

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
 May 27, 2004

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

WELL API NO. 30-025-37122 ✓
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 274 ✓
9. OGRID Number 164070
10. Pool Name or Wildcat SWD Mississippi Vacuum, Devonian South 60210 ✓ (963A)

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 **HOBBS OCD**

2. Name of Operator
Paladin Energy Corp.

3. Address of Operator
10290 Monroe Drive, Suite 301, Dallas, Texas 75229
 DEC 23 2013

4. Well Location
 Unit Letter P : 960 feet from the South line and 693 feet from the East line
 Section 27 Township 18-S Range 35-E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3887' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Re-completion to SWD <input checked="" type="checkbox"/>
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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, N/D tree. Pull 2-7/8" tubing. R/U E-line, GIH and squeeze cement in 7" casing from 10,930-11,700'. (Leave existing Mississippian perforations from 10,858-78', 10,890-900', 10,920-30' open and Devonian perfs from 11,760-900'.) Drill out to PBSD @ 13,500'. Perforate Devonian from 12,300-400'. Run CBL.
- R/D E-line, GIH with 2-7/8" workstring and packer, set packer. Acidize Miss/Devonian perforations with total of 10,000 gallons of 15% NEFE acid. Swab back acid. POOH with workstring and packer. GIH with 4-1/2" coated tubing and packer. Set packer at 10,786'. N/U tree, test casing to 540 psi for 30 minutes. Held OK. Place well on SWD operations as per Order SWD-1444.

Closed Loop System - DPP

SWD-1444

Spud Date: Rig Release Date:

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

SIGNATURE *David Plaisance* TITLE Manager, Corporate Support DATE 12/19/2013

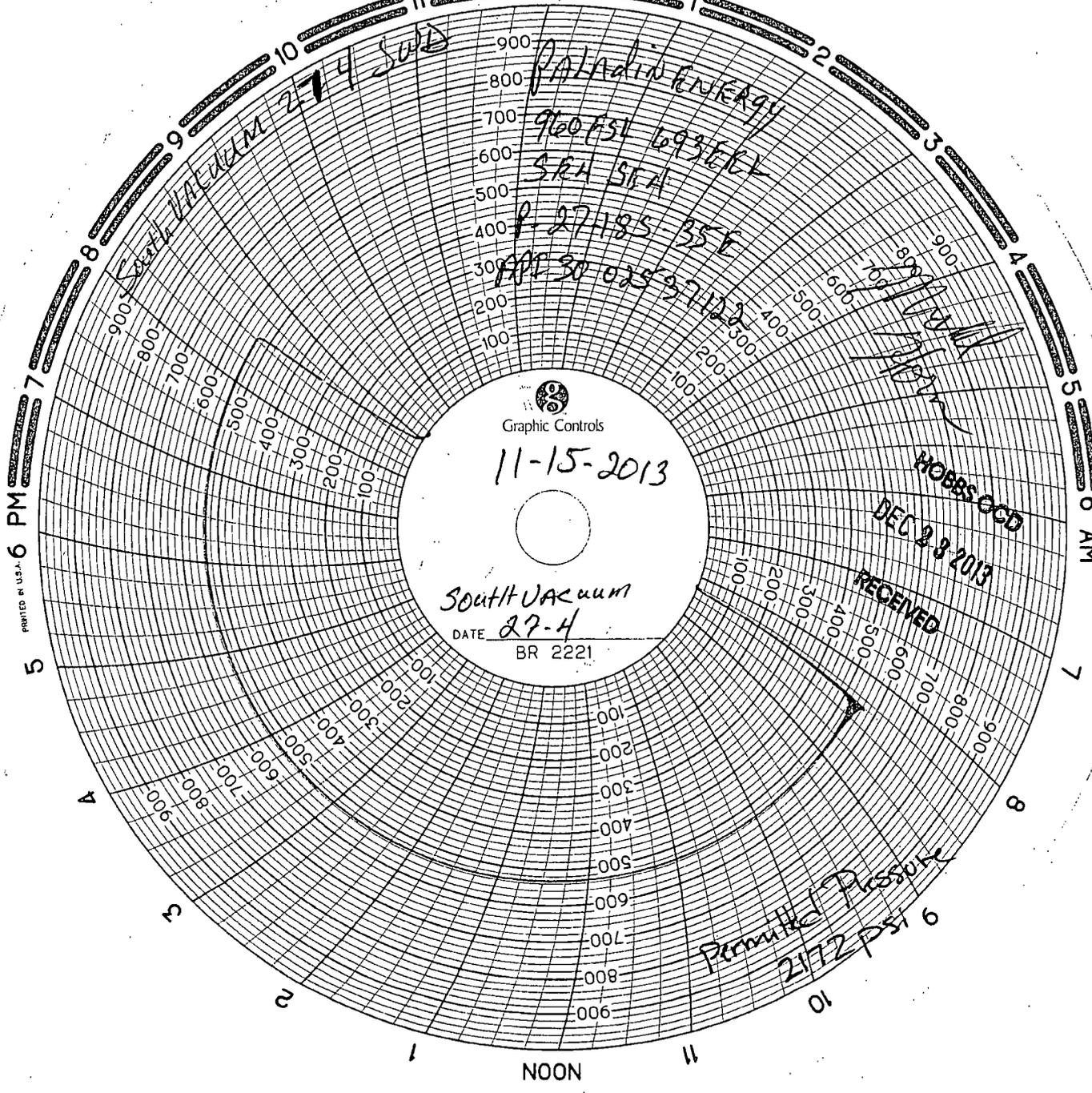
Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com Telephone No. 214-654-0132

For State Use Only
 APPROVED BY: *Mark White* TITLE Compliance Officer DATE 12/26/2013
 Conditions of Approval (if any):

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