

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: Mike Self
Address: P.O. Box 69, Loco Hills N.M., 88255	Telephone No.: 505-706-4758
Facility Name: Mescalero Ridge Unit 35 #1	Facility Type: Injection well

Surface Owner: BLM	Mineral Owner: BLM	Lease No.: 590501
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LOCATION OF RELEASE *API # 30025203020000*

Unit Letter I	Section 35	Township 19S	Range 34E	Feet from the 1980'	North/South Line South	Feet from the 560'	East/West Line East	County Lea
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100'

Latitude 32.61423

Longitude 103.52352

NATURE OF RELEASE

Type of Release: Produced water with some hydrocarbon carryover	Volume of Release: 24 bbl	Volume Recovered: 0 bbl
Source of Release: Injection line	Date and Hour of Occurrence: 08/05/06 10:00 pm	Date and Hour of Discovery: 08/05/06 11:30 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Not Required	If YES, To Whom? Jim Amos (BLM) & Gary Wink (OCD)	
By Whom? Chris Flores	Date and Hour: 08/06/06 9:30 am	
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 an injection line. The station was shut down to isolate and repair the line. There were no standing fluids and the location was back-dragged with a backhoe.

Describe Area Affected and Cleanup Action Taken.*

The affected area was primarily on the caliche well location and road. The well location is approximately 75' by 75', the road is approximately 8' by 50' and one flow path off the caliche down a pipeline right-of-way measuring approximately 6' by 50'. Vertical delineation samples have been taken from the caliche location and the right-of-way.

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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:	Approved by District Supervisor: <i>Chris Williams</i>	
Printed Name: Jim Hollon	Approval Date: <i>10/23/06</i>	Expiration Date:
Title: Consultant	Conditions of Approval:	
E-mail Address: jim.hollon@sbcglobal.net	<i>Need to submit analysis!</i>	Attached <input type="checkbox"/>
Date: 09/06/06	Phone: 432-631-5768	

* Attach Additional Sheets If Necessary

*Incident - nPAC0629238486
application pPAC0629238761*

RP# 1095