

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Southwest Royalties, Inc.3a Address
6 Desta Drive, Ste 21003b Phone No (include area code)
432/688-3267

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL & 660' FEL, Unit 1, Sec 24, T25S, R36E

5 Lease Serial No.

LC 032581

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Sholes A #3

9. API Well No.

30-025-0978

10. Field and Pool, or Exploratory Area

Jalmat /Tansill/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 checked="" 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 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	

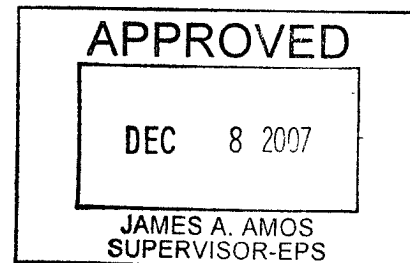
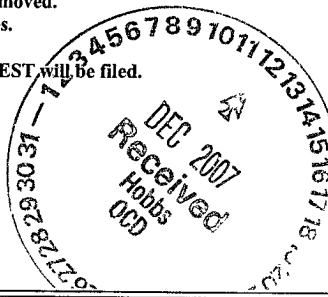
- 13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical 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.)

P&A'd 10/10/07. 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.

After all is completed, a FINAL ABANDONMENT REQUEST will be filed.

See Attached COA



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

Dawn M. Howard

Title Operations Assistant

Signature

Date

10/22/07

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

Date

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

Southwest Royalties, Incorporated
6 Desta Drive, Suite 2100
Midland, TX 79705

RE: Sholes A #3; NMLC032581
1980' FSL, 660' FEL, Sec.24, T25S, R36E
Lea County, New Mexico

Conditions of Approval:

1. Remove any and all surface contaminants.
2. Remove debris, both on and off location, and all caliche down to clean soils.
3. Contour the entire location to blend with the surrounding landscape. Rip all disturbed areas and seed with seed mixture #2.
4. All work is to be completed by February 8, 2008. Contact Jim Amos at 505-234-5909 prior to start, prior to equipment removal and prior to seeding.
5. Private landowner, should be consulted prior to any activity. If private landowner is not in agreement with any part of this Condition of Approval, we would need to get it in writing and signed off by the landowner.