

OCD-HOBBS

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## 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.

FORM APPROVED  
OMB No 1004-0137  
Expires: March 31, 20075. Lease Serial No  
LC 032581A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Sholes A #49. API Well No.  
30-025-0978610. Field and Pool, or Exploratory Area  
Jalmat Tansil Yates 7Rivers11. County or Parish, State  
Lea County, NM

## SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Southwest Royalties, Inc.

3a. Address  
6 Desta Drive, Ste 2100, Midland, TX 797053b. Phone No (include area code)  
432/688-32674. Location of Well (Footage, Sec, T, R., M., or Survey Description)  
1980' FNL & 660' FEL, Sec 24, T25S, R36E, Unit H

## 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.)

Present wellbore schematic attached.

MI P&amp;A contractor.

1. Set CIBP at approximately 2460' w/35' cmt on top
2. Perf and squeeze 65% "heat" cmt @ 1980'
3. Set a 2 sx plug within 10' to surface

RD and prepare for remediation &amp; reclamation.

RECEIVED

MAR 10 2008

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

Dawn M. Howard

Title Operations Assistant

Signature

Date 1/28/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by CEL  
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

Office

Date

MAR 6 2008

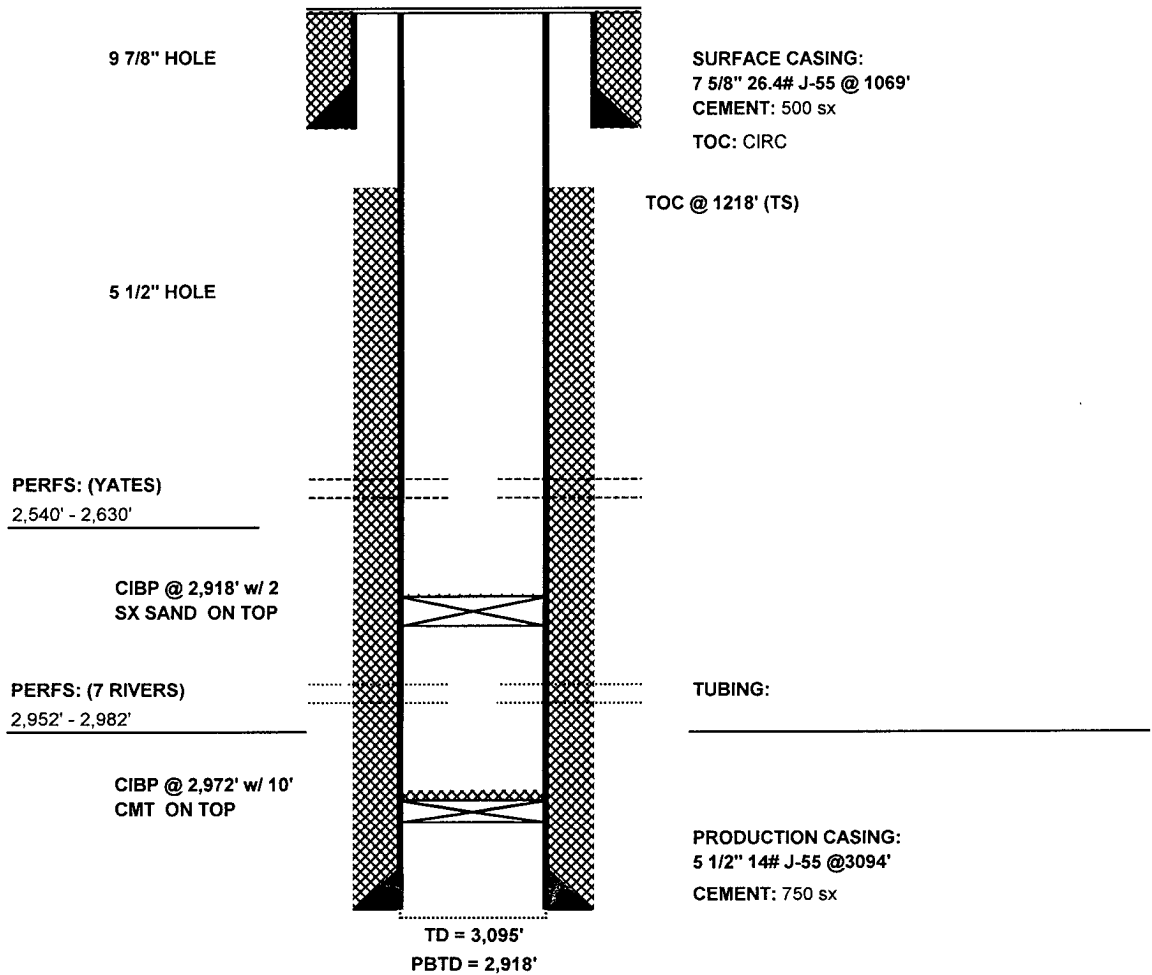
WESLEY W. INGRAM

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)

# CURRENT WELLBORE DIAGRAM

LEASE NAME	<b>SHOLES "A" #4</b>		
FIELD	JALAMT TANSIL		
COUNTY	LEA COUNTY, NM		
LOCATION.	1980' FNL & 660' FEL, Section 24, T-25S, R-36E		
API NUMBER	30-025-09786		
LEASE NUMBER			
STATUS	SI	SPUD	01/1950
ELEVATION KB	3,089'	COMPLETE	02/1950
GL	3,079'	WORKOVER	10/1971
		RECOMPLETE	04/1993



COMMENTS.

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**Sholes A #4  
Southwest Royalties, Inc.  
March 6, 2008  
Plug and Abandonment  
Conditions of Approval**

0. Tag CIBP at 2918'. Place 25 sacks of cement on CIBP.
1. Ok – 35' cement if bailed, 25 sacks if pumped.
  - a. Circulate hole with 9.5 ppg mud laden fluid
2. Perforate at 1119', establish injection rate and squeeze 65 sacks of cement. Cement to surface in annulus. WOC 4 hours and tag cement in 5 ½" casing at 1019' or shallower.
3. If cement does not circulate in annulus, the casing must be perforated at 60', injection rate established and cement brought to surface in annulus and casing.
4. Cut-off wellhead and casing, install dry hole marker, and clean location.

**WWI 030608**

**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, NM 88220

**Interim Reclamation Procedures for Permanently Abandoned Federal Wells**

1. After Subsequent Report of Abandonment, Form 3160-5, is filed and approved by the BLM the surface protection specialist (SPS) will conduct a surface inspection of the abandonment. The SPS will establish the reclamation requirements the operator will need to complete. **DO NOT START RECLAMATION UNTIL THE SPS HAS INSPECTED THE LOCATION.**

2. The reclamation requirements will be given to an environmental protection specialist (EPS). The EPS will issue the operator a Notice of Written Order outlining the reclamation requirements. **DO NOT START RECLAMATION UNTIL A NOTICE OF WRITTEN ORDER FOR RECLAMATION HAS BEEN RECEIVED.** The EPS will be responsible for all further abandonment work and inspections.

3. **Notification: CONTACT THE EPS 3-DAYS PRIOR TO RECLAMATION WORK.** This notification gives the EPS an opportunity to discuss by phone or on location the reclamation requirements, any special concerns and the timeframes. It also allows the EPS an opportunity to witness various aspects of the reclamation work to determine if an adequate seedbed has been prepared and all reclamation requirements have been completed. **CONTACT THE EPS AT LEAST 3 DAYS PRIOR TO SEEDING.** This allows the EPS to witness the seeding operation to make sure the location is seeded properly and with the appropriate seed mixture. **DO NOT START RECLAMATION UNTIL THE EPS HAS BEEN NOTIFIED.**

4. After reclamation work has been completed, submit the **I & E copy of the Notice of Written Order** to the BLM. It will need to be signed by a company representative and dated. Also submit one original and five copies of the **Final Abandonment Notice, Form 3160-5.** The report should state that all reclamation work has been completed, and the location is ready for a final abandonment inspection.

5. The BLM will continue to monitor the location to ensure the location vegetates successfully, and salts from the reserve pit do not leach to the surface. The location will be monitored until such time as vegetation (20%) is established evenly across the location (including the reserve pit and access road). Once EPS determines that vegetation (20%) is evenly spread across the location, final abandonment will be authorized.

If there are any questions please feel free to contact any of the following:

Jim Amos  
Supervisory Environmental Protection Specialist  
(575) 234-5909

Barry Hunt  
Surface Protection Specialist  
(575) 234-5965

Todd Suter  
Surface Protection Specialist  
(575) 234-5987

Trishia Bad Bear  
Natural Resource Specialist – Lea County  
(575) 393-3612

Cody Layton  
Natural Resource Specialist  
(575) 234-5959

Paul Evans  
Environmental Protection Specialist  
(575) 234-5977

Terry Gregston  
Environmental Protection Specialist  
(575) 234-5958

10/18/2006