

Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88201
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Department of Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

HOBBS OOD

MAY 27 2011

RECEIVED

WELL API NO. 30-025-39992 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State EC C ✓
8. Well Number 4 ~
9. OGRID Number 164070 ✓
10. Pool name or Wildcat Caprock; San Andres 9150

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 - Shut-in

2. Name of Operator
PALADIN ENERGY CORP.

3. Address of Operator
10290 Monroe Drive, Suite 301, Dallas, Texas 75229

4. Well Location
Unit Letter G : 1980 feet from the North line and 1650 feet from the East line
Section 11 Township 12S Range 32E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4357' KB

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: 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.

RU/ TIW w/ 4-3/4" bit, collars and workstring. Drill out cement to drill collar at 4,950'. Circulated and cleanout 5-1/2" casing, POOH with bit and work string. RU Wireline and run CBL and Density-Neutron log, Dual Laterlog. Perforate San Andres formation from 4,730-50', 2 SPF. Acidize 3000 Gal 15% HCL, Tested 100% Water. Set CIBP @ 4,650', dumped 35' Cement on top. Perforate San Andres formation from 4,270- 4,310', 2 SPF. Acidize 4000 Gal 15% HCL, Tested 100% Water. Set CIBP @ 4'260, dumped 35 ft. cement on top. Perforate San Andres formation from 4,168-80', 4,196-218', 2 SPF. Acidize 4000 Gal 15% HCL, Tested 100% Water. No oil or gas at commercial quantities. Shut-in well. Will evaluate for future utility.

Test: 5/15/2011 - 0 BOPD, 0 MCFPD, 100 BWPD.

Spud Date: 2/25/2011

Rig Release Date: 4/20/2011

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 5/20/2011
Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com PHONE: 214-654-0132
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 08 2011
Conditions of Approval (if any):