

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

RECEIVED

MAY 27 2008

HOBBS OCD

WELL API NO.

30-025-03137

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Reeves 26

8. Well Number 004

9. OGRID Number

164070

10. Pool name or Wildcat

SWD Wolfcamp/Devonian

<96101>

SUNDY 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 K : 1654 feet from the South line and 1654 feet from the West line

Section 26 Township 18S Range 35E NMPM Lea County

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

3861'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ 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: Convert well to 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.

01/10/08 - 02/20/08

Move in and Rig Up pulling unit. Pick up bit and GIH, Clean and circ to 11,730'. TIH w/tbg, and bridge plug. Set bridge plug. RU cement truck, circ hole w/130 bls fresh water, GIH to 9,567 mix and spot 50 sacks Class 'H', pull up and reverse out tbg. Pull up tbg to 9059', mix and spot 50 sacks Class 'H' cement. POOH, WOC. GBIH with tbg & packer. RU cement truck, block cement squeeze from 8989' to 8817' and 8965' to 8906'. POOH. GIH and drilled out cement squeezes and bridge plug, clean and circulate hole down to TD at 11,730'. POOH. GIH with tubing and packer. RU acid truck, pump 5000 gallons 15% HCL in Wolfcamp and Devonian perforations, 9,883-10,002', 11,512-696'. Release & LD packer. RIH w/308 jts 3-1/2" plastic coated N-80 9.3 and 10# tbg., and 5-1/2" plastic coated packer.

SWD-1092

02/21/08 RU pump truck, mixed w/pkr fluid, pumped 125 bbls. PU tbg and set packer at 9,699' w/12000# compression. NU flange and load w/1 bl fluid, press to 500# for 30 minutes, held OK. (Chart attached.) RD pulling unit and move off location.

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

DATE 5/20/08

David Plaisance

V.P. Exploration & Production

Type or print name

E-mail address: dplaisance@paladinenergy.com

Telephone No.

For State Use Only

APPROVED BY:

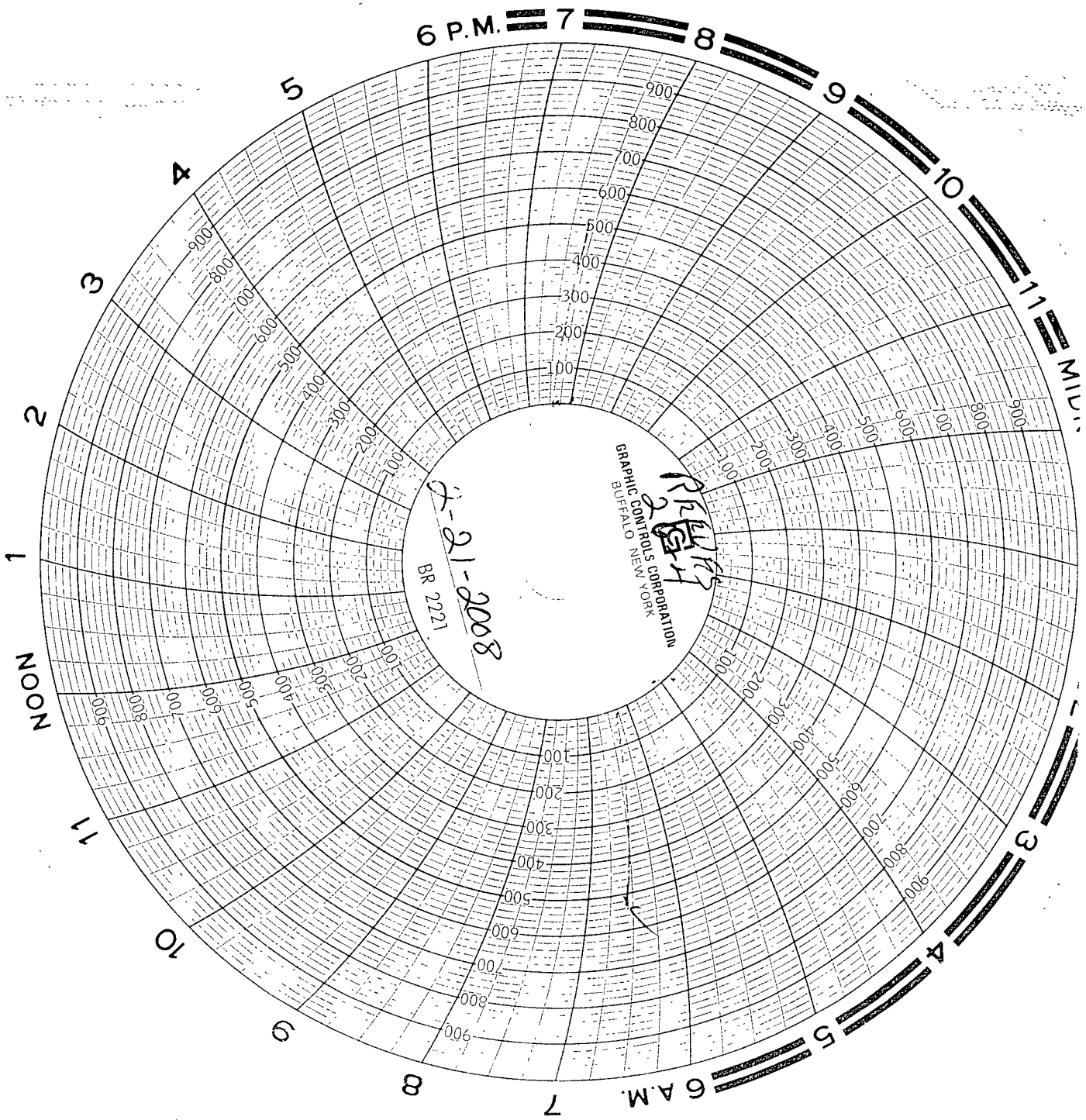
Chris Williams

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

DATE

JUL 08 2008

Conditions of Approval (if any):



PALADIN ENERGY CORP.

RETURNS 26-4
2-21-08

30 min clock
mg

Submit to Appropriate
District Office
6 copies
State Lease - 6 copies
Free Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Bravo Rd., Artesia, NM 88210

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

WELL: APLNO
30-025-03137
5. Indicate Type of Lease
State ☐ Fee ☒

6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name

WELL COMPLETION OR RECOMPLETION REPORT AND LOG
1a. Type of Well: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER SWD ☐
b. Type of Completion: NEW WELL ☐ OVER ☐ DEEPEN ☐ PLUG BACK ☐ DEEPEN ☐ OTHER Convert SWD ☐
2. Name of Operator: Paladin Energy Corp.
3. Address of Operator: 10290 Monroe Dr., Suit 301, Dallas, Texas 75229
4. Well Location: Unit Letter K 1654 Feet From The South Line and 1654 Feet From the West
Section 26 Township 18S Range 35E NMPM Loc. County
10. Date Spudded: 11. Date T.D. Reached: 12. Date Compl. (Ready to Produce): 04/15/2008 13. Elevation (Top of Hole, T.D., etc.): 3861' GR 14. Elev. Casinghead:
15. Total Depth: 11,730' 16. Plug Back T.D.: 17. B Multiple Completions: 18. Intervals: Rotary Tools: Cable Tools:
19. Producing Interval(s) of this completion - Top, Bottom, Name: Devonian 11,510-730'
20. Was Directional Survey Made: No
21. Type Electric and Other Log: 22. Was Well Cored: No

23. CASING RECORD (Report all strings set in well)
Casing Size Weight lb/ft Depth Set Hole Size Cementing Record Amount Pulled
11-3/4" 42# 451' 17-1/2" 475 sacks
8-5/8" 32# & 24# 3,802' 12-1/4" 1488 sacks
5-1/2" 26 & 29 # 11,730' 7-7/8" 320 sacks
24. LINER RECORD
Size Top Bottom Sacks Cement Screen Size Depth Set Packer Set
5-1/2" 9,729 9,699
25. TUBING RECORD
Size Depth Set Packer Set
5-1/2" 9,729 9,699
26. Perforation record (interval, size, and number): 9,883-10,002' (Wolfcamp)
11,515 - 696' (Devonian)
27. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC
Depth Interval Amount and Kind Material Used
5000 gal, 15% HCl

28. PRODUCTION
Date of First Production: Production Method (Flowing, gas lift, pumping, size and type pump): Well Status (Prod. Or Shut-in): SWD
Date of Test: Hours Tested: Choke Size: open Prod'n for: Oil - Bbl. Gas - MCF Water - Bbl. Gas - Oil Ratio
Flow Tubing Press: Casing Pressure: Calculated 24-: Oil - Bbl. Gas - MCF Water - Bbl. Oil gravity - API (Corr.)
29. Disposition of Gas (Sold, used for fuel, vented, etc): Test Witnessed By: Mickey Horn

30. List Attachments:
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief
Signature: David Plaisance Printed Name: David Plaisance Title: VP Exploration & Prod. Date: 07/06/08

SWD-1092