

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

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

HOBBS OGD
JUN 28 2011

RECEIVED

WELL API NO. 30-025-08009
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State BB NCT-1
8. Well Number 2 SWD
9. OGRID Number 164070
10. Pool name or Wildcat Caprock:Devonian, East (8930)

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 Drive, Suite 301, Dallas, Texas 75229

4. Well Location
Unit Letter N : 660 feet from the North line and 1984 feet from the West line
Section 11 Township 12S Range 32E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4367' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐ OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1.) MIRU, GIH with 2-7/8" tubing and packer, set packer at 3,850' (+,-). R/U pumping unit and establish injection rate. Pump 880 sacks of class H cement and plug 5-1/2" casing from 3,900' to TD at 11,226'. Release packer, POOH. WOC. Tag cement.

2.) Cut 5-1/2" casing at 3,900' or deepest free point and pull. GIH w/ 2-7/8" tubing and set 200' cement stub plug (in and out of 5-1/2" casing) from 4,000' to 3,800' with 35 sacks class H cement. WOC. Tag plug at 3,800'. *spet 50s cement*

3.) Perforate 8-5/8" casing at 1,850' for squeeze. GBIH with tubing and packer, squeeze perfs and set 100' cement plug with 35 sacks Class H cement from 1,850' to 1,750' in 8 1/8" casing, POOH with tubing and packer, WOC. Tag Cement. *3650' WOC - TAG*

4.) Perforate 8-5/8" casing at 400' for circulation. GBIH with tubing and packer and circulate cement to surface and fill casing to surface with class H cement. WOC. Tag plug.

5.) Cut all casing 3' below mud line. Backfill, set P&A marker, clear location.

Spud Date:

Rig Release Date:

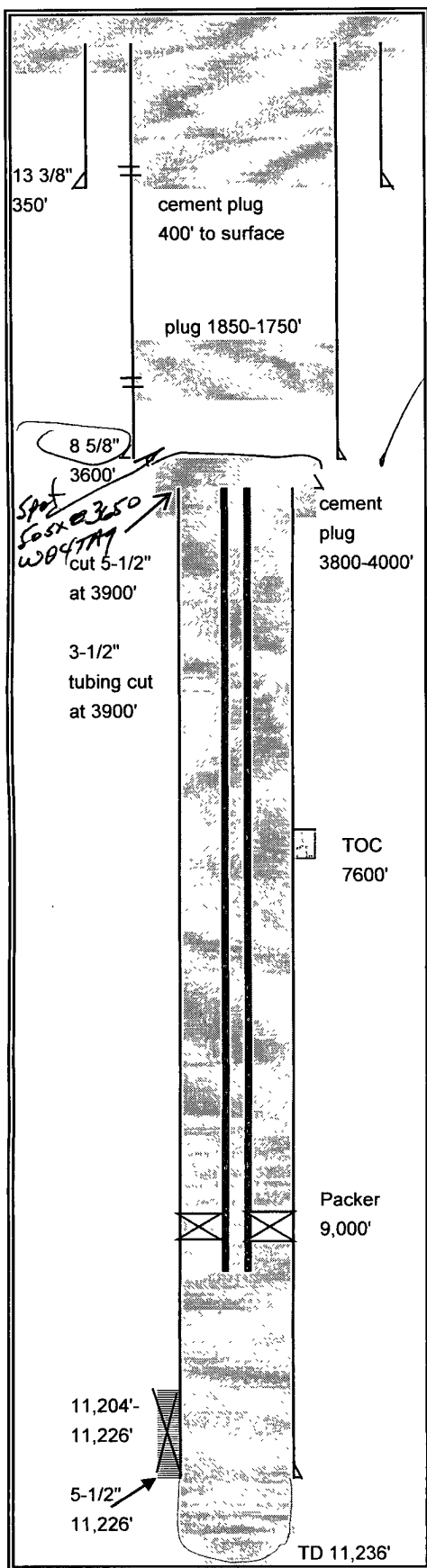
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *David Plaisance* TITLE V.P. Exploration & Production DATE 6/24/2011
David Plaisance dplaisance@paladinenergy.com 214-654-0132
Type or print name E-mail address: PHONE:

For State Use Only

APPROVED BY: *[Signature]* TITLE *Staff mgr* DATE 7-7-2011
Conditions of Approval (if any):

State BB NCT-1 Well #1



Lease: State BB NCT-1 **Well:** #2 **API #** 30-025-08009
Field: East Caprock **County:** Lea **State:** New Mexico
Section: 11 **Township:** 12-S **Range:** 32-E
Elev. GL: _____ **Elev. DF:** 4356' **Elev. KB:** _____
Spudded: 10/19/1952 **Completed:** 2/18/1953

Surface Casing	13 3/8" OD	48#/Ft.	Grade	SMLS
	Set @	350'	Hole Size	17 1/2"
	TOC	Sur.	Sacks	375

Intermediate Casing	8 5/8" OD	32#/Ft.	Grade	SMLS
	Set @	3646'	Hole Size	11"
	TOC		Sacks	2,400

Production Casing	5-1/2"	20 #/Ft.	Grade	SMLS
	Set @	11,226'	Hole Size	7-3/4"
	TOC	7600'	Sacks	400

Liner Record	OD	#/Ft.	Grade	
	Top @		Bottom @	
	Screen		Hole Size	
	TOC		Sacks	

Tubing Detail	3-1/2" OD	9.7#/Ft.	Grade/Trd.	
	Pkr. Set @	9,000'	EOT	
	Nipples			
	Anchors		Rods	

Perforation Record
 Devonian Perfs: 11,129-147' 2SPF
 11,162-192'

Treatment record

 (Set in 1982 by → Plug 1 - 3900' to TD @ 11,226' - 880 sacks
 Texaco) Plug 2 - 4,000-3800' - 35 sacks
 Plug 3 - 1850-1750' - 25 sacks
 Plug 4 - 400'- surface - 50 + sacks

Comments.

PROPOSED P&A