

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD

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.)		WELL API NO. 30-025-34239 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input checked="" type="checkbox"/>		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. E-8176
3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, TX 75229		7. Lease Name or Unit Agreement Name State C ✓
4. Well Location Unit Letter <u>E</u> : 1550 _____ feet from the _____ North _____ line and _____ 10 _____ feet from the _____ West _____ line Section 36 Township 13S Range 37E NMPM Lea County		8. Well Number 003 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3845' GR		9. OGRID Number 164070 ✓
		10. Pool name or Wildcat SWDX King; Devonian <u>296107</u>

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 ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐OTHER: Converted 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.

05/01/08 – 05/08/08 **SWD-1112**

MIRU pulling unit. Ran 328 jts tbg, tag CIBP @ 10,317', drill out plug. Continue RIW tag TD @ 11,888'. POW, LD BHA. Open well, RIW set packer @ 10,818', Pressure test to 500#, held OK. Pressure test to 2500#, didn't take any water. RU Acid truck, pump into tbg to 4000#, well didn't take any water. ND acid trucks, release packer. Open well, RIW w/tbg & BHA. Tagged up 11,886', est circ and start to drill, drilled 2', started losing water. Push plug down to 12,045', unload tbg, rotated and push down to 12,764', circ clean. POW, set packer @ 11,829' w/ 20 K. RU acid truck, load csg w/23 bbls of produced water & press to 500# & monitor. Load tbg w/8 bbls prod water inj rate .3 BPM @ 1024#, start acid & pump 3000 gal of 15% NEFE acid. Max press 2770#, avg press 1100#, avg rate 3.1 BPM, ISIP 300#, 5 min vac. Pumped 125 bbls prod water, max press 1580#, avg press 1507#, avg rate 4.5 BPM, ISIP 487#, 5 min 170#, 10 min 70#, 15 min vac. RD acid truck, release packer and POW. RDMO loc.

06/09/08-06/10/08

RU pulling unit, RIW w/382 jts tbg. Set packer w/15,000# compression @11,840'. Load w/3 bbls water, pressure to 5400# held for 20 min, OK. Tie pump onto tbg pump, 1.6 BPM at 0#, 2.4 BPM @200#. Pumped 360 bbls. SWI.

06/20/08 Started injecting into well.

Chart attached.

Spud Date:

Rig Release Date:

05/08/08 to 06/10/08

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

SIGNATURE Ann Westberry TITLE Manager, Corporate Support DATE 07/09/08Type or print name Ann Westberry E-mail address: awestberry@paladinenergy.com PHONE: 214-654-0132 X4

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OC FIELD REPRESENTATIVE W/STAFF MANAGER SEP 05 2008

APPROVED BY: [Signature] TITLE _____ DATE _____

Conditions of Approval (if any):

