

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

RECEIVED  
State of New Mexico  
Energy, Minerals and Natural Resources  
MAR 20 2011  
CONSERVATION DIVISION  
1220 South St. Francis Dr.  
HOBBSUCP Santa Fe, NM 87505

Form C-103  
October 13, 2009

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-025-03150 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other - <b>SWD</b> ✓		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
2. Name of Operator <b>PALADIN ENERGY CORP.</b> ✓		6. State Oil & Gas Lease No. E-1533-3
3. Address of Operator 10290 Monroe Drive, Suite 301, Dallas, Texas 75229		7. Lease Name or Unit Agreement Name South Vacuum Unit ✓
4. Well Location Unit Letter <u>G</u> : 1980 <u>  </u> feet from the <u>North</u> <u>  </u> line and <u>1980</u> feet from the East <u>  </u> line Section <u>35</u> Township <u>18S</u> Range <u>35E</u> NMPM Lea County		8. Well Number <u>351</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3869' DR		9. OGRID Number 164070 ✓
		10. Pool name or Wildcat <del>Vacuum</del> Devonian South (SWD) ✓

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 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: Inspect and Repair Hole in Tubing <input checked="" 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 March, 2011. Paladin suspects a hole in the tubing. We intend to pull and inspect the tubing within 30 days, then retest the wellbore for integrity and return the well to SWD operations.

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 3/23/2011  
Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com PHONE: 214-654-0132  
**For State Use Only**

APPROVED BY: [Signature] TITLE STAFF MGR DATE 3-23-2011  
Conditions of Approval (if any):