

District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural ResourcesOil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505Form C-101  
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Paladin Energy Corp., 10290 Monroe Dr., Ste. 301, Dallas, Tx 75229		<sup>2</sup> OGRID Number 164070
<sup>3</sup> Property Code 32671		<sup>4</sup> API Number 30-025-08008
<sup>5</sup> Property Name New Mexico State BH NGP State		<sup>6</sup> Well No. 2
<sup>7</sup> Proposed Pool 1 Capecek, Devonian, East		<sup>8</sup> Proposed Pool 2

**7 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	11	12S	32E		1980	North	1980	West	Lea

**8 Proposed 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

**Additional Well Information**

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4366' GR
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 11,225'	<sup>18</sup> Formation Devonian	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 3/30/2008
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/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 of Cement	Estimated TOC
17-1/2"	13-3/8"	40#/Ft	350'		Surface
12-1/4"	8-5/8"	32#	3,600'	2,400	Surface
7-7/8"	5-1/2"	17#	11,225'	500	6,850'

<sup>22</sup> 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.

Squeeze Wolfcamp perforations from 8,461-8,600'. Drill out CIBP at 10,100', squeeze Penn perforations from 10,228-262'. Test 5-1/2" production casing. Drill out CIBP at 11,110'. Add perforations in Devonian from 11,110-186'. Acidize Devonian perforations with 5,000 gal 15% NEFE. Place well on submersible pump operations, test Devonian for economic potential. If economical rate, place well on production.

BOP 11" Hydraulic Dual Ram (5M), Blind & Pipe

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>David Plaisance</i>			
Printed name: David Plaisance		Approved by: <i>[Signature]</i>	
Title: V.P. Exploration & Production		Title: <i>Geologist</i>	
E-mail Address: dplaisance@paladinenergy.com.		Approval Date: _____ Expiration Date: _____	
Date: 3/27/2008		MAR 28 2008	
Phone: 214-352-5245		Conditions of Approval Attached <input type="checkbox"/>	

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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

<sup>1</sup> API Number 30-025-08008	<sup>2</sup> Pool Code 11999 8930	<sup>3</sup> Pool Name Caprock; Devonian, East
<sup>4</sup> Property Code 32671	<sup>5</sup> Property Name New Mexico BH State-NCT-1	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 164070	<sup>8</sup> Operator Name Paladin Energy Corp.	<sup>9</sup> Elevation 4366'

<sup>10</sup> Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	11	12	32E		1980	North	1980	West	Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

			<u>Sec 11, T12S, 32E</u>	<sup>17</sup> 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 3/27/2008 Date
	State BH #2 1980 FNL, 1980FWL			
				<sup>18</sup> SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number