

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

Form C-141
Revised October 10, 2003

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

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

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company	Southwest Royalties, Inc.	Contact	Dawn M. Howard
Address	6 Desta Drive, Ste 2100, Midland, Texas 79705	Telephone No.	432-688-3267
Facility Name	Malaga A #2	Facility Type	Oil lease - battery

Surface Owner	Mineral Owner	Lease No.	10642/POD/2436630
---------------	---------------	-----------	-------------------

LOCATION OF RELEASE

30-015-23287

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	2	24S	28E	660	N	660	W	Eddy

Latitude 32.25256 Longitude -104.06332

NATURE OF RELEASE

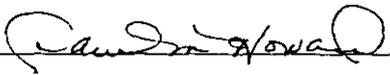
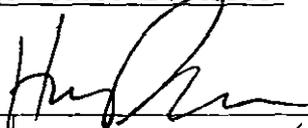
Type of Release	hydrocarbons pooled around wellhead	Volume of Release	5BF	Volume Recovered	BF
Source of Release	slow packer leak around wellhead	Date and Hour of Occurrence	11/4/09	Date and Hour of Discovery	11/09/09 -Letter of Violation
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom? Letter of Violation rec, Inspection #	REH0930858117	Date and Hour	LOV NO. 09-02-106		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A slow packer leak formed a pooling of fluid around the wellhead contained within the cellar at the Malaga A #2 site. Working in conjunction with Mike Bratcher, NMOCD Artesia, heavily hydrocarbon contaminated soil was excavated and removed to an approved offsite disposal facility.

Describe Area Affected and Cleanup Action Taken.*
Affected areas were excavated and heavily hydrocarbon stained soil was removed to offsite disposal facility. Excavated chloride impacted soils were used to create a diversionary structure on north side of location as approved by Mike Bratcher, NMOCD Artesia. Clean soil was brought in to backfill excavated areas.

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: 		OIL CONSERVATION DIVISION	
Printed Name: Dawn M. Howard		Approved by District Supervisor: 	
Title: Operations Assistant		Approval Date: 11/9/15	Expiration Date: N/A
E-mail Address: dhoward@claytonwilliams.com		Conditions of Approval: 	
Date: 1/24/11	Phone: 432/688-3267	Attached <input type="checkbox"/>	

Attach Additional Sheets If Necessary

2RD-371