

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 <i>SWD</i>		NMFU
2. Name of Operator Southwest Royalties, Inc.		8. Well Name and No. Sholes B-25 #5
3a. Address 6 Desta Drive, Ste 2100, Midland, TX 79705	3b. Phone No. (include area code) 432/688-3267	9. API Well No. 30-025-09811
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FNL & 1650' FEL, Sec 25, T25S, R36E, G		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 checked="" 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 type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input 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 checked="" 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 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 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.)

P&A procedures:

MI & RU PU; NU BOP; POH LD tbg & pkr. RU WL and set 5-1/2" CIBP @ 2950'. RIH w/tbg and tag CIBP. Circ MLF (approx 65 Bbs); spot 25 sx on top of CIBP 2950' - 2850'.

Pull tbg to 2350'; spot 25 sx cmt ~~2350'~~ 2250' (base salt).

Pull tbg to 1250'; spot 25 sx 1250' - 1150'. WOC & tag (top salt). 11m' - 1200' - Base Salt @ 2588 -

POH w/tbg. Perforate 5-1/2" csg @ 410'.

Pmp 120 sx cmt dwn 5-1/2" csg @ 410'.

Pmp 120 sx cmt dwn 5-1/2" csg and circ cmt to surface on backside of 5-1/2" X 8-5/8" csg. Leave cmt @ surface inside

RD MO; cut off WH & install dryhole marker.

Clean and restore location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Dawn M. Howard

Title Operations Assistant

Signature _____

Date _____

04/27/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>Harry W. Wink</u>	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)

GWW

PERF 5 1/2"
 @ 410' +

PUMP 120 SX
 DOWN 5 1/2" &

CIRC CUT TO
 SURFACE IN ANNULUS

LEAVE CMT IN 5 1/2" TO SURF

CMT PLUG

~~CMT PLUG~~

@ 1100' - 1200'

+ TAG

CMT PLUG

@ 2500' - 2600'

+ TAG

8 5/8" @ 360'

w/350 SX CIRC

T/C @ 950'

T/Salt 1175'

B/Salt 2588'

CIBP @ 2950' w/25 SX CMT

PERFS @ 3001' - 3010'

5 1/2" @ 3110

w/582 SX T/C @ 950'

Bakyaak
 6/6/05