

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

RECEIVED
APR 16 2010
HOBBS
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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. 30-025-03135 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
2. Name of Operator Paladin Energy Corp. ✓		6. State Oil & Gas Lease No.
3. Address of Operator 10290 Monroe Dr., Ste. 301, Dallas, Texas 75229		7. Lease Name or Unit Agreement Name Reeves 26 ✓
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line ✓ Section <u>26</u> Township <u>18S</u> Range <u>35E</u> NMPM <u>Lea</u> County		8. Well Number <u>2</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3859' RKB		9. OGRID Number <u>164070</u> ✓
		10. Pool name or Wildcat Vacuum Devonian, South ✓

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: Add Perforations in Devonian Formation ☒

OTHER: Convert 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.

Step 1 MIRU on location. N/D wellhead, N/U BOP's, POOH with tubing & sub pump equipment. GIH with tubing and packer, set packer at 11,400'. Rig up acid pump truck, perform ball sealer acid job as per prognosis (approx. 3000 gal. 15% NEFE Acid) on existing Devonian perforations from 11,503-528'. POOH with tubing and Packer.

Step 2 R/U electric line and GIH with 3-1/8" perforating gun. Perforate Devonian formation from 11,438-454' & 11,468-478' 2SPF, with 3-1/8" casing gun. POOH w/ e-line. GBIH with E-line, set retrievable Bridge Plug at 11,490' (+,-). POOH and R/D e-line.

Step 3 Run in hole with tubing and packer and retrieving tool, set packer at 11,350 (+,-). Rig up acid pump truck, perform ball sealer acid job as per prognosis (approx. 3000 gal. 15% NEFE Acid). Rig up swab unit and swab back acid. Release packer, pick up retrievable bridge plug, POOH, lay down tubing, packer, plug.

Step 4 Pick up ESP setting and run in hole. R/D BOP's, N/U wellhead, place well on production.

Spud Date:

Rig Release Date:

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 4/13/2010

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 21 2010

Conditions of Approval (if any):