

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|---|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD | | 5. Lease Serial No. NM 2842A |
| 2. Name of Operator CrownQuest Operating, LLC | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P.O. Box 53310, Midland, TX 79710 | 3b. Phone No. (include area code) 4326846381 | 7. If Unit or CA Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) P-20-13s-33e 660/S & 660/E | | 8. Well Name and No. Federal 20 #1 |
| | | 9. API Well No. 30 025 22448 |
| | | 10. Field and Pool, or Exploratory Area Lazy J Penn |
| | | 11. County or Parish, State Lea County, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input checked="" type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

4/30/07 MIRU

5/01/07 NU BOP Rig Up Wireline. RIH w/ gauge ring to 7950'. Pick up tbg. set CIBP, WIH w/ workstring 212 jts. SDFN

5/03/07 RIH w/ CIBP to 9610'. set BP. Circulated hole w/ mud laden fluid. SDFN.

5/04/07 Spot 10 sx cement on top of BP. POH to 9050'. Spot 25 sx cement plug. Stand back 6610 tbg. lay down rest. Unbolt casing head, Cut 5 1/2 csg. @ 6581'. work free. SDFN.

5/07/07 Lay down 207 jts. 5 1/2 csg. NU. well and BOP. SDFN.

5/09/07 Run tbg. to 6631'. Spot 35 sx cmt. plug. POH to 4075'. Spot 35 sx cmt. plug. WOC 4 hrs. Tag plug @ 3950'. Stand back 1400' SDFN.

5/10/07 Cut 8 5/8 csg. @ 1400. Not free. RIH w/ packer on tbg. Pressure up to 1500 psi. Spot 45 sx cmt. plug @ 1450' WOC Tag @ 1335'. SDFN.

5/11/07 Cut 8 5/8 @ 800'. Lay down csg. RIH w/ tbg. Spot 80 sx cmt @ 850'. Pull up to 477'. Spot 150 sx. cmt. POH. WOC. Tag plug @ 320'. Pull up to 60'. Circulate 50 sx cmt to surface. Cut off well head. Weld on Dry hole marker. Rig down.

Approved as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.

APPROVED

JUN 19 2007

LES BABYAK
PETROLEUM ENGINEER

| | | |
|---|--|------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | Title Regulatory Agent |
| Regulatory Agent | | |
| Signature | | Date 06/06/2007 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|------|
| Approved by | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GW

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**