

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 87409  
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  
June 19, 2008

RECEIVED

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

APR 05 2010

HOBBS

|  |  |
|--|--|
| WELL API NO.                                       | 30-025-00110 ✓   |
| 5. Indicate Type of Lease                          | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.                       | New Mexico State NCT 1   |
| 7. Lease Name or Unit Agreement Name               | State  |
| 8. Well Number                                     | 4 ✓  |
| 9. OGRID Number                                    | 164070 ✓   |
| 10. Pool name or Wildcat                           | Caprock, East Wolfcamp ✓   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | 4375' GR   |

|  |   |
|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other  |   |
| 2. Name of Operator  | Paladin Energy Corp. ✓  |
| 3. Address of Operator   | 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229   |
| 4. Well Location   | Unit Letter <u>D</u> : <u>990</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line<br>Section <u>11</u> Township <u>12S</u> Range <u>32E</u> NMPM Lea County ✓ |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>4375' GR   |   |

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: Plugback to Wolfcamp Formation ☒

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. Set BP at 10,100', Squeeze Penn perforations from 9,817-9,980' with 150 sacks cement. Drilled out cement and plug to bottom. WIH with 2-7/8" work string and set cast iron bridge plug at 11,000', dump bailed 35' of cement (top of cement at 10,965'). Isolated Devonian open hole - 11,215-235'. WBIH and set 2<sup>nd</sup> CIBP at 9,600', dumped 35' of cement (TOC @ 9,565').

Step 2 R/U electric line and WIH with 3-1/8" perforating guns. Perforated Wolfcamp formation from 8,400-8,990' 2SPF (8,950-90', 8,840-80', 8,700-40', 8,600-30', 8,400-60'). POOH w/ e-line. WIH with work string & packer, set packer. Rigged up acid pump truck, pumped 9,500 gal. 15% HCL Acid - three stages.

Step 3 Rigged up swab unit and swabbed back acid. Pulled tubing and packer. Ran 2-3/8" tubing and rod pump assembly, set TAC at 8,970' and placed on production. Tested: 6 BOPD, 10 BWPD, 0 MCFPD.

Spud Date: 6/5/2009

Rig Release Date: 7/15/2009

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

SIGNATURE David Plaisance TITLE V. P. Exploration & Production DATE 3/31/2010

Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com PHONE: 214-654-0132  
**For State Use Only**

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE APR 08 2010  
Conditions of Approval (if any):

2A Caprock Upper Penn East