

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

Form C-103
 October 13, 2009

HOBBS OCD
RECEIVED
SEP 13 2011

WELL API NO. 30-025-37429 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name South Vacuum ✓
8. Well Number 221 ✓
9. OGRID Number 164070 ✓
10. Pool name or Wildcat Vacuum, Mississippian South 97411 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3901' DR

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 N : 910 feet from the South line and 1650 feet from the West line
 Section 22 Township 18S Range 35E NMPM Lea County

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"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Re-complete in Mississippian <input type="checkbox"/>		OTHER: Re-complete in Mississippian <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.

Set 1st CIBP in 5" liner above Mckee perforations at 13,850', dumped 35' of cement, test plug to 500 psi. Set 2nd CIBP above liner in 7" casing at 11,900', dumped 35' of cement, tested plug to 700 psi. Test OK.

Perforated Mississippian formation from 10,794-820', 10,824-838', 10,846-872'. Acidize with 4500 gallons 15% NEFE Acid. Swab back load water. Run 2-7/8" production string and packer set at 10,700'. N/U tree. Place well on Production. Initial Test- 8/5/2011 – 26 BOPD, 90 MCFPD, 3 BWPD, 40 psi FTP.

Spud Date: 7/20/2011 Rig Release Date: 8/5/2011

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

SIGNATURE David Plaisance TITLE V.P. Exploration & Production DATE 9/8/2011
 Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com PHONE: 214-654-0132

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 28 2011
 Conditions of Approval (if any): PA Vacuum makee South (GAS)

SEP 28 2011