

HOBBS OCD

JUL 18 2011

Submit One Copy To Appropriate District Office
 District I
 1625 N French Dr , Hobbs, NM 88240
 District II
 1301 W Grand Ave , Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 January 20, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS (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 PROPOSALS) 1. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other PLUGGED WELLBORE		WELL API NO. 30-025-05511
2. Name of Operator SOUTHWEST ROYALTIES, INC.		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
3. Address of Operator 6 DESTA DRIVE, STE 2100, MIDLAND, TX 79705		6. State Oil & Gas Lease No. NM LC 10646
4. Well Location Unit Letter <u>N</u> : 660 feet from the <u>S</u> line and 1980 feet from the <u>W</u> line Section <u>29</u> Township <u>18S</u> Range <u>37E</u> NMPM <u>LEA</u> County <u> </u>		7. Lease Name or Unit Agreement Name MCMILLAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3730' DR		8. Well Number 1
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		9. OGRID Number 21355
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		10. Pool name or Wildcat EUMONT / YATES SR-QN

SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
Location is ready for OCD inspection after P&A <input checked="" type="checkbox"/>	

☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the
OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
☒ If this is a one-well lease or last remaining well on lease, all electrical service, poles and lines, not to include primary service company equipment, has been removed from lease and well location.
- When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE [Signature] TITLE OPERATIONS ASSISTANT DATE 7/14/11

TYPE OR PRINT NAME: DAWN HOWARD E-MAIL: DHOWARD@CLAYTONWILLIAMS.COM PHONE: 432/688-3267

For State Use Only

APPROVED BY: [Signature] TITLE Compliance Officer DATE 7/20/2011

Conditions of Approval (if any):