

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 87401

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO

30-025-03138

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No

7. Lease Name or Unit Agreement Name

Lea J State

8. Well Number 001

9. OGRID Number

164070

10. Pool name or Wildcat

Vacuum Wolfcamp, 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 ☒ Gas Well ☐ Other ☐

2. Name of Operator

Paladin Energy Corp.

3. Address of Operator

10290 Monroe Drive, Suite 301, Dallas, Texas 75229

4. Well Location

Unit Letter E : 2310 feet from the North line and 330 feet from the West line

Section 26 Township 18-S Range 35-E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3884' GR

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 ☒ Attempted Plug Back, Re-completion

unsuccessful

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

MOL, R/U Pulling unit. Pull sub pump setting. WIH tagged up at 11,564', set CIBP at 11,380' above Devonian perforations at 11,555' to 11,585'. Dump Bailed 35 feet of cement. Top of plug at 11,345'. Tested plug to 500#, plug held.

Shot squeeze holes at 9,730' and 10,300', 4 SPF. Rigged up pump truck and pumped 300 Sacks Class H cement through squeeze holes. POOH, WOC. P/U drill bit and collars could not get below 5,388' casing parted. Tried to swedge out and mill bad casing, was unsuccessful. Cut Casing and pulled from 5,175'. 3/5/08

Abandoned Wolfcamp re-completion attempt. Submitted C-103 intent to P&A. Plugged and Abandoned wellbore and Submitted C-103 Subsequent dated 3/19/2008. Approved on 4/11/2008

Spud Date:

9/27/2006

Rig Release Date:

2/27/2007

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

SIGNATURE David Plaisance TITLE Manager, Corporate Support DATE 8/15/2011Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com Telephone No. 214-654-0132

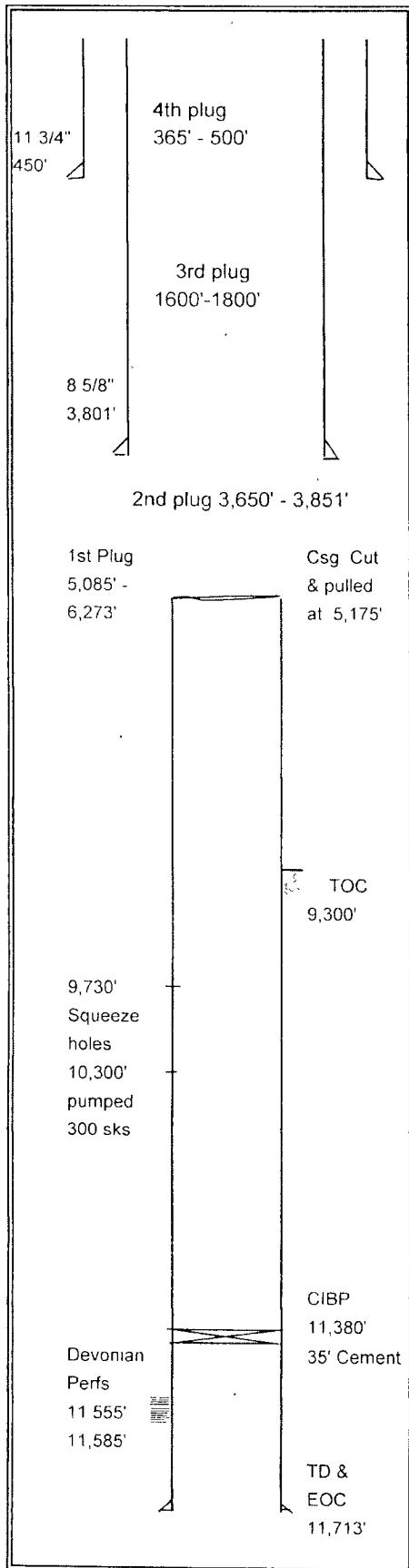
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE AUG 29 2011

Conditions of Approval (if any)

AUG 29 2011

WELLBORE SCHEMATIC - PLUGGED AND ABANDONED 3/5/2008



Lease: Stae Lea J Well: 26-Jan API # 30-025-03138
 Field S Vacuum County Lea State New Mexico
 Section 26 Township 18-S Range 35-E
 Elev GL 3,884' Elev DF Elev KB
 Spudded 5/13/1960 Completed 7/15/1960

Surface Casing 11-3/4" 42# Grade H-40
 Set @ 450' Hole Size 17 1/2"
 TOC Sur Sacks 475
 Intermediate Casing 8 5/8" OD 32# & 24# Grade J-55
 Set @ 3,801' Hole Size 11"
 TOC Sur Sacks 1 764

Production Casing 5 1/2" OD 17 & 20#/Ft Grade N-80
 Set @ 11,713' Hole Size 7 7/8"
 TOC 9,300' Sacks 170

Liner Record " OD #/Ft Grade
 Top @ Bottom @
 Screen Hole Size
 TOC Sacks

Tubing Detail Grade/Trd
 TAC Set @ EOT
 Nipples
 Anchors Rods

Perforation Record Perfs 11,555-85' - 7/1960 Devonian

P&A Record and Plug Settings

Placed P&A marker
 Cut surface casing 3' below mud line, backfilled and cleared location
 Cut 8-5/8" casing at 120', set 5th plug to surface with 60 sacks
 4th plug 365'-500' 45 sacks cement
 3rd plug 1600'-1800' 60 sacks cement
 2nd plug 3,650-3,851' 60 sacks cement
 1st plug 5,085-6,273', 80 sacks cement
 2nd plug 3,650-3,851' 60 sacks cement
 1st plug 5,085-6,273', 80 sacks cement
 5-1/2" Casing pulled from 5,175' to surface
 Squeeze perfs at 9,730' & 10,300' 300 sacks of class H, pumped around on 10/13/06
 CIBP set @ 11,380', 35' of cement, top of plug @ 11,345'

Date: 8/15/2011

Prepared By: [Signature]

PRESENT COMPLETION

Operator Paladin Energy Corp.