

District I  
125 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 87501  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**RECEIVED**  
**JUL 02 2009**  
**HOBBSOCD**

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**

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 dhoward@claytonwilliams.com
Facility Name Cities Federal #2 SWD	Facility Type Commercial SWD
Surface Owner Federal lands lease to Larry Strain 432/685-2064	Mineral Owner Federal
Lease No. NMLC030132	

**LOCATION OF RELEASE**

API # 30.025.28474.00.00

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	20	22S	36E	660	S	660	W	Lea

Latitude 32\*21'08" Longitude 103\*12'59" NAD 27

**NATURE OF RELEASE**

Type of Release Produced water with skim of oil	Volume of Release 30 BPW	Volume Recovered 20 BPW
Source of Release 3" ploy line	Date and Hour of Occurrence 6/18/09	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.\*

WATER @ 385'

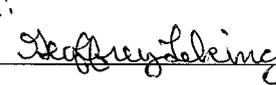
Describe Cause of Problem and Remedial Action Taken.\*

A release of an estimated 30 Bbbls produced water was reported 6/29/09 due to a leak on 3" poly disposal line to well from tank on the Cities Fed #2 SWD. Approximately 20 Bbbls produced water was picked up via vacuumed up.

Describe Area Affected and Cleanup Action Taken.\*

Release contained on location. Vacuumed and removed free fluid and poly line repaired.

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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Dawn M. Howard	Approved by <b>ENV. ENGINEER:</b> <del>District Supervisor</del> 	
Title: Operations Assistant	Approval Date: 07/02/09	Expiration Date: 08/31/09
E-mail Address: dhoward@claytonwilliams.com	Conditions of Approval: DELINEATE TO CLEAN + 1. SUBMIT FINAL C-141 BY	Attached <input type="checkbox"/>
Date: 6/29/09 Phone: 432/688-3267		IRP-09.7.2222

\* Attach Additional Sheets If Necessary

AGRL0918738477