

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

30-015-05437

NCLB 0605940124

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 B # 50</i>	Facility Type: <i>Injection well</i>

Surface Owner: <i>BLM</i>	Mineral Owner: <i>BLM</i>	Lease No.: <i>LC-029395-B</i>
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LOCATION OF RELEASE

Unit Letter <i>D</i>	Section <i>29</i>	Township <i>17S</i>	Range <i>31E</i>	Feet from the <i>660</i>	North/South Line <i>North</i>	Feet from the <i>660</i>	East/West Line <i>West</i>	County <i>Eddy</i>
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Latitude *32.811205* Longitude *103.898310*

NATURE OF RELEASE

Type of Release: <i>produced water</i>	Volume of Release: <i>> 25 bbls</i>	Volume Recovered: <i>0</i>
Source of Release: <i>Injection well</i>	Date and Hour of Occurrence: <i>07/22/05 PM</i>	Date and Hour of Discovery: <i>07/22/05 4:00 PM</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, Paul Evans</i>	
By Whom? <i>John Good</i>	Date and Hour: <i>07/23/05 1:39 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.*

Rupture in injection line at well head.

Describe Area Affected and Cleanup Action Taken.*

The affected area was not recognizable but reported as the west half of the location and two narrow paths west of the location. A composite confirmation sample was collected from the estimated flow paths. The sample was analyzed for chlorides with a result of 10.9 mg/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 
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

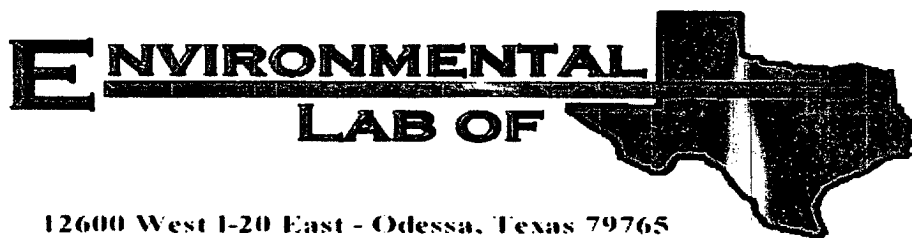
CONCENTRATIONS OF CHEMICALS OF CONCERN IN SOIL

**Merit Energy
Turner B # 50 Site
Loco Hills, Eddy County, New Mexico
Terracon Project Number 94057472C**

All concentrations are in mg/kg

SAMPLE DATE	SAMPLE LOCATION	SAMPLE DEPTH	Total Chlorides
03/28/06	Comp	6"	10.9

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

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
RT H2O Line (6C31006-01) Soil									
Chloride	270	10.0	mg/kg	20	ED60405	04/03/06	04/03/06	EPA 300.0	
TB #44 (6C31006-02) Soil									
Chloride	39.5	5.00	mg/kg	10	ED60405	04/03/06	04/03/06	EPA 300.0	
TB #50 (6C31006-03) Soil									
Chloride	10.9	5.00	mg/kg	10	ED60405	04/03/06	04/03/06	EPA 300.0	
WA #21 (6C31006-04) Soil									
Chloride	44.3	5.00	mg/kg	10	ED60405	04/03/06	04/03/06	EPA 300.0	
KB #7 (6C31006-05) Soil									
Chloride	22.1	5.00	mg/kg	10	ED60405	04/03/06	04/03/06	EPA 300.0	
TA Battery (6C31006-06) Soil									
% Moisture	3.8	0.1	%	1	ED60401	03/31/06	04/03/06	% calculation	
Keel B Battery (6C31006-07) Soil									
% Moisture	0.4	0.1	%	1	ED60401	03/31/06	04/03/06	% calculation	
TA #43 (6C31006-08) Soil									
% Moisture	0.6	0.1	%	1	ED60401	03/31/06	04/03/06	% calculation	
TB #91 (6C31006-09) Soil									
% Moisture	2.3	0.1	%	1	ED60401	03/31/06	04/03/06	% calculation	
TB #132 16' (6C31006-10) Soil									
% Moisture	1.3	0.1	%	1	ED60401	03/31/06	04/03/06	% calculation	

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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