

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 Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

¹ Operator Name and Address Paladin Energy Corp., 10290 Monroe Dr., Ste. 301, Dallas, Tx 75229		² OGRHD Number 164070
³ Property Code 32671	³ Property Name New Mexico State BLM/NET 1	³ API Number 30 - 025-08008
⁹ Proposed Pool 1 Caprock; Devonian, East		¹⁰ 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

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4366' GR
¹⁶ Multiple	¹⁷ Proposed Depth 11,225'	¹⁸ Formation Devonian	¹⁹ Contractor	²⁰ 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'

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.

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

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

Plugback

²³ 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>	Approved by: <i>Chris Williams</i>	
Printed name: David Plaisance	Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Title: V.P. Exploration & Production	Approval Date: APR 02 2008	Expiration Date:
E-mail Address: dplaisance@paladinenergy.com,		
Date: 3/27/2008	Phone: 214-352-5245	Conditions of Approval Attached <input type="checkbox"/>

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State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-08008	² Pool Code 41999 8932	³ Pool Name Caprock; Devonian, East
⁴ Property Code 32671	⁵ Property Name New Mexico BH State NCT-1	⁶ Well Number 2
⁷ OGRID No. 164070	⁸ Operator Name Paladin Energy Corp.	⁹ Elevation 4366'

¹⁰ Surface Location


UL or lot no. F	Section 11	Township 12	Range 32E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 1980	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
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

			Sec 11, T12S, 32E	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 VP Exploration & Production Title 3/27/2008 Date
	State BH #2 1980 FNL, 1980FWL •			
				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

RECEIVED

MAR 31 2008

HOBBS OCD