

District I  
1625 N. French Dr , Hobbs, NM 88240  
District II  
301 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

RECEIVED  
NOV 18 2009  
NMOCD ARTESIA

Form C-141  
Revised October 10, 2003  
Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

30-015-23287

Release Notification and Corrective Action

NMLB09355-48032

21355

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

|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| 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                         | 5 BF              | Volume Recovered           | BF                            |
| Source of Release           | slow packer leaking – contained within cellar   | Date and Hour of Occurrence               | 11/04/09          | 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 #iREH0930858117   | 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 well site.

Describe Area Affected and Cleanup Action Taken.\*

Approx. 5 BF was sucked up and the cellar dug out approx 5'. Contaminated dirt was properly disposed of and replaced with fresh dirt.

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: 

Printed Name: Dawn M. Howard

Title: Operations Assistant

E-mail Address: dhoward@claytonwilliams.com

Date: 11/16/09 Phone: 432/688-3267

OIL CONSERVATION DIVISION

Approved  Signed By Supervisor

Approval Date: DEC 21 2009

Expiration Date:

Conditions of Approval:

Attached ☒

REMEDATION per OCD Rules and  
Guidelines. SUBMIT REMEDIATION  
PROPOSAL BY: See Attachment

\* Attach Additional Sheets If Necessary

NMLB09355-48032

→ 2RP-371