

Office

Energy, Minerals and Natural Resources

May 27, 2004

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 87401

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

87505

RECEIVED

DEC 20 2010

HOBBSD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-37299

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

South Vacuum

8. Well Number 275

9. OGRID Number

164070

10. Pool name or Wildcat

Vacuum, Devonian South 60210

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 H : 1700 feet from the North line and 760 feet from the East line

Section 27 Township 18-S Range 35-E NMPM Lea County

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

3887' 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 ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: Plug Back, Re-completion ☒

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.

1. R/U, set 1st CIBP at 13,720', dump bailed 36' of class H cement on top of bridge plug. GBIH with 2nd 5" CIBP and set at 12,435' inside 5" liner. Dump bailed 36' of class H cement on top of bridge plug. POOH. Set 3rd 7" CIBP at 12,360'. ★

2. R/U e-line and perforate 7" casing for production in Devonian formation from 11,716-26', 11,744-74' and 11,790-810', 2SPF. R/D e-line, GIH with 2-7/8" workstring and packer. Acidize Devonian perforations twice with total of 10,000 gallons of 15% NEFE acid. Swab back acid. POOH with workstring and packer. GIH with electrical submersible pump assembly and set pump at 6,457'. Place well on production. Tested 7 BOPD, 1750 BWPD 0 MCFPD

Spud Date:

11/4/2010 ★

Rig Release Date:

11/23/2010

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

SIGNATURE

TITLE Manager, Corporate Support

DATE 12/15/2005

Type or print name David Plaisance

E-mail address: dplaisance@paladinenergy.com

Telephone No. 214-654-0132

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

JAN 18 2011

Conditions of Approval (if any):

PA Vacuum McKee South (GAS)