

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
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-03134
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 South Vacuum Unit
8. Well Number 261 26 #1
9. OGRID Number 164070
10. Pool name or Wildcat Wildcat Wolfcamp

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, TX 75229

4. Well Location
 Unit Letter M : 660 feet from the South line and 660 feet from the West line
 Section 26 Township 18-S Range 35-E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3876' KB

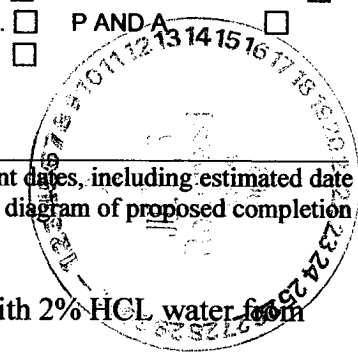
Pit or Below-grade Tank Application or Closure *Steel Tanks

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material synthetic _____

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"/>	
OTHER: <input type="checkbox"/>		OTHER: Re-complete <input checked="" 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
 6/01/2005 – 6/8/2005

- MIRU on location. N/D wellhead, N/U BOP's, release packer and displace casing with 2% HCL water foam 10,100 to 9,800'. POOH with tubing.
- GIH with electric wireline and perforate Wildcat Wolfcamp formation from 10,020-9,950'.
- GBIH with tubing packer and retrievable bridge plug. Set bridge plug at 10,600', set packer at 9,750' and perform ball sealer acid job with 5000 gal. 15% NEFE acid on new perforations. Swabbed back.
- N/D BOP's, N/U wellhead. Placed well on production. Initial 24 hr. flow - 6/8/2005 – 54 BOPD, 201 MCFPD, 45 BWPD, 150 FTP, 36/64th choke.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE David Plaisance TITLE VP E&P DATE 6/30/2005

Type or print name David Plaisance E-mail address: dplaisance@paladinenergy.com Telephone No. 214-654-0132 X4
 For State Use Only
 APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE _____
 Conditions of Approval (if any):

JUL 14 2005

2A Vacuum Mississippian South