

Submit To Appropriate District Office
Five Copies
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

RECEIVED
State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
June 19, 2008

WELL API NO.
30-025-34239

5. Indicate Type of Lease
STATE ☒ FEE ☐
State Oil & Gas Lease No. E-8176

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER ☐ SWD ☐

b. Type of Completion:
NEW ☐ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ SWD-1112
WELL OVER ☐ BACK ☐ RESVR. ☐ OTHER ☐ SWD ☐

7. Lease Name or Unit Agreement Name
State C

2. Name of Operator
PALADIN ENERGY CORP.

8. Well No.
003

3. Address of Operator
10290 Monroe Drive, Suite 301, Dallas, TX 75229

9 Pool name or Wildcat
SWD King (Devonian) <96101>

4. Well Location
Unit Letter E : 1550 Feet From The North Line and 10 Feet From The West Line
Section 36 Township 13S Range 37E NMPM Lea County

10 Date Spudded
11. Date T.D Reached
12 Date Rig Released
13. Date Completed (Ready to Produce)
14. Elevations (DF and RKB, RT, GR, etc.) 3845' GR

15. Total Measured Depth of Well
12,764'

16. Plug Back Measured Depth
N/A

17 If Multiple Compl. How Many Zones?

18. Producing Interval(s), of this completion - Top, Bottom, Name
N/A 11829-12764

19. Was Directional Survey Made

20 Type Electric and Other Logs Run

21. Was Well Cored

22. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	40#	420'	17 1/2"	430 sxs	
9 5/8"	43.5#	6060'	12 1/4"	1685 sxs	
5 1/2"	17#	12,015'	7 7/8"	1000 sxs	

23. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

24. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
3 1/2"	11,832'	10,840'

25 Perforation record (interval, size, and number)
Open Hole 11829-12764

26. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
11,829'-12,764'	3000 gal NEFE acid/produced water

27 PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
N/A		SWD

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.)

28. Disposition of Gas (Sold, used for fuel, vented, etc.)
Test Witnessed By

29. List Attachments

30. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

31. If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude

Longitude

NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature

Printed Name

Title

Date

E-mail Address

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in triplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy 2200
T. Salt
B. Salt
T. Yates 3100
T. 7 Rivers
T. Queen
T. Grayburg
T. San Andres 4500
T. Glorieta 6000
T. Paddock
T. Blinberry
T. Tubb 7270
T. Drinkard
T. Abo 8000
T. Wolfcamp 9195
T. Penn
T. Cisco (Bough C) 10307

T. Canyon 10855
T. Strawn 11170
T. Atoka 11203
T. Miss 11915
T. Devonian
T. Silurian
T. Montoya
T. Simpson
T. McKee
T. Ellenburger
T. Gr. Wash
T. Delaware Sand
T. Bone Springs
T.
T.
T.

Northwestern New Mexico

T. Ojo Alamo
T. Kirtland-Fruitland
T. Pictured Cliffs
T. Cliff House
T. Menefee
T. Point Lookout
T. Mancos
T. Gallup
Base Greenhorn
T. Dakota
T. Morrison
T. Todilto
T. Entrada
T. Wingate
T. Chinle
T. Permian
T. Penn "A"
T. Penn. "B"
T. Penn. "C"
T. Penn. "D"
T. Leadville
T. Madison
T. Elbert
T. McCracken
T. Ignacio Ortiz
T. Granite
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OIL OR GAS SANDS OR ZONES

No. 1, from 9280' to 9380'
No. 2, from 10545' to 10970'
No. 3, from 11270' to 11370'
No. 4, from 11915' to 12245'

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
No. 2, from to feet
No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	2200	2200	Sand & Shale				
2200	3100	900	Anhydrite & salt				
3100	4500	1400	Sand, shale & Anhydrite				
4500	6000	1500	Dolomite & Anhydrite				
6000	8000	2000	Sand, Shale & Dolomite				
8000	9195	1195	Shale, Sand & Dolomite				
9195	10304	1109	LS, Dolomite & Shale				
10304	11170	866	LS, Dolomite & Shale				
11170	11915	745	LS & Shale				
11915	12245	330	Dolomite & LS				

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1112
March 18, 2008

APPLICATION OF PALADIN ENERGY CORPORATION FOR PRODUCED WATER DISPOSAL, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Paladin Energy Corporation (OGRID 164070) made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its horizontally drilled State "C" Well No. 3 (API No. 30-025-34239) located (SHL: 1550 FNL and 10 FWL of Section 36) at bottom hole approximately 2119 feet from the North line and 178 feet from the East line of Section 35, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations. Satisfactory information has been provided that all offset operators and surface owners have been duly notified. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met and no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

Paladin Energy Corporation is hereby authorized to utilize, its horizontally drilled State "C" Well No. 3 (API No. 30-025-34239) located (SHL: 1550 FNL, 10 FWL of Section 36) at bottom hole approximately 2119 feet from the North line and 178 feet from the East line of Section 35, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Devonian formation through perforations and open hole from 11,920 feet to 12,890 feet (measured depths) and through plastic-lined tubing set with a packer located within 100 feet of the top of the injection interval.

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 2384 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Hobbs district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective

date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator received by the Division prior to the termination date, may grant an extension thereof for good cause shown.



MARK E. FESMIRE, P.E.
Director

MEF/wvj

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas, and Minerals Division