

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: Merit Energy Company	Contact: Dwain Wall
Address: P.O. Box 69, Loco Hills N.M., 88255	Telephone No.: 505-706-4758
Facility Name: Susco State	Facility Type: Production Battery

Surface Owner: SLO	Mineral Owner: SLO	Lease No.: API 300-25-25554
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LOCATION OF RELEASE

Unit Letter	Section 19	Township 9S	Range 33E	Feet from the 660'	North/South Line South	Feet from the 660'	East/West Line East	County Lea
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Latitude 33.51298 Longitude -103.60086

NATURE OF RELEASE

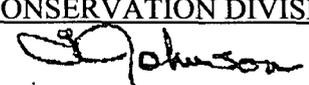
Type of Release: Produced fluids	Volume of Release: unknown	Volume Recovered:
Source of Release: Storage tanks	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 6/25/07
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Not Required	If YES, 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.	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Integrity failure of oil stock tanks. The tanks have been removed and 425 cubic yards of affected soil removed from the site. Soil samples were collected from the excavation and submitted to Environmental Labs of Texas, in Odessa, Texas for analysis.

Describe Area Affected and Cleanup Action Taken.*
The suspect tanks and affected soils have been removed, the current excavation measures 15' x 30' x 10' deep, and soil samples have been collected.

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:	OIL CONSERVATION DIVISION	
Printed Name: Jim Hollon	 Approved by District Supervisor: ENVIRONMENTAL ENGINEER	
Title: Consultant	Approval Date: 2.6.08	Expiration Date: 4.7.08
E-mail Address: Jim@JHCon.net	Conditions of Approval:	
Date: 10/16/07 Phone: 432-631-5768	SUBMIT FINAL C-141 w/ DOCUMENTATION BY	
	Attached <input type="checkbox"/> TRP # 1779	

* Attach Additional Sheets If Necessary