NMOCD Notified: 11/16/2009 Site Information and Metrics SITE Malaga A 002 Assigned Site Reference #. Company Southwest Royalties, Inc. Street Address: 6 Desta Duve, Ste 2100 Mailing Address: 6 Desta Drive, Ste 2100 City, State, Zip Midland, Texas 79705 Representative Dawn M Howard Representative Telephone: 432 688.3267 Telephone Fluid volume released (bbls): 5 BF Recovered (bbls): 5 BF >25 bbls Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days (Also applies to unauthorized releases >500 mcf Natural Gas) 5-25 bbls. Submit form C-141 within 15 days (Also applies to unaughorized releases of 50-500 mcf Natural Gas) Leak, Spill, or Pit (LSP) Name: Malaga A 002 Source of Contamination Slow packer leaking Land Owner, 1 e, BLM, ST, Fee, Other: Roxie L. Williams Trust, Margaret L. Fate, Trustee LSP Dimensions: LSP Area: Location of Reference Point (RP) Location distance and direction from RP Latitude: 32.25256 Longitude: 104.06332 Elevation above mean sea level Feet from North Section Line: 660' Feet from West Section Line: 660' Location - Unit or 1/41/4 Unit Letter: D Location - Section 2 Location - Township 24S Location - Range 28E Surface water body within 1000' radius of site: None Surface water body within 1000' radius of site: Domestic water wells within 1000' radius of site. None Domestic water wells within 1000' radius of site: Agricultural water wells within 1000' radius of site. None Agricultural water wells within 1000' radius of site. Public water supply wells within 1000' radius of site: None Depth from land surface to ground water (DG): <50' per NMOCD Artesia and NM OSE Water Rights (at 487 meter radius) Depth of Contamination (DC): estimated to be 5' Depth to ground water (DG - DC = DtGW): 50-5 = 45 ft 1. Ground Water 2. Wellhead Protection Area 3. Distance to Surface Water Body If Depth to GW <50 feet: 20 points <200 horizontal feet: 20 points If <1000' from water source, or; <200' from If Depth to GW 50 to 99 feet. 10 points private domestic water source 20 points 200 to 100 horizontal feet. 10 points If Depth to GW > 100 feet 0 points If >1000' from water source, or; >200' from >1000 horizontal feet 0 points private domestic water source: θ points Ground Water Score = 20 Wellhead Protection Area Score = 0 Surface Water Score = 0 Site Rank (1+2+3)=20Total Site Ranking Score and Acceptable Concentrations >19 0 - 9 Parameter 10 ppm Benzene¹ 10 ppm 10 ppm BTEX1 50 ppm 50 ppm TPH 100 ppm 1000 ppm 5000 ppm ¹100 ppm field VOC headspace measurement may be substituted for lab analysis

Bratcher, Mike, EMNRD

From: Debi Moore [debi@sportenvironmental.com]

Sent: Tuesday, January 12, 2010 3:54 PM

To: Bratcher, Mike, EMNRD Cc: Dawn Howard; Nick Williams

Subject: FW: Southwest Royalties, Inc. - Malaga A 002 Site Ranking Criteria Form

Attachments: Site Ranking Form.xls

I apologize for leaving off the attachment in my previous email.



DEBI SPORT MOORE, M.E., R.E.P.A

President

Sport Environmental Services, PLLC 502 North Big Spring Street Midland, Texas 79701 debi@sportenvironmental.com Business. 432.683.1100

Fax: 888-500-0622 Cell: 432-553-8555

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----- Forwarded Message

From: Debi Moore <debi@sportenvironmental.com>

Date: Tue, 12 Jan 2010 16:51:30 -0600

To: Mike Bratcher < mike.bratcher@state.nm.us >

Cc: Dawn Howard choward@claytonwilliams.com, Nick Williams <nick@sportenvironmental.com

Conversation: Southwest Royalties, Inc. - Malaga A 002 Site Ranking Criteria Form **Subject:** Southwest Royalties, Inc. - Malaga A 002 Site Ranking Criteria Form

Mike,

Attached please find the Site Ranking Criteria Form for the aforementioned Southwest Royalties' site. Nick Williams, Environmental Coordinator with Sport Environmental, will collect delineation samples tomorrow at the site around 2pm. We will call and notify you of the exact time once we get to the site and determine the time necessary to prep for sample collection.

Thank you for your approval.



DEBI SPORT MOORE, M.E., R.E.P.A

President

Sport Environmental Services,PLLC 502 North Big Spring Street Midland, Texas 79701 debi@sportenvironmental.com Business: 432.683.1100

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Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD

Sent: Tuesday, January 12, 2010 11:04 AM

To: 'Debi Moore'
Cc: Dawn Howard

Subject: RE: Southwest Royalties, Inc - Malaga A 002

Debi,

As we discussed this morning, your request for an extension is approved to February 12, 2010. Please submit the site ranking information and a remediation/closure proposal, based on site delineation and site ranking, by this date. You may commence the delineation process upon arrival at the site on Wednesday.

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

Mike Bratcher NMOCD District 2

From: Debi Moore [mailto:debi@sportenvironmental.com]

Sent: Monday, January 11, 2010 4:18 PM

To: Bratcher, Mike, EMNRD

Cc: Dawn Howard

Subject: Southwest Royalties, Inc - Malaga A 002

Mike,

Please excuse the email request. I made an attempt to contact you this afternoon, but your office was closed for the day. In response to your attached request, please let this email serve as 48 hour notification of sampling to commence at 4pm (NM) on Wednesday, January 13th. The attached documentation is in regards to a release that was brought to our attention this afternoon. We would like to request an extension to today's deadline. We are available to sample sooner than 48 hours if the NMOCD approves. Please advise if this is a possibility.

In addition, a site ranking criteria form, denoting groundwater depth and other criteria necessary to determine the appropriate clean-up levels, is being compiled. The form will be emailed to your attention (in the morning) once accurate water well information is obtained. We will call your office first thing in the morning to discuss sampling timing and the potential for an extension to allow Sport Environmental time to properly sample and delineate the site.

Happy New Year! I hope you enjoyed your holidays.

Thanks,



DEBI SPORT MOORE, M.E., R.E.P.A.

President

Sport Environmental Services, PLLC 502 North Big Spring Street Midland, Texas 79701 debi@sportenvironmental.com Business: 432.683.1100

Fax: 888-500-0622 Cell: 432-553-8555

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Bratcher, Mike, EMNRD

From: Debi Moore [debi@sportenvironmental.com]

Sent: Thursday, January 14, 2010 7:14 AM

To: Bratcher, Mike, EMNRD

Cc: Nick Williams

Subject: Southwest Royalties - Malaga A #2

Mike,

Sample collection did not take place yesterday. There are still hydrocarbon fluids present at the wellhead. We will need to stop the leak and clean-up the site prior to sampling. We will provide 48 hour notice of sampling once the site is clean.

Thank you,



DEBI SPORT MOORE, M.E., R.E.P.A.

President

Sport Environmental Services,PLLC 502 North Big Spring Street Midland, Texas 79701 debi@ sportenvironmental.com Business: 432.683.1100

Fax: 888.500.0622 Cell: 432-553-8555

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