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Form 3160-5
(June 2019)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

DISTRICT/ARTESIA O.C.D.

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.

5. Lease Serial No. NM-0558581 NM 106231

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator SOUTHWEST ROYALTIES, INC.

3a. Address P.O. BOX 53570
MIDLAND, TEXAS 797103b. Phone No. (include area code)
(432) 207-30544. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FNL & 2310' FEL; B, SEC. 21, T-17S, R30E

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. McINTYRE G FEDERAL #001

9. API Well No. 30-015-04243

10. Field and Pool or Exploratory Area
GRAYBURG JACKSON; SR-Q-G-SA11. Country or Parish, State
EDDY COUNTY, NEW MEXICO

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Hydraulic Fracturing☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 recompletable 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 recompletable 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.)

NOTICE OF INTENT TO PLUG AND ABANDON

1. RU WELL SERVICE UNIT. POH LD RODS AND PUMP.
2. NU BOP. UNSEAT ANCHORS. TOH W/ 2-7/8" TBG.
3. EXISTING CIBP @ 2010' W/ 25' CMT ON TOP OF RETAINER.
4. PERFORATE SQUEEZE HOLES AT 4200'. SQUEEZE 50 SX CLASS C CMT. WOC FOR 4 HRS. TAG CMT. 1050-950
5. PERFORATE SQUEEZE HOLES AT 600'. CIRCULATE CLASS C CMT TO SURFACE. 610-Surf.
6. ND BOP. CUT WELLHEAD. INSTALL BELOW GROUND LEVEL DRY HOLE MARKER.
7. MOVE OUT ALL SURFACE EQUIPMENT INCLUDING ELECTRIC POLES, ETC.
8. REMOVE CALICHE FROM LOCATION AND ROAD. PREPARE LOCATION FOR REGROWTH PER BLM REQUIREMENTS.

NO SURFACE PIT. ALL WORK USING A STEEL PIT.

GC 11/6/19
Accepted for record NMOCD
Set CIBP @ 1661, Cap w/ 25 SX
At Cut-off verify amt surf all annulus. Remedial may be needed. Surf Csg.



Below ground level dry hole marker required

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

LINDSAY LIVESAY

REGULATORY ANALYST

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

Signature

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title SRET

Date 10-25-19

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 CRO

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)

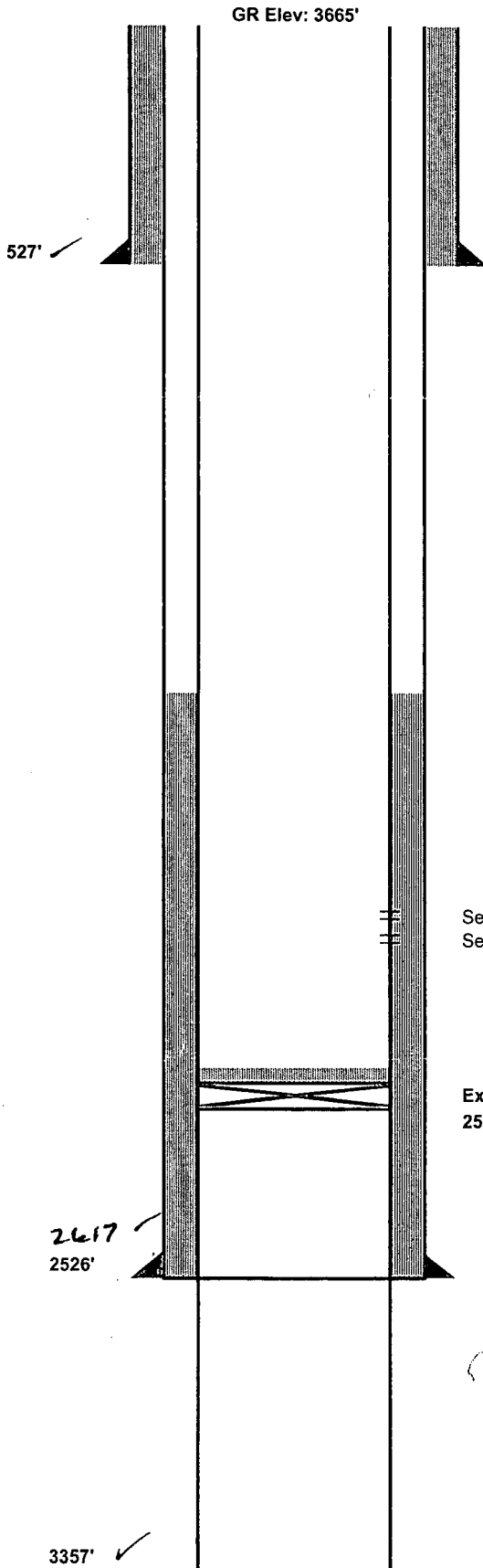
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SOUTHWEST ROYALTIES, INC.

McINTYRE G FEDERAL #001

30-015-04243

CURRENT GRAYBURG JACKSON; SR-Q-G-SA WELL



GR Elev: 3665'

Legals: 330' FNL, 2310' FEL,
B, Sec. 21, T-17S, R-30E
Eddy County, NM

Spud Date:

Surface Hole: 12-1/4" ✓

Surface Csg:

8-1/4" 32# ✓

Cmt'd. w/ 50 sx Cmt

TOC ?

T/salt 560

B/salt 1000

Seven Rivers: 1711'-1720' ✓

Seven Rivers: 1725'-1744' ✓

C/R

Existing CIBP @ 2010' - Squeezed w/ 125 sx,
25' cmt on top of retainer ✓

Production Hole: 7-3/8" ✓

Production Csg:

7" 24# ✓

Cmt'd. w/ 100 sxs ✓

TOC @ 1403'

Csg collapsed
2045' shot
Tbg @ 2015

Open Hole: 6-1/8"

2526'-3357'

TD = 3357'

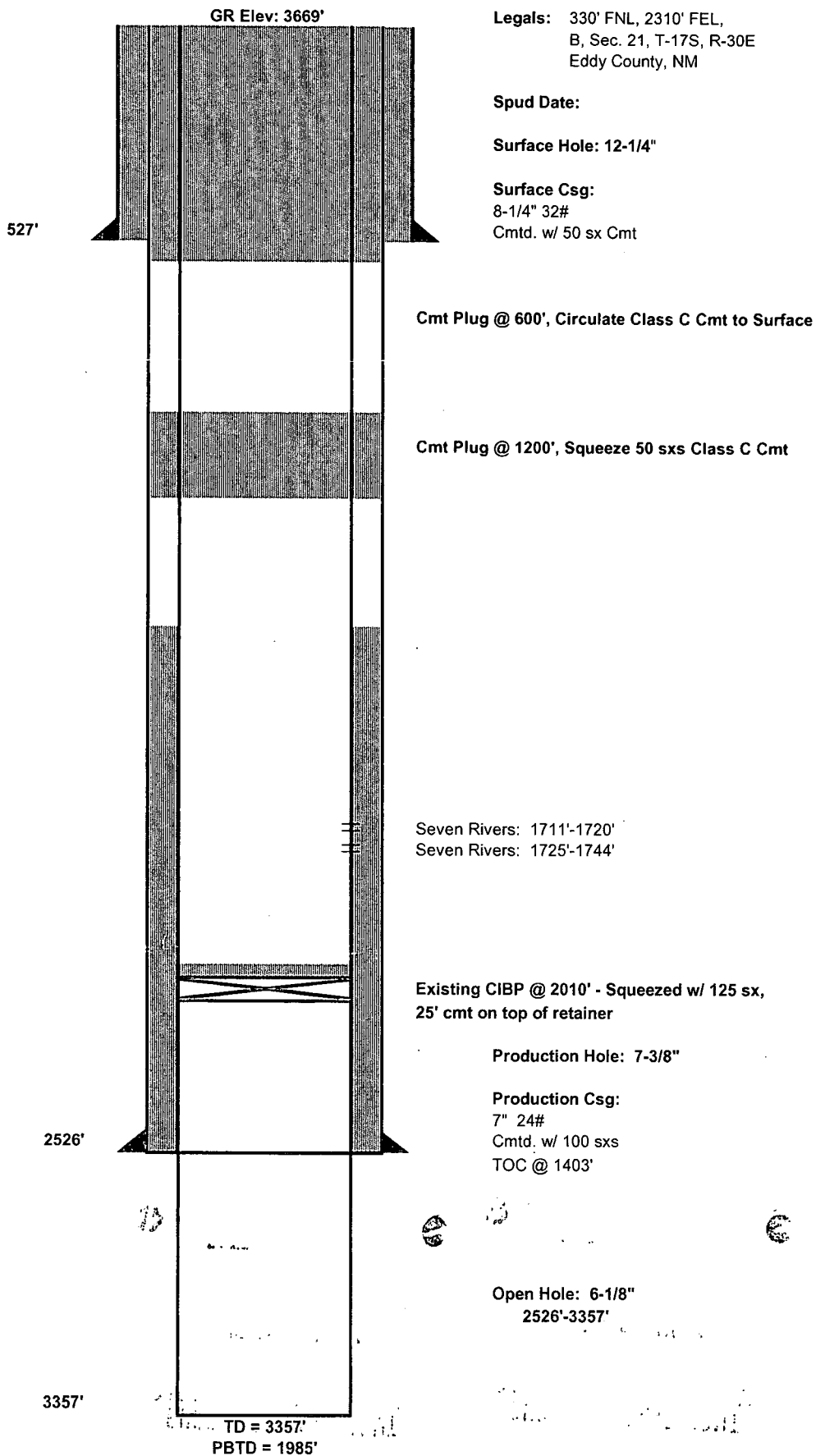
PBSD = 1985'

SOUTHWEST ROYALTIES, INC.

McINTYRE G FEDERAL #001

30-015-04243

CURRENT GRAYBURG JACKSON; SR-Q-G-SA WELL



BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted