Oil Cons. N.M. DIV-Dist. 2 FORM APPROVED Form 3160-5 OMB No. 1004-0137 (February MENT OF THE INTERIOR xpires: March 31, 2007 REAU**GO**F LAND MANAGEMENT NM 54449 NOTIGES AND REPORTS ON WELLS If Indian, Allottee or Tribe Name files form for proposals to drill or to re-enter an ndoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. IN TRIPLICATE – Other instructions on page 2. 1. Type of Well 8. Well Name and No. Federal 27 No.4 Oil Well Other Gas Well Name of Operator H.L.Brown Operating, L.L.C. API Well No. 30-041-20917 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 3a. Address 300 W. Louisiana Bluitt, N. (Siluro-Devonian) (432) 688-3727 Midland, TX 79701 Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 2540 FSL & 1640 FWL 11. Country or Parish, State Roosevelt, NM Sec 27, T-7-S, R-37-E 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Water Shut-Off Acidize Production (Start/Resume) Notice of Intent Fracture Treat Alter Casing Reclamation Well Integrity Casing Repair **New Construction** Recomplete ✓ Subsequent Report __ Change Plans Plug and Abandon Temporarily Abandon Convert to Injection ___ Plug Back Water Disposal Final Abandonment Notice 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 recomplete 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.) 7-14-07: TD'd 12-1/4" hole @ 12:15AM, notified Paul Swartz of intent to run csg. Ran 88jts 8-5/8" 32lb J-55 LT&C csg to 3750'. 7-15-07: Cemented csg w/ 1300 sxs BJ Lite 35/65 Poz w/ 5% salt, tailed-in w/ 200 sxs Class "C" w/ 1% CaCl. Plug down @ 8:10AM. Circ'd 200 sxs to pit. WOC 22 hrs - could not set slips, cutoff 13-3/8" head and welded on 8-5/8" head. 7-16-07: Replaced first set of BOP's, re-tested as per BLM (Paul Swartz). 7-17-07: TIH w/ bit to tag cement @ 3750', tested csg to 1500 psi. Drilled out cement and started drilling new 7-7/8" hole @ 4PM. ACCEPTED FOR RECORD Total WOC time - 54 hrs JUL 24 ALEXIS C. SWOBODA 14. I hereby certify that the foregoing is true and correct. PETROLEUM ENGINEER Name (Printed/Typed) Carlton Wheeler Title Operations Manager Date 07/18/2007 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 Office entitle the applicant to conduct operations thereon. 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)