

District I
1225 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88203
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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HOBBSON

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'

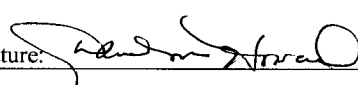
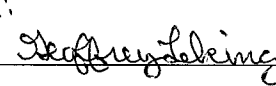

Describe Cause of Problem and Remedial Action Taken.*

A release of an estimated 30 Bbls 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 Bbls 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: 		OIL CONSERVATION DIVISION	
Printed Name: Dawn M. Howard		Approved by ENV. ENGINEER:  District Supervisor	
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 	
Date: 6/29/09	Phone: 432/688-3267	Attached <input type="checkbox"/> IRP-09.7.2222	

* Attach Additional Sheets If Necessary

AGRL0918738477