

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 24977		3 API Number 30-025-01017
5 Property Name State BT "C"		6 Well No. 3

7 Surface Location

UL or lot No. L	Section 35	Township 11-S	Range 33 34-E	Lot. Ind	Feet from the 1980	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. L	Section 35	Township 11-S	Range 33 34-E	Lot. Ind	Feet from the 1880	North/South Line South	Feet from the 660	East/West Line West	County Lea
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9 Proposed Pool 1

10 Proposed Pool 2

Bagley Siluro-Devonian

11 Work Type Code D	12 Well Type Code O	13 Cable/Rotary Rotary	14 Lease Type Code 5	15 Ground Level Elevation 4237'
16 Multiple No	17 Proposed depth 11,000'	18 Formation Devonian	19 Contractor	20 Spud Date 12/1/2002

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	36#	298	225	Sur
11	8-5/8	32#	3830	1500	1773
7-7/8	5-1/2	15.5 & 17#	11,000	800	7000

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.

Abandon Present Bagley Devonian perforations and P&A production casing (See Form C-103). Sidetrack out of 8-7/8" intermediate casing. Kick out 100' from 4000' in a southerly direction to get away from original hole. Drill 7-7/8" straight hole to 11,000' (+,-). Set 5-1/2" casing and complete as a Devonian producer.

BOP - 11" 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:

Printed name:

David Plaisance

Title:

VP Exploration & Production

Date:

10/4/2002

Phone:

214-654-0132

OIL CONSERVATION DIVISION

Approved by:

PAUL F. MAIZE

Title:

PETROLEUM ENGINEER

Approval Date: OCT 24 2002 Expiration Date:

Conditions of Approval:

Attached ☐