

APR 09 2014

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

RECEIVED

|                                              |                            |
|----------------------------------------------|----------------------------|
| Operator Name<br><b>PALADIN ENERGY CORP.</b> | API Number<br>30-025-00110 |
| Property Name<br><b>New Mexico BH State</b>  | Well No.<br>004            |

7. Surface Location

|                    |                      |                        |                     |  |                         |                      |                         |                      |                      |
|--------------------|----------------------|------------------------|---------------------|--|-------------------------|----------------------|-------------------------|----------------------|----------------------|
| UL-Lot<br><b>D</b> | Section<br><b>11</b> | Township<br><b>12S</b> | Range<br><b>32E</b> |  | Feet From<br><b>990</b> | N/S Line<br><b>N</b> | Feet From<br><b>990</b> | E/W Line<br><b>W</b> | County<br><b>Lea</b> |
|--------------------|----------------------|------------------------|---------------------|--|-------------------------|----------------------|-------------------------|----------------------|----------------------|

Well Status

|             |         |                      |      |            |
|-------------|---------|----------------------|------|------------|
| Well Status | Shut-in | Producing <i>Swd</i> | Date | <i>Swd</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) | @Interm-Prod | (D)Prod-Csng   | (E)Tubing |
|----------------------|----------------|------------------------|--------------|----------------|-----------|
| Pressure             |                |                        |              |                | <i>SD</i> |
| Flow characteristics | <i>0</i>       | <i>0</i>               |              | <i>45-0</i>    |           |
| 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        | <i>(Y) / N</i> |           |
| 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

*BS 4-18-2014*

FOR RECORD ONLY

|                                           |                           |
|-------------------------------------------|---------------------------|
| Signature: <i>R.L. Pete Hull</i>          | Oil Conservation Division |
| Printed Name: Mickey Horn                 | Entered into RBDMS        |
| Title: Operations Manager                 | Re-test                   |
| E-mail Address: paladinmid@suddenlink.net |                           |
| Date: <i>3-27-14</i>                      | Phone: 432-634-6599       |

APR 22 2014