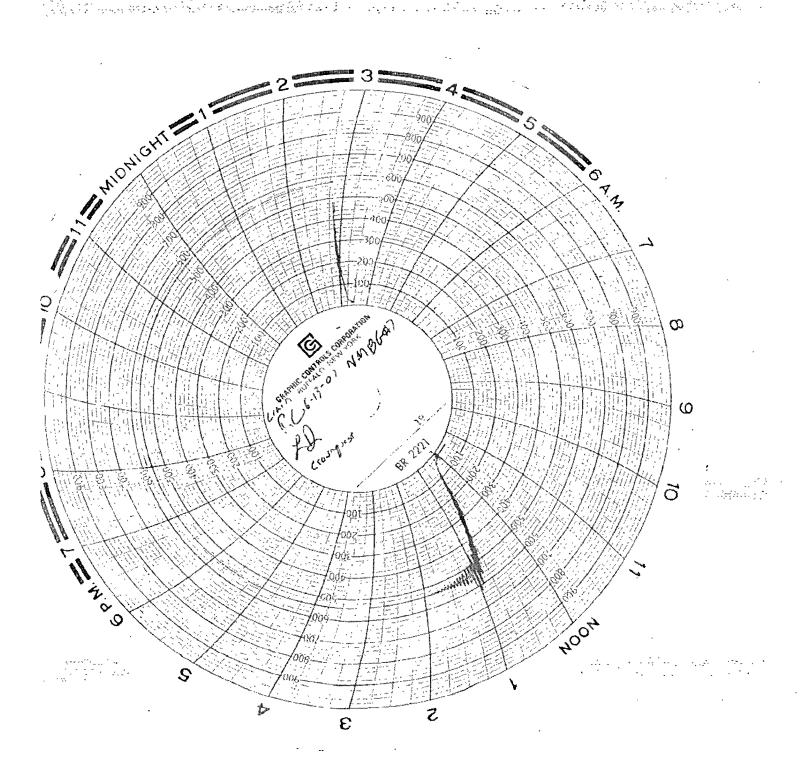
Submit 3 Copies To Appropriate District	State of New Mexico	Form C-103 May 27, 2004
Office · · District 1	Energy, Minerals and Natural Resource	WELL API NO.: 30 025 28817
1625 N. French Dr., Hobbs, NM 88240		79757-00
District II 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION	5 Indicate Type of Lease
District III 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.	STATE X FEE
District IV	Santa Fe, NM 87505	6 State Oil & Gas Lease No
1220 S. St. Francis Dr., Santa Fc. NM 8/305		
SUNDRY NOTE	CES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
(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		New Mexico State NCT 1
PROPOSALS.)	ATION FOR PERMIT (PORM CITE) PORTOCO	8. Well Number: 7
Type of Well: Oil Well X Gas Well Other		
2 Name of Operator CrownQue	st Operating. LLC	9 OGRID Number 213190
3. Address of Operator		It Pool name or Wildcat
P.O Box 5	3310, Midland, TX 79710	Saunders Permo Upper Penn
4 Well Location		KOF
Unit Lester AL: 1980	o feet from the Seekin line and 660	feet from the stast line
Section - 14 To		NMPM Lea County
	11 Elevation (View whether DR, RKB, RT, G	R. etc. 1188
Pit or Below-grade Tank Application O		
Pit type Depth to Groundne	iterDistance from nearest fresh water well	Distance from mearest surface water
Pit Liner Thickness: mil	Behm-Grade Tank: Vokume bi	oks: Construction Material
12. Check A	appropriate Box to Indicate Nature of No	otice, Report or Other Data
	•	
NOTICE OF IN		SUBSEQUENT REPORT OF: WORK ALTERING CASING
PERFORM REMEDIAL WORK		* * * * * * * * * * * * * * * * * * * *
		CE DRILLING OPNS.
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PULL OR ALTER CASING   OTHER	MULTIPLE COMPL CASING/C	EMENT JOB MIT test
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CrownQuest Operating, LLC

June 14, 2007

Maxey Brown 1625 N. French Drive Hobbs, New Mexico 88240

Dear Mr. Brown,

The 30 minute chart for the mechanical integrity test conducted on the New Mexico BG State NCT 1 #7 on June 13, 2007 had an increase from 540 psi to 570 psi. I think this small increase was due to temperature expansion of the packer fluid we pumped to circulate the well. The displacement volume of the hole was 209 bbls and we pumped 230 bbls of packer fluid to protect the pipe, but the fluid never completely cleaned up. After we circulated there was no movement or fluid flow at the surface and neither was there any flow after we finished pumping the MIT test. On the morning on June 14<sup>th</sup>, there was no pressure on the well and only a puff of air when the surface valve was opened. These factors are consistent with a temperature expansion and show that the small increase in pressure during the MIT is not a breach in the well casing or a leaking CIBP.

Sincerely,

Luke Dunn

Office 432-818-0305 Cell 432-638-4731

New Mexico BG State NCT 1 #7 Operation Report .

6/11/07 - RU PU & notify OCD operation was commencing

6/12/07 - Ran casing scraper to 10,000'

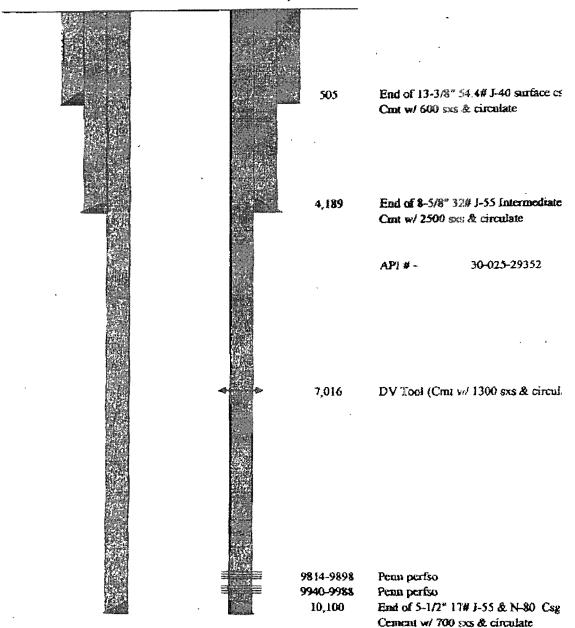
6/13/07 - RIH w/ thg & set CIBP @ 9752'. Circulate w/ 230 bbls pkr fluid. POH w/ tbg.

6/14/07 - Finish POH w/ tbg. RDPU.



## New Mexico BG State NCT-1#7

Current Status



WI NRI-

0.875