

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

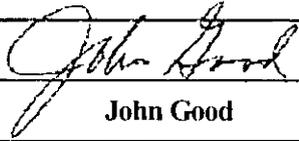
side of form.

Release Notification and Corrective Action

30-015-05114
nmlb 0510835438

OPERATOR

Initial Report Final Report

Name of Company		Merit Energy Corporation		Contact		Gene Brookshire	
Address		P.O. Box 69 Loco Hills, NM 88255		Telephone No.		505-420-5497	
Facility Name		Keel B Battery		Facility Type		Tank Battery	
Surface Owner		BLM		Mineral Owner		BLM	
				Lease No.			
LOCATION OF RELEASE							
Unit Letter	Section	Township	Range	Feet from South Line	Feet from West Line	Longitude-W	Latitude-N
D	8	17S	31E	3300	660		Eddy
NATURE OF RELEASE							
Type of Release				Volume of Release		Volume Recovered	
Produced Water w/ minor portion crude oil				400 bbl		310 bbl	
Source of Release				Date and Hour of Occurrence		Date and Hour of Discovery	
Vertical Tank (500-bbl)				4/5/05 5:00 AM		4/5/05 7:00 AM	
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-Artesia			
By Whom?				Date and Hour			
John Good				4/5/05 2:30 PM			
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. *							
Pump failure at produced water storage, causing one 500-bbl PW storage tank to overflow. When discovered, inflow was stopped and fluid recovery commenced with vacuum trucks. EZ Oilfield Service was contacted for evaluation and remediation. ~400-bbl total release; 310-bbl recovery.							
Describe Area Affected and Cleanup Action Taken. *							
Approximate ~3000-ft ² within the battery and ~3600-ft ² surface area affected on the caliche well pad south of the battery. Previous berm installation at pad periphery prevented outflow onto pasture land.							
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>OIL CONSERVATION DIVISION</u>			
				TIM GUM by MB			
Printed Name:				Approved by District Supervisor:			
John Good							
Title:				Approval Date:		Expiration Date:	
EZ - Project Consultant				4/18/05		N/A	
E-Mail Address:				Conditions of Approval:			
jqgood4614@aol.com							
Date:				<input checked="" type="checkbox"/> Attached			
4/8/2005							
Phone:							
505-631-3277							



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Merit Energy Corp.
PO Box 69
Loco Hills NM 88255

April 18, 2005

Reference: JL Keel B 018 Battery D-8-17s-31e API: 30-015-05114

Operator,

A Form C-141 reporting a release of produced fluids at the above referenced well site on 4/05/05 has been received by the NMOCD District 2 office. A remediation work plan for the release submitted by your agent, EZ Oilfield Services, has also been received. The work plan is accepted as submitted. Please notify the NMOCD District 2 office 24 hours prior to any remediation work being performed or samples obtained where analysis of such samples are to be submitted to the NMOCD.

Thank you,

Mike Bratcher
NMOCD District 2
1301 W Grand Ave
Artesia, NM 88210
(505) 748-1283
(505) 626-0857
mbratcher@state.nm.us