

SOUTHWEST ROYALTIES, INC.
Southwest Royalties Building
407 N. Big Spring, Midland, TX, 79701-4326
P.O. Box 11390, Midland, TX, 79702-8390
(915) 686-9927, 1-800-433-7945

SOUTHWEST ROYALTIES

January 22, 2001



Tim Gum, District Supervisor
New Mexico Oil Conservation Division
District 2 (Artesia)
811 S. 1st Street
Artesia, New Mexico 88210

Re: Shut-in and Temporarily Abandoned Wells

Dear Mr. Gum:

After our meeting on January 10, 2001, I have reviewed the files on the ten wells in your district that are currently shut-in or temporarily abandoned. The table below is offered as a summary of Southwest Royalties, Inc.'s plans for these wells:

Lease/Well	Plan
Alscott Federal #2	Remove the production equipment, set a CIBP above the perfs. Load the casing with treated water and test. A sundry has been submitted to TA the well after the pressure test.
Julie #1	Test the casing for mechanical integrity. An AFE was previously prepared to recomple to the Canyon/Cisco. Recompletion should begin in the third quarter of this year.
North Hackberry Yates Unit #107	An unsuccessful attempt was made to return the well to production. A sundry to plug and abandon the well has been submitted.
North Hackberry Yates Unit #108	The well is to be treated with acid and returned to injection service. This work should be completed in February. A sundry has been submitted for this work.
State #1 (aka State E)	A sundry has been submitted to plug and abandon the well.
State B4458 Well #2	A sundry has been submitted to plug and abandon the well.

176C

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. 176C
CASE NO.	12811

1.1

Lease/Well

State B4458
Well #3

Plan

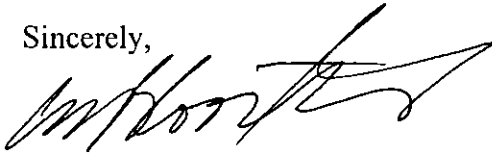
The well has been pumped one day a week, but is now being pumped everyday in order to determine is economic viability.

State JMD Well
#s 1,2 & 3

This lease was sold to Harvard Petroleum Corporation.
C-104's have been prepared and submitted.

The above work will be performed as expeditiously as possible, pending availability of service equipment. If I can provide additional information do not hesitate to contact me at (915) 686-9927.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Bloodworth', with a stylized flourish at the end.

C. M. "Marty" Bloodworth, P. E.
Area Supervisor

cc: CMB file

Al Perry

Well Files

Brian Dixon – Production Accounting