

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

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.)		WELL API NO. 30-025-36789
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Paladin Energy Corp.		6. State Oil & Gas Lease No. E 1533-3
3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, Texas 75229		7. Lease Name or Unit Agreement Name South Vacuum Unit
4. Well Location Unit Letter <u>G</u> : <u>1750</u> feet from the <u>North</u> line and <u>1610</u> feet from the <u>East</u> line Section <u>35</u> Township <u>18-S</u> Range <u>35-E</u> NMPM Lea County		8. Well Number <u>354</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3869'		9. OGRID Number 164070
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Wildcat McKee (Gas) 97368
Pit type <u>Drilling</u> Depth to Groundwater <u>60</u> Distance from nearest fresh water well <u>4000'</u> Distance from nearest surface water <u>1000+</u>		
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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: New Completion ☒

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.

10/15/2004 – 12/22/2004

Set 5" liner from 11,720' to 14,041', cement with 320 sacks. WOC. Move drilling rig off location, move pulling unit on location. R/U GIH with bit and drill out cement in 7" casing to top of liner, POOH> GBIH with bit and drill out cement in 5" liner to 13,995', POOH, R/D pulling unit MOL.

Perforate 13,739-747', 13,725-733', perform fracture stimulation job with 2269 bbls. Fluid, 58,000 lbs. proppant. Flowed back and swabbed 100% water. Set CIBP at 13,715'.

Perforate 5" liner from 13,654-664', 13,692-702', perform fracture stimulation job with 2252 bbls fluid, 51,000 proppant. Set Frac plug at 13,615', Perforate 5" liner from 13,570-585', perform fracture stimulation job with 2380 bbls fluid, 58,000 proppant. Flow back water, well died. R/U pulling unit, GIH and drill out frac plug and wash sand to 13,715'. Swab well for 3 days, well began to flow.

Put well into test tanks and place on production. Initial 24 hr. test on 12/22/2004: 31 BOPD, 754 MCFPD, 179 BWPD, 1300 psi FT

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 1/19/2005

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

APPROVED BY: Paul J. King TITLE PETROLEUM ENGINEER DATE FEB 17 2005