

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. Francisco Dr., Santa Fe, NM 87505

OCT 23 2008

HOBBS

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-025-27642 ✓ |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease |
| 7. Lease Name or Unit Agreement Name Montieth 20 ✓ |
| 8. Well Number 1 ✓ |
| 9. OGRID Number 021355 ✓ |
| 10. Pool name or Wildcat Lovington Penn (Northeast) ✓ |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator
SOUTHWEST ROYALTIES, INC. ✓

3. Address of Operator
6 DESTA DRIVE, STE 2100, MIDLAND, TEXAS 79705

4. Well Location
Unit Letter _____ F: _____ 1980 feet from the _____ N _____ line and _____ 2310 feet from the _____ W _____ line
Section 20 Township 16S Range 37E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3819 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Due to numerous rod failures, search for bad tubing and rods and replace as needed. Pump change.

10-06-08 Current Activity: prep to NU BOP & tally pipe; from 7 a.m. to 5 p.m.; 10 hrs; MI RU PU; ND WH; NU BOP; move junk rods; unload and tally 2-3/8" tbg; SDON.

10-07-08 Current Activity: prep to RIH w/tbg; from 6 a.m. to 7 p.m.; 13 hrs; AOL; RU hydrostatic tstrs; RIH w/BPMJ, perf sub, SN and 10 jts TAC 106 jts 2-3/8", 2-3/8" X 2-7/8" 8rd swedge, 60 jts 2-7/8"; SDON; replaced 40 - 2-3/8" collars, busted 8 jts.

10-08-08 Current Activity: prep to finish tsg tbg in hole; from 6 a.m. to 7 p.m.; 13 hrs; AOL; OWU; RU testers; TIH w/191 jts 2-7/8" tbg; RD testers; ND BOP; set TAC; NU WH; RIH w/2X1-1/4X20 RHBM pmp, 4 -15 K bars, 146 - 3/4 rods; SDON; detail: 251 jts 2-7/8" tbg, 2-7/8" X 2-3/8" swedge (7682.12'), 106 jts 2-3/8" tbg (3383.30') @ 11065.42'; 2-3/8X5-1/2" TAC (3.50') @ 11,068.92'; 10 jts 2-3/8" tbg (316.13') @ 11,385.05'; SN (1.10') @ 11,386.15'; 4"X2-3/8" perf sub @ 11,390.15'; 2-3/4" bpmp (31.62') @ 11,421.77';

10-09-08 Pmpg well to btry.

Leaking stuffing box repaired and contaminated soil removed under load line. Inspection #iMGB08263460476.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Dawn M. Howard TITLE OPERATIONS ASST DATE 10/20/2008

Type or print name DAWN M. HOWARD E-mail address: dhoward@claytonwilliams.com Telephone No. 432/688-3267

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 27 2008

Conditions of Approval (if any):