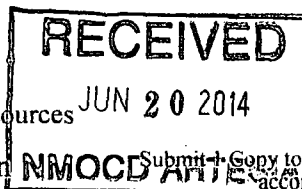


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

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

Release Notification and Corrective Action

nHMP 1418340931

OPERATOR

X Initial Report ☐ Final Report

Name of Company Southwest Royalties	21355	Contact Luis Gonzalez
Address 6 Desta Dr Suite 2100, Midland, TX		Telephone No. 432-661-4708 lgonzalez@claytonwilliams.com
Facility Name North Hackberry Yates Well #105		Facility Type Injection Well
Surface Owner BLM	Mineral Owner	API No. 30-015-04618

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	23	19S	30E					Eddy

Latitude 32.6465 Longitude -103.9374

NATURE OF RELEASE

Type of Release Produced Water/Oil	Volume of Release Unknown	Volume Recovered 0
Source of Release Injection Line	Date and Hour of Occurrence 16Jun14	Date and Hour of Discovery 16Jun14
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD and Jennifer Van Curren, BLM	
By Whom? Vernon K. Black	Date and Hour 16Jun14	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. N/A	

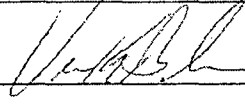

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*

Upon discovery, the well was shut in and the line repaired. Hungry Horse, LLC conducted emergency actions by mechanically excavating the top 3"-6" of saturated and stained soil from the arroyo. All impacted soil was placed on plastic awaiting disposal. Remediation of the impacted area will continue with soil samples collected and analyzed. Lab results will be presented to NM OCD and BLM.

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.

Signature:  Agent for Southwest Royalties	OIL CONSERVATION DIVISION	
Printed Name: Vernon K. Black-Hungry Horse, LLC	Approved by Environmental Specialist: 	
Title: HSE	Approval Date: 7/2/14	Expiration Date: NA
E-mail Address: vblack@hungry-horse.com	Conditions of Approval: Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION	Attached <input type="checkbox"/>
Date: 19Jun14	Phone: 575-631-2253	

* Attach Additional Sheets If Necessary

PROPOSAL NO LATER THAN:

8/2/14

2RP-2365

Bratcher, Mike, EMNRD

From: Vernon Black <VBlack@Hungry-Horse.com>
Sent: Friday, June 20, 2014 7:41 AM
To: Bratcher, Mike, EMNRD; Jennifer Van Curen (jvancure@blm.gov)
Cc: Gonzalez, Luis
Subject: Initial C 141-Southwest Royalties North Hackberry Yates Well #105
Attachments: SWR-North HackBerry Yates Well #105 Overhead.docx; SWR-North Hack Berry Yates Well #105 Map.docx; SWR-North Hackberry Yates Well #105 Initial C 141.pdf

Mike/Jennifer,

Sorry it took me so long to get this C 141 to you, but our computers/e-mail has been down since Monday night and just came back on line last night. Just a quick update.....We've excavated the saturated and stained soil from the arroyo and have started working down the hill. We might be able to start hauling the contaminated soil today, but it may be next week. We've got a little more work to do before I do any sampling.

Mike, can you scan a copy back to me once you sign it and assign the RP number?

Vernon K. Black
Hungry Horse, LLC
PO Box 1058
Hobbs, NM 88241
575 393 3386 office
575 631 2253 cell