

OCD-HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. LC030168A LC 032581 A
2. Name of Operator SOUTHWEST ROYALTIES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 6 DESTA DRIVE, STE 2100, MIDLAND, TEXAS 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) 660' FNL & 660' FEL, A, SEC 24, T25S, R36E		8. Well Name and No. SHOLES A #2
		9. API Well No. 30-025-09785
		10. Field and Pool, or Exploratory Area JALMAT YATES / 7 RIVERS/TANSIL
		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 recompletable 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 recompletable 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.)

NMOCD Idle rule 201 - Inspector Buddy Hill - Inspection No: ILWH07044388860

Notify BLM prior to plugging. RU P&A contractor & eqpmt. Remove pump stuck in hole. Set CIBP @ 2500' and top w/25' cmt on CIBP; cut and pull 7" csg @ 2200'; spot 60 sx cmt 50' inside and 50' above 7" csg stub. Spot 70 sx from 1527' - 1427'. Spot 25 sx from 60' to surface. Cut off WH and install DHM. RD MO.
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 04/17/2007	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by 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.	Title FREDERICK WRIGHT	Date MAY 10 2007
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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		

(Instructions on page 2)

GWW

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to plug this well with the following modifications:
2. BLM records indicate that the top of the perms in this well are currently at 2840', therefore the CIBP proposed for 2500' should be set @ 2790' with 35' of bailed or 50' of pumped cement on top and tagged.
3. Perf casing @ 2620' and squeeze with 30 sacks of cement leaving at least 20 sacks inside of the casing for the base of the salt.
4. Add a 37 sack plug @ 1225' for the top of the salt.
5. Add a 33 sack plug @ 207' for the surface casing shoe.
6. All of these plugs except the surface plug must be tagged.

*****All plugs below the surface plug must be at least 100' and 25 sacks of cement plus an additional 10% for each 1000 feet of depth.**

Plugging procedures must conform to 43 CFR 3162.6.d and Onshore Order No. 2.III.G or NMOCD orders if they are more stringent.

ALL OF THE WORK AUTHORIZED HERE MUST BE COMPLETED WITHIN 90 DAYS.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 5/10/07