

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Received 3/2/15
State of New Mexico NMOCD Dist 2
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|---|----------------------------|
| Name of Company Southwest Royalties, Inc. | Contact Luis Gonzalez |
| Address 6 Desta Dr. Suite 2100, Midland, TX | Telephone No. 432-661-4708 |
| Facility Name North Hackberry Yates Unit No.105 | Facility Type WIW |

| | | |
|-------------------|---------------|----------------------|
| Surface Owner BLM | Mineral Owner | API No. 30-015-04618 |
|-------------------|---------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|------------------|---------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter H | Section 23 | Township T19S | Range R21E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|------------------|---------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.64674 Longitude 103.92027

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Produced Water/Oil | Volume of Release UK | Volume Recovered 0 |
| Source of Release Injection line | Date and Hour of Occurrence June 16, 2014 | Date and Hour of Discovery June 16, 2014 |
| Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher/NMOCD, Jenifer Van Curren/BLM | |
| By Whom? Vernon Black | Date and Hour June 16, 2014 | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes X No | If YES, Volume Impacting the Watercourse. | |

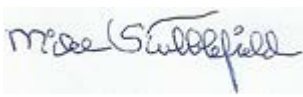
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Upon discovery, the Injection line was repaired. The hydrocarbon impacted material was immediacy excavated and hauled to Landfill. A Remediation Work plan was submitted and approved by BLM and NMOCD. The excavated pipeline area was backfilled to surface using clean soil and the backfilled area was reseeded using BLM seed mix No.2.

Describe Area Affected and Cleanup Action Taken.*

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.

| | | | |
|---|--|--|----------------------|
|  | | OIL CONSERVATION DIVISION | |
| Signature: | | Approved by Environmental Specialist: | |
| Printed Name: Mike Stubblefield | | | |
| Title: R. T. Hicks Consultants/Project Manager | | Approval Date: 3/5/15 | Expiration Date: N/A |
| E-mail Address: mike@rthicksconsult.com | | Conditions of Approval: Like approval by BLM Attached <input type="checkbox"/> | |
| Date: February 23, 2015 | | Final Report | |
| Phone: 575-365-5034 | | | |

2RP-2365