

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

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, TX 79705	Telephone No.	432/688-3267
Facility Name	CITIES FEDERAL #2 SWD	Facility Type	SWD

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	NM LC 03-132 (b)
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LOCATION OF RELEASE

API# 30025284740000

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 _____ Longitude _____

NATURE OF RELEASE

Type of Release	PRODUCED WATER	Volume of Release	50 BW	Volume Recovered	48 BW
Source of Release	DISPOSAL WELL TANK OVERFLOW	Date and Hour of Occurrence	1/25/06 shortly before noon NM	Date and Hour of Discovery	1/25/06 noon NM
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	NMOCD rep Buddy Hill on location and notified Southwest Royalties.		
By Whom?	Foreman Harol Creech called NMOCD Sylvia Dickey	Date and Hour	4:10 p.m. NM 1/25/06		
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

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FEB 1 0 2006

JOJO ANTESLA

Describe Cause of Problem and Remedial Action Taken.*

Cause: Centrifical pump failure caused produced water to overflow tank.

Action: Water was vacuumed up and location drug and blended. Mechanics and all electrical circuits examined.

Describe Area Affected and Cleanup Action Taken.*

Spill contained on location. Vacuumed free fluid and contacted Highlander Environmental to evaluate and prepare site evaluation.

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:

Dawn M. Howard

Printed Name: Dawn M. Howard

Approved by District Supervisor:

Title: Operations Assistant

Approval Date:

Expiration Date:

E-mail Address: Dhoward@claytonwilliams.com

Conditions of Approval:

Attached ☐

Date: 2/8/06

Phone: 432/688-3267

* Attach Additional Sheets If Necessary

SW Royalties 21355
PAC06067342554
application - PAC0607342805

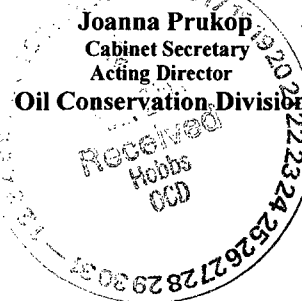


NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

RECEIVED

FEB 08 2006



RE-SUBMIT NOTICE

TO: Company/Operator SWR Oaffis

From: NMOCD Rep. Paul Sheeley X113

Date: 2-3-06

Please Note Your Attached C-141 Report(s) has been rejected because of the following reason(s):
Please make corrections and re-submit within 7 days unless otherwise allowed or marked for a longer time period.

- ☒ Wrong form: See proper form enclosed. C-141
- ☐ Incorrect or inaccurate information: See comments below.
- ☐ "Initial" or "Final" box not marked.
- ☐ Missing Information: See comments below.
- ☐ Wrong Operator! Operators are responsible to submit C-141 for all leaks & spills on their leases, pipelines and/or properties under their control.
- ☐ Improper Disposal of Oilfield Waste without NMOCD Approval:
 - ☐ Road spreading without NMOCD approval.
 - ☐ Landfarming without permit or NMOCD approval.
 - ☐ Burying of Oilfield Waste without NMOCD Approval.
 - ☐ Offsite disposal without NMOCD Approval.
 - ☐ Building roads, berms dykes with contaminated soils without NMOCD Approval.

☐ Not Signed.

☒ NMOCD Cannot accept your C-141 as a "final" report at this time. Please do the following:

- ☒ Submit a Site Corrective Action Plan for NMOCD approval within 15 days.
- ☒ Please describe in detail what Clean-up Action was taken and area affected. If none taken explain why.
- ☒ Please Describe in detail what Remediation action will be taken. If none planned please explain why.
- ☒ Operator has indicated off-site disposal; please indicate where waste was disposed of.
- ☒ Was vertical extent of contamination checked? If Yes, please provide information. If No please provide explanation.
- ☒ Please provide vertical extent of contamination within 30 days. Please collect samples for one or more of the following: TPH ☒ BTEX ☒ Chloride ☒ Other ☐ Please provide a plot map of sample locations and depth sample was collected.

Comments:

Follow Rule 116

Please re-submit C-141 or information requested and include a copy of this notice.

Submit 3 Copies To Appropriate District
Office
District I
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1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

DENIED

WELL API NO.

30-025-

28474

5. Indicate Type of Lease

STATE

FEE

☐ *Ind*

6. State Oil & Gas Lease

NM LC 03-132 (b)

7. Lease Name or Unit Agreement Name
CITIES FEDERAL

8. Well Number 2

9. OGRID Number

021355

10. Pool name or Wildcat
SEVEN RIVERS QUEEN

SUNDRY NOTICES AND REPORTS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD

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2. Name of Operator
SOUTHWEST ROYALTIES, INC.

JAN 27 2006

3. Address of Operator
6 DESTA DRIVE, STE 2100, MIDLAND, TEXAS 79705

OCD-ARTESIA

4. Well Location

Unit Letter _____ M: 660 feet from the S line and 660 feet from the W line
Section 20 Township 22S Range 36E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3539 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: PRODUCED WATER SPILL ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Buddy Hill on location and informed us of problem on our lease 1/25/06. Foreman Harold Creech called Sylvia Dickey @ 4:10 p.m. TX 1/25/06 and reported an estimated 50 Bbls of produced water spill.

Produced water overflowed from our tank due to failure of centrifugal pump. Water was vacuumed up and location will be drug and blended. Mechanics and all electrical circuits will be examined.

Spill reported at approximately 50 BW on 1/25/06. Recovered by vacuum trucks approx 48 BW on 1/25/06.

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FEB 10 2006

OCD-ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE *Dawn M. Howard* TITLE OPERATIONS ASST DATE 1/26/06

Type or print name DAWN M. HOWARD E-mail address: dhoward@claytonwilliams.com Telephone No. 432/688-3267
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____