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to Appropriate
District Office

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.

Santa Fe, NM 87505

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30- 025-34239

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
22179

7. Lease Name or Unit Agreement Name
NEW MEXICO STATE "C"

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. Name of Operator
PALADIN ENERGY CORP.

3. Address of Operator
10290 Monroe Dr., St. 301, Dallas, TX 75229

8. Well No.
3

9. Pool name or Wildcat
King Devonian

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
Elevation (Show whether DF, RKB, RT, GR, etc)
3845' GR

Check Appropriate Box to Indicate Nature of Notice, Report, Or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☐
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTRG CSG ☐
COMMENCE DRILG OPNS. ☐ P&A ☐
OTHER ☐ Drilling ahead & acidize ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

Page 1

Drilled from 12,015 to 12,245'. RU Halliburton wireline. TIH w/13' stim stick gun. Spotted stim stick gun from 11,979' to 11,992. Good burn.

RU Dowell, pumped 630 gals 15% NEFE acid and 55 bls water, spotted acid from 11,989' to 11,935'. Set packer at 11,815' w/20000# compression, pressured casing to 2000#, pressured tbg to 5000#. Shut down 5 min, lost 650#. Pressured tbg back to 5000#. Work pressure from 5000# to 4500# every 5 min, pumping 3.10 bl each time. Pumped 9 bls acid into formation. Broke down perms.

CONTINUE ON NEXT PAGE

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE 6/8/98

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214/654-0135
(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY CHRIS WILLIAMS TITLE DISTRICT I SUPERVISOR DATE JUN 18 1998

CONDITIONS OF APPROVAL, IF ANY:

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1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		NEW MEXICO STATE "C"
2. Name of Operator PALADIN ENERGY CORP.		
3. Address of Operator 10290 Monroe Dr., St. 301, Dallas, TX 75229		8. Well No. 3
4 Well Location Unit Letter <u>E</u> : <u>1550</u> Feet From The <u>North</u> Line and <u>10</u> Feet from The <u>West</u> Line Section <u>36</u> Township <u>13S</u> Range <u>37E</u> NMPM <u>Lea</u> County Elevation (Show whether DF, RKB, RT, GR, etc) 3845' GR		9. Pool name or Wildcat King Devonian

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NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK	<input type="checkbox"/>	PLUG AND ABANDON	<input type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		
OTHER	<input type="checkbox"/>		

SUBSEQUENT REPORT OF:

REMEDIAL WORK	<input type="checkbox"/>	ALTRG CSG	<input type="checkbox"/>
COMMENCE DRLG OPNS.	<input type="checkbox"/>	P&A	<input type="checkbox"/>
CSG TST & CMT JOB	<input type="checkbox"/>		
OTHER	<input type="checkbox"/>	Drilling ahead & acidize	<input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

Page 2

RU Swab, swabbed total load. RU Dowell service, pumped 5000 gals 24% NEFE and 71 bls water. Swabbed. Set 2 frac tanks for acid frac. Well shut in 15 hrs. Tbg pressure 190#. Open well, tbg dead in 10 min. RU Dowell, pressured csg to 2000#. Pumped 500 gal WF 130 pad at 5 bls per min at 5500#. Pumped 3600 gals SXE at 5 bls per min at 5500#, SXE is 70% (20%AFE) and 30% crude oil. Packer or tbg failed, shut job down. Released packer, circulated tbg clean w/2% KCL water. RD Dowell. RU Dowell service, pumped 1000 gals 20% NEFE acid at 5 bls per min at 5370#, Pumped 7200 gal SXE at 3.5 bls per min at 5500#. Pumped 1000 bls 20% NEFE acid at 4 bls per min at 5500#. Flushed 75 bls 2% KCL water at 4.5 bls per min

CONTINUE ON NEXT PAGE

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ISIP 4150, 5 min 3720, 10 min 3488, 15 min 3337. Swabbed, total load recovered. Left well open to tanks. Tagged fluid level at 1700'.
TIH w/21 jts 2 7/8" tbg. TAC at 4574' w/14,000# in tension. TIH w/ 2 1/2" X 2" X 24' RWBC pump, 12 - 1 1/2" sinker bars, 112 - 7/8" rods, 58 1" rods, 1 - 1 1/2" X 26' polish rod, RD & MO.
Waiting on Pumping Unit.

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SIGNATURE

Ann Westberry TITLE

Manager, Corp. Support

DATE 6/8/98

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Ann Westberry

TELEPHONE NO. 214/654-0135

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TITLE

DATE

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