



PALADIN ENERGY CORP.

August 3, 1998

State of New Mexico
Oil Conservation Commission
District 1
P.O. Box 1980
Hobbs, NM 88240

Attention: Donna Pitzer

Re: Fleet #5 - Recompletion
King, Wolfcamp
Lea County, NM

Dear Donna:

Per our telephone conversation today, I am forwarding to you Forms C-103, C-104, C-105 and a copy of American Exploration Company's Daily Reports for the referenced well.

To give you a little background, American Exploration sold the well to Manzano Oil Corporation effective July 1, 1995. Paladin Energy Corp. purchased the well from Manzano Oil Corporation effective July 15, 1997. The recompletion was performed during the time that American Exploration operated the well.

In an effort to bring the Commission's records up to date, I am submitting the aforementioned forms. The well is currently shut in, waiting on evaluation for a possible workover.

If I can be of further assistance, my direct telephone number is 214/654-0135.

Sincerely,

Ann Westberry
Manager, Corporate Support