

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 14591</i>	Contact: <i>Joe Garcia</i>
Address: <i>P.O. Box 69, Loco Hills N.M., 88255</i>	Telephone No.: <i>505-677-2327</i>
Facility Name: <i>Max Friess # 1 (nearest well site)</i>	Facility Type: <i>Injection Line</i>
Surface Owner: <i>BLM</i>	Mineral Owner: <i>BLM</i>
Lease No.: <i>LC-030518</i>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>B</i>	<i>30</i>	<i>17S</i>	<i>31E</i>	<i>660</i>	<i>North</i>	<i>1980</i>	<i>East</i>	<i>Eddy</i>

Latitude *32.81097* Longitude *103.90694*

NATURE OF RELEASE

Type of Release: <i>Produced water</i>	Volume of Release: <i>250 bbls</i>	Volume Recovered: <i>100</i>
Source of Release: <i>4" steel injection line</i>	Date and Hour of Occurrence: <i>2:35 PM 9/18/04</i>	Date and Hour of Discovery: <i>09/18/04 2:40</i>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>N/A</i>	

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

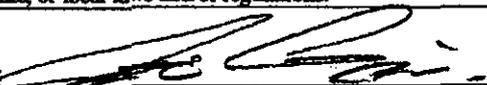
*Integrity failure of steel Injection line
Shut IN LINES for repair*

Describe Area Affected and Cleanup Action Taken.*

*Spill was contain from well locations & ROADS
All Free liquids were recovered
Jim Hollow was on site to evaluate*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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.

OIL CONSERVATION DIVISION

Signature: 	Approved by District Supervisor:	
Printed Name: <i>JOE GARCIA</i>	Approval Date:	Expiration Date:
Title: <i>Leaded pumper</i>	Conditions of Approval:	
E-mail Address:	Attached <input type="checkbox"/>	
Date: <i>09-19-06</i>	Phone: <i>505-677-2327</i>	

* Attach Additional Sheets If Necessary