

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC032511(a) 032581A <i>Rm</i>
2. Name of Operator SOUTHWEST ROYALTIES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 6 DESTA DRIVE, STE 2100, MIDLAND, TX 79705	3b. Phone No. (include area code) 432/688-3267	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 660' FEL, UNIT I, SEC 24, T25S, R36E		8. Well Name and No. SHOLES A #3
		9. API Well No. 30-025-09796
		10. Field and Pool, or Exploratory Area JALMAT TANSIL YATES 7-RIVERS
		11. County or Parish, State LEA COUNTY, 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 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 shall 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 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.)

IDLE WELL INSPECTION OCD #ILWH070442144 (BUDDY HILL -NMOCD)

NOTIFY BLM PRIOR TO P&A COMMENCEMENT.

MI RU WSU.

SET CIBP @ 2700' AND SPOT 25 SX CMT - TAG PLUG.

SPOT 25 SX CMT @2663' FROM THE BASE OF THE SALT AND TAG.

SPOT 30 SX CMT @ 1324' TO THE BASE OF THE INT. CSG.

SPOT 20 SX CMT @ 60' - 3'.

RD PU. NU DRY HOLE MARKER. COVER PIT. CLEAN LOCATION

PREPARE TO RIP AND RE-SEED LOCATION.

SCHEMATIC ATTACHED.

APPROVED

MAR 9 2007

**LES BABYAK
PETROLEUM ENGINEER**

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

DAWN M. HOWARD

Title **OPERATIONS ASSISTANT**

Signature

Date

03/06/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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

Sholes A #3
JALMAT, TANSILL, YATES
Lea Co., NM

API NO.: 30-025-09796

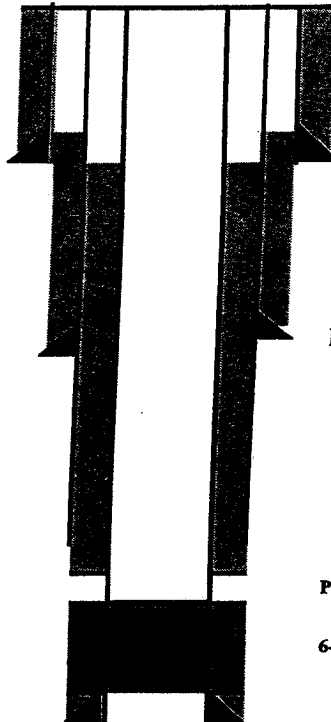
LEASE NO. 101796-003

LOC: 1980' FSL & 660' FEL; Sec. 24 T25S, R36E

WELLBORE DIAGRAM

ELEVATION

GL
KB
DF



7" HOLE TO 150'

SURFACE CASING:

13-3/8" csg. Set @ 200' Cemented w/200 sx (1947)

9-7/8" HOLE to 1274'

Intermediate Csg.: 7-5/8" Set @ 1274' Cemented w/500 sx (1947)

NOTE: Pulling report dated 10/25/00 Tbg. & pump
removed - 1 jt 2-7/8" used for Park-off Well T&A'd

Perf. 2750-2860' (11-15-90)

Perf: 2868-2878' (6-22-84) set RBP @ 2863' (71-91)

Perf.: 2892-2948' 3-12-79 Sqz. w/50 sx 6/22/84

Perf: 2961-77' (1947) Sqz. w/50 sx 3-12-79

Perfs: 3033-3188 Tested & Sqz w/retainer set

@ 2980' PBTD (1947)

Production Casing: 5-1/2" Set @ 3189' Cemented w/550 sx (1947)

6-3/4" HOLE to 3190'