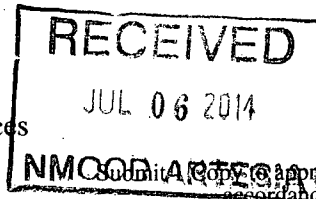


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

Submit a copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB/420552744

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Merit Energy Co. <u>14591</u>	Contact Chris Flores
Address PO Box 1239 Eunice, N.M. 88231	Telephone No. 575-420-5506
Facility Name Shugart 19#8	Facility Type Production battery

Surface Owner BLM	Mineral Owner BLM	API No. 300153092300
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LOCATION OF RELEASE

Unit Letter 19#8	Township 18-S	Range 31-E	Feet from the 660'	North/South Line FNL	Feet from the 2310'	East/West Line FEL	County Eddy
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Latitude 32D44'04.14"N Longitude 103D54'26.82"W

NATURE OF RELEASE

Type of Release Oil and water	Volume of Release 150	Volume Recovered 130
Source of Release Bad valve	Date and Hour of Occurrence NA	Date and Hour of Discovery 6-27-2014
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? BLM and OCD Mike Bratcher - OCD & James Amos -BLM	
By Whom? Chris Flores	Date and Hour 6-27-2014 8:30 A.M BLM./6-30-14 A.M. OCD	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.*
NO

Describe Cause of Problem and Remedial Action Taken.*

Valve started leaking in area below ground level and started leaking fluid out of oil tank(tank had water in it, at bottom) in side of firewall (Berm)
Made an effort to pick up as much fluid as possible. No standing fluid when vacuum trucks were done picking up fluid.
Followed up with clean up to dry up area around tanks with back hoe and shovel work , and draw core samples (at a later date).

Describe Area Affected and Cleanup Action Taken.*

Area around tanks and heater inside firewall, leak was discovered around 8:30 a.m. 6-27-14 no leaking evident on previous day.
All fluid was contained inside and vacuum trucks were used to mop and pick up fluid. Well follow up with further clean up.

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: Chris Flores		<u>OIL CONSERVATION DIVISION</u>	
Printed Name: chris flores		Approved by	
Title: field foreman		Approval Date: <u>7/24/14</u>	Expiration Date: <u>N/A</u>
E-mail Address: chris.flores@meritenergy.com		Conditions of Approval: Remediation per OCD Rule & Guidelines, & like approval by BLM. <u>SUBMIT REMEDIATION</u> <u>PROPOSAL NO LATER THAN:</u> <u>8/27/14</u>	
Date: 6-30-2014 Phone: 575-420-5506		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

RP2-2392