Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Offi-c Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II 30-015-22040 OIL CONSERVATION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Franci District III STATE FEE XX 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 875 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 7. Lease Name or Unit Agreement Name 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 Andrew Arnquist Estate PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well X Month - Year Gas Well Other APR - 2 2007 9. OGRID Number 240974 2. Name of Operator OCD - ARTEMA, NAV LEGACY RESERVES OPERATING LP 3. Address of Operator 10. Pool name or Wildcat P. O. BOX 10848 MIDLAND, TEXAS 79702 Penasco Draw (YSROSA) 4. Well Location Unit Letter : 1650 feet from the North line and feet from the East H Section Township 18 S Range 26 E NMPM Eddy County 11. Elevation (Show whether DR. RKB, RT. GR. etc.) GL 3427' KB 3437' Pit or Below-grade Tank Application or Closure Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit type Pit Liner Thickness: Below-Grade Tank: Volume bbls: Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK □ PLUG AND ABANDON XX REMEDIAL WORK ALTERING CASING □ COMMENCE DRILLING OPNS. TEMPORARILY ABANDON **CHANGE PLANS** P AND A П **PULL OR ALTER CASING** MULTIPLE COMPL CASING/CEMENT JOB OTHER: OTHER: 13. 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 recompletion. SEE ATTACHED PROPOSED PROCEDURE. I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines _, a general permit _ or an (attached) alternative OCD-approved plan _. TITLE Production Superintendent DATE 3-27-07 SIGNATURE X Danny Type or print name Danny M. Brock E-mail address: Telephone No. 432-682-2516 For State Use Only TITLE 74 APPROVED BY:

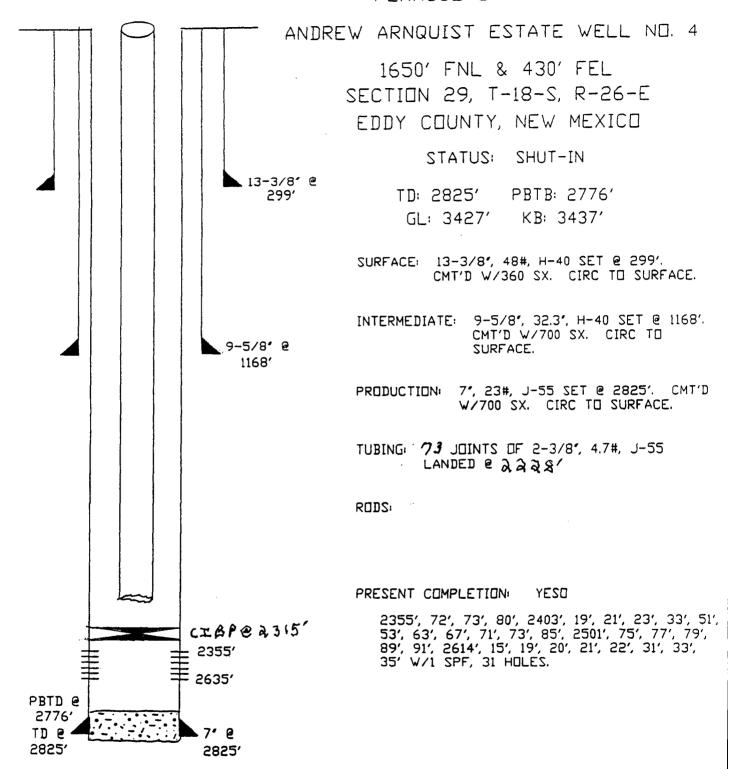
Conditions of Approval (if any):

P&A Procedure

Lease & Well #: Andrew Arnquist Estate Well No. 4

- 1. Call Artesia NMOCD 48 hrs. before commencing plugging operations @ 505-748-1283.
- 2. MIRUPU. Install BOP. POOH W/73 jts. 2-3/8" tbg (2228').
- 3. RIH and spot 35' plug of cement on CIBP @ 2315'. PU and circulate hole w/plugging mud. TIH and tag cement plug.
- 4. Pull up and spot 100' plug from 1218' 1118'. TOH w/10 stands.
- 5. TIH and tag cement plug. Record depth. Insure hole is full of plugging mud.
- 6. Pull up and spot 100' cmt plug from 349' 249'. TOH w/ tubing.
- 7. TIH and tag cement plug. Record depth. Insure hole is full of plugging mud.
- 8. Install 10 sack surface plug. 60'
- 9. Cut off wellhead and weld on P&A marker per NMOCD regulations.

PENASCO DRAW (YESD)



HISTORY: DRILLED IN MARCH, 1977. COMPLETED IN YESO F/2355'-2635'. A/5000 GALS. F/40000 GALS, 12000# 100 MESH SD, & 54000# 20/40 SD, SHUT-IN AUGUST, 1986 AFTER PRODUCING 5 MBD, 17 MMCF, & 55 MBD FROM THE YESD.