

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

30-015-28234

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | | |
|---|------------------------------------|-------------------------------|
| Name of Company: <i>Merit Energy Company</i> | Contact: <i>Mike Self</i> | |
| Address: <i>P.O. Box 69, Loco Hills N.M., 88255</i> | Telephone No.: <i>505-677-2327</i> | |
| Facility Name: <i>Keel A # 25</i> | Facility Type: <i>Oil producer</i> | |
| Surface Owner: <i>BLM</i> | Mineral Owner: <i>BLM</i> | Lease No.: <i>LC-029435-A</i> |

LOCATION OF RELEASE

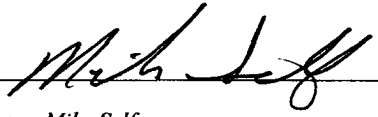

| | | | | | | | | |
|-------------------------|---------------------|------------------------|---------------------|-----------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------|
| Unit Letter <i>M</i> | Section <i>7</i> | Township <i>17S</i> | Range <i>31E</i> | Feet from the <i>754</i> | North/South Line <i>South</i> | Feet from the <i>1165</i> | East/West Line <i>West</i> | County <i>Eddy</i> |
|-------------------------|---------------------|------------------------|---------------------|-----------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------|

Latitude 32.844277 Longitude 103.911339

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release: <i>Crude oil w/ produced water</i> | Volume of Release: <i><5 bbls</i> | Volume Recovered: <i>0</i> |
| Source of Release: <i>Poly flow line / wellhead</i> | Date and Hour of Occurrence: <i>unknown</i> | Date and Hour of Discovery: <i>08/12/04</i> |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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.* <i>N/A</i> | | |
| Describe Cause of Problem and Remedial Action Taken.* <i>Poly flow line failure / wellhead failure.</i> | | |
| Describe Area Affected and Cleanup Action Taken.* <i>The affected area at the well head was scraped with a backhoe and blended on the location. The 10' X 10' area in the pasture was roto-tilled on 3/28/06 to blend and aeriate the soil.</i> | | |

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: <i>Mike Self</i> | | Approved by District Supervisor: TIM GUM by MB  | |
| Title: <i>Area Foreman</i> | | Approval Date: <i>4/13/06</i> | Expiration Date: |
| E-mail Address: <i>m.self@meritenergy.com</i> | | Conditions of Approval: | |
| Date: <i>4-10-06</i> Phone: <i>505-677-2327</i> | | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary