

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

WELL API NO.  
30-025-36789

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.  
E 1533-3

7. Lease Name or Unit Agreement Name  
South Vacuum Unit

8. Well Number 354

9. OGRID Number  
164070

10. Pool name or Wildcat  
Vacuum Devonian, South

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

Unit Letter G : 1750 feet from the North line and 1610 feet from the East line  
Section 35 Township 18-S Range 35-E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3869'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Steel Tanks Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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: Plug back ☒

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.

11/19/2007 to 1/12/2008

Set CIBP above McKee perforations at 13,425', tested plug to 500 psi. Perforated Silurian formation from 12,620-640'. Acidized with 3500 gallons 15% HCL. Swabbed back load water. Tested Silurian for 10 days, 100% water. Set CIBP above Silurian perforations at 12,400', dumped 35' of cement, WOC, tested plug to 500 psi.

Perforated Devonian Formation from 11,650-660', 11,630-640', 11,566-576'. Acidized with 5000 gallons 15% HCL. Ran electric submersible pump to 8,000 (+,-). Placed on Production.

Tested Devonian 1/12/2008: 287 BOPD, 25 MCFPD, 3500 BWPD

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE David Plaisance TITLE Manager, Corporate Support DATE 1/24/2008

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

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APPROVED BY: Chris Williams TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE MAR 04 2008

Conditions of Approval (if any):

2A Vacuum McKee South (GAS)