

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

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

Name of Company	SOUTHWEST ROYALTIES, INC.	Contact	DAWN M. HOWARD
Address	6 DESTA DR, ST 2100, MIDLAND, TX 79705	Telephone No.	432/688-3267
Facility Name	FARNSWORTH FEDERAL B #5	Facility Type	OIL WELL
Surface Owner	VARIOUS -SEE ATTACHED		Mineral Owner
			Lease No. LC03018013

LOCATION OF RELEASE

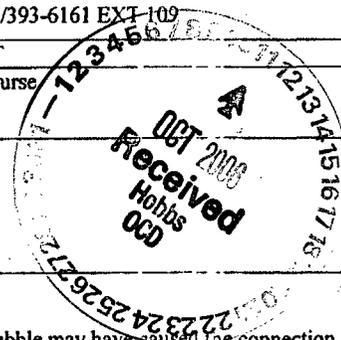
API # 30025119610000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	7	26S	37E	1980	S	660	W	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	OIL	Volume of Release	Unknown	Volume Recovered	125 (well)+145 (btry)
Source of Release	Well blow out at well head, tanks overflowed & small leaks in tanks	Date and Hour of Occurrence	8/23/06 11:30 A.M. CT	Date and Hour of Discovery	8/23/06 11:30 A.M. CT
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	PAT CAPERTON'S VOICEMAIL 505/393-6161 EXT 109		
By Whom?	DAWN HOWARD	Date and Hour	8/23/06 11:30 A.M. CT		
Was a Watercourse Reached?	<input type="checkbox"/> Yes x No	If YES, Volume Impacting the Watercourse			



If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The well does not produce daily, but builds up enough pressure to flow up the backside. A pocket of gas or an air bubble may have caused the connection to blow off the well at the wellhead. The tanks were also full and overflowed and were found to have small leaks. There were actually two areas of contamination being 1) approximately 2 to 4 acres of over spay from the wellhead and 2) the battery -on the pad, overdrive area and extending into the pasture.

Describe Area Affected and Cleanup Action Taken.*
The well was brought under control by choke installation. All free standing oil was vacuumed up (125 BF at the well site and 145 BF at the battery). All fluid in tanks drained. Highlander Environmental was contacted and is currently on location assessing damages, taking samples and will be providing their recommended remedial actions. Clean up will strictly adhere to NMOCD Guidelines for Remediation of Leaks, Spills and Releases.

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>Dawn M Howard</i>	Approved by District Supervisor:		
Printed Name: Dawn M. Howard	Approval Date:	Expiration Date:	
Title: Operations Assistant	Conditions of Approval:		
E-mail Address: dhoward@claytonwilliams.com			Attached <input type="checkbox"/>
Date: 8/24/06	Phone: 432/688-3267		

* Attach Additional Sheets If Necessary

incident - nPAC0628528233
application - pPAC0628528447

RP#1074