

TLM COPY

☒ Certified Mail - Return Receipt Requested  
Z 574 359 459

☐ Hand Delivered Received by

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**NOTICE OF INCIDENTS OF NONCOMPLIANCE**

Identification
IID
Lease NMLC030167A
CA
Unit
PA

Bureau of Land Management Office <b>HOBBS INSPECTION OFFICE</b>		Operator <b>SOUTHWEST ROYALTIES INC</b>	
Address <b>414 WEST TAYLOR HOBBS NM 88240</b>		Address <b>BOX 11390 MIDLAND TX 79702</b>	
Telephone <b>505.393.3612</b>		Attention	
Inspector <b>Andrea Massengill</b>		Attn Addr	
Site Name <b>MCCALLISTER A</b>	Well or Facility <b>07</b>	Township <b>26S</b>	Range <b>36E</b>
		Meridian <b>NMP</b>	Section <b>24</b>
			1/4 1/4 <b>SENE</b>

**THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE**

Date	Time (24 - hour clock)	Violation	Gravity of Violation
01/22/1999		43CFR 3162.3-4(a)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
02/19/1999			43 CFR 3163.1()

Remarks Failure to return well back on production according to approval dated 05/12/98. Well must be put back on production or plugged and abandoned. Submit intent to this office on a 3160-5 (Sundry Notice), one original and five copies. (see attachment)

When violation is corrected, sign this notice and return to above address.

Company Representative Title Area Supervisor Signature [Signature] Date 2/23/99  
Company Comments C.M. Bloodworth, P.E.

**WARNING**

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

**REVIEW AND APPEAL RIGHTS**

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 4015 Wilson Blvd., Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>	Date <u>1-27-99</u>	Time <u>1200</u>
---	------------------------	---------------------

**FOR OFFICE USE ONLY**

Number <b>50</b>	Date	Assessment	Penalty	Termination
Type of Inspection <b>PR</b>				

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

*SUBMIT IN TRIPLICATE*

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SOUTHWEST ROYALTIES, INC.

3. Address and Telephone No.

P.O. BOX 11390; MIDLAND, TEXAS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330 FEL & 2310 FNL, SEC 24, T26S, R36E

5. Lease Designation and Serial No.  
LC 030167A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

MC CALLISTER A-7

9. API Well No.

30 025 23628

10. Field and Pool, or Exploratory Area  
SCARBOROUGH YTS SR

11. County or Parish, State

LEA CO., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other RETURN TO PRODUCTION

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

SET CIBP @ 3120' (SHUT OFF SEVEN RIVERS FORMATION)

RE-PERF YATES 2948-3064'.

RUN ROD & PUMP, INSTALL PU & PRODUCE.

ANTICIPATED START DATE : 5-01-99

**DENIED**

14. I hereby certify that the foregoing is true and correct

Signed

Title AREA SUPERVISOR

Date 02/09/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ORIG SGD GARY GOINIE

MAR 05 1999