Form 3160-5 (August 2007)

OCD-ARTESIA

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. Lease Serial No. NMNBM06765 OMB No. 1004-0137
Expires: July 17, 2010
RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

6. If Indian, Allottee or Tribe Name

FORM APPROVED

abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name an SUBMIT IN TRIPLICATE - Other instructions on page 2. North Hackberry Yates Seven Rivers 1. Type of Well 8. Well Name and No. Oil Well Gas Well Other North Hackberry Yates Unit #120 9. API Well No 30-015-24981 2. Name of Operator SOUTHEST ROYALTIES, INC 3a. Address 6 DESTA DRIVE, STE 2100 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) North Hackberry Yates 432/688-3267 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 2428 FSL & 64 FEL (NESE) SEC 23, T19S, R 30E 92' 11. Country or Parish, State Eddy County, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Production (Start/Resume) Water Shut-Off __ Acidize Notice of Intent Alter Casing Fracture Treat ▼ Reclamation Well Integrity Casing Repair New Construction Recomplete Other Subsequent Report Change Plans Plug and Abandon Temporarily Abandon ✓ Final Abandonment Notice Convert to Injection Plug Back 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 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.)

P&A'D 4/29/10. Prepare to reclaim location.

- * 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 BLM guidelines.

File a FINAL ABANDONMENT REQUEST FOR FINAL INSPECTION.

Duplicate

JUL 3 2010

JAMES A. AMOS
SUPERVISOR-EPS

| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) DAWN M. HOWARD Tit | le OPERATIONS ASSIS | TANT | |
|---|---------------------|--------|---------|
| Signature Dawn Howa Da | ate 05/10/2010 | | |
| THIS SPACE FOR FEDERA | L OR STATE OFFIC | CE USE | |
| Approved by | | | |
| , | Title | Date | <u></u> |
| 'itions of approval, if any, are attached. Approval of this notice does not warrant or certife 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)

0/7/2010

| Y | | | | | |
|---|--|--------------------|--------------------------------------|--|--|
| Submit 1 Copy To Appropriate District Office | State of New Mexico | | Form C-103 | | |
| District I Energy | Energy, Minerals and Natural Resources | | October 13, 2009 | | |
| 1625 N. French Dr., Hobbs, NM 88240 | | | WELL API NO. | | |
| District II- 1301 W. Grand Ave., Artesia, NM 88210 OIL C | ONSERVATION | DIVISION | 30-015-24981 | | |
| 3501 W. Gland Ave., Artesia, 14W 60210 | 220 South St. Fran | | 5. Indicate Type of Lease | | |
| 1000 Rio Brazos Rd., Aztec, NM 87410 | | | STATE FEE BLM | | |
| District IV | Santa Fe, NM 87 | 7303 | 6. State Oil & Gas Lease No. | | |
| 1220 S. St. Francis Dr., Santa Fe, NM 87505 | | | LOV 022907 | | |
| SUNDRY NOTICES AND RE | EPORTS ON WELLS | | 7. Lease Name or Unit Agreement Name | | |
| (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A | | | | | |
| DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH | | | North Hackberry Yates Unit | | |
| PROPOSALS.) | | | 8. Well Number 120 | | |
| 1. Type of Well: Oil Well Gas Well | Other | | | | |
| 2. Name of Operator | | | 9. OGRID Number | | |
| Southwest Royalties, Inc. | and the state of t | | 021355 | | |
| 3. Address of Operator | | | 10. Pool name or Wildcat | | |
| 6 Desta Drive, Ste 2100, Midland, TX 79705 | | | North Hackberry Yates Seven Rivers | | |
| 4. Well Location | 44 10 10 | | | | |
| Unit Letter I: 2428 feet | from the S | line and | 64 feet from the NESE line | | |
| | Township 19S | Range 30E | NMPM Eddy County | | |
| | n (Show whether DR, | | | | |
| 3247' | II (Show whether DA, | MAD, MI, OM, etc.) | | | |
| 327/ | | | | | |
| | | | | | |
| 12. Check Appropriate | Box to Indicate N | ature of Notice, | Report or Other Data | | |
| NOTICE OF INTENTION | TO. | O LIDA | CEOUENT DEDODE OF | | |
| NOTICE OF INTENTION | - | | SEQUENT REPORT OF: | | |
| PERFORM REMEDIAL WORK PLUG AND | | REMEDIAL WORK | <u> </u> | | |
| TEMPORARILY ABANDON CHANGE PI | _ANS 🔲 | COMMENCE DRI | LLING OPNS. □ P AND A □ | | |
| PULL OR ALTER CASING | COMPL [| CASING/CEMENT | JOB 🔲 | | |
| DOWNHOLE COMMINGLE | | | | | |
| | ! | | | | |
|)THER: | | OTHER: | | | |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date | | | | | |
| of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of | | | | | |
| proposed completion or recompletion. | | | | | |
| | | | | | |
| Plug and Abandon Well 4/29/10. Prepare to reclaim | | | | | |
| * All pits and rat holes will be remediated, filled or | | | | | |
| * Steel marker over plugged well bore with permar | ent identification. | | | | |
| * Location leveled and all junk, equipment and anchors removed. | | | | | |
| * All environmental concerns addressed by OCD guidelines. | | | | | |
| File a FINAL ABANDONMENT REQUEST FOR FINAL INSPECTION | | | | | |
| Please see BLM Sundry also attached. | | | | | |
| | | | | | |
| 0.14.0.10.4 |] | 40.40.54 | | | |
| Spud Date: 9/19/84 | Rig Release Da | te: 10/26/8 | 34 | | |
| | J | | | | |
| | | | | | |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. | | | | | |
| | | | | | |
| | | | | | |
| SIGNATURE | | | | | |
| | | | | | |
| Type or print nameDawn M. Howard E-mail address: _dhoward@claytonwilliams.com_ PHONE: 432/688-3267 | | | | | |
| For State Use Only | | <u> </u> | | | |
| | | | | | |
| APPROVED BY: | TITLE | | DATE | | |
| nditions of Approval (if any): | | | | | |