-1/2	12,600'	500	10,950'

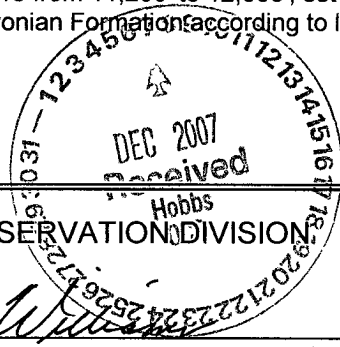
22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill out CIBP's at 9,200' & 9800'. Test present perforations in Wolfcamp and Penn from 9,302-67', 10,495'-941', 11,058' - 74'. If productive add perfs from 10,084-136' and place on production. If uneconomical, Squeeze Present Wolfcamp & Penn perforations from 9,302-11,074'.

Drill out squeeze cement, clean and test casing. Drill out 5-1/2" casing shoe and deepen wellbore from 11,200' to 12,600', set 3-1/2" liner from 10,950' 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: <i>David Plaisance</i>		Approved by: <i>Chris Williams</i>	
Printed name: David Plaisance		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Title: VP Exploration & Production		Approval Date: JAN 03 2008 Expiration Date:	
Date: 12/04/07	Phone: 214-654-0132	Conditions of Approval: Attached <input type="checkbox"/>	