

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

30-015-05181

NMLB0426749827 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	Turner B Well #1	Facility Type	Oil Well

Surface Owner	BLM	Mineral Owner	NA	Lease No.	
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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
P P	17	17S	31E					Eddy

NATURE OF RELEASE

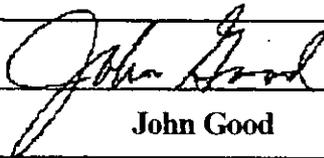
Type of Release	Volume of Release	Volume Recovered
Crude Oil	5 bbl	0.5 bbl
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Valve connection	7/20/04 6:00 PM	7/20/04 6:15 PM
Was Immediate Notice Given?	If YES, To Whom?	
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required	Mike Stubblefield, NMOCD - Artesia	
By Whom?	Date and Hour	
Gene Brookshire - Merit Oil	7/21/04 8:00 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. \*  
Valve was left in closed position, causing pressure-up situation resulting in a valve connection failure. Well was shut in; vacuum truck was able to recover only 1/2-bbl of product.

Describe Area Affected and Cleanup Action Taken. \*  
3' X 60' flowpath east of the well and ~300' X ~300' area west of well affected by overspray. Flowpath east of well was superficially excavated with a backhoe. Overspray area was treated w/ MicroBlaze and roto-tilled. SESI removed contaminated stockpile on 12/7/04 and spread clean soil in the immediate well head area.

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	Approved by District Supervisor:	
Title:	SESI - Project Consultant	Approval Date: 2/10/05	Expiration Date: N/A
E-Mail Address:	ballen@sesi-nm.com	Conditions of Approval:	
Date:	1/6/2005	Phone:	505-397-0510
			<input type="checkbox"/> Attached