

Submit 3 Copies
to Appropriate
District Office

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

| |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO. 30- 025-34239 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. 22179 |
| 7. Lease Name or Unit Agreement Name NEW MEXICO STATE "C" |
| 8. Well No. 3 |
| 9. Pool name or Wildcat King Devonian |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | 2. Name of Operator PALADIN ENERGY CORP. |
| 3. Address of Operator 10290 Monroe Dr., St. 301, Dallas, TX 75229 | 4. Well Location Unit Letter E : 1550 Feet From The North Line and 10 Feet from The West Line Section 36 Township 13S Range 37E NMPM Lea County Elevation 3845' GR |

Check Appropriate Box to Indicate Nature of Notice, Report, Or Other Data

NOTICE OF INTENTION TO:

| | | | |
|-----------------------|--------------------------|------------------|--------------------------|
| PERFORM REMEDIAL WORK | <input type="checkbox"/> | PLUG AND ABANDON | <input type="checkbox"/> |
| TEMPORARILY ABANDON | <input type="checkbox"/> | CHANGE PLANS | <input type="checkbox"/> |
| PULL OR ALTER CASING | <input type="checkbox"/> | | <input type="checkbox"/> |
| OTHER | <input type="checkbox"/> | | <input type="checkbox"/> |

SUBSEQUENT REPORT OF:

| | | | |
|---------------------|--------------------------|---------------------|-------------------------------------|
| REMEDIAL WORK | <input type="checkbox"/> | ALTRG CSG | <input type="checkbox"/> |
| COMMENCE DRLG OPNS. | <input type="checkbox"/> | P&A | <input type="checkbox"/> |
| CSG TST & CMT JOB | <input type="checkbox"/> | | <input type="checkbox"/> |
| OTHER | <input type="checkbox"/> | Perforations & acid | <input checked="" type="checkbox"/> |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103

RU Halliburton wireline to perforate. TIH w. 4" hollow carry gun. Perf'd from 11920 to 11932', 11962' to 11968' and 11974' to 11996', 4 shots per foot. All shots fired good. TIH w/2 7/8" X 5 1/2" Arrowset 1X, SN and 377 Jts 2 7/8" N-80 tbg. Set packer @ 11792' w/10,000# tension. RU swab. Tagged fluid @ 3900'. Made 8 runs in 5 hrs, finding fluid level at 10,400'. Recovered 37 bls water and trace of oil. Tagged fluid level at 10,000'. Rec 48 bls wtr & 1 bl oil. TIH w/7 jts 2 7/8" tbg. EOT @ 12,000'. RU Petro-Plex Acidizing. Pumped 1500 gals 15% NEFE acid and 31 bls water.

CONTINUED ON NEXT PAGE

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

SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE May 11, 1998

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214/654-0135
(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TITLE SAFETY WINK DATE 5/11/98
FIELD REP. II

CONDITIONS OF APPROVAL, IF ANY:



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| 6. State Oil & Gas Lease No. | 22179 |

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| 4 Well Location Unit Letter <u>E</u> : <u>1550</u> Feet From The <u>North</u> Line and <u>10</u> Feet from The <u>West</u> Line Section <u>36</u> Township <u>13S</u> Range <u>37E</u> NMPM <u>Lea</u> County Elevation (Show whether DF, RKB, RT, GR, etc) <u>3845' GR</u> | | |

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CONTINUED FOR PREVIOUS PAGE

Spotted acid from 12,000' to 11,950'. TOH w/2 jts tbg. Pressured tbg to 3500#. Pressure leaked off at a rate of 100# per min. Worked acid for 3 hrs, could not break down perfs.

Tested intervals from 11,920' to 11,996', tested tight.

Drilling ahead. (Note: Permitted to a proposed depth of 12,700')

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

SIGNATURE Ann Westberry TITLE Manager, Corp. Support DATE May 11, 1998

TYPE OR PRINT NAME Ann Westberry TELEPHONE NO. 214/654-0135
(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TITLE CASE WORK DATE JUN 02 1998
FIELD OFFICE

CONDITIONS OF APPROVAL, IF ANY:

