

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88201
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
JAN 08 2010
HOBBSUCD

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

WELL API NO. 30-025-09808	✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NM LC 032581 (b)	
7. Lease Name or Unit Agreement Name SHOLES B-25	✓
8. Well Number 2	✓
9. OGRID Number 021355	✓
10. Pool name or Wildcat JALMAT SWD	

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 ROYALTIES, INC.

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

4. Well Location

Unit Letter B : 660 feet from the N line and 1980 feet from the E line
Section 25 Township 25S Range 36E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3141' GR

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 ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: MIT ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

PREPARING TO MOVE IN AND PREFORM WORKOVER TO REPAIR WELL ON FRIDAY, 1/8/10 AFTER FAILED MIT ON 12/10/09. ASSUMING THAT WE ARE SUCCESSFUL IN REPAIRING, WE WILL RE-TEST MIT ON MONDAY 1/11/10. THE HOBBS OFFICE HAS BEEN CONTACTED ABOUT INTENTIONS AND WILL BE CONTACTED PRIOR TO MIT.

Spud Date:

8/14/41

Rig Release Date:

9/9/41

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE OPERATIONS ASSISTANT DATE 1/6/09

Type or print name DAWN M. HOWARD E-mail address: dhoward@claytonwilliams.com PHONE: 432/688-3267

For State Use Only

APPROVED BY: [Signature] TITLE **DISTRICT 1 SUPERVISOR** DATE **JAN 12 2010**

Conditions of Approval (if any):

Howard, Dawn

From: Howard, Dawn
Sent: Wednesday, January 06, 2010 12:33 PM
To: 'NMOCD (SYLVIA.DICKIE@STATE.NM.US)'
Cc: Creech, Harol
Subject: MIT FAILURES
Attachments: 0823_001.pdf

The original is in the mail to your attention, Sylvia and a copy to you, Harol. Thank you.

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 4688
RECIPIENT ADDRESS 915753930720
DESTINATION ID
ST. TIME 01/06 12:24
TIME USE 00'47
PAGES SENT 3
RESULT OK

6 Desta Drive, Ste 2100
Midland, Texas 79705
Phone: 432 688-3267
Fax: 432 688-3250

**SOUTHWEST
ROYALTIES,
INC./CWEI**

Fax

To: NMOCD I - Hobbs
Ms. Sylvia Dickie

From: Dawn Howard

Fax: 505-393-0720

Date: Wednesday, January 06, 2010

Phone

Pages: Cover + 2 C-103 Notice of Intentions

Good afternoon Sylvia,

Please find a C-103 Notice of Intent to perform repair work for two wells per your request via our foreman Mr. Creech: Cites Federal #2 well and the Sholes B-25 #2 well.

Have a great afternoon and Happy New Year,

Dawn M. Howard
Operations Assistant
Southwest Royalties, Inc./Clayton Williams Energy
6 Desta Drive, Ste 2100
Midland, Texas 79705
432/688-3267
432/688.3250 fax
dhoward@claytonwilliams.com