

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs
District II
1301 W. Grand Ave., Artesia, NM 88201
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
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

SUNDRY 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.)		WELL API NO. 30-025-00109 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other: SWD Well		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
2. Name of Operator Paladin Energy Corp. ✓		6. State Oil & Gas Lease No.
3. Address of Operator 10290 Monroe Dr., Suite 301 Dallas, Texas 75229		7. Lease Name or Unit Agreement Name NM 'BB' NCT-1 ✓
4. Well Location Unit Letter <u>K</u> : 1989 feet from the <u>South</u> line and <u>1985</u> feet from the <u>West</u> line Section <u>11</u> Township <u>12S</u> Range <u>32E</u> NMPM Lea County		8. Well Number 1 SWD ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4273' GR		9. OGRID Number 164070 ✓
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Caprock, Devonian East ✓
Pit type <u>Steel Tank</u> 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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: Deepen Salt Water Disposal Well in Devonian

OTHER: ☐

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.

MIRU, Nipple up BOP's, Release packer, Pull tubing and packer out of hole. GIH with 4-3/4" bit assembly, drill collars and drill pipe. Deepen open hole Devonian formation section from 11,230' to 11,600', circulate and condition hole, POOH with bit assembly and work string. GIH with 2-7/8" workstring and packer, set packer and acidize Devonian perforations and open hole section with 5,500 gal. 15% HCL. Swab back acid. GBIH w/ 3-1/2" plastic coated tubing and packer, set packer at 11,030 (+,-), put well back on injection for SWD operations.

(Order No. SWD 790-0) * Deepening in existing permitted Devonian Formation.

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 Dan Flanigan TITLE VP Exploration & Production DATE 7/11/2008

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 17 2008

Conditions of Approval (if any):