

RECEIVED
JUL 13 2009
HOBBSOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-025-31847 ✓

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease
A-1320

7. Lease Name or Unit Agreement Name

Howard 32 State ✓

8. Well Number 1 ✓

9. OGRID Number
21355 ✓

10. Pool name or Wildcat
EUMONT/Yates SR-Queen ✓

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: ☒ Oil Well ☐ Gas Well ☐ Other ✓

2. Name of Operator
SOUTHWEST ROYLATIES, INC. ✓

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

4. Well Location

Unit Letter A : 990 feet from the NORTH line and 330 feet from the EAST line
Section 32 Township 18S Range 37E NMPM LEA County ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3416' 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. THEFT -OIL ☒

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.

Theft of approximately 110 BO reported 7/1/09. Please see attached Sherriff's report.

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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Dawn M. Howard TITLE Operations Assistant DATE 7/10/09

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 JUL 14 2009
Conditions of Approval (if any):

FEDERAL BUREAU OF INVESTIGATION										STATE OF NEW MEXICO UNIFORM INCIDENT REPORT										INCIDENT NO. 2009-9268										PAGE 1 OF 2																																																																																	
ON				BETWEEN				BY				AGENCY/COUNTY				DISTRICT NO.				INTERNAL USE (CASE NO. ETC.)				BURGLARY SEARCHED				NO. OF																																																																																			
MONTH/YEAR				DATE/TIME				MONTH/YEAR				LEA COUNTY Sheriff's Department				D4								YES				YES																																																																																			
TIME		DAY		TIME		DAY		TIME		DAY		ADDRESS/LOCATION				CITY				ZIP				GANG REL.				BIAS																																																																																			
2300		TU		0615		WE		0751		WE		7 mile North of Hwy 62/280 at MM 97.				Hobbs				88260				YES				YES																																																																																			
OFFENSE		OFFENSE / INCIDENT										STATUTE OR ORDINANCE										TEL. AREA		ATTN		COMP		VIO. OFFENSE		CRIME		LAW		WEAPON CODE		CONTINUED SUBJECT OF LISTING																																																																											
		Larceny										30-16-1										3F		X		232		O		25		95		X																																																																													
ATTN		LAST, FIRST, MIDDLE NAME (LAST, FIRST, MIDDLE)										PERSONAL IDENTIFICATION										DOB		AGE		SEX		WHT		BLK		ASIA		IND		UNK																																																																											
R		Mabrey, Terry										585-48-3873										4/19/53		56		M		X																																																																																			
STREET ADDRESS		605 Sockwell										575-392-6734										5' 07"		240		BRO		BRO		X																																																																																	
CITY		Hobbs										NM										88260										Same										VICTIM OF OFF. NO.		SUSP		REL		SUSP		REL																																																													
OCCUPATION		Production Foreman										Southwest Royalties										Midland, TX										None																																																																															
ALIAS / NICKNAME		None										None										99																																																																																									
DRIVER'S LICENSE NO.		009838295										NM																																																																																																			
PERSON TYPE		W										I										N										Mabrey, Terry										585-62-9639										7/25/54										54										M										X																													
STREET ADDRESS		9801 Carlsbad Hwy										575-605-9940										5' 08"										185										BRO										BLU										X																																																	
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PROPERTY STATUS	1-STEALING		2-POSSESS & CONCEAL		3-POSSESS & CONCEAL (THAT IS A FELONY)		4-POSSESS & CONCEAL (THAT IS A FELONY)		5-POSSESS & CONCEAL (THAT IS A FELONY)		6-POSSESS & CONCEAL (THAT IS A FELONY)		7-POSSESS & CONCEAL (THAT IS A FELONY)		8-POSSESS & CONCEAL (THAT IS A FELONY)		9-POSSESS & CONCEAL (THAT IS A FELONY)		10-POSSESS & CONCEAL (THAT IS A FELONY)		11-POSSESS & CONCEAL (THAT IS A FELONY)		12-POSSESS & CONCEAL (THAT IS A FELONY)		13-POSSESS & CONCEAL (THAT IS A FELONY)		14-POSSESS & CONCEAL (THAT IS A FELONY)		15-POSSESS & CONCEAL (THAT IS A FELONY)	
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DRUG TYPE	A-CRAK		B-COCAINE		C-HEROIN		D-HEROIN		E-MARIJUANA		F-MORPHINE		G-OPUM		H-OTHER NARCOTICS		I-PCP		J-OTHER HALLUCINOGENS		K-AMPH/METHAM		L-OTHER STIMULANTS		M-OTHER DRUGS		N-UNKNOWN		O-OTHER TYPES	
FIELD UNIT OF MEASURE	GM-GRAM		KG-KILOGRAM		OZ-OUNCE		LB-POUND		GAL-GALLON		NP-NO PLANT		LT-LITER		TO-FLUID OZ		DU-DOSE UNITS		ML-MILLILITER											
PROPERTY STATUS	I		08		Crude oil		NA		MODEL		NA		CALIBER		VALUE (EXCEPT DRUGS)															
PROPERTY TYPE	BRL		Crude oil, 110 Barrels		NA		NA		DATE RECOVERED		NA		NIC NO.																	
PROPERTY STATUS									MODEL				CALIBER		VALUE (EXCEPT DRUGS)															
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PROPERTY TYPE									DATE RECOVERED				NIC NO.																	
PROPERTY STATUS									MODEL																					

STATE OF NEW MEXICO SUPPLEMENTAL REPORT				ORIGINAL OFFENSE DATE 07/01/09		Case no.		INC NO 2009-9268		PAGE 1		OF 2		
ORIGINAL OFFENSE REPORTED Larceny				ORIGINAL VICTIM'S NAME (LAST, FIRST, MIDDLE) Southwest Royalties Inc.						DATE OF BIRTH NA				
LOCATION OF OCCURRENCE Lat 32.687N, Lon 103.260W....7 mile north of Intersection of dirt road and US 62/180 at MM 97.2														
BASIS FOR INVESTIGATION: : On Wednesday July 1, 2009 at approximately 0751 hours, I, Deputy Steven Ahrens was dispatched to a tank battery located approximately .7 miles north of the intersection of a dirt road and US Highway 62/180 at mile marker 97.2 in response to the theft of approximately 110 barrels of crude oil.														
ACTION UPON ARRIVAL: I made contact with (R) Terry Mabrey, production foreman, Southwest Royalties Inc.														
J.2.														
ACTIONS AFTER ENTRY: Subject(s) apparently drove a vacuum truck onto the site and backed it up to the crude oil transfer pipe and removed approximately 110 barrels of crude oil from tank number 77363-2.														
POINT OF EXIT: Same as point of entry.														
CHARACTERISTICS/CONDITIONS OF SCENE: An improved dirt pad bordered on the north by a pump jack, bordered on the west by two, ten thousand gallon crude oil tanks, a water storage tank and an oil/water separator. The pad surface is composed of caliche dirt and small stones.														
EVIDENCE AT THE SCENE: I was able to locate and photograph tire impressions left by the semi used to take the crude oil. I was not able to locate or identify any latent finger or shoe prints at the scene.														
ITEMS TAKEN/FROM WHERE/VALUE: 110 barrels of crude oil valued at \$7590.00 was taken from the site.														
WITNESSES: (w) Timothy Carlin, a rancher living at 9801 Carlsbad Highway.														
SUSPECTS: I have not been able to identify any specific suspect(s) at this time.														
OTHER INVESTIGATIVE ACTIVITY: Investigator J. Broom, unit 804, took photographs of the scene, tire impressions and the storage tank area. I was contacted by Bob Savor, Investigator, from CWI Inc. the parent company of Southwest Royalties, of Midland, TX 325-655-5969/325-893-1025. Savor offered to help in the investigation in any way possible. I advised Savor of the status of the investigation and informed him of how to get a copy of the report from the Sheriff's Department.														
NARRATIVE. Sometime between 2300 hours on June 30, 2009 and 0615 hours on July 1, 2009 unknown subject(s) entered the Southwest Royalties tank battery identified above and apparently removed, without permission, 110 barrels of crude oil. (W) Timothy Carlin stated that he was on the front porch of his residence which is located within view of the entrance to the road leading to the tank battery on the evening of June 30, 2009 until he went to bed at approximately 2300 hours. Carlin stated that he had not seen any semi tractor trailers enter or leave the tank battery. (R) Mabrey stated that he discovered the loss when he arrived at the tank battery at approximately 0615 hours on July 1, 2009. Mabrey stated that based on his 35 years of experience in the oil industry and the latent evidence left by the tanker apparently used to remove the crude oil, he was confident in stating that a vacuum truck was used to remove the crude. Mabrey stated that vacuum trucks load from the rear of the tanker and the tire impressions and the spilled crude oil near the transfer station appeared to be consistent with a rear loading tanker.														
Verifications:												ADD ON SUPP		
REPORTING OFFICER Steven Ahrens		RANK Dep	I.D NO. L26	DATE 07/01/09	DETECTIVE / FOLLOW-UP OFFICER / REFERRED TO J. Broom					I.D. NO. 804	DATE 07/01/09			
ASSISTING OFFICER		RANK	I.D NO.	DATE	PROCESSED BY			DATE	DATA ENTRY PERSON			DATE		
APPROVING OFFICER Jon C. MARTINEZ		RANK SGT	I.D NO. L-9	DATE 07/02/09	INCIDENT STATUS						EXCEPT	DATE		
					ACT	INACT	CLOSED	UNF	CLA	CLE	CODE	REMARKS OF OFFENDER DIPROD DECLINED CERTIFICATION DENIED PARTICIPATING TO COOPERATE EVALUATING IF NO COURT OPV IS NOT AVAILABLE		
AGENCY OPTIONAL USE (DISTRIBUTION, OTHER OFFICERS, ETC.)					CASES CLEARED BY THIS ARREST			CASE NO.	CASE NO.					

I observed that the impressions left by the tires on the rear axle appeared to be unique. The inner tire on the passenger side was a different tread pattern than the other three tires on the rear axle. I advised Investigator J. Broom of my observations and he proceeded to the site to conduct a more detailed investigation of the scene. Investigator Broom advised me that he would continue to investigate the case and would inform me if he needed additional information.

CASE STATUS: Open, pending identification of specific suspect(s) or suspect vehicle(s).