

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
May 27, 2004

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

WELL API NO. 30-025-03137
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Reeves '26'
8. Well Number 4
9. OGRID Number 164070
10. Pool name or Wildcat Wildcat Mississippian

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Paladin Energy Corp.	
3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, Texas 75229	
4. Well Location Unit Letter <u>K</u> : <u>1654</u> feet from the <u>South</u> line and <u>1654</u> feet from the <u>West</u> line Section <u>26</u> Township <u>18-S</u> Range <u>35-E</u> NMPM/12 Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3861'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u> </u> Depth to Groundwater <u> </u> Distance from nearest fresh water well <u> </u> Distance from nearest surface water <u> </u>	
Pit Liner Thickness: <u> </u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u>Synthetic</u>	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: New Completion - Re-entry <input checked="" type="checkbox"/>	

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.

1/18/2006 - 5/1/2006

MIRU, excavated and tied the 11-3/4" and 8-5/8" casing strings back to surface. Installed BOP's & re-entered Reeves 26 #4 well (previously P&A'd 12-27-84). Drilled out cement plugs through 8-5/8" casing down to 3802'. Cleaned & circulated casing, tested casing to 500 psi, tested OK. Entered open hole and cleaned out cement to top of 5-1/2" production casing at 5301'. Washed over 5-1/2", dressed casing stub. R/U casing crew, RIH w/128 jnts 5 1/2-17# casing, catch casing at 5301', Set bowl with 30k tension, R/U pump and test to 500 psi(ok), R/D casing crew, N/D bop, Set slips with 15k tension (90,000), Cut off casing, Installed tbg head, Tested tie-back connection to 500 psi, held OK. Cleaned & drilled out 5-1/2" casing, pushed CIBP to 11,695'. Set CIBP at 11,415'. Perforated and squeezed 5-1/2" casing from 9800-10090'. Drilled out cement, circulated casing clean. Perforated for production in Wolfcamp from 9978-10002, 9916-9948, 9883-9900'. Acidized with 1840 bbls. 20% HCL. Installed rod pumping equipment and placed well on production.

Initial 24 hr. test on 5/1/2006: 6 BOPD, 6 MCFPD, 0 BWPD, GOR 1000.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE David Plaisance TITLE Manager, Corporate Support DATE 6/6/2006

Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com Telephone No. 214-654-0132
For State Use Only JUL 17 2006

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE
Conditions of Approval (if any):