

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Southwest Royalties	Contact Luis Gonzalez
Address 6 Desta Dr Suite 2100, Midland, TX	Telephone No. 432-661-4708 lgonzalez@claytonwilliams.com
Facility Name North Hackberry Yates Well #105	Facility Type Injection Well

Surface Owner BLM	Mineral Owner	API No. 30-015-04618
--------------------------	---------------	-----------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	23	19S	30E					Eddy

Latitude **32.6465** Longitude **-103.9374**

NATURE OF RELEASE

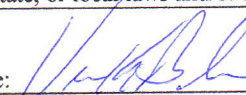
Type of Release Produced Water/Oil	Volume of Release Unknown	Volume Recovered 0
Source of Release Injection Line	Date and Hour of Occurrence 16Jun14	Date and Hour of Discovery 16Jun14
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD and Jennifer Van Curren, BLM	
By Whom? Vernon K. Black	Date and Hour 16Jun14	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Upon discovery, the well was shut in and the line repaired. Hungry Horse, LLC conducted emergency actions by mechanically excavating the top 3"-6" of saturated and stained soil from the arroyo. All impacted soil was placed on plastic awaiting disposal. Remediation of the impacted area will continue with soil samples collected and analyzed. Lab results will be presented to NM OCD and BLM.

Describe Area Affected and Cleanup Action Taken.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:  Agent for Southwest Royalties		OIL CONSERVATION DIVISION	
Printed Name: Vernon K. Black-Hungry Horse, LLC		Approved by Environmental Specialist:	
Title: HSE		Approval Date:	Expiration Date:
E-mail Address: vblack@hungry-horse.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 19Jun14 Phone: 575-631-2253			

* Attach Additional Sheets If Necessary