

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

SEP 22 2010

HOBBS

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
July 17, 2008

1. WELL API NO.

30-025-39698

2. Type of Lease

☒ STATE ☐ FEE ☐ FED/INDIAN

3. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:

☒ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☐ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

7. Type of Completion:

☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator
Paladin Energy Corp.

5. Lease Name or Unit Agreement Name

State ECC

6. Well Number: 3

10. Address of Operator

10290 Monroe Dr., Suite 301, Dallas, Texas 75229

11. Pool name or Wildcat

Caprock; Devonian East

| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County |
|--------------|----------|---------|----------|-------|-----|---------------|----------|---------------|----------|--------|
| Surface: | G | 11 | 12S | 32E | | 1680 | North | 1680 | East | Lea |
| BH: | | | | | | | | | | |

| | | | | |
|---|------------------------------------|---|---|--|
| 13. Date Spudded 7/3/2010 | 14. Date T.D. Reached 8/12/2010 | 15. Date Rig Released 8/14/2010 | 16. Date Completed (Ready to Produce) 9/8/2010 | 17. Elevations (DF and RKB, RT, GR, etc) 4346' GR |
| 18. Total Measured Depth of Well 11,300' | | 19. Plug Back Measured Depth 11,250' | 20. Was Directional Survey Made? No | 21. Type Electric and Other Logs Run Gamma-Neutron, Sonic |

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 13-3/8" | 54.5# | 453' | 17-1/2" | 415 | |
| 8-5/8" | 32# | 3,709' | 12-1/4" | 1910 | |
| 5-1/2" | 17 & 20# | 11,250' | 7-7/8" | 1,091 (2 stages) | |
| | | | | | |
| | | | | | |

| 24. LINER RECORD | | | | 25. TUBING RECORD | | |
|------------------|-----|--------|--------------|-------------------|--------|-----------|
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET |
| | | | | | 2-7/8" | 5040' |
| | | | | | | |
| | | | | | | |

26. Perforation record (interval, size, and number)

10,974 - 10,990'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

1500 gal, 15% HCL

28. PRODUCTION

| | | | | | | | |
|------------------------------------|----------------------|---|---------------------------|-----------------|---|-----------------------------|------------------------|
| Date First Production 9/10/2010 | | Production Method (Flowing, gas lift, pumping - Size and type pump) Sub Pump | | | Well Status (Prod. or Shut-in) Producing | | |
| Date of Test 9/10/2010 | Hours Tested 24 | Choke Size open | Prod'n For Test Period | Oil - Bbl 70 | Gas - MCF 14 | Water - Bbl. 3307 | Gas - Oil Ratio 200 |
| Flow Tubing Press. 0 | Casing Pressure 0 | Calculated 24- Hour Rate | Oil - Bbl. 70 | Gas - MCF 14 | Water - Bbl. 3307 | Oil Gravity - API - (Corr.) | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Test Witnessed By
Mickey Horn

31. List Attachments

Log, Inclination Survey

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

33. If an on-site burial was used at the well, report the exact location of the on-site burial.

Latitude

Longitude

NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature *David Plaisance*
Printed Name David Plaisance

Title V.P. Exploration & Production Date 9/17/2010

E-mail Address dplaisance@paladinenergy.com

PETROLEUM ENGINEER

OCT 26 2010

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | | Northwestern New Mexico | |
|-------------------------|---------------------|--|-------------------------|------------------|
| T. Anhy 1450' | T. Canyon | | T. Ojo Alamo | T. Penn A" |
| T. Salt 1506' | T. Strawn | | T. Kirtland | T. Penn. "B" |
| B. Salt 2135' | T. Atoka 10,084' | | T. Fruitland | T. Penn. "C" |
| T. Yates 2252' | T. Miss 10,284' | | T. Pictured Cliffs | T. Penn. "D" |
| T. 7 Rivers | T. Devonian 10,974' | | T. Cliff House | T. Leadville |
| T. Queen | T. Silurian | | T. Menefee | T. Madison |
| T. Grayburg | T. Montoya | | T. Point Lookout | T. Elbert |
| T. San Andres 3534' | T. Simpson | | T. Mancos | T. McCracken |
| T. Glorieta | T. McKee | | T. Gallup | T. Ignacio Otzte |
| T. Paddock 5222' | T. Ellenburger | | Base Greenhorn | T. Granite |
| T. Blinebry | T. Gr. Wash | | T. Dakota | |
| T. Tubb | T. Delaware Sand | | T. Morrison | |
| T. Drinkard | T. Bone Springs | | T. Todilto | |
| T. Abo 7153' | T. | | T. Entrada | |
| T. Wolfcamp 8282' | T. | | T. Wingate | |
| T. Penn 8464' | T. | | T. Chinle | |
| T. Cisco (Bough C) | T. | | T. Permian | |

OIL OR GAS SANDS OR ZONES

No. 1, from...10,994'.....to.....11,250'.....

No. 3, from.....to.....

No. 2, from...8,282'.....to.....8,440'.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology | From | To | Thickness In Feet | Lithology |
|--------|-------|----------------------|-------------------------------|------|----|----------------------|-----------|
| 0 | 300 | 300 | Sand & Caliche | | | | |
| 300 | 1450 | 1150 | Sand & Shale | | | | |
| 1450 | 1520 | 70 | Anhydrite & Shale | | | | |
| 1520 | 3570 | 2050 | Shale, Anhydrite, Sand & Salt | | | | |
| 3570 | 4330 | 760 | Dolomite, Shale & Limestone | | | | |
| 4330 | 5410 | 1080 | Limestone, Dolomite, Shale | | | | |
| 5410 | 7210 | 1800 | Dolomite, Shale, Chert | | | | |
| 7210 | 8330 | 1120 | Shale, Dolomite | | | | |
| 8330 | 9420 | 1090 | Limestone, Shale, Sand | | | | |
| 9420 | 10080 | 660 | Limestone, Shale | | | | |
| 10080 | 10290 | 210 | Sand, Shale, Limestone | | | | |
| 10290 | 10990 | 700 | Limestone, Shale | | | | |
| 10,940 | 11250 | 260 | Dolomite, Shale, Lime | | | | |