

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

30-015-28793

Release Notification and Corrective Action

NCLB0523548886

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>Turner A # 43</i>	Facility Type: <i>Oil producer</i>

Surface Owner: <i>BLM</i>	Mineral Owner: <i>BLM</i>	Lease No.: <i>LC-029395-A</i>
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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
<i>P</i>	<i>18</i>	<i>17S</i>	<i>31E</i>	<i>50</i>	<i>South</i>	<i>1250</i>	<i>East</i>	<i>Eddy</i>

Latitude *32.827454* Longitude *103.904409*

NATURE OF RELEASE

Type of Release: <i>Crude oil & produced water</i>	Volume of Release: <i>>25 bbls</i>	Volume Recovered: <i>0</i>
Source of Release: <i>Valve at wellhead</i>	Date and Hour of Occurrence: <i>04/18/05 AM</i>	Date and Hour of Discovery: <i>04/18/05 8:00 AM</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Mike Bratcher</i>	
By Whom? <i>John Good</i>	Date and Hour: <i>04/18/05 2:35 PM</i>	
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.*
A valve on the well head was found open.

Describe Area Affected and Cleanup Action Taken.*
The affected area was on the well pad and reserve pit with two narrow paths leading off the location. The area appears to have been excavated/remediated; a composite confirmation sample was collected from the estimated flow path. The sample was analyzed for TPH and BTEX, the results are as follows TPH= 1890 mg/kg and BTEX = <0.025mg/kg.

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: <i>Mike Self</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Mike Self</i>	Approved by District Supervisor:	TIM GUM by MB <i>EP</i>
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:	Attached <input type="checkbox"/>
Date: <i>4-10-06</i> Phone: <i>505-677-2327</i>		

* Attach Additional Sheets If Necessary

Table 1

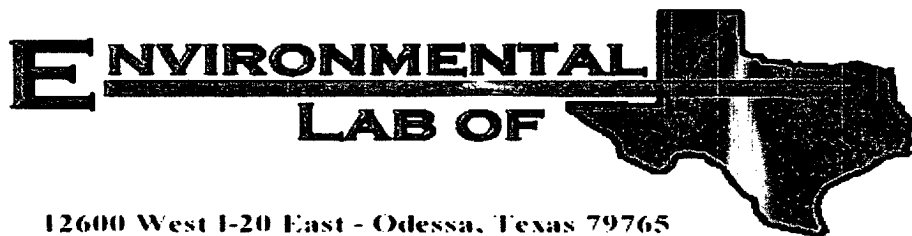
CONCENTRATIONS OF CHEMICALS OF CONCERN IN SOIL

**Merit Energy
Turner A # 43 Site
Loco Hills, Eddy County, New Mexico
Terracon Project Number 94057472C**

All concentrations are in mg/kg

SAMPLE DATE	SAMPLE LOCATION	SAMPLE DEPTH	EPA Method 8015M				EPA Method 8021B			
			TPH C ₆ -C ₁₂	TPH C ₁₂ -C ₂₈	TPH C ₂₈ -C ₃₅	TPH C ₆ -C ₃₅	BENZENE	TOLUENE	ETHYL- BENZENE	TOTAL XYLENES
03/28/06	Comp	0-6"	<10	1,390	496	1,890	<0.0250	<0.0250	<0.0250	<0.0250

CONCENTRATIONS IN BOLD ARE ABOVE REGULATORY GUIDELINES



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Jim Hollon

Terracon Consulting, Inc.

24 Smith Road, Ste. 261

Midland, TX 79705

Project: Various

Project Number: 94057472

Location: Loco Hills

Lab Order Number: 6C31006

Report Date: 04/06/06

Terracon Consulting, Inc.
24 Smith Road, Ste. 261
Midland TX, 79705

Project: Various
Project Number: 94057472
Project Manager: Jim Hollon

Fax: (432) 684-9608

Reported:
04/06/06 17:28

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TA Battery (6C31006-06) Soil									
Benzene	ND	0.0250	mg/kg dry	25	ED60304	04/02/06	04/03/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		102 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		89.0 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	85.2	10.0	mg/kg dry	1	EC63117	03/31/06	04/05/06	EPA 8015M	
Carbon Ranges C12-C28	1920	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	312	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	2320	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		127 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		152 %	70-130		"	"	"	"	S-04
Keel B Battery (6C31006-07) Soil									
Benzene	ND	0.0250	mg/kg dry	25	ED60304	04/02/06	04/03/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		100 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		86.2 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC63117	03/31/06	04/05/06	EPA 8015M	
Carbon Ranges C12-C28	49.7	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	24.1	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	73.8	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		92.2 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		103 %	70-130		"	"	"	"	
TA #43 (6C31006-08) Soil									
Benzene	ND	0.0250	mg/kg dry	25	ED60304	04/02/06	04/03/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		100 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		87.0 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	20.0	mg/kg dry	2	EC63117	03/31/06	04/05/06	EPA 8015M	

Environmental Lab of Texas

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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Terracon Consulting, Inc.
24 Smith Road, Ste. 261
Midland TX, 79705

Project: Various
Project Number: 94057472
Project Manager: Jim Hollon

Fax: (432) 684-9608

Reported:
04/06/06 17:28

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TA #43 (6C31006-08) Soil									
Carbon Ranges C12-C28	1390	20.0	mg/kg dry	2	EC63117	03/31/06	04/05/06	EPA 8015M	
Carbon Ranges C28-C35	496	20.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	1890	20.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		47.2 %	70-130		"	"	"	"	S-06
<i>Surrogate: 1-Chlorooctadecane</i>		48.8 %	70-130		"	"	"	"	S-06
TB #91 (6C31006-09) Soil									
Benzene	ND	0.0250	mg/kg dry	25	ED60304	04/02/06	04/03/06	EPA 8021B	
Toluene	0.0695	0.0250	"	"	"	"	"	"	
Ethylbenzene	0.168	0.0250	"	"	"	"	"	"	
Xylene (p/m)	0.206	0.0250	"	"	"	"	"	"	
Xylene (o)	0.243	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		107 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		106 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	316	10.0	mg/kg dry	1	EC63117	03/31/06	04/05/06	EPA 8015M	
Carbon Ranges C12-C28	3650	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	501	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	4470	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		116 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		118 %	70-130		"	"	"	"	
TB #132 16' (6C31006-10) Soil									
Benzene	ND	0.0250	mg/kg dry	25	ED60304	04/02/06	04/03/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	0.118	0.0250	"	"	"	"	"	"	
Xylene (p/m)	0.225	0.0250	"	"	"	"	"	"	
Xylene (o)	0.132	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		96.0 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		84.2 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	40.3	10.0	mg/kg dry	1	EC63117	03/31/06	04/05/06	EPA 8015M	
Carbon Ranges C12-C28	244	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	32.5	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	317	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		104 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		110 %	70-130		"	"	"	"	

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