

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. 30-025-00081

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
 State ECH

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat
 East Caprock Devonian

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4361'

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 Dr., Suite 301
 Dallas, Texas 75229

4. Well Location
 Unit Letter P : 660 feet from the South line and 990 feet from the East line
 Section 2 Township 12S Range 32E NMPM Lea County

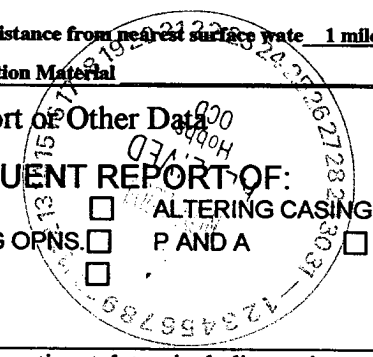
Pit or Below-grade Tank Application or Closure 26'

Pit type Steel Tank Depth to Groundwater (60) Distance from nearest fresh water well 1/2 mile Distance from nearest surface water 1 mile +

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

12. 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 checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <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.

MIRU, GIH with packer and 2-7/8" tubing to 5,400 (+,-) set packer. Pump 750 sacks of class H cement slurry set cement plug from Devonian perforations at 10,986-96' to 5,500' (+,-) in 5-1/2" casing. Cut and pull 5-1/2" casing at end of 8-5/8" csg. At about 3600' (+,-). GIH w/ 2-7/8" tubing and set 100' cement stub plug from 3550 to 3650', 75 sacks cement. WOC. Tag plug at 3550'. Pull up with workstring, EOT at 250'. Pumped 50 sks class H cement. Spot plug from 250' to 350'. WOC. Tagged plug. Spot surface plug from 0 to 60'. Backfill and clear location.

Place dry hole marker and move off location.
 NEED T.O.S. PLUG F/ 1600'-1500'

THE OIL CONSERVATION DIVISION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS.

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 .

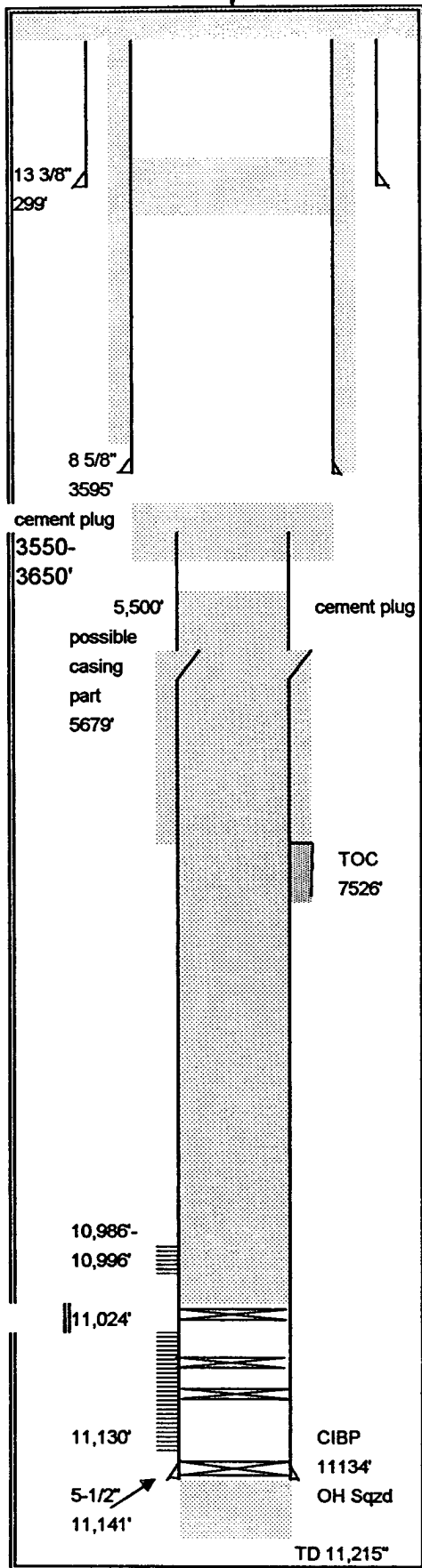
SIGNATURE Paul Plaisance TITLE VP Exploration & Production DATE 11/2/2004

Type or print name For State Use Only E-mail address: Telephone No.

APPROVED BY: Hay W. Wink TITLE FIELD REPRESENTATIVE II/STAFF MANAGER DATE

Conditions of Approval (if any)

NOV 10 2004



Lease: State ECH Well: #1 API # 30-025-00081
 Field: East Caprock County: Lea State New Mexico
 Section 2 Township 12-S Range 32-E
 Elev. GL _____ Elev. DF 4255' Elev. KB _____
 Spudded 6/23/1953 Completed 9/15/1953 990 FEL, 660 FSL

Surface Casing 13 3/8" OD 36#/Ft. Grade Armco SJ, SW
 Set @ 299' Hole Size 17 1/2"
 TOC Sur. Sacks 225

Intermediate Casing 8 5/8" OD 24 & 32#/Ft. Grade J-55
 Set @ 3595' Hole Size 12 1/4", 11"
 TOC 1087' Sacks 1,500

Production Casing 5-1/2" 17 & 20#/Ft. Grade J-55, N-80
 Set @ 11,141' Hole Size 7-7/8"
 TOC 7526' Sacks 700

Liner Record
 OD #/Ft. Grade
 Top @ Bottom @
 Screen Hole Size
 TOC Sacks

Tubing Detail
 Pkr. Set @ Grade/Trd.
 Nipples EOT
 Anchors Rods

Proposed

P&A Plug Record

Plug 1 -	5,500' to 11,024'	- 800 sacks
Plug 2 -	3550' to 3650'	- 75 sacks
Plug 3 -	250' to 150'	- 50 sacks
Plug 4 -	surface to 60'	- 50 sacks

Comments: