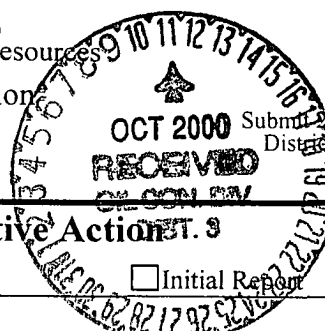


District I
1625 N French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form



Release Notification and Corrective Action Form

OPERATOR

☐ Initial Report

☒ Final Report

Name of Company Merrion Oil & Gas Corporation	Contact Carl Merilatt
Address 610 Reilly Ave Farmington, NM 87410	Telephone No. 505.327.9801
Facility Name Havasu No. 1	Facility Type Gas Well & Water Disposal Facility

Surface Owner BHP Minerals	Mineral Owner Fee	Lease No. Fee
--------------------------------------	-----------------------------	-------------------------

LOCATION OF RELEASE

Unit Letter P	Section 22	Township 32N	Range 11W 13W	Feet from the 790	North/South Line South	Feet from the 790	East/West Line East	County San Juan
-------------------------	----------------------	------------------------	-----------------------------	-----------------------------	----------------------------------	-----------------------------	-------------------------------	---------------------------

NATURE OF RELEASE

Type of Release Produced water tank overflow	Volume of Release Est. ~20 bbls.	Volume Recovered None
Source of Release 400 bbl. tank @ wellsite	Date and Hour of Occurrence June 29, 2000 @ 0900 est.	Date and Hour of Discovery June 29, 2000 @ 1000 est.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Note: Notice not given because discovery was made by OCD	
By Whom? Aztec District OCD Officer discovered release	Date and Hour June 29, 2000 @ 1000 est.	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Fresh water, approximately 20 bbls.	

If a Watercourse was Impacted, Describe Fully.*

Water ran down a 2' wide gully approximately 300 yds toward the road where water is normally used for dust control.

Describe Cause of Problem and Remedial Action Taken.*

**Cause: Triplex disposal pump gas locked and quit pumping.
Remedial Action: Install high level shut off valve on tank.**

→ merrion knew about this release and did not report it.

Describe Area Affected and Cleanup Action Taken.*

Water overflowed from water storage/suction tank. Water followed downhill path of least resistance toward BHP Minerals coal haul road. Water is fresh, therefore no remedial 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:	OIL CONSERVATION DIVISION		
Printed Name: C. Carl Merilatt	Approved by District Supervisor:		
Title: Production Foreman	Approval Date: 10/11/00	Expiration Date:	
Date: October 9, 2000	Phone: 505.327.9801	Conditions of Approval: Merrion implements new spill reporting policy	Attached <input type="checkbox"/>

nJK1217853440