

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 <i>Merit Energy Company</i> | Contact <i>BRANDON R. PLEY</i> |
| Address <i>P.O. Box 69 Loco Hills NM 88255</i> | Telephone No. <i>505-677-2327 or 420-5509</i> |
| Facility Name <i>SOUTHIANE Battery</i> | Facility Type <i>Battery SALT WATER Disposal</i> |
| Surface Owner <i>STATE</i> | Mineral Owner _____ Lease No. _____ |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|-----------|---------------|------------|---------------|------------------|---------------|----------------|------------|
| <i>D</i> | <i>35</i> | <i>10.0 S</i> | <i>33E</i> | | | | | <i>LEA</i> |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|--|-----------------------------------|
| Type of Release <i>Oil & Water</i> | Volume of Release <i>115 bbls.</i> | Volume Recovered <i>115 bbls.</i> |
| Source of Release <i>Hole in 969-gallon TANK</i> | Date and Hour of Occurrence _____ | Date and Hour of Discovery _____ |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? <i>Happened over the weekend</i> | |
| By Whom? _____ | Date and Hour _____ | |
| 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.
NO

Describe Cause of Problem and Remedial Action Taken.
There was a abandoned tank that got a hole in the bottom of it and leaked out the fluid in the tank on to the ground.

Describe Area Affected and Cleanup Action Taken.
oil & water was contained inside firewall oil & water was picked with vacuum truck & dirt was removed & replaced with fresh dirt.

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: <i>Terry Grantham</i> | OIL CONSERVATION DIVISION | |
| Printed Name: <i>TERRY GRANTHAM</i> | Approved by District Supervisor: _____ | |
| Title: <i>Lead Pumper</i> | Approval Date: _____ | Expiration Date: _____ |
| E-mail Address: _____ | Conditions of Approval: _____ | Attached <input type="checkbox"/> |
| Date: <i>6-15-04</i> | Phone: <i>505-677-2327</i> | |

* Attach Additional Sheets If Necessary

Merit - 14591
facility - FPAC 0603935848
incident n PAC 0603935967
application - P PAC 0605428703