

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
June 19, 2008

HOBBS OCD
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
SEP 29 2011

SUNDY 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. 30-025-34239
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>SWD</u>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <u>Paladin Energy Corp.</u>		6. State Oil & Gas Lease No. E-8176
3. Address of Operator 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229		7. Lease Name or Unit Agreement Name State C
4. Well Location Unit Letter E: 1550 feet from the North line and 10 feet from the West line Section 36 Township 13S Range 37E NMPM Lea County		8. Well Number 3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3845' GR		9. OGRID Number 164070
		10. Pool name or Wildcat SWD: (96101) <u>Devonian</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 ☐
DOWNHOLE COMMINGLE ☐

OTHER: Re-perforate & acidize ☒

SUBSEQUENT REPORT OF:

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

OTHER: The Oil Conservation Division ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
MUST BE NOTIFIED 24 Hours Prior to the beginning of operations

Pull Packer and 3-1/2" tubing. Re-perforate Devonian perforations from 11,920-11,980', 4 SPF. Acidize Devonian perforations, 800' horizontal section at 11,981' and open hole section from 12,015' to 12,399' with 20,000 gallons of 15% NEFE retarded acid. Swab back, Re-run 3-1/2" coated tubing and re-set packer at 11,825' (+,-). Resume SWD operations.
Order Number: SWD -1112.

Per Underground Injection Control Program Manual
11.6 C Packer shall be set within or less than 100
feet of the uppermost injection perfs or open hole.

Condition of Approval: notify

Release Date: **OCD Hobbs office 24 hours**
prior of running MIT Test & Chart

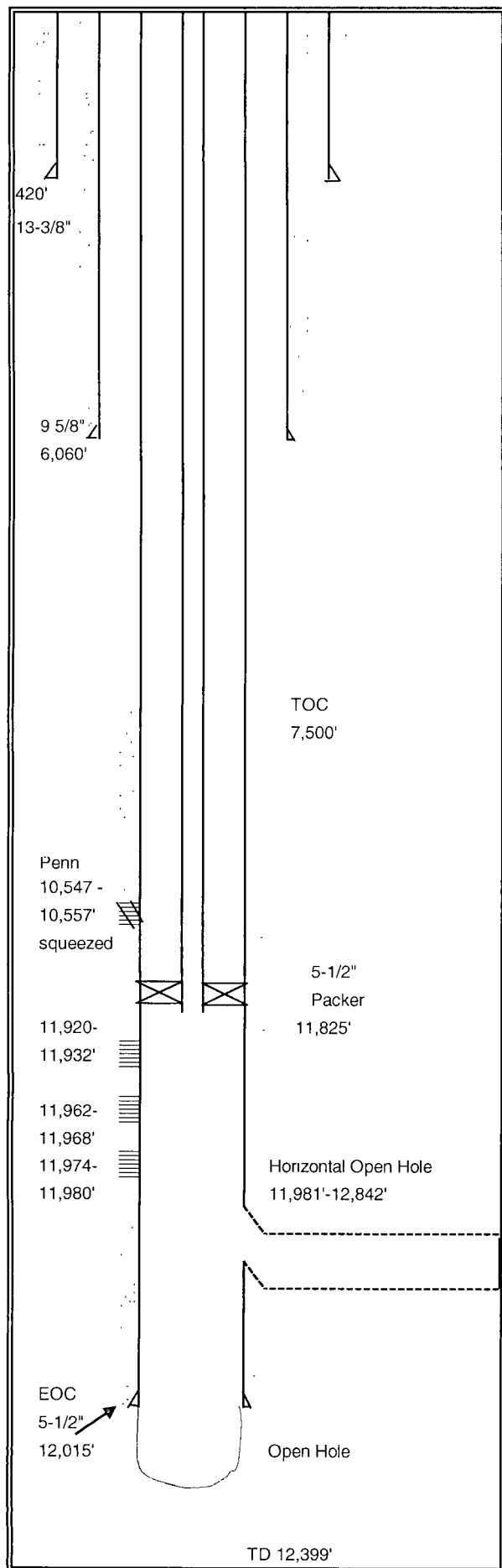
Thereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David Plaisance TITLE V.P. Exploration & Production DATE 9/26/2011

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

APPROVED BY: [Signature] TITLE State MGR DATE 10-20-2011
Conditions of Approval (if any):

OCT 20 2011



Lease: NM State C Well: 3 SWD API # 30-025-34239

Field: East Caprock County: Lea State New Mexico

Section 36 Township 13-S Range 37-E

EI GR 3845' Elev. DF Elev KB

Spudded 2/6/1998 Completed 6/2/1998 TD. 12,399'

Surface Casing 13 3/8" OD 40#/Ft. Grade Armco SJ, SW

Set @ 420' Hole Size 17 1/2"

TOC Sur Sacks 430

Intermediate Casing 9 5/8" OD 43.50#/FT. Grade K-55

Set @ 6060' Hole Size 12 1/4"

TOC 660' Sacks 1,685

Production Casing 5-1/2" 17#/Ft Grade J-55, N-80

Set @ 12015' Hole Size 7-7/8"

TOC Sacks 1,000

Liner Record OD #/Ft. Grade

Top @ Bottom @

Screen Hole Size

TOC Sacks

Tubing Detail 3-1/2" Plastic Coated 9.3#/Ft. Grade/Trd N-80

Pkr. Set @ 11,825' EOT 11,825'

Nipples

Anchors Rods

Perforation Record Penn Perfs: 10,547-557' 2 SPF, Squeezed

Current Perfs. Devonian Perfs: 11,920-932', 11,962-968',

11,974-980' 4SPF

Horizontal Section Drilled from

11,980-11,842' MD

Open Hole Section from 12,015' - 12,399'

Comments:

Present & Proposed Completion 9/3/2011
(No change to Perfs, Horizontal Section, Open Hole and