

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

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

NMLB 09355 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
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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: 		OIL CONSERVATION DIVISION	
Printed Name: Dawn M. Howard		Approved 	
Title: Operations Assistant		Approval Date: DEC 21 2009	Expiration Date:
E-mail Address: dhoward@claytonwilliams.com		Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 11/16/09 Phone: 432/688-3267			

\* Attach Additional Sheets If Necessary

NMLB 09355 48032

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

2RP-371

**Bratcher, Mike, EMNRD**

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**From:** Bratcher, Mike, EMNRD  
**Sent:** Monday, December 21, 2009 3:06 PM  
**To:** 'dhoward@claytonwilliams.com'  
**Subject:** Southwest Royalties Malaga A 002  
**Attachments:** Southwest Royalties Malaga A 2.doc; DSC02330.JPG

Dawn,

Please find attached, a letter requesting further investigation at the Malaga A 002 site. Also attached is the photo the field inspector took the day of his inspection.

*Mike Bratcher*

NMOCD DISTRICT 2  
1301 W. GRAND AVE.  
ARTESIA, NM 88210  
575-748-1283 EXT.108  
[mike.bratcher@state.nm.us](mailto:mike.bratcher@state.nm.us)

"Democracy is two wolves and a lamb deciding what to have for dinner. Liberty is a well armed lamb." - Benjamin Franklin

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark Fesmire**

Division Director

Oil Conservation Division



Southwest Royalties Inc.  
6 Desta Drive  
Suite 2100  
Midland, TX 79705

December 21, 2009

Reference: Malaga A 002 D-2-24s-28e API: 30-015-23287 Eddy County, New Mexico

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an initial report Form C-141 reporting a release of produced fluids at or near the above referenced well site. The C-141 was requested subsequent to a routine site inspection performed by an OCD field inspector on 11/4/2009. The inspector observed what appear to be produced fluids pooled at the well head area. Staining is evident in soils extending out on the well pad from the well head area. The C-141 submitted states that contaminated soils were disposed of and replaced with clean material. After a review of the photo taken by the inspector, OCD is requesting samples be obtained in the area of the release in such a manner as to adequately determine if any contaminants are still present at this site. Samples are to be obtained below the clean soils that were used as backfill. A site ranking will also be required. Further remedial action, if any, will be based on the results of samples obtained.

## **Notify the OCD District 2 office 48 hours prior to obtaining samples.**

A publication is available to you on the OCD website to aid in formulating the site ranking and to provide information as to what may be required if it is determined that contaminants still exist at the site. The publication may be found as follows:

<http://www.emnrd.state.nm.us/ocd>

Click on each of the following items as they appear:

- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Please submit the site ranking to the OCD District 2 Office not later than **January 11, 2010**. In addition, please schedule to perform the sampling event not later than **January 11, 2010**. In the site ranking submittal, include any remedial or clean up actions that have been performed to mitigate impact from this release including volume of material removed and dimensions of excavation.

Clean up/remediation requirements may be subject to other federal, state, local laws and/or regulations.



December 21, 2009

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If you have any questions or concerns, please contact me.

Sincerely,

Mike Bratcher  
NMOCD District 2  
1301 W. Grand Ave.  
Artesia, NM 88210  
575-748-1283 Ext.108  
[mike.bratcher@state.nm.us](mailto:mike.bratcher@state.nm.us)

2RP-371

Southwest Royalties MALAGA A#2 2-24-28 015-23287 Inspection Date 11/4/09 LOV Issued

