

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. 30-025-37429
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 221
9. OGRID Number 164070
10. Pool name or Wildcat Vacuum, South Mckee 97368

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

2. Name of Operator  
Paladin Energy Corp.

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

4. Well Location BHL: N-22-18s-35e, 708/S & 1669/W  
Unit Letter N : 910 feet from the South line and 1650 feet from the West line  
Section 22 Township 18-S Range 35-E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3901' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Drilling Depth to Groundwater 60' Distance from nearest fresh water well 1/2 mile Distance from nearest surface water playa-1500'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 14,366 bbls; Construction Material Synthetic

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: New Completion ☒

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.

11/1/2005 - 2/3/2006

Set 5" liner from 11,955' to 14,592', cement with 250 sacks. WOC. Move drilling rig off location, move pulling unit on location. R/U GIH with bit and drill out cement in 7" casing to top of liner, POOH, GBIH with bit and drill out cement in 5" liner to 14,540', POOH, R/D pulling unit MOL.

Perforate 5" liner from 13,902-30, 13,936-44, 13,950-56' MD, perform fracture stimulation job with 166,000 gallons gelled fluid, 93,000 lbs. proppant. Flow back water, well died. R/U pulling unit, GIH and wash sand to 14,540'. Swab well for 2 days, well began to flow.

Put well into test tanks and place on production. Initial 24 hr. test on 2/3/2006: 0 BOPD, 1132MCFPD, 325 BWPD, 800 psi FTP.

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 2/24/006

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

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 07 2006  
Conditions of Approval (if any):