

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
RECEIVED
Conservation and Natural Resources
MAR 21 2011
CONSERVATION DIVISION
1220 South St. Francis Dr.
HOBBS NM 87505
Santa Fe, NM 87505

Form C-103
October 13, 2009

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. 30-025-00109
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other - SWD <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PALADIN ENERGY CORP.		6. State Oil & Gas Lease No. B1-1041
3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, Texas 75229		7. Lease Name or Unit Agreement Name NM State BB NCT-1
4. Well Location Unit Letter <u>N</u> : 1989 feet from the <u>South</u> line and <u>1985</u> feet from the <u>West</u> line Section <u>11</u> Township <u>12S</u> Range <u>32E</u> NMPM Lea County		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4373' DR		9. OGRID Number 164070
		10. Pool name or Wildcat Caprock:Devonian, East (8930)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Well Failed Mechanical Integrity Test in August, 2010. From 8/10/2010 to 9/21/2010, rigged up pulling unit and conducted operations to cut and pull tubing for casing inspection. Attempt was unsuccessful, could not get below 4,129'. The wellbore has no future utility. It is Paladin's Intent to Plug and Abandon the Wellbore within 120 days. A detailed C-103 and proposed schematic will follow.

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 3/20/2011
Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com PHONE: 214-654-0132
For State Use Only

APPROVED BY: [Signature] TITLE State Engineer DATE 3-21-2011
Conditions of Approval (if any):