

RECEIVED

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

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

SEP 17 2008
HOBBS NM

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Southwest Royalties, Inc.	Contact	Dawn Howard
Address	6 Desta Drive, Ste 2100	Telephone No.	432/688-3267
Facility Name	Flying M San Andres Unit	Facility Type	Buried line closest to Flying M #61 & #51 (wells in Section 16 but no active wells in Section 17 where spill occurred)
Surface Owner	State of NM	Mineral Owner	State of NM
		Lease No.	NM 058102

LOCATION OF RELEASE

API 30.025.34234

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	17	9S	33E	~ 660	S	~ 660	E	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil & Produced Water	Volume of Release	285 Bbls	Volume Recovered	350 Bbls
Source of Release	Buried Line	Date and Hour of Occurrence	9/13/08 Saturday Relief Pumper	Date and Hour of Discovery	noon 9/15/08
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Maxie Browne NMOCD		
By Whom?	Mr. Terry Mabrey	Date and Hour	2 p.m. 9/15/08		
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 *

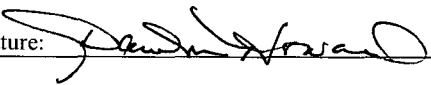
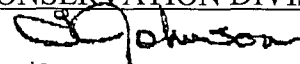
A dresser sleeve on a buried line eroded, burst and fluid escaped to surface and mixed with pooled rain water. Area affected ~ approximately 500' X 500'. Estimated volume at 10 Bbls oil + 275 Bbls produced water. Vacuumed 350 Bbls fluid - additional fluid recovered was rain water pooled on surface.

Note on location of leak is in Section 17- the nearest active wells are our #61 & 51 in Section 16.

Describe Area Affected and Cleanup Action Taken.*

Vacuuming oil 9/16/08. Still Accessing conditions and requesting the assistance of an environmental services expert.

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  ENVIRONMENTAL ENGINEER	
Title: Operations Assistant	Approval Date: 9.23.08	Expiration Date: 11.21.08
E-mail Address: DHoward@claytonwilliams.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 9/16/08 Phone: 432/688-3267	SUBMIT CLEAN UP PLAN 2 FINAL BY 11-21-08	11-21-08

* Attach Additional Sheets If Necessary

FGRL 0827040066