

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

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

<p>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.)</p>		<p>WELL API NO. 30-025-40669</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator PALADIN ENERGY CORP.</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, Texas 75229</p>		<p>7. Lease Name or Unit Agreement Name State BTA</p>
<p>4. Well Location Unit Letter <u>G</u> : 2230 feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>2</u> Township <u>12S</u> Range <u>33E</u> NMPM Lea County</p>		<p>8. Well Number <u>4</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4236 GR</p>		<p>9. OGRID Number 164070</p>
<p>10. Pool name or Wildcat Bagley, Siluro-Devonian</p>		

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.

08/19/12 – 08/20/12

RU, mix spud mud, Spud @10:00Hrs (TX time) Drilled to 410'.
 TOH, ran 12 jts 68#-13/8" J-55 casing, tag btm @ 410'. Swedge up and Circ out 2 btms up w/rig pump.
 Pmp 20 bbls fresh wtr spacer, followed by 210 sks/50 bbls of 14.8 ppg lead & 200 sks/48 bbls of 14.8 tail. Wash up & drop & displace plug - Displace w/62 bbls of fresh wtr.
 Bumped plug 490 psi over, held press for 5 min & bled back 0.5 bbls - float holding.
 Circulated 29 sks/ 7 bbls of cement to surface.
 Rig dwn flowline - prep to Nipple up.

Spud Date:

08/19/12

Rig Release Date:

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

SIGNATURE Ann Westberry TITLE Manager, Corporate Support DATE 08/23/12

Type or print name Ann Westberry E-mail address: awestberry@paladinenergy.com PHONE: 214-654-0132 X4

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE AUG 28 2012

Conditions of Approval (if any):

AUG 28 2012