

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2009

HOBBS OGD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAY 26 2011

RECEIVED OGD

WELL API NO.

30-025-23992 ✓

5. Indicate Type of Lease

STATE ☐ FEE ☒ ✓

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Ammons Madera ✓

8. Well Number

1 / 1

9. OGRID Number

21355 ✓

10. Pool name or Wildcat

Salado Draw (Del) ✓

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

Six Desta Drive, Suite 2100, Midland, TX 79705

4. Well Location

Unit Letter L : 1980 feet from the South line and 990 feet from the West lineSection 15 Township 26S Range 33E NMPM Lea County

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

3310' DF

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: ☐

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.

On April 20, 2011 as we were shooting fluid levels on the lease, the Engineering Tech noticed water in the cellar. We immediately shut the well in, pending remedial work. A pulling unit is scheduled to isolate the leak on May 16, 2011. Once the leak is isolated a plan will be developed to repair the casing.

Spud Date:

Rig Release Date:

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

SIGNATURE

Danny M. Brock

TITLE

Production Manager

DATE

5-16-11

Type or print name

Danny M. Brock

E-mail address:

dbrock@claytonwilliams.com

PHONE:

432-688-3245

For State Use Only

APPROVED BY:

Candy K. Hill

TITLE

DISTRICT 1 SUPERVISOR

DATE

MAY 27 2011

Conditions of Approval (if any)