

DO NOT RELEASE
12/8/2008

P/A'd. OK TO RELEASE
MJB. 12-11-2008

RECEIVED

WAIT ON CALL
FROM MILKEY HORN. MJB

Submit 2 Copies To Appropriate District
Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Aztec, 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
October 25, 2007

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-00100
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement H.C. Posey
8. Well Number 003
9. OGRID Number 164070
10. Pool name or Wildcat Caprock Devonian East

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 Street, Suite 301. Dallas, TX 75229

4. Well Location
Unit Letter J : 1980 feet from the South line and 1980 feet from the East line
Section 11 Township 12S Range 32E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4357'

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 ☐

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR
UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR
PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Ann Westberry TITLE Manager, Corporate Support DATE 11/26/08

TYPE OR PRINT NAME Ann Westberry E-MAIL: awestberry@paladinenergy.com PHONE: 214-654-0132 X4
For State Use Only

APPROVED BY: Miley Brown TITLE COMPLIANCE OFFICER DATE 12-11-2008
Conditions of Approval (if any):