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

Date: 09-11-06

* Attach Additional Sheets If Necessary

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

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

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| | ALCO & |

| Release Notification and Corrective Action | | | | | | | | | | | | | |
|--|-------------------|---------------------------------------|--------------|---------------|--|---|--------------------|--------------|---------------------|--------------------|---|--|--|
| 10430605-950800 | | | | | OPERATOR Initial Repor | | | | | Final Report | | | |
| Name of Company: Merit Energy Company 1455/ | | | | | | Contact: M | | | | | | | |
| Address: P.O. Box 69, Loco Hills N.M., 88255 | | | | | | Telephone No.: 505-677-2327 | | | | | | | |
| Facility Name: Turner B # 106 | | | | | <u></u> | Facility Type: Oil producer | | | | | | | |
| Surface Owner: BLM Mineral Owner: | | | | | BLM Lease No.: LC-029395-B | | | | | | | | |
| LOCATION OF RELEASE | | | | | | | | | | | | | |
| Unit Letter | Section 17 | Township 17S | Range 31E | Feet from the | 1 | orth/South Line Feet from the East/West Line County Eddy | | | | | | | |
| Latitude <u>32.827615</u> Longitude <u>103.887438</u> | | | | | | | | | | | | | |
| T CD 1 | 0.1 | · · · · · · · · · · · · · · · · · · · | | NAT | URE | OF REL | ************ | 1 37-5 | n | | | | |
| Source of Re | | oil w/ produc | ea water | | | Volume of Release: <5 bbls Volume Rec Date and Hour of Occurrence: Date and Ho | | | | lour of Discovery: | | | |
| Source of ice | | jion inc | | | | unknown | | 08/08/05 | 11001 01 01 | | | | |
| Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required | | | | | If YES, To Whom? | | | | | | | | |
| By Whom? | | | | | | Date and H | | | | | | | |
| Was a Watercourse Reached? ☐ Yes ☐ No | | | | | If YES, Volume Impacting the Watercourse. N/A | | | | | | | | |
| If a Watercou | rse was Imp | pacted, Descri | be Fully. | • | | | · | | | | | | |
| Approximately 75 feet of an arroyo | | | | | | | | | | | | | |
| Describe Cause of Problem and Remedial Action Taken.* Poly flow line failure. | | | | | | | | | | | | | |
| Describe Area Affected and Cleanup Action Taken.* The release from the poly line immediately ran into an arroyo, affecting approximately 75 feet. The affected area was roto-tilled on 3/28/06 to blend and aeriate the soil. | | | | | | | | | | | | | |
| 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: In Holl | | | | | OIL CONSERVATION DIVISION TIM GUM | | | | | | | | |
| Printed Name: Jim Hollon | | | | | | approved by l | District Superviso | | alkeda | ost ut | n | | |
| Title: Consul | Title: Consultant | | | | | | : 10/11/04 | Expiration I | Expiration Date: W/ | | | | |
| E-mail Address: .lim.hollon@sbeglobal.net | | | | | c | Conditions of Approval: Attached | | | | | | | |

Phone: 432-631-5768