

425 N. French Dr., Hobbs, NM 88240
 191 W. Grand Avenue, Artesia, NM 88210
 1000 Rio Brazos Road, Aztec, NM 87410
 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

30-015-27318 Release Notification and Corrective Action

nmc50411859058 OPERATOR Initial Report Final Report
 Name of Company MERIT ENERGY Contact CHARIS FLORES
 Address Lake Hills, N.M. Telephone No. 505 920 5886
 Facility Name WEST 8 24 BATTERY Facility Type PRODUCTION BATTERY
 Surface Owner FEDERAL Mineral Owner FEDERAL Lease No. 029426-B

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>F</u>	<u>10</u>	<u>17531E</u>	<u>2625</u>	<u>ESL</u>	<u>2625</u>	<u>FWL</u>	<u>EDDY</u>	
Latitude				Longitude				

NATURE OF RELEASE

Type of Release <u>OIL & WATER</u>	Volume of Release <u>250</u>	Volume Recovered <u>100</u>
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>MIKE STURBLE FIELD</u>	
By Whom?	Date and Hour <u>4/15/04 9:30 AM</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <u>NO</u>	
If a Watercourse was Impacted, Describe Fully. <u>N/A</u>		

Describe Cause of Problem and Remedial Action Taken.

LINE ON PRODUCTION HEADER BLEW OUT / SHUT IN LINES

Describe Area Affected and Cleanup Action Taken.

PICK UP EXCESS FLUID REPAIR LINE

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: <u>[Signature]</u>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: <u>CHARIS FLORES</u>	Approved by District Supervisor:	
Title: <u>LEASE RUMPER</u>	Approval Date:	Expiration Date:
E-mail Address: <u>N/A</u>	Conditions of Approval:	
Date: <u>4/15/04</u> Phone: <u>920 5886</u>	Attached <input type="checkbox"/>	

Attach Additional Sheets If Necessary

- * Imaged.
- * Faxed to Landowner.
- * Workplan Reg. Htr sent 4/28/2004.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

4/28/2004

Merit Energy
Att: Brandon Ripley
13727 Noel Road
Dallas, TX 75240

(copy)

Re: Corrective Action Workplan Request Letter
Ut. F sec. 10-17s-31e West B #4 tank Battery

Dear Mr. Brandon Ripley,

The Artesia Oil Conservation Division is in receipt of the initial C-141 form (copy included) dated 4/19/2004 from Merit Energy.

Please submit a work plan to the Artesia O.C.D. for correction of this release. Please use the "Guidelines For Remediation of leaks, spills, and releases" as your guide.

A copy of the Guidelines for Remediation of Leaks, Spills, and Releases, published 1993, can be found at the O.C.D. web address WWW.EMNRD.STATE.NM.US/OCD. The published document can be found on the O.C.D. web page under Publications/Environmental Handbook/Miscellaneous Guidelines/Spill Prevention Clean up.

The work plan presented to the O.C.D. must include general site characteristics, soil remediation action levels, soil remediation methods, and planned analytical, which will require testing for TPH, B-TEX, & Chlorides.

A Final C-141 form is required for closure of the initial C-141 form filed. The Final C-141 Form filed must include a report of remediation actions taken with analytical results attached

Please have the requested work plan in the Artesia office on or before 5/28/2004.

The Artesia O.C.D. must be notified 24 hours prior to any remediation actions and/or subsequent soil samples taken for analytical.

In the event that a satisfactory response is not received to this letter further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

If I can be of assistance in this matter please do not hesitate to contact me at 505-748-1283
Or E-mail me at MSTUBBLEFIELD@STATE.NM.US.

Sincerely,

Mike Stubblefield

Mike Stubblefield

Environ. Eng. Spec.

N.M.O.C.D.