

PRIMAL ENERGY CORP

Fax: 281-821-5602

Feb 26 '02 10:08

P.01

**PRIMAL ENERGY  
CORPORATION**

211 HIGHLAND CROSS, SUITE 227  
HOUSTON, TEXAS 77073  
281-821-5600  
281-821-5602 fax  
pfunk@primalenergy.net

February 26, 2002

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 Pacheco Street  
Santa Fe, NM 87505

REFERENCE: Amended Form C-103  
Knowles No. 1 (Well API No. 30-025-33177)  
Lea County, New Mexico

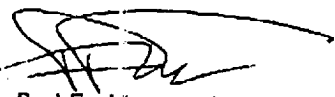
Ladies and Gentlemen:

Primal Energy Corporation filed a Form C-103 dated September 20, 2001 for the referenced well in which it marked the "Plug and Abandon" box in error. We performed the plugging operation at the time of our last operation because, at that time, we were not absolutely sure that any subsequent operation in this wellbore would be feasible (from either an engineering or financial perspective). Our intent was to review the feasibility of such an operation, and to re-enter the well upon determining it to be feasible. We have since confirmed the feasibility of additional operations within this wellbore, and we have present plans to commence operations on or about April 2002.

Enclosed is an amended Form C-103 that properly expresses our intention to Temporarily Abandon the referenced well. We will file the necessary paperwork to obtain a permit for our intended operation in the near future.

If you have any questions or comments, please do not hesitate to contact me at the above phone number, extension 110.

Sincerely,

**PRIMAL ENERGY CORPORATION**  
Paul Funkhouser, CEO