

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. 30-025-37035
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E0-1479-6
7. Lease Name or Unit Agreement Name South Vacuum
8. Well Number 265
9. OGRID Number 164070
10. Pool name or Wildcat Vacuum McKee, South

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Paladin Energy Corp.	
3. Address of Operator 10290 Monroe Drive, Suite 301 Dallas, TX 75229	
4. Well Location Unit Letter <u>L</u> : <u>1940</u> feet from the <u>South</u> line and <u>980</u> feet from the <u>West</u> line Section <u>26</u> Township <u>18-S</u> Range <u>35-E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3876' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater <u>60'</u> Distance from nearest fresh water well <u>1/2 Mile</u> Distance from nearest surface water <u>1500'</u> (Playa)	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>14,366</u> bbls; Construction Material <u>synthetic</u>	

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

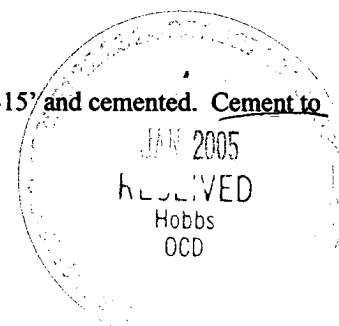
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" 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: <u>Spud</u> <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

01/11/05 Move In and Rig Up

01/12/05 Spud Well. Drilled 17.5" hole to 454'. RU casing crew. Ran 10 jts 13.375" 48# H-40 casing to 415' and cemented. Cement to surface. WOC

01/14/05 Drilling ahead



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 Ann Westberry TITLE Manager, Corporate Support DATE 01/20/05

Type or print name Ann Westberry E-mail address: awestberry@paladinenergy.com Telephone No. 214-654-0132 X4

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 27 2005

Conditions of Approval (if any):