

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

RECEIVED

OIL CONSERVATION DIVISION

JAN 19 2010

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSD

WELL API NO.

30-025-03151

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

South Vacuum Unit

8. Well Number 352

9. OGRID Number

164070

10. Pool name or Wildcat

Vacuum, Mckee South 97368

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 Drive, Suite 301, Dallas, Texas 75229

4. Well Location

Unit Letter I : 1980 feet from the South line and 660 feet from the East lineSection 35 Township 18-S Range 35-E NMPM Lea County

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

3862' GR

Pit or Below-grade Tank Application ☐ or Closure ☐Pit type Steel tanks Depth to Groundwater 60' Distance from nearest fresh water well 1/2 mile' Distance from nearest surface water playa-2000' Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material Synthetic

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: Convert to SWD Well☒

SUBSEQUENT REPORT OF:

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

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.

Step 1 MIRU on location. N/D wellhead, N/U BOP's, POOH with 2-3/8" tubing and 7" packer set at 11,297' and 2-7/8" tubing and 5" packer set at 13,355'. GIH with 2-7/8" work string and set cast iron bridge plug at 13,540', dump 35" of cement on top. (Isolating present Mckee perforations from 13,640-821'.) GBIH and set second CIBP at 12,000' with 35" of cement on top. POOH.

Step 2 R/U electric line and GIH with 3-1/8" perforating guns (with deep penetration charges). Perforate Devonian formation from 11,630-11,840' 2SPF. POOH w/ e-line. GIH with tubing packer set packer at 11,530'. Rig up acid pump truck, perform acid job as per prognosis (approx. 5500 gal. 15% NEFE Acid).

Step 3 Rig up swab unit and swab back acid. Pull tubing and packer. Pick up 3-1/2" plastic coated tubing and 7" plastic coated packer. Run in hole and set Packer at 11,570' (+,-).

Step 4 Install necessary surface equipment and vessels and begin injection in accordance with Administrative Order SWD-1188.

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

TITLE V.P. Exploration & ProductionDATE 1/14/2010

Type or print name

David PlaisanceE-mail address: dplaisance@paladinenergy.comTelephone No. 214-654-0132

For State Use Only

APPROVED BY:

TITLE

DISTRICT 1 SUPERVISOR

DATE

JAN 20 2010