

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		5. Lease Serial No. LC -032581 (B)
2. Name of Operator SOUTHWEST ROYALTIES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 6 Desta Drive, Suite 2100, Midland, TX 79705	3b. Phone No. (include area code) (432) 688-32	7. If Unit or CA/Agreement, Name and/or No. NM FU
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FNL & 1650 FEL Sec. 25, T 25S R 36E Unit Letter g		8. Well Name and No. Sholes B-25 #5
		9. API Well No. 30-025-09811
		10. Field and Pool, or Exploratory Area Scarborough Yates Seven Rivers
		11. County or Parish, State Lea, NM

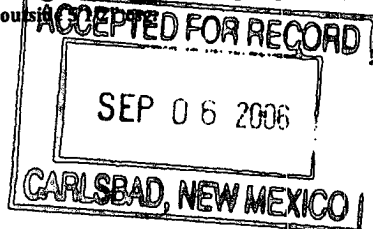
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

Notified NMOCDC & NM BLM on 6-20-06. Buddy Hill, OCD. Jim McCormick, BLM of P & A - Start

6-20-06 M.I. R.U. Pkr. stuck. Get OK from OCD & BLM to sqz. 25 sx. under pkr. & to cut tbg. & leave pkr. in hole.  
6-21-06 Sqz. would not pressure test. Get OK to set CIBP & cap w/25 sx. OCD & BLM cut tbg. @2,930'. W/L depth pull & talley tbg. 2,938'. tbg. talley. Set CIBP @2,938'. Pressure test csg. @600# PSI. O.K. Cap CIBP w/50 sx. cmt. Calculate T.O.C. @2,450'. Buddy Hill, okay not tag bottom of salt as long as csg. tested good. Pull tbg. to 1,214'. Mix & spot 25 sx. cmt. W.O.C.  
6-22-06 Tag T.O.C. @999'. P.O.O.H. w/tbg. & perf. csg. @410'. Set pkr. @30'. Mix & circulate cmt. to surface w/135 sx. cmt. Cement @ surface inside & outside.  
R.D. M.O.



OPERATORS - FOR SUNDRIES  
SUBMIT 1 ORIGINAL AND 5  
COPIES

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

Title AREA MANAGER

DAWN M. HOWARD/SWR OPER ASST.

Signature

Roger Massey

Date

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (ORIG. SGD.) FREDERICK WRIGHT

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)