

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
PO Box 1980, Hobbs, NM 88241-1980
DISTRICT II
PO Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-025-33177 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. V-1222 |
| 7. Lease Name or Unit Agreement Name Knowles |
| 8. Well No. 1 |
| 9. Pool name or Wildcat Southeast Denton - 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 <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | 2. Name of Operator Primal Energy Corporation | 8. Well No. 1 |
| 3. Address of Operator 211 Highland Cross, Suite #227, Houston, TX 77073 | 9. Pool name or Wildcat Southeast Denton - Devonian | |
| 4. Well Location Unit Letter <u>J</u> <u>3,627</u> Feet From The <u>N</u> Line and <u>1,425</u> Feet From The <u>E</u> Line Section <u>1</u> Township <u>16S</u> Range <u>38E</u> NMPM Lea County 10 Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3,717' GR</u> | | |

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 checked="" type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> | PLUG & ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST & CEMENT JOB <input checked="" 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.

1. MIRU (3/28/02). NUBOPE. Pick up drill pipe and clean out cement plugs to window at 11,650'. Kick off and directionally drill to 12,431'.
2. Work stuck pipe without success. Set cement plug from 12,093 to 12,431'. Kick off plug and drill to 13,000' in the Devonian.
3. Ran 3 1/2" liner from 13,000' to 11,201'. Cemented with 220 sx.
4. Perforated for production from 12,961' to 12,988' (&/30/02).
5. Ran tubing, pump and rods. First production on 8/17/02.

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

SIGNATURE John Abernethy TITLE Manager, Operations and Engineering

DATE 08/15/02

TYPE OR PRINT NAME John Abernethy

TELEPHONE NO. 281-821-5600

(This space for State Use)

APPROVED BY _____

TITLE ORIGINAL SIGNED BY
PAUL F. KAUFZ
PETROLEUM ENGINEER

DATE NOV 15 2002

CONDITIONS OF APPROVAL, IF ANY: