

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

Received 2-13-07
OCD - Artesia

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: Merit Energy Company 141591	Contact: Dwain Wall
Address: P.O. Box 69, Loco Hills N.M., 88255	Telephone No.: 505-677-2327
Facility Name: Max Friess # 1 (nearest well site)	Facility Type: Injection Line

Surface Owner: BLM	Mineral Owner: BLM	Lease No.: LC-030518
--------------------	--------------------	----------------------

LOCATION OF RELEASE

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

Latitude 32.81097 Longitude 103.90694

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release: 250 bbls	Volume Recovered: 100 bbls
Source of Release: 4" steel injection line	Date and Hour of Occurrence: 9/18/06 14:35	Date and Hour of Discovery: 09/18/06 14:40
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Paul Evans (BLM) and Mike Bratcher (OCD)	
By Whom? Jim Hollon	Date and Hour: 9/19/06 @14:00	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

Integrity failure of steel injection line. Line was shut in for repairs.

Describe Area Affected and Cleanup Action Taken.*

The spill was contained within the well locations and roads. A vacuum truck was utilized to recover all free liquids totaling 100 bbls. Line locates have been requested to begin excavating affected soils. Please see attached report.

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.

OIL CONSERVATION DIVISION

Signature:

Printed Name: Jim Hollon

Title: Consultant

E-mail Address: Jim.Hollon@SBCGlobal.net

Date: 01-24-07

Phone: 432-631-5768

Approved by District Supervisor:

Accepted for record
NMOCD

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

* Attach Additional Sheets If Necessary

location is @ 30-015-28822
Fren oil co #23