

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-40335

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
East Caprock SWD

8. Well Number 5

9. OGRID Number

164070

10. Pool name or Wildcat

Caprock:Devonian, East (8930)

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 - SWD

2. Name of Operator

PALADIN ENERGY CORP.

3. Address of Operator

10290 Monroe Drive, Suite 301, Dallas, Texas 75229

4. Well Location

Unit Letter B : 930 feet from the North line and 2290 feet from the East line
Section 14 Township 12S Range 32E NMPM Lea County

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

4356' 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 ☐
 DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: completion - SWD ☒

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.

4/25/2012 - 5/18/2012

RU/ TIW w/ 4-3/4" bit, collars and workstring. Drill out cement from 5840' thru DV tool at 6500', continue to drill collar at 11,320' and out shoe at 11,364'. Circulated and cleanout 5-1/2" casing and open hole to 11,700', POOH with bit and work string. RU Wireline and run CBL and Compensated Neutron log. Set 4" liner from 11,288' to 11,520', cement with 25 sacks cmt. GIH with 3-1/2" plastic coated tubing and packer. Set packer at 11,443'. Acidize open hole with 3500 gallons of 15% HCL. Test casing to 520 psi for 30 minutes, held OK. Nipple Up Tree. Install surface facilities and flowline, commence SWD operations.

Test: 5/18/2012 - 5,000 BWPD.

Spud Date:

4/25/2012

Rig Release Date:

5/18/2012

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

SIGNATURE

David Plaisance

V.P. Exploration & Production

6/4/2012

TITLE

DATE

dplaisance@paladinenergy.com

214-654-0132

Type or print name

E-mail address:

PHONE:

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

SWD 1309

JUL 31 2012

