

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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

~~MOBBS~~ ~~OCD~~

Form C-141  
Revised October 10, 2003

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

SEP 03 2014

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

Name of Company - <i>Southwest Royalties Inc.</i>	Contact - <i>Luis Gonzalez</i>
Address - <i>6 Desta Drive, Ste 2100</i>	Telephone No. <i>423-661-4708</i>
Facility Name - <i>Ammons Madera</i>	Facility Type <i>battery</i>
Surface Owner - <i>State</i>	Mineral Owner: <i>private</i>
Lease No. <i>21355</i>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>L</i>	<i>15</i>	<i>26S</i>	<i>33 E</i>	<i>1980</i>	<i>South</i>	<i>990</i>	<i>West</i>	<i>Lea</i>

Latitude Longitude

NATURE OF RELEASE

Type of Release - <i>Produced Water and skim of oil</i>	Volume of Release <i>22 bbls of water and 2 bbls of oil</i>	Volume Recovered - <i>18 bbls water 1bbl oil</i>
Source of Release- <i>battery water tank overflowed</i>	Date and Hour of Occurrence <i>7-19-13 @ Early morning</i>	Date and Hour of Discovery <i>8-27-14 @ ~1200 Hrs</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>OCD - Mr. Mark Whitaker</i>	
By Whom? <i>Kenneth Allen.... Production Field Foreman</i>	Date and Hour <i>8-27-14 @ ~1200 Hrs</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>NA</i>	

If a Watercourse was Impacted, Describe Fully. \* *NA*

Describe Cause of Problem and Remedial Action Taken. \* *The high fluid level automation system failed allowing tanks to overflow water in to the fire wall (dikes) all fluids were contained inside the fire wall. We have recovered all free fluids standing at present time which it consisted of ~21 Bbls of produced water and 2 Bbls of oil .Delineation/Excavation process will be performed accordingly by requirements.*

Describe Area Affected and cleanup Action Taken: *The tanks surrounding area inside the fire wall soils were affected, which is an area approx: 20' x 75' We have recovered free fluids standing inside the fire wall, and as of today we have moved equipment to begin the excavation process of all affected soils and to place material on to a plastic liner outside the battery for further removal of soils to a proper Disposal. Then we will proceed by sampling the soil and run analysis to determine salt and TPH concentrations.*

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.

OIL CONSERVATION DIVISION

Signature: <i>Luis A Gonzalez</i>	Approved by District Supervisor: <i>Ernest Sprague</i>	
Printed Name: <i>Luis A Gonzalez</i>	Approval Date: <i>9-3-14</i>	Expiration Date: <i>11-3-14</i>
Title: <i>Environmental Regulatory Administrator</i>	Conditions of Approval: <i>951E Super program Revised &amp; include over as per NMOCD guides. Subic foul C-141 by 11-3-14</i>	
E-mail Address: <i>lgonzalez@claytonwilliams.com</i>	Attached <input type="checkbox"/> <i>IRP-3301</i>	
Date: <i>September 3, 2014</i> Phone: <i>432-661-4708</i>	<i>Ogvid 21355 No 1424 647196 p70 1424 647338 f701424 647046</i>	

\* Attach Additional Sheets If Necessary

SEP 05 2014