

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

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

DEC 13 2012

RECEIVED

WELL API NO. 30-025-30855
5. Indicate Type of Lease STATE [] FEE [x]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Howard Fleet
8. Well Number 5
9. OGRID Number 164070
10. Pool name or Wildcat King Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3843' GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSED 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 [x] Gas Well [] Other []
2. Name of Operator Paladin Energy Corp.
3. Address of Operator 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229
4. Well Location Unit Letter I: 2250 feet from the South line and 600 feet from the East line
Section 35 Township 13S Range 37E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3843' 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 []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: []

OTHER: [x]

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.

R/U Pulling Unit, POOH w/ tubing, TAC, rods and pump. R/U pump truck and performed injection test to determine viability of fracture stimulation on Devonian perforations from 12,325' to 12,490'. Could not pump into formation with sufficient volume to perform fracture Stimulation. Pumped 30 bbls. Scale inhibitor and 260 bbls of 2% KCL. R/D pump, re-install tubing, rod pump equipment and return well to production in Devonian.

Workover

Stop Date: 6/22/2012

Rig Release Date: 6/28/2012

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 12/11/2012

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

For State Use Only

APPROVED BY: [Signature] TITLE Compliance Officer DATE 12-18-2012

Conditions of Approval (if any):