

DISTRICT 1 --- CHECKLIST FOR INTENTS TO DRILL

Operator Paladin Energy Corp

OGRID # 164070

Well Name & # New Mexico BH State #4

Surface Type F : S P

Location D-11-125-32e

Sub-Surface Type F : S P

A. DATE C101 rec'd 6/12/09

C101 reviewed 9/1/09

B. Put Check Mark if OK on Form:

OGRID ✓, BONDING ✓, PROP CODE ✓, WELL # ✓,

Signature ✓

Inactive Well list as of: 9/1/09 # well 57, # inactive wells 1

1. District Grant APD but see number of inactive wells:

NO Letter required ✓; Sent Letter to Operator ✓, to Santa Fe ✓

Additional Bonding as of: 9/1/09

2. District Denial because operator needs addition bonding:

NO Letter required ✓; Sent Letter to Operator ✓, To Santa Fe ✓

3. District Denial because of Inactive Well list and Financial Assurance:

NO Letter required ✓; Sent Letter to Operator ✓, To Santa Fe ✓

C. C-102 YES ✓, NO ✓, Signature ✓

1. Pool Caprock Wolfcamp East, code 9310

a. Dedicated acreage 40, What Units D

b. SUR. Location Standard ✓; Non-Standard Location ✓

2. 2nd Operator in same acreage, Yes ✓, No ✓

If Yes, Name of 2nd Oper. ✓

Agreement Letter ✓, Disagreement letter ✓

3. Intent to Directional Drill YES_____, NO ☒

a. Dedicated acreage_____, What Units_____

b. Bottomhole Location Standard _____; Non-Standard_____

4. POTASH Area YES_____, NO ☒

D. Blowout Preventer YES_____, NO_____

E. H2S YES_____, NO_____

F. C-144 Pit Registration YES ☒, NO _____

G. Does APD require Santa Fe Approval:

Non-Standard location: YES_____, NO ☒, ORDER # NSL-_____

Non-Standard proration: YES_____, NO ☒, ORDER # NSP-_____

Simultaneous Dedication (share acreage) YES_____, NO ☒, ORDER # SD-_____

Number of wells_____, Plus #_____

Injection order YES_____, NO ☒,

ORDER # PMX-_____ or ORDER # WFX_____

SWD order YES_____, NO ☒, ORDER # SWD-_____

H. Holding for:

I. OCD Approval Date / /

API #30-0 - _____