

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

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| WELL API NO. 30-025-08007 |
| 5. Indicate Type of Lease STATE XX FEE |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name BH STATE New Mexico State BH NCT |
| 8. Well Number 001 |
| 9. OGRID Number |
| 10. Pool name or Wildcat Caprock; East Penn |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4371' |

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.)

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| 1. Type of Well: Oil Well X Gas Well Other |
| 2. Name of Operator Paladin energy Corp. |
| 3. Address of Operator 10290 Monroe Dr., Suite 301, Dallas, TX 75229 |
| 4. Well Location Unit Letter C : 660 feet from the North line and 1980 feet from the West line Section 11 Township 12S Range 32E NMPM Lea County |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4371' |

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

| | | | |
|--|---|---|--------|
| NOTICE OF INTENTION TO: | | E-PERMITTING <SWD INJECTION> | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON X | CONVERSION | RBDMS |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | RETURN TO | TA |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CSNG | ENVIRO |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | INT TO PA <input checked="" type="checkbox"/> | P&A NR |
| OTHER: <input type="checkbox"/> | | OTHER: <input 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- Pick up work string and tag cement on top of existing CIBP that was set at 8270'. Circulate MLF. CAP W/255XS CMT.
- Perforate and squeeze 5 1/2" casing at 5270'. WOC and tag. W/255XS CMT.
- Nipple down top casing spool and weld on 5 1/2" pull stub. Cut 5 1/2" casing at 3645' and lay down.
- Spot 50sx cement from 3645' (50' inside 5 1/2" casing cut) WOC and tag above 3545'. Covering intermediate shoe.
- Spot 50 sx cement from 1700' to 1600'. Salt plug. 1500'-1400'
- Spot cement from 380' to surface with 105 sx cement. Surface shoe to surface.
- Cut off well head and verify cement is to surface in all strings of casing. Install marker and cut off anchors.

* NOTE: If casing cannot be recovered from 3645', Perf and squeezed will replace remaining plugs to surface.

The Oil Conservation Division
MUST BE NOTIFIED 24 Hours

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

SIGNATURE David Plaisance TITLE V.P. DATE 11/11/2015

Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com PHONE: 214-654-0132
For State Use Only

APPROVED BY: Maley Brown TITLE Dist Supervisor DATE 11/25/2015

Conditions of Approval (if any):

DEC 02 2015