

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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 Oil Well Gas Well Other

2. Name of Operator **Southwest Royalties, Inc.**

3a Address **6 Desta Drive, Ste 2100, Midland, TX 79705** 3b Phone No. (include area code) **432/688-3267**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) **OCT 11 2007**
Unit O, 660' FSL & 1980' FEL Sec 10, T17S, R30E
OCD-ARTESIA

5 Lease Senal No
NM074937

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No.
Parke F Fed #1

9. API Well No.
30-015-20597

10 Field and Pool, or Exploratory Area
Graybrug-Jackson-SR-Q-G-SA

11 County or Parish, State
Eddy County, NM

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

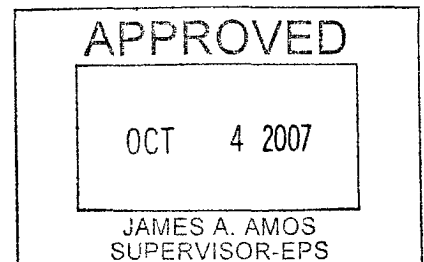
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" 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 recomplate 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.)

Well P&A'd 8/22/07

- * All pits and rat holes will be remediated, filled or leveled.
- * Steel marker over plugged wellbore with permanent identification.
- * Location leveled and all junk, equipment and anchors removed.
- * All environmental concerns addressed by OCD guidelines.

After all is completed, a FINAL ABANDONMENT REQUEST will be filed.



**Accepted for record
NMOCD**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Dawn M. Howard** Title **Operations Assistant**

Signature Date **08/29/2007**

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 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)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

Southwest Royalties, Incorporated
6 Desta Drive, Suite 2100
Midland, TX 79705

RE: Parke E Federal 1: NM074937
SWSE, Section 10, T17S, R30E
Eddy County, New Mexico

Conditions of Approval:

1. Remove all production equipment, to include, tanks, pump jack, flowlines and power lines and poles.
2. Remove debris, both on and off location, any and all contaminants, and all caliche down to clean soils.
3. Contour the entire location to blend with the surrounding landscape, keep slopes gentle to prevent erosion. Rip all disturbed areas and seed with seed mixture #2.
4. Contact Jim Amos at 505-234-5909 prior to start, prior to equipment a removal and prior to seeding.

There is a Notice of Intent to Abandon the #3 well. Reclamation of the #1 well can take place at the same time as the #3. That will allow for the more efficient use of equipment, and the removal of the access roads. The reclamation requirements for the #3 will be pretty much the same, removal of the power lines on all three wells, flowlines, debris removal, strip caliche, contour to blend with the surrounding and seeding. All work should be completed by 2/1/08. Contact Jim Amos if any questions.

**Accepted for record
NMOCD**