

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	Telephone No.	432/688-3267
Facility Name	SHOLES A&B	Facility Type	BATTERY

Surface Owner	GREG FULFER	Mineral Owner	BLM	Lease No.	NMLC032581A
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	25	T25S	R36E	1650	N	1650	E	LEA COUNTY

Latitude 32.11488 Longitude 103.21141

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	32 BO	Volume Recovered	2 BO picked up
Source of Release	Oil stock tank	Date and Hour of Occurrence	1/20/2008	Date and Hour of Discovery	1/20/2008 late afternoon
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	This notification by fax and on-call pager (MLK -office closed).		
By Whom?	DAWN HOWARD 1/21/08 as soon as reported	Date and Hour	1/21/08 noon / BLM-office Jim & voicemail Trisha Bad Bear		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse			

RECEIVED

JAN 22 2008

HOBBS OCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* The battery is located 2 miles S of Jal, closest well - P&W Sholes D-2549
 Plug valve came loose on tank battery and 32 Bbbls crude oil was released.

Describe Area Affected and Cleanup Action Taken.*
 Valve shut off manually and 2 BO recovered in vacuum truck. Due to livestock, a back hole covered the puddles only.

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:	
Title: Operations Assistant	Approval Date: 1/22/08	Expiration Date: 4/22/08
E-mail Address: dhoward@claytonwilliams.com	Conditions of Approval: Remediation plan due 2/3/08	Attached <input type="checkbox"/>
Date: 1/21/08 Phone: 432/688-3267		

* Attach Additional Sheets If Necessary

RP# 1747