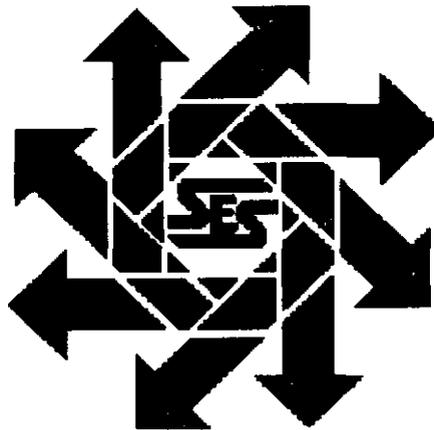


**Merit Energy  
Turner B North Battery  
Closure Report  
Unit L, Section 20, Township 17S, Range 31E  
Eddy County, New Mexico**

**September 15, 2004**



***Prepared for:***

**Merit Energy  
P.O. Box 69  
Loco Hills, New Mexico**

***By:***

***Safety & Environmental Solutions, Inc.  
703 E. Clinton Suite 102  
Hobbs, New Mexico 88240  
(505) 397-0510***

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OBP-ARTESIA

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**I. Company Contacts**

Brandon Ripley	Merit Energy	505-420-5502	<a href="mailto:bripley@pvtnetworks.net">bripley@pvtnetworks.net</a>
Bob Allen	SESI	505-397-0510	<a href="mailto:ballen@sesi-nm.com">ballen@sesi-nm.com</a>

**II. Background**

Safety & Environmental Solutions, Inc. (SESI) was contracted by Merit Energy to perform assessment and cleanup services on an area identified as the Turner B North Battery. The site is located in Section 20, Township 17S, Range 31E, Eddy County, New Mexico. The subject site is a tank battery area, which is used for the storage of fluids produced from the wells associated with this lease. On January 15, 2004, the produced water tank leaked produced fluids onto the ground inside the bermed area of the battery. Approximately 510 barrels of fluid was released and approximately 500 barrels was recovered.

**III. Contaminant and Size of Area**

The suspected contaminant is produced water associated with the tank battery at the site. The release was contained inside the bermed area of the battery. The affected area was not grossly stained with hydrocarbons. (Site Plan)

Crude oil and produced water are considered exempt oilfield waste. No evidence of other contaminants was observed.

**IV. Surface and Ground Water**

There is no groundwater of record in the area according to information received from the New Mexico State Engineer.

**V. Soils**

The soils in the area are predominantly sand and sandy loam.

**VI. Work Performed**

The cleanup level reached by the application of the "Guidelines for Remediation of Leaks, Spill and Releases" *New Mexico Oil Conservation Division* – August 13, 1993 to this site is 5000 ppm TPH.

The contaminated area at the SW corner of the tank battery was excavated manually utilizing shovels and wheelbarrows. Approximately 12-inches of oil saturated soils were removed from a 15-ft X 20-ft area. The contaminated soil was stockpiled west of the tanks. The excavated area was sprayed with ammonium-nitrate solution to facilitate bio-remediation; the excavated area was filled with clay up to the bottoms of the adjacent tanks, and then contoured with rakes. One area of the firewall that had washed out was replaced. Wire fencing that had been removed was replaced.

**VII. Figures & Appendices**

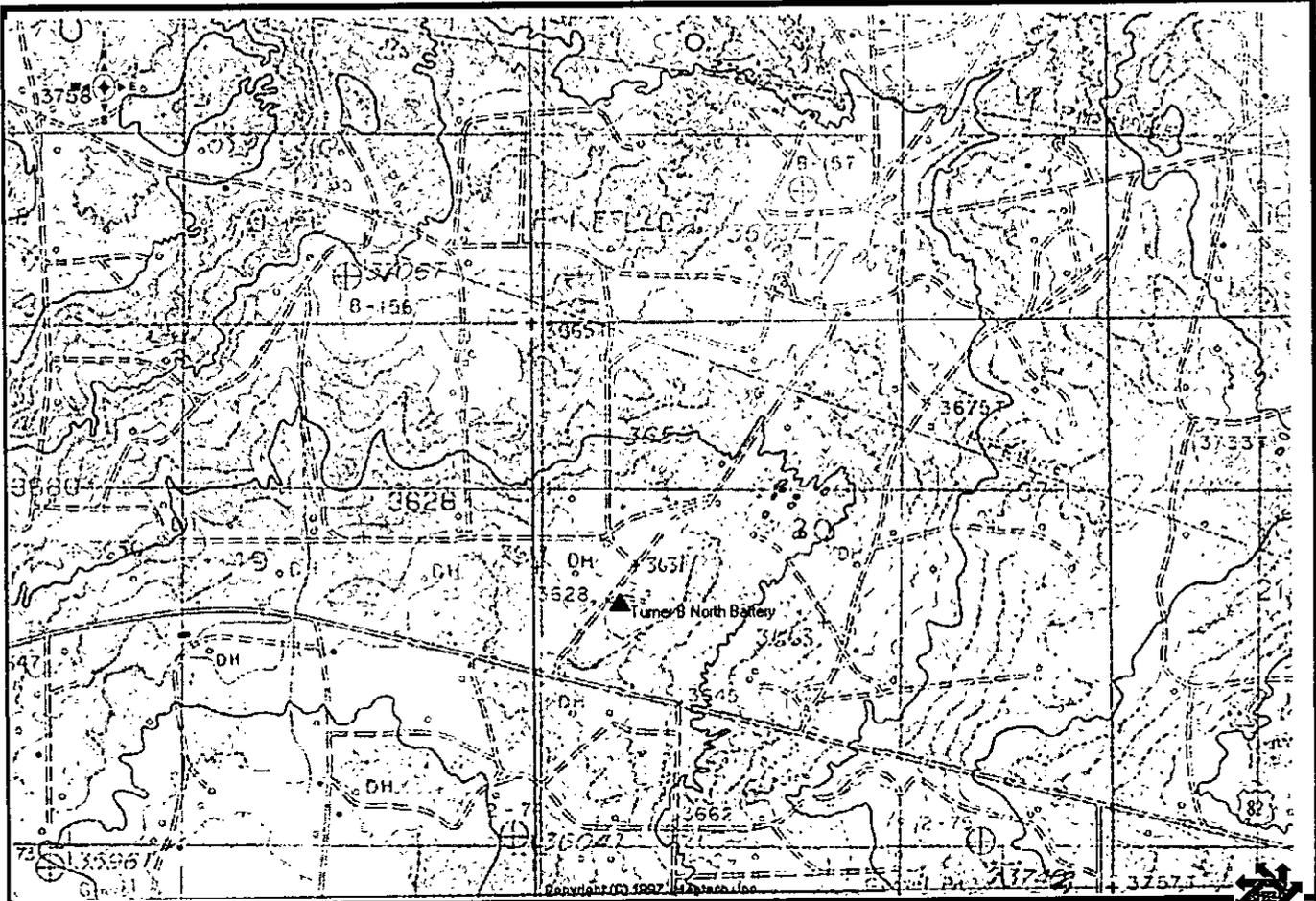
Figure 1 - Vicinity Map

Figure 2 - Site Plan

Appendix A - C-141

Appendix B - Site Photos

**Figure 1**  
**Vicinity Map**



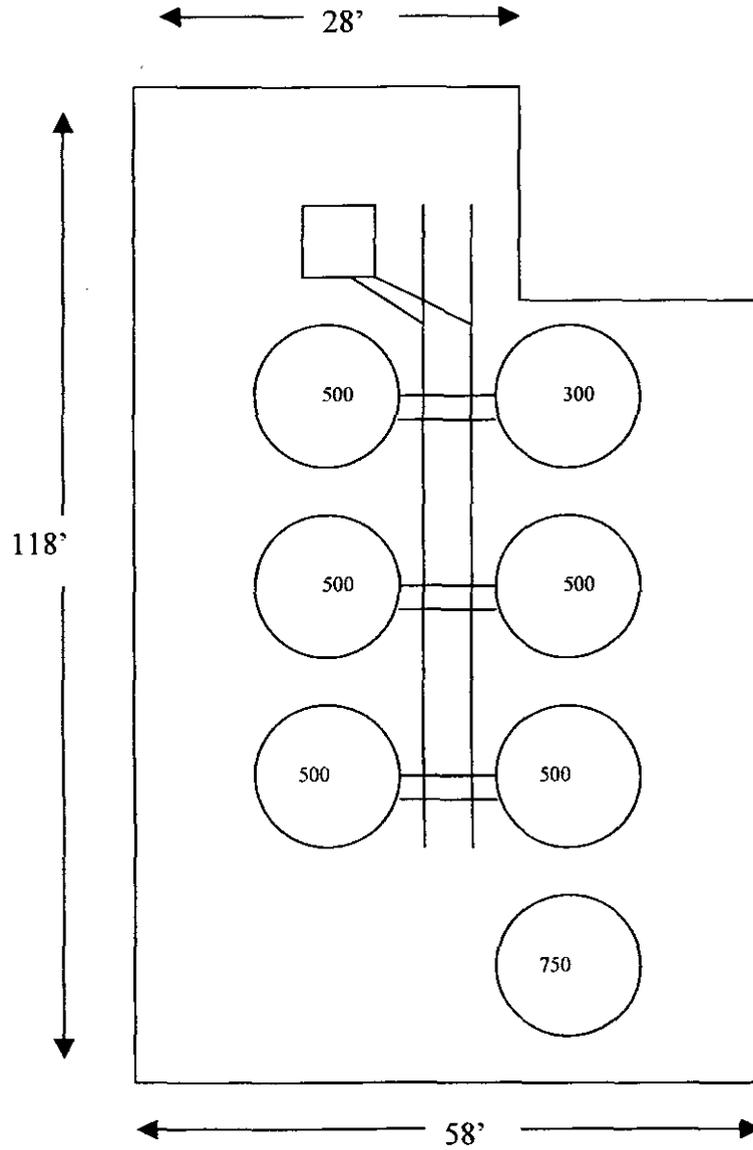
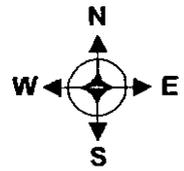
Merit Energy

**Turner B North Battery**  
S20, T17S, R31E  
Eddy County, New Mexico

Safety & Environmental Solutions, Inc.



**Figure 2**  
**Site Plan**



Not to Scale



Merit Energy

Turner B North Battery  
Sec. 20, 17S, R31E  
Eddy County, New Mexico

**Safety & Environmental  
Solutions, Inc.**

**Appendix A**  
**C-141**

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 October 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 <i>Merit Energy</i>	Contact <i>Danny White</i>
Address <i>P.O. Box 69, Los Alamos, NM</i>	Telephone No. <i>505-420-5516</i>
Facility Name <i>Turner B North Battery</i>	Facility Type <i>Battery</i>
Surface Owner <i>Federal</i>	Mineral Owner <i>Fed</i>
Lease No. <i>029395B</i>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>L</i>	<i>20</i>	<i>17S</i>	<i>31E</i>					<i>Eddy</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Water Produced</i>	Volume of Release <i>510</i>	Volume Recovered <i>500 BBLs</i>
Source of Release <i>KAN TANKS OVER</i>	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? <i>Mike Stubblefield</i>	
By Whom? <i>Danny White</i>	Date and Hour <i>1-15-04 3:00pm</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\* *Electrical failure of transfer pump caused water tank to run over. Vacuumed spill*

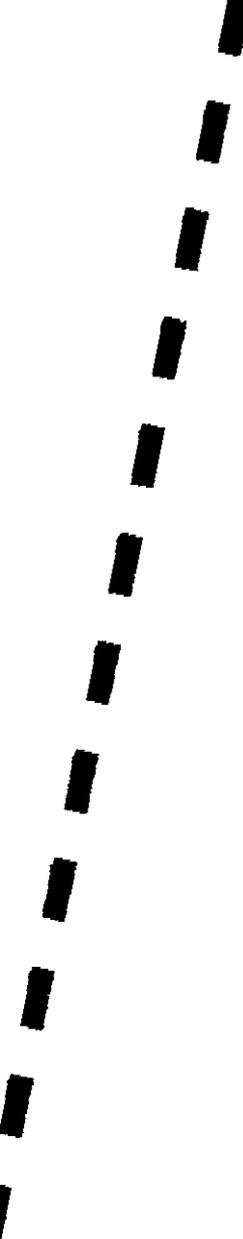
Describe Area Affected and Cleanup Action Taken.\* *Firewall full of PW Aired up fluid with vacuum truck*

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.

OIL CONSERVATION DIVISION

Signature: <i>Danny White</i>	Approved by District Supervisor:		
Printed Name: <i>Danny White</i>	Approval Date:	Expiration Date:	
Title: <i>Lease operator</i>	Conditions of Approval:		Attached <input type="checkbox"/>
E-mail Address:			
Date: <i>1-12-03</i>	Phone: <i>505-420-5516</i>		

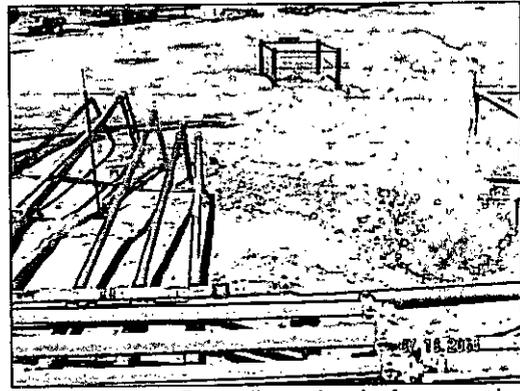
\* Attach Additional Sheets If Necessary

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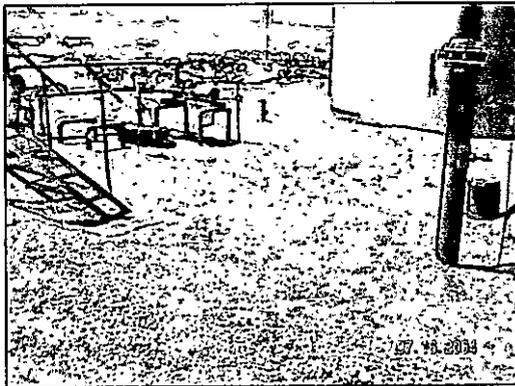
**Appendix B  
Site Photos**



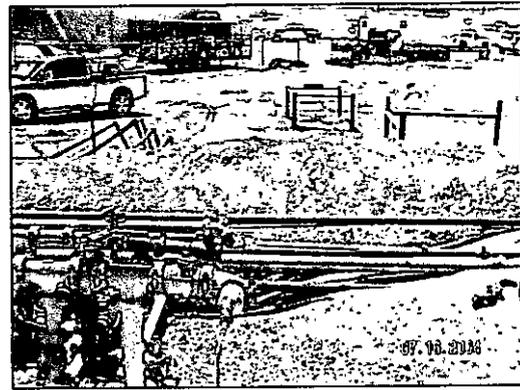
Backfilling excavated area, looking from Southeast



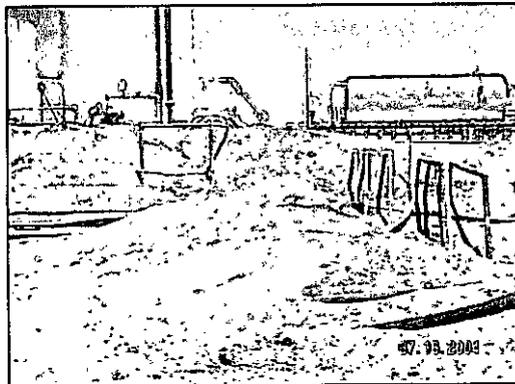
Washed out firewall section before repair, looking from the East.



Inside of containment area finished, from SE



Firewall section replaced, from the East



Firewall section replaced, from West