

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 DR, STE 2100, MIDLAND, TX 79705	Telephone No.	432/688-3267
Facility Name	FLYING M SAU BATTERY 2 SWD	Facility Type	SALTWATER DISPOSAL
Surface Owner State of NM	Mineral Owner State of NM	Lease No. NM70949A	

LOCATION OF RELEASE

Unit Letter D	Section 21	Township 9S	Range 33E	Feet from the ~1978	North/South Line N	Feet from the 1993	East/West Line W	County LEA
------------------	---------------	----------------	--------------	------------------------	-----------------------	-----------------------	---------------------	---------------

Latitude 33.53146 Longitude 103.57374

WTR 100'

NATURE OF RELEASE

Type of Release	Water & oil	Volume of Release	375 BF	Volume Recovered	240 BF
Source of Release	Wtr tank overflow at disposal triplex	Date and Hour of Occurrence		Date and Hour of Discovery	12/25/07 2PM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Rep on call 12/25/07; Sylvia 12/26/07 & Richardson 12/27/07		
By Whom?	Terry Mabrey	Date and Hour	12/25/07 recording - 12/27/07 talked w/Ms. Richardson		
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.*


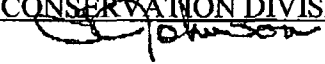
Describe Cause of Problem and Remedial Action Taken.*

The middle of three triplex motors did not pump for 3 days due to the head switch on the valve register being plugged w/BS&W and scale. This disposal will be shut in until all valves have been repaired and operating properly.

Describe Area Affected and Cleanup Action Taken.*

Approximate recovery of 240 BF (being approx 35 BO + 205 BW) of the total spill-375 BF (being approx 75 BO + 300 BW) was immediately vacuumed up and disposed. There were two areas affected - 1) approx 30' X 200' 2) 30' X 500'. Dirt was removed to depths ranging mainly from 8" - 10" but in some places 12". This dirt was placed on plastic tarps on location. Approx 200 cu ft soil affected. Approx 40 BF of spill contained within the firewall. Our next plan of action will be to consult a professional environmental company. Note: battery is the closest to well #13-1.

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 by District Supervisor ENVIRONMENTAL ENGINEER	
Title: Operations Assistant	Approval Date: 1.3.08	Expiration Date: 3.10.08
E-mail Address: dhoward@claytonwilliams.com	Conditions of Approval: SUBMIT PLAN B1	
Date: 12/27/07 Phone: 432/688-3267	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

RPH
1696