

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

30-015-27944 Release Notification and Corrective Action

OPERATOR

☒ Initial Report

☒ Final Report

Name of Company <u>Merit Energy</u>	Contact <u>Mike Self</u>
Address <u>PO Box 69 loco hills rd. 88255</u>	Telephone No. <u>505 706 4758</u>
Facility Name <u>East Shugart Unit</u>	Facility Type <u>3" Poly Flow line</u>
Surface Owner <u>BIM</u>	Mineral Owner <u>BIM</u>
Lease No. <u>ESU #50</u>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	35	18S	3E	1700	FOL	2335	FEL	Eddy

Latitude

Longitude

NATURE OF RELEASE

Type of Release <u>Produced Fluids (H₂O - oil)</u>	Volume of Release <u>10 bbl</u>	Volume Recovered <u>6 bbl</u>
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	IF YES, To Whom? <u>12-9-05</u>	<u>12-9-05</u>
By Whom? <u>Mike Self</u>	<u>M. Beutcher (OCN), P. Evans (BIM)</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour <u>12-9-05 1:00 PM</u>	
	IF YES, Volume Impacting the Watercourse. <u>N/A</u>	

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

3" Poly Flow-line froze and burst. The well was shut in and line repaired.

Vacc truck to loc. to pick-up standing fluids

Describe Area Affected and Cleanup Action Taken.*

The spill was contained to the well pad and entrance to lease road. A backhoe picked up contaminated dirt and hauled to C.R.I. Disp.

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: <u>Mike Self</u>	OIL CONSERVATION DIVISION	
Printed Name: <u>Mike Self</u>	Approved by District Supervisor: <u>TIM GUM</u> <u>by MB</u>	
Title: <u>Foreman</u>	Approval Date: <u>3/16/06</u>	Expiration Date:
E-mail Address: <u>M.Self @ Merit Energy</u>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>12-10-05</u>	Phone: <u>505 706-4758</u>	

* Attach Additional Sheets If Necessary