

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88201  
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

HOBBS OCD  
RECEIVED  
DEC 12 2011

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

WELL API NO. 30-025-03137
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Reeves 26
8. Well Number 004
9. OGRID Number 164070
10. Pool name or Wildcat South Vacuum Wolfcamp/Devonian SWD
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3861'

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 <u>SWD</u>	
2. Name of Operator PALADIN ENERGY CORP.	
3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, Texas 75229	
4. Well Location Unit Letter <u>K</u> : <u>1654</u> feet from the <u>South</u> line and <u>1654</u> feet from the <u>West</u> line Section <u>26</u> Township <u>18S</u> Range <u>35E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3861'	

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
	OTHER: Deepen Devonian open hole section <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.

Move in and Rig Up pulling unit with closed loop drilling system. Picked up 4-3/4" bit and bottom hole assembly. WIH, Cleaned and circ to end of 5-1/2" casing at 11,730'. Drilled open hole to 12,230'. Acidized with 4,000 gal of 15% NEFE. Lay down work string. (Shut down, waiting on coated tubing.) WIH w/ 3-1/2" plastic coated N-80 9.3 and 10# tubing, and 5-1/2" plastic coated packer. Set Packer at 9,805', above Wolfcamp perforations at 9,883-10,002' & Devonian perforations from 11,515-696', and open hole section from 11,730' to 12,230'. Tested casing annulus to 380# for forty-five minutes. Test held, no bleedoff. N/D tree. MOL, clean site. Return well to SWD operations.

Administrative Order SWD-1092-A

Spud Date: 9/20/2011

Completion Date: 11/29/2011

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 V.P. Exploration & Production DATE 12/7/2011  
David Plaisance

Type or print name E-mail address: dplaisance@paladinenergy.com Telephone No. 214-654-0132

For State Use Only

APPROVED BY: [Signature] TITLE State Manager DATE 12-13-2011  
Conditions of Approval (if any):

DEC 14 2011

Signature Page to the Wellbore Assignment and Bill of Sale, Stipulation of Interest,  
and Salt Water Well Agreement dated November 17, 2011.

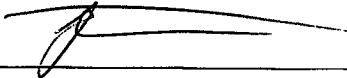
AGREED AND ACCEPTED THIS 8<sup>th</sup> DAY OF December, 2011.

***Paladin Energy Corp.***

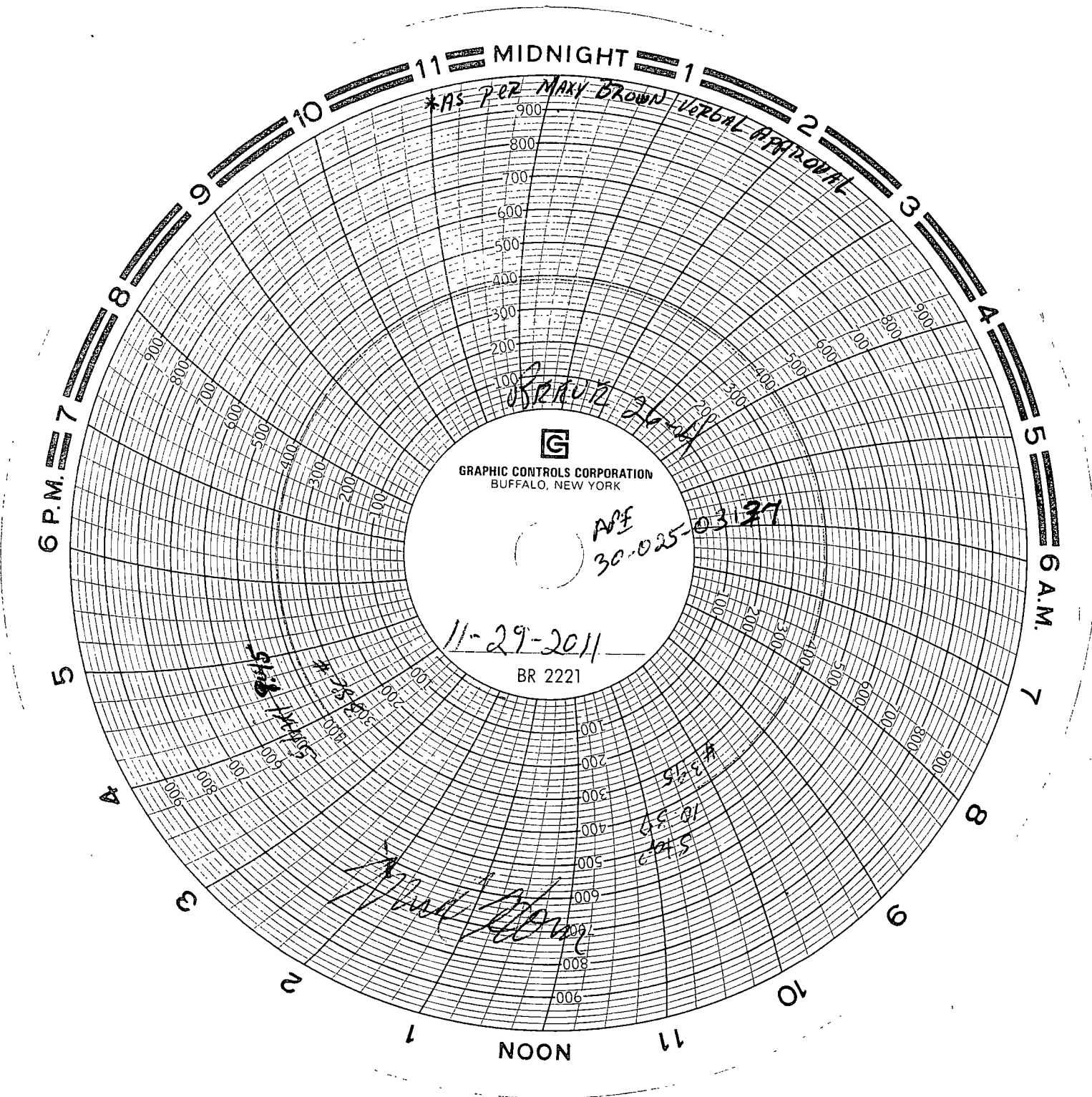
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DEC 12 2011

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\_\_\_\_\_  
George G. Fenton  
President

Tax Identification Number: 15-2706005



GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

BR 2221

11-29-2011

APF  
30-025-03137

\*AS PER MAXY BROWN VERBAL APPROVAL

ST-54

*[Signature]*