

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

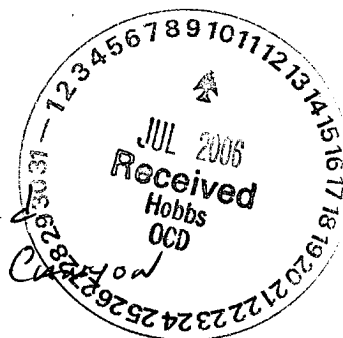
Form C-103
Revised March 25, 1999

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.)		WELL API NO. 30-025-28608
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PAONGHORN Mgt. Corp.		6. State Oil & Gas Lease No. V-732-2
3. Address of Operator P.O. Box 1772 Hobbs, N.M. 505-392-2495		7. Lease Name or Unit Agreement Name: N.M. State DL
4. Well Location Unit Letter H : 1980 feet from the NH line and 330 feet from the East line Section 18 Township 23S Range 33E NMPM LEA County		8. Well No. 3
		9. Pool name or Wildcat CAUZ Delaware
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		

11. 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 checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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 recompilation.

1. POOH with production equipment.
2. Set retrievable bridge plug @ $\pm 5000'$
3. Pressure test casing and plug.
4. Circulate hole with packer fluid.
5. Temporary abandon well - May need well bore for deepening to Cherry Canyon Delaware.



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

SIGNATURE *G.A. Baber* TITLE Manager DATE 06/25/06
Type or print name G.A. Baber Telephone No. 505-392-2495
(This space for State use)
APPROVED BY *Henry W. Wink* TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUL 10 2006
Conditions of approval, if any: