

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

30-015-33742

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

nkmw 1109049619

Name of Company: Merit Energy Company <i>H591</i>	Contact: Jackey Williams
Address: P.O. Box 69, Loco Hills N.M., 88255	Telephone No.: 575-677-2327
Facility Name: Lotsa Luck 29 Fed #3	Facility Type: Drill pit

Surface Owner: BLM	Mineral Owner: BLM	Lease No.: LC-
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	29	16S	27E	1980	North	1980	East	Eddy

Latitude 32.89551516 Longitude 104.2987667

NATURE OF RELEASE

Type of Release: Drilling fluids	Volume of Release: unknown	Volume Recovered: unknown
Source of Release: Drilling pit	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: 5/12/09 4:30
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.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

Possible leak in the pit liner, pit closure in progress

Describe Area Affected and Cleanup Action Taken.\*

The affected area is east of the Pecos river in a red clay with gypsum rock outcrops, a salt outcrop has also been found in the area. The pit contents and surrounding soils have been excavated and disposed at a NMOCD permitted facility. Please note the previously submitted Revised Pit Closure Proposal for sample results.

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: <i>Jackey Williams</i>	Approved by District Supervisor: <i>White Brannon</i>	
Printed Name: Jackey Williams	Approval Date: 3/30/11	Expiration Date:
Title: Area Foreman	Conditions of Approval:	
E-mail Address:	Attached <input type="checkbox"/>	
Date: 6-29-09	Phone: 575-677-2327	

REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY:

5/1/11

2 RP-684

\* Attach Additional Sheets If Necessary