

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

Form C-141

Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

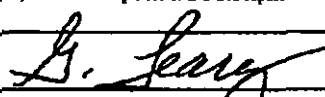
Submit 2 Copies to appropriate

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		Merit Energy Corporation		Contact		Greg Leary		
Address		P.O. Box 69		Telephone No.		505-420-5497		
Facility Name		Injection line adjacent to West B4 Battery		Facility Type		Produced Water and Crude Oil Battery		
Surface Owner		BLM		Mineral Owner		NA		Lease No.
LOCATION OF RELEASE								
Unit Letter	Section	Township	Range	Feet from South Line	Feet from West Line	Longitude-W	Latitude-N	County
F	10	17S	31E					Eddy
NATURE OF RELEASE								
Type of Release				Volume of Release		Volume Recovered		
Produced Water Release with associated Hydrocarbons				~340 bbl		~338 bbl		
Source of Release				Date and Hour of Occurrence		Date and Hour of Discovery		
2" Fiberglass Injection Line broken by backhoe				11/9/04 2:00 PM		11/9/04 2:00 PM		
Was Immediate Notice Given?				If YES, To Whom?				
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required				Mike Bratcher, NMOCD; Paul Evans, BLM				
By Whom?				Date and Hour		11/10/04 10:00 AM		
John Good - Safety Environmental Solutions								
Was a Watercourse Reached?				If YES, Volume Impacting the Watercourse				
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				NA				
If a Watercourse was Impacted, Describe Fully*								
Describe Cause of Problem and Remedial Action Taken. *								
High pressure 2" fiberglass injection line was struck by a backhoe during the blending operation of an ongoing remediation project (SESI) at the West B4 Battery. Release was contained to 20'X20' dammed area (5' deep). Flow was shut off and the released fluids were removed with vacuum trucks.								
Describe Area Affected and Cleanup Action Taken. *								
The 2" injection line runs NE-SW and was struck ~100-ft east of the tank battery. After the line was repaired, the contaminated sand beneath the release (~5' - no visual or odor detected) was removed and blended with the existing blended spoils (~1000-yd; 750-ppm blended TPH). The excavated area was backfilled with clean sand from a nearby hummock.								
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: Greg Leary				Approved by District Supervisor:				
Title: LEASE OPERATOR				Approval Date:		Expiration Date:		
E-Mail Address:				Conditions of Approval:				
Date: 11/15/2004 Phone: 505-420-5497				<input type="checkbox"/> Attached				

Incident Date: 11/9/04		NMOCD Notified: 11/10/04	
SITE: Injection line adjacent to West B4 Battery		Assigned Site Reference: MER-04-017	
Company: Merit Energy Corporation			
Street Address:			
Mailing Address: P.O. Box 69			
City, State, Zip: Loco Hills, NM 88255			
Representative: Greg Leary			
Representative Telephone: 505-420-5497			
Telephone:			
Fluid Volume Released (bbl): > ~340		Volume Recovered (bbl): ~338	
Net Release: > ~2-bbl			
>25 bbl: Notify NMOCD verbally within 24 hours and submit C-141 within 15 days.			
5-25 bbl: Submit Form C-141 within 15 days. (Also applies to unauthorized release of >60 mcf Natural Gas).			
Leak, Spill, or Pit (LSP) Name:		Injection line adjacent to West B4 Battery	
Source of Contamination:		2" Fiberglass Injection Line broken by backhoe	
Land Owner, i.e. BLM, ST, Fee, Other:		BLM	
LSP Dimensions:		20' X 20' X 5' deep	
LSP Area		400 -ft ²	
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: North			
Longitude: West			
Elevation above mean sea level (amsl):		feet	meters
Distance from South Section Line (feet):			
Distance from West Section Line (feet):			
Location - Unit Letter and 1/4 1/4:		UL- F	SE - 1/4 of NE - 1/4
Location - Section		10	
Location - Township		17S	
Location - Range		31E	
Surface water body within 1000' radius of site:		0	
Surface water body within 1000' radius of site:		0	
Domestic water wells within 1000' radius of site:		0	
Domestic water wells within 1000' radius of site:		0	
Agricultural water wells within 1000' radius of site:		0	
Agricultural water wells within 1000' radius of site:		0	
Public water supply wells within 1000' radius of site:		0	
Public water supply wells within 1000' radius of site:		0	
Depth (feet) from land surface to Ground Water (DG):		250	
Depth (feet) of lowest contamination (DC):		5	
Depth (feet) to Ground Water (DG - DC = DtGW):		245	
1. Ground Water		2. Wellhead Protection Area	
If Depth to GW <50-feet: 20 points		If <1000' from water source, or, <200' from private domestic water source: 20 points	
If Depth to GW 50 to 100-feet: 10 points		If >1000' from water source, or, >200' from private domestic water source: 0 points	
If Depth to GW >100-feet: 0 points		If >1000' from water source, or, >200' from private domestic water source: 0 points	
Ground Water Score: 0		Wellhead Protection Score: 0	
Site Ranking (1 + 2 + 3): 0		Surface Water Score: 0	
Total Site Ranking Score and Acceptable Concentrations			
Parameter	20 or >	10	0
Benzene ¹	10-ppm	10-ppm	10-ppm
BTEX ¹	50-ppm	50-ppm	50-ppm
TPH	100-ppm	1000-ppm	5000-ppm

¹ 100-ppm field VOC headspace measurement may be substituted for lab analysis

Form IM J162-1
(July 1991)

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
New Mexico State Office

REPORT OF UNDESIRABLE EVENT

DATE OF OCCURRENCE/DISCOVERY: 11-9-04 TIME OF OCCURRENCE: 2:00 PM
DATE REPORTED TO BLM: 11-10-04 TIME REPORTED: 10:00 AM
BLM OFFICE REPORTED TO: (RESOURCE AREA/DISTRICT/OTHER): DISTRICT - CARLSBAD
LOCATION: (T & R) SE NW SECTION 10 T. 17S R. 31E MERIDIAN
COUNTY: EDDY STATE: NM WELL NAME WEST B4 Battery
OPERATOR: COMPANY NAME MERIT ENERGY PHONE NO. 806-229-6300
CONTACT PERSON'S NAME GREG LEARY 505-677-2327
SURFACE OWNER: BLM - Federal MINERAL OWNER: BLM - Federal
(FEDERAL/INDIAN/FEE/STATE)

LEASE NO.: 029426-B RIGHT-OF-WAY NO.: _____

UNIT NAME / COMMUNITIZATION AGREEMENT NO.: Grayburg Jackson

TYPE OF EVENT, CIRCLE APPROPRIATE ITEM(S):

BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL, SALTWATER SPILL,
OIL AND SALTWATER SPILL, TOXIC FLUID SPILL, HAZARDOUS MATERIAL SPILL,
UNCONTROLLED FLOW OF WELLBORE FLUIDS, OTHER (SPECIFY):

CAUSE OF EVENT: Environmental contractor broke 2" injection
line w/ Backhoe

HazMat Notified: (for spills) NA

Law Enforcement Notified: (for thefts) NA

CAUSE AND EXTENT OF PERSONAL INJURIES/CAUSE OF DEATH(S): NA

Safety Officer Notified: _____

EFFECTS OF EVENT: 340-bbl released; contained; 338-bbl recovered;
contaminated soil removed and replaced w/ clean.

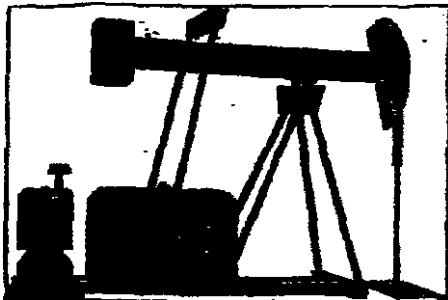
ACTION TAKEN TO CONTROL EVENT: contained to 400-ft² area; removed
with VACUUM trucks

LENGTH OF TIME TO CONTROL BLOWOUT OR FIRE: _____

VOLUMES DISCHARGED: OIL 10 WATER 330 GAS _____

OTHER AGENCIES NOTIFIED: NMOC - Artesia (MIKE BRATCHER)

file copy

FAX**Merit Energy Company****P.O. Box 300****2560 F.M. 301****WhiteFace, Texas 79379****Phone: 800-229-6300**Date: 11/15/04No of Pages: 4 (including Cover Page)To: MIKE BRATCHER From: GREG LEARY
OLD MERIT ENERGY
COMPANY

Phone #: _____

Phone #: 677-2327Fax #: 748-9720Fax #: 677-2162