

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

Form C-141

Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 Corporation	Contact	Gene Brookshire
Address	P.O. Box 69 Loco Hills, NM 88255	Telephone No.	505-420-5497
Facility Name	Keel A #11 Injection Well	Facility Type	Produced Water Injection Well

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	LC-029435-A
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from South Line	Feet from West Line	Longitude-W	Latitude-N	County
H	7	17S	31E	4300	4620			Eddy

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 150 bbl	Volume Recovered 16 bbl
Source of Release Well Head - 1" Valve	Date and Hour of Occurrence 2/3/05 4:30 AM	Date and Hour of Discovery 2/3/05 7:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD - Artesia	
By Whom? John Good	Date and Hour 2/3/05 10:45 AM	
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*

Describe Cause of Problem and Remedial Action Taken. *

A 1" valve at the Keel A #11 Injection Well lost integrity at 4:30 AM. Pressure loss caused auto-shutdown at the pumping station. Line pressure and gravity resulted in ~150-bbl produced water release north and south of well head. A vacuum truck was utilized to recover 16-bbl. Environmental Consultant was contracted for for evaluation and remediation.

Describe Area Affected and Cleanup Action Taken. *

Approximate ~5000-ft² (50' X 100') area north of well and a narrow 600-ft surface flow path southwest of the well. Total surface area affected estimated at 12,000-ft². 16-bbl recovered from estimated 150-bbl release. Environmental consultant contracted to remediate release affected area to below action levels for BTEX and TPH.

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:	OIL CONSERVATION DIVISION	
Printed Name:	John Good	
Title:	Project Consultant	
E-Mail Address:	jcggood4614@aol.com	
Date:	2/3/2005	Phone: 505-631-3277
Approved by District Supervisor:		TIM GUM by MB
Approval Date: 3/15/05		Expiration Date:
Conditions of Approval:		<input type="checkbox"/> Attached

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side of form.

30-015-05099

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company		Merit Energy Corporation		Contact		Gene Brookshire	
Address		P.O. Box 69		Loco Hills, NM 88255		Telephone No. 505-420-5497	
Facility Name		Keel A #11 Injection Well		Facility Type		Produced Water Injection Well	
Surface Owner		BLM		Mineral Owner		BLM	
Lease No.		LC-029435-A					
LOCATION OF RELEASE							
Unit Letter	Section	Township	Range	Feet from South Line	Feet from West Line	Longitude-W	Latitude-N
H	7	17S	31E	4300	4620		County Eddy
NATURE OF RELEASE							
Type of Release				Volume of Release		Volume Recovered	
Produced Water				150 bbl		16 bbl	
Source of Release				Date and Hour of Occurrence		Date and Hour of Discovery	
Well Head - 1" Valve				2/3/05 4:30 AM		2/3/05 7:00 AM	
Was Immediate Notice Given?				If YES, To Whom?			
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required				Mike Bratcher, NMOCD - Artesia			
By Whom?				Date and Hour			
John Good				2/3/05 10:45 AM			
Was a Watercourse Reached?				If YES, Volume Impacting the Watercourse			
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				NA			
If a Watercourse was Impacted, Describe Fully*							
Describe Cause of Problem and Remedial Action Taken. *							
A 1" valve at the Keel A #11 Injection Well lost integrity at 4:30 AM. Pressure loss caused auto-shutdown at the pumping station. Line pressure and gravity resulted in ~150-bbl produced water release north and south of well head. A vacuum truck was utilized to recover 16-bbl. Environmental Consultant was contracted for for evaluation and remediation.							
Describe Area Affected and Cleanup Action Taken. *							
Approximate ~5000-ft ² (50' X 100') area north of well and a narrow 600-ft surface flow path southwest of the well. Total surface area affected estimated at 12,000-ft ² . 16-bbl recovered from estimated 150-bbl release. Outflow area blended to below action levels; Pad caliche blended with clean caliche and utilized to construct sequential containment berms (down slope).							
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:				OIL CONSERVATION DIVISION			
Printed Name:				TIM GUM			
John Good				by MB			
Title:				Approved by District Supervisor:			
Project Consultant				Approval Date: 5/10/05			
E-Mail Address:				Expiration Date: 4/1A			
icgood4614@aol.com				Conditions of Approval:			
Date: 3/15/2005				N/A			
Phone: 505-631-3277				<input type="checkbox"/> Attached			

Merit Energy Corporation

Incident Date: 2/3/05 NMOCD Notified: 2/3/05

SITE: Keel A #11 Injection Well		Assigned Site Reference: MER-05-005	
Company: Merit Energy Corporation			
Street Address:			
Mailing Address: P.O. Box 69			
City, State, Zip: Loco Hills, NM 88255			
Representative: Gene Brookshire			
Representative Telephone: 505-420-5497			
Telephone:			
Fluid Volume Released (bbl): ~ 150		Volume Recovered (bbl): 16	Net Release: ~ 134
>25 bbl: Notify NMOCD verbally within 24 hours and submit C-141 within 15 days. 5-25 bbl: Submit Form C-141 within 15 days. (Also applies to unauthorized release of >50 mcf Natural Gas).			
Leak, Spill, or Pit (LSP) Name:		Keel A #11 Injection Well	
Source of Contamination:		Well Head - 1" Valve	
Land Owner, i.e. BLM, ST, Fee, Other:		BLM	
LSP Dimensions:		~ 50' X 100' at well head + 600' flow path SW of well head	
LSP Area		> 12000 -ft ²	
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: North			
Longitude: West			
Elevation above mean sea level (amsl):		3720 feet 1134 meters	
Distance from South Section Line (feet):		4300	
Distance from West Section Line (feet):		4620	
Location - Unit Letter and 1/4 1/4:		UL- H SE 1/4 of NE 1/4	
Location - Section		7	
Location - Township		17S	
Location - Range		31E	
Surface water body within 1000' radius of site:		0	
Surface water body within 1000' radius of site:		0	
Domestic water wells within 1000' radius of site:		0	
Domestic water wells within 1000' radius of site:		0	
Agricultural water wells within 1000' radius of site:		0	
Agricultural water wells within 1000' radius of site:		0	
Public water supply wells within 1000' radius of site:		0	
Public water supply wells within 1000' radius of site:		0	
Depth (feet) from land surface to Ground Water (DG):		> 250	
Depth (feet) of lowest contamination (DC):		~ 10	
Depth (feet) to Ground Water (DG - DC = DtGW):		> 240	
1. Ground Water		2. Wellhead Protection Area	3. Distance to Surface Water
If Depth to GW <50-feet: 20 points	If <1000' from water source, or, <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points	
If Depth to GW 50 to 100-feet: 10 points	If >1000' from water source, or, >200' from private domestic water source: 0 points	200-1000 horizontal feet: 10 points	
If Depth to GW >100-feet: 0 points		>1000 horizontal feet: 0 points	
Ground Water Score: 0	Wellhead Protection Score: 0	Surface Water Score: 0	
Site Ranking (1 + 2 + 3): 0			
Total Site Ranking Score and Acceptable Concentrations			
Parameter	20 or >	10	0
Benzene ¹	10-ppm	10-ppm	10-ppm
BTEX ¹	50-ppm	50-ppm	50-ppm
TPH	100-ppm	1000-ppm	5000-ppm

¹ 100-ppm field VOC headspace measurement may be substituted for lab analysis