

AUG 05 2015

State Of New Mexico
 Energy, Minerals and Natural Resources Department
 Oil Conservation Division Hobbs District Office
BRADENHEAD TEST REPORT

RECEIVED

| | |
|--|-----------------------------------|
| Operator Name PALADIN ENERGY CORP. | API Number 30-025-40335 |
| Property Name East Caprock SWD | Well No. 005 |

7. Surface Location

| | | | | | | | | |
|--------------------|----------------------|------------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|
| UL-Lot B | Section 14 | Township 12S | Range 32E | Feet From 930 | N/S Line N | Feet From 2290 | E/W Line E | County Lea |
|--------------------|----------------------|------------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|

Well Status

| | | | |
|-------------|---------|-----------------------------|-------------------------|
| Well Status | Shut-in | Producing <i>1st SWD</i> | Date <i>7-7-2015</i> |
|-------------|---------|-----------------------------|-------------------------|

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

Observed Data

If bradenhead flowed water, check all of the description that apply:

| | (A)Surf-Interm | (B)Interm(1)-Interm(2) | (C)Interm-Prod | (D)Prod-Csng | (E)Tubing |
|------------------------|----------------|------------------------|----------------|--------------|------------|
| Pressure | 0 | 0 | 0 | 0 | 150 |
| Flow characteristics | | | | | |
| Puff | Y / N | Y / N | Y / N | Y / N | |
| Steady Flow | Y / N | Y / N | Y / N | Y / N | |
| Surges | Y / N | Y / N | Y / N | Y / N | |
| Down to Nothing | Y / N | Y / N | Y / N | Y / N | |
| Gas or Oil | Y / N | Y / N | Y / N | Y / N | |
| Water | Y / N | Y / N | Y / N | Y / N | |

If bradenhead flowed water, check all of the description that apply:

| | | | | |
|-------|-------|-------|--------|-------|
| CLEAR | FRESH | SALTY | SULFUR | BLACK |
|-------|-------|-------|--------|-------|

Remarks: : INJECTING AT THIS TIME WTR GAS, ___ CO2
YRS

| | |
|---|---------------------------|
| Signature: <i>Mickey Horn</i> | Oil Conservation Division |
| Printed Name: Mickey Horn | Entered into RBDMS |
| Title: Operations Manager | Re-test |
| E-mail Address: paladinmid@suddenlink.net | |
| Date: <i>7-7-2015</i> | Phone: 432-634-6599 |

SEP 01 2015