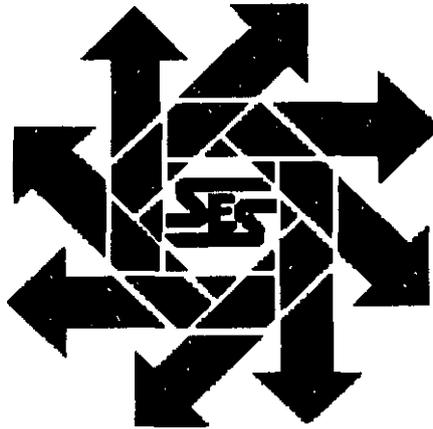


**Merit Energy  
Turner B-1 Oil Well  
Final C-141 Closure Documentation  
Unit P, Section 17, Township 17S, Range 31E  
Eddy County, New Mexico**

**January 6, 2005**



***Prepared for:***

**Merit Energy  
P.O. Box 69  
Loco Hills, N.M. 88255**

***By:***

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

RECEIVED  
JAN 20 2005  
ODD:ARTERIA

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## I Company Contacts

|                 |              |              |                                 |
|-----------------|--------------|--------------|---------------------------------|
| Gene Brookshire | Merit Energy | 505-677-2327 | Gene.brookshire@meritenergy.com |
| Bob Allen       | SESI         | 505-397-0510 | ballen@sesi-nm.com              |
| John Good       | SESI         | 505-631-3277 | Jcgood4614@aol.com              |

## II Background

The release location is in the immediate area of the Merit Energy Turner B #1 Oil Well. This well is located in UL-P, Section 17 Township 17S Range 31E, Eddy County, New Mexico.

The release at this location occurred at approximately 6:00 PM on 7/20/04. A well head valve was left in the closed position, causing a pressure-up situation resulting in a valve connection failure. The well was shut in and the valve was replaced. A vacuum truck was able to recover only 1/2-bbl of product. A 3-ft flow path of oil extended approximately 60-ft east of the well. An approximate 300-ft X 300-ft area west of the well site was affected by overspray.

## III Contaminant and Size of Area

The contaminant was crude oil and associated produced water. The area east of the well contaminated by the release was approximately 3-ft X 60-ft. The area west of the well affected by the overspray was approximately 300-ft X 300-ft.

The crude oil associated with this release is considered RCRA Exempt oilfield waste. No evidence of other contaminants was observed.

## IV Surface and Ground Water

There is no groundwater of record in this area of Eddy County according to information obtained from the New Mexico State Engineer online database. There are no water wells or surface waters within a 1000-ft radius of the site.

## V Soils

The soil in the area is predominantly red sand underlain by a caliche base approximately 20-ft below average surface grade.

## VI Vertical and Horizontal Contaminant Extents

The vertical contamination extent into the caliche well pad and red sand pasture area was <1-ft. The combined affected surface area is ~90,000-ft<sup>2</sup> (predominantly the overspray area).

## VII Remediation Activities

The remediation level achieved 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 Total Petroleum Hydrocarbon (TPH<sup>8015</sup>), 10-ppm Benzene and 50-ppm BTEX.

The initial response to this release occurred during the evening of the release date 7/20/04. The well head valve was replaced and a vacuum truck was able to recover 1/2-bbl of oil from the pooling area east of the well. The east area was superficially

excavated to remove grossly contaminated soil. The area was then treated with Micro-Blaze and roto-tilled. The overspray area was treated with Micro-Blaze.

On 12-7-04, SESI performed additional remedial activity at the site. 6-inches of contaminated soil was removed from the immediate area of the well and replaced with clean soil. The contaminated soil stockpiled was then removed and taken to another active blending site to be incorporated into that final blend.

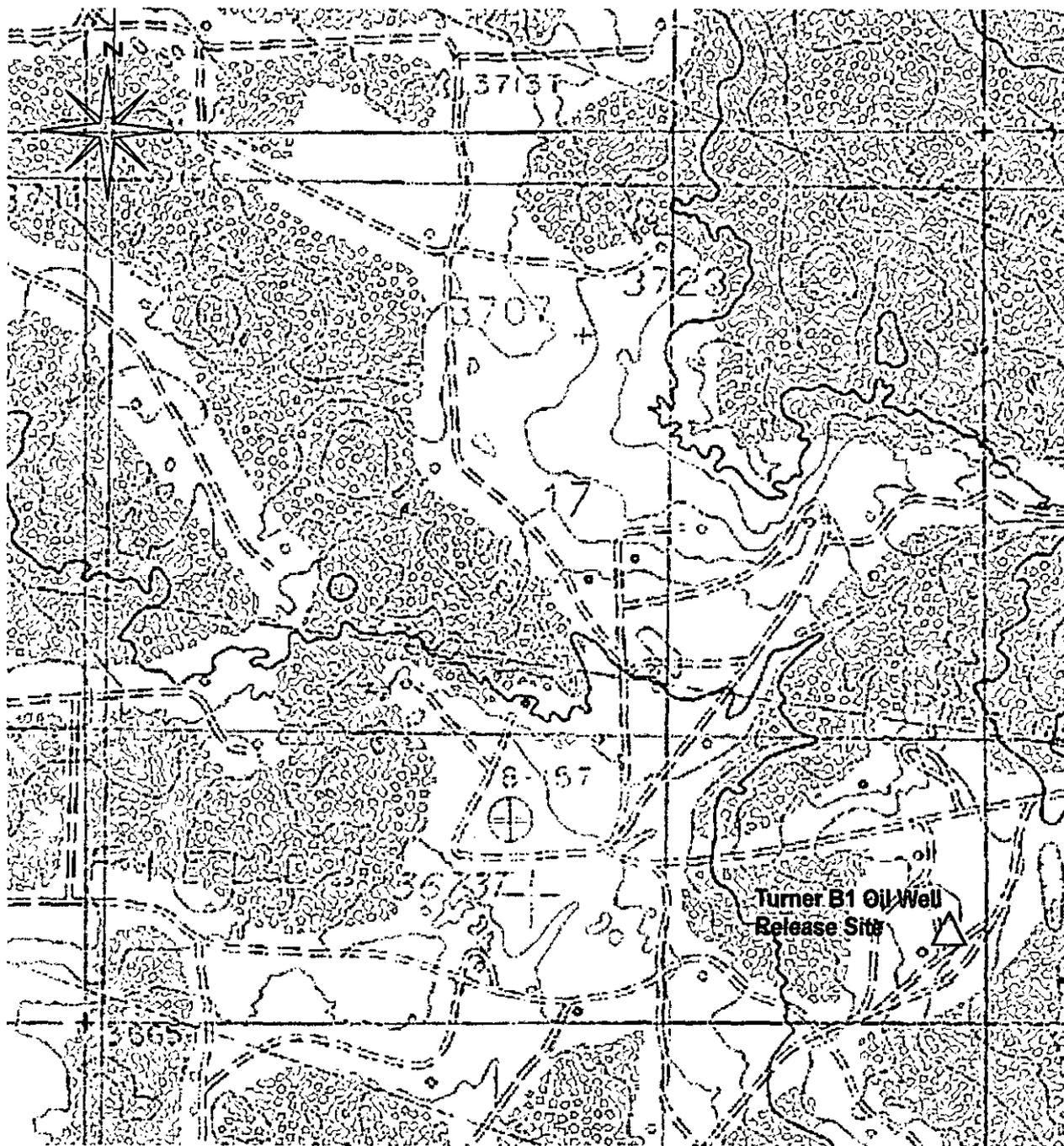
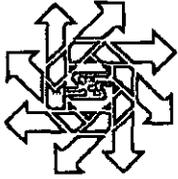
### **VIII Closure Justification**

There are no visible affects of this release apparent in the pasture areas east or west of this release site. The vegetation is abundant and healthy. Grossly contaminated soil was removed from the site and superficially affected areas were effectively treated with Micro-Blaze. Based on the data presented in this report, Safety and Environmental Solutions, Inc. (SESI), on behalf of Merit Energy Corporation, requests that the NMOCD require "no further action" at the Turner B1 Well release site.

### **IX. Figures and Appendices**

- Appendix A: Plate 1 - Vicinity Map
- Appendix B: Plate 2 - Site Plan
- Appendix C: Final C-141 Form & Site Metrics
- Appendix D: Site Photos

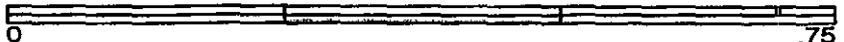
**APPENDIX A: PLATE 1**  
**Vicinity Map**

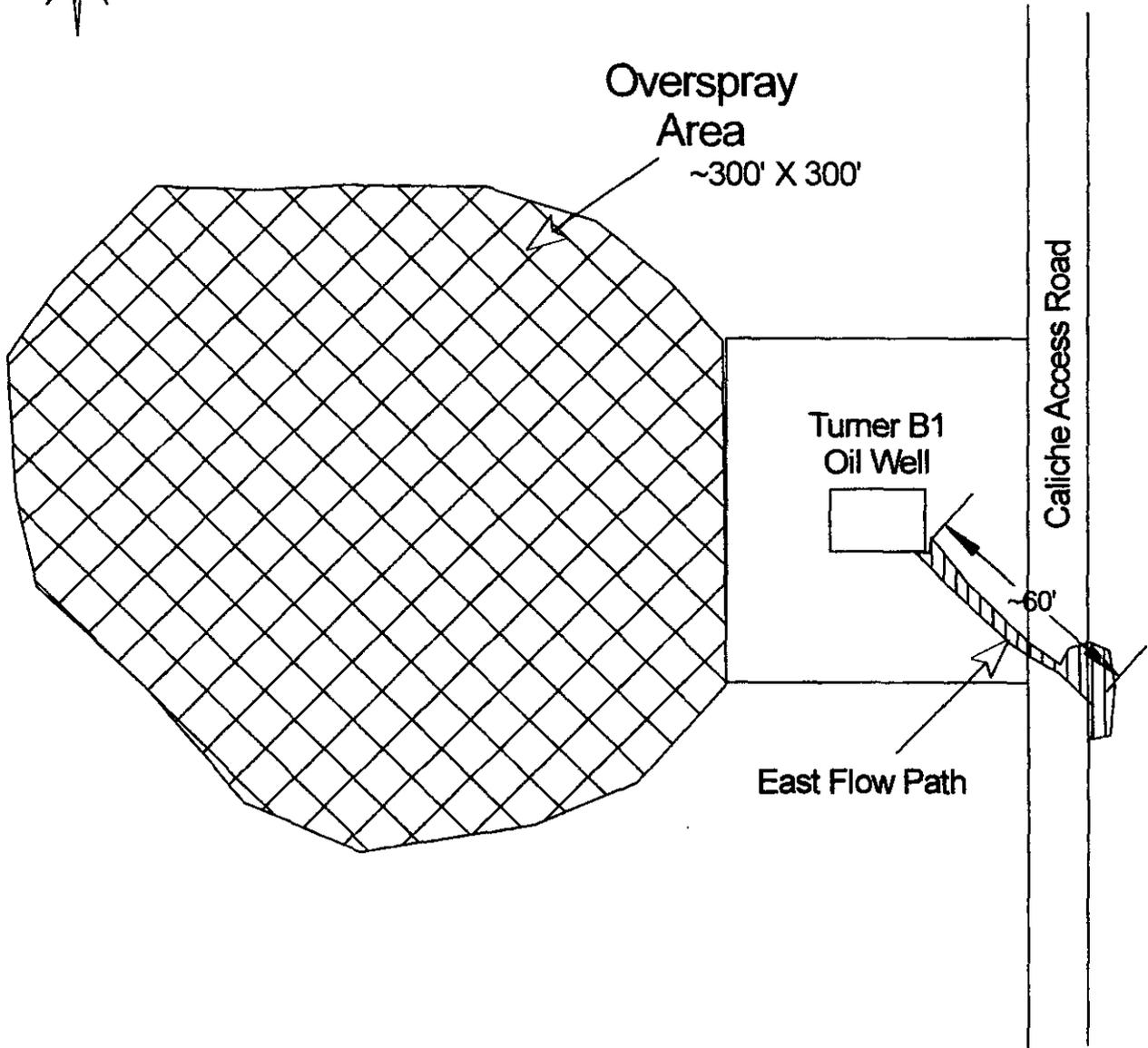
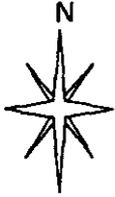
Safety & Environmental  
Solutions, Inc.  
Hobbs, New Mexico

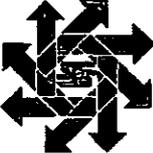
**Plate 1**  
**Merit Energy Corporation**  
**Turner B1 Oil Well Release Site**

UL-P, Section 17, Township 17S, Range 31E  
Eddy County, New Mexico

|  |                   |       |
|--|-------------------|-------|
| Date 1/06/2005   | Dwg by: John Good | Rev 1 |
| Scale: 1" = 980'   |                   | Mile  |
|  |                   |       |

**APPENDIX B: PLATE 2**  
**Site Plan**



|   |  |                   |       |
|---|--|-------------------|-------|
|  | Plate 2  |                   |       |
|   | Merit Energy Corporation<br>Turner B1 Site                           |                   |       |
| Safety & Environmental<br>Solutions, Inc.<br>Hobbs, New Mexico                      | UL-P, Section 17, Township 17S, Range 31E<br>Eddy County, New Mexico |                   |       |
|   | Date 1/06/2005   | Dwg by: John Good | Rev 1 |
|   | Drawing Not to Scale   |                   |       |

**Appendix C**  
**Final C-141 Form;**  
**Site Metrics Form**  
**Turner B-1 Oil Well**  
**7/20/04 Release**

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.

30-015-05181  
nMLB04267 49827

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

|                 |                          |               |                 |
|-----------------|--------------------------|---------------|-----------------|
| Name of Company | Merit Energy Corporation | Contact       | Gene Brookshire |
| Address         | P.O. Box 69              | Telephone No. | 505-420-5497    |
| Facility Name   | Turner B Well #1         | Facility Type | Oil Well        |

|               |     |               |    |           |  |
|---------------|-----|---------------|----|-----------|--|
| Surface Owner | BLM | Mineral Owner | NA | Lease No. |  |
|---------------|-----|---------------|----|-----------|--|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from South Line | Feet from West Line | Longitude-W | Latitude-N | County |
|-------------|---------|----------|-------|----------------------|---------------------|-------------|------------|--------|
| P<br>P      | 17      | 17S      | 31E   |                      |                     |             |            | Eddy   |

NATURE OF RELEASE

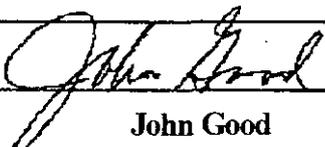
|                             |   |  |                                    |                            |                 |
|-----------------------------|---|--|------------------------------------|----------------------------|-----------------|
| Type of Release             | Crude Oil   | Volume of Release                        | 5 bbl                              | Volume Recovered           | 0.5 bbl         |
| Source of Release           | Valve connection  | Date and Hour of Occurrence              | 7/20/04 6:00 PM                    | Date and Hour of Discovery | 7/20/04 6:15 PM |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required | If YES, To Whom?                         | Mike Stubblefield, NMOCD - Artesia |                            |                 |
| By Whom?                    | Gene Brookshire - Merit Oil   | Date and Hour                            | 7/21/04 8:00 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. \*  
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   | T. Coon by Mike Brantner          |                      |
| Title:          | SESI - Project Consultant   | Approved by District Supervisor:  |                      |
| E-Mail Address: | ballen@sesi-nm.com  | Approval Date: 2/10/05            | Expiration Date: N/A |
| Date:           | 1/6/2005  | Conditions of Approval:           | N/A                  |
| Phone:          | 505-397-0510  | <input type="checkbox"/> Attached |                      |

# Merit Energy Corporation

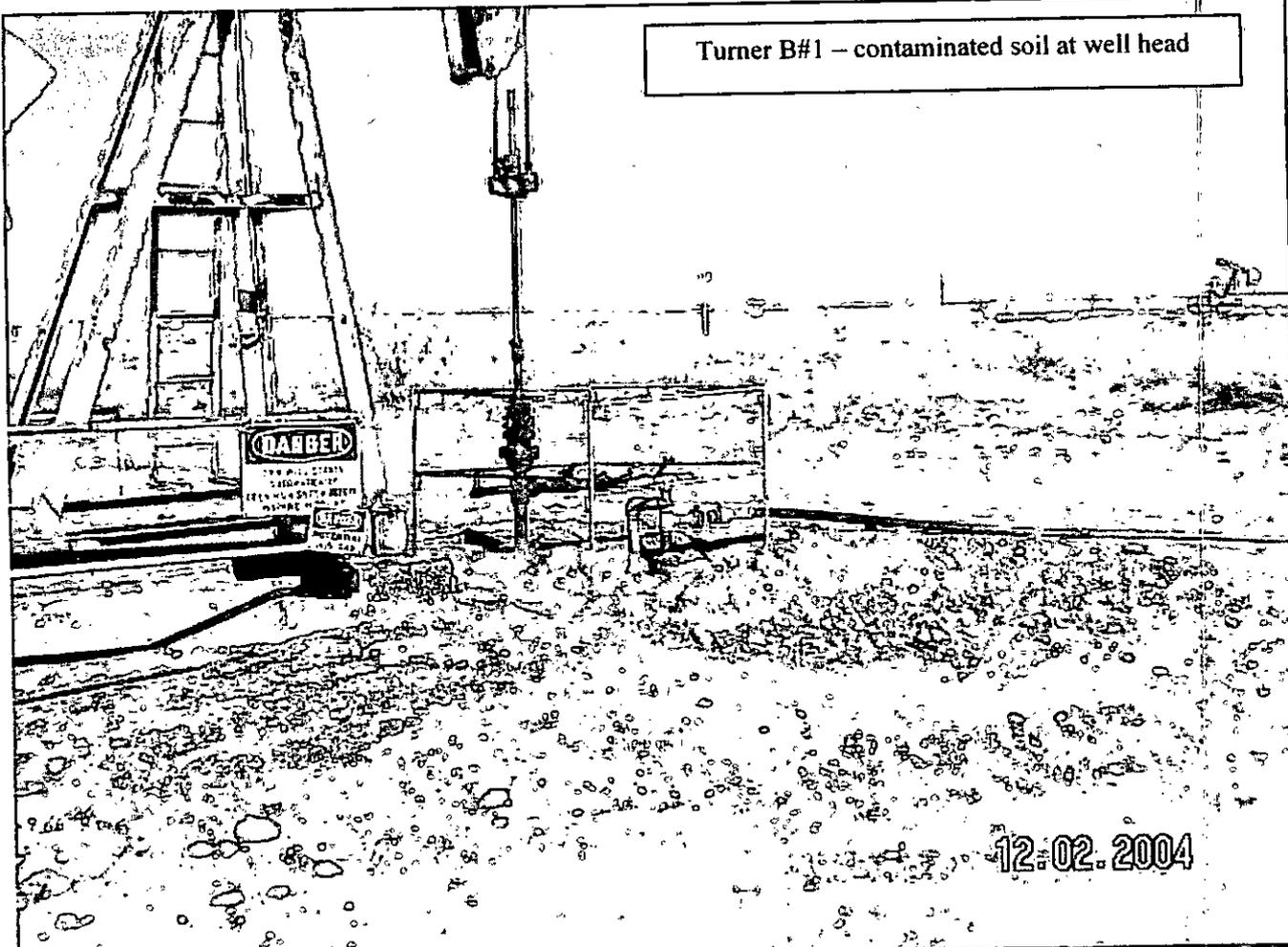
Incident Date: 7/20/04 NMOCD Notified: 7/21/04

|  |         |  |                                     |
|--|---------|--|-------------------------------------|
| SITE: Turner B Well #1   |         | Assigned Site Reference: MER-04-029  |                                     |
| 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): ~ 5   |         | Volume Recovered (bbl): 0.5  | Net Release: ~ 4.5                  |
| <i>&gt;25 bbl: Notify NMOCD verbally within 24 hours and submit C-141 within 15 days.<br/>         5-25 bbl: Submit Form C-141 within 15 days. (Also applies to unauthorized release of &gt;50 mcf Natural Gas).</i> |         |  |                                     |
| Leak, Spill, or Pit (LSP) Name: Turner B Well #1   |         |  |                                     |
| Source of Contamination: Valve connection  |         |  |                                     |
| Land Owner, i.e. BLM, ST, Fee, Other: BLM  |         |  |                                     |
| LSP Dimensions: ~ 3' X 60' area east; 100-yd X 100-yd overspray on west side   |         |  |                                     |
| LSP Area ~ 180 -ft <sup>2</sup> ; 90,000-ft <sup>2</sup> overspray   |         |  |                                     |
| Location of Reference Point (RP):  |         |  |                                     |
| Location distance and direction from RP:   |         |  |                                     |
| Latitude: North  |         |  |                                     |
| Longitude: West  |         |  |                                     |
| Elevation above mean sea level (amsl):   |         | feet   | meters                              |
| Distance from South Section Line (feet):   |         |  |                                     |
| Distance from West Section Line (feet):  |         |  |                                     |
| Location - Unit Letter and 1/4 1/4:  |         | UL-  | P                                   |
|  |         | 1/4 of   | 1/4                                 |
| Location - Section   |         | 17   |                                     |
| 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):   |         | < 5  |                                     |
| Depth (feet) to Ground Water (DG - DC = DtGW):   |         | > 245  |                                     |
| <b>1. Ground Water</b>   |         | <b>2. Wellhead Protection Area</b>   | <b>3. Distance to Surface Water</b> |
| 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  |         |  |                                     |
| <b>Total Site Ranking Score and Acceptable Concentrations</b>  |         |  |                                     |
| Parameter  | 20 or > | 10   | 0                                   |
| Benzene <sup>1</sup>   | 10-ppm  | 10-ppm   | 10-ppm                              |
| BTEX <sup>1</sup>  | 50-ppm  | 50-ppm   | 50-ppm                              |
| TPH  | 100-ppm | 1000-ppm   | 5000-ppm                            |

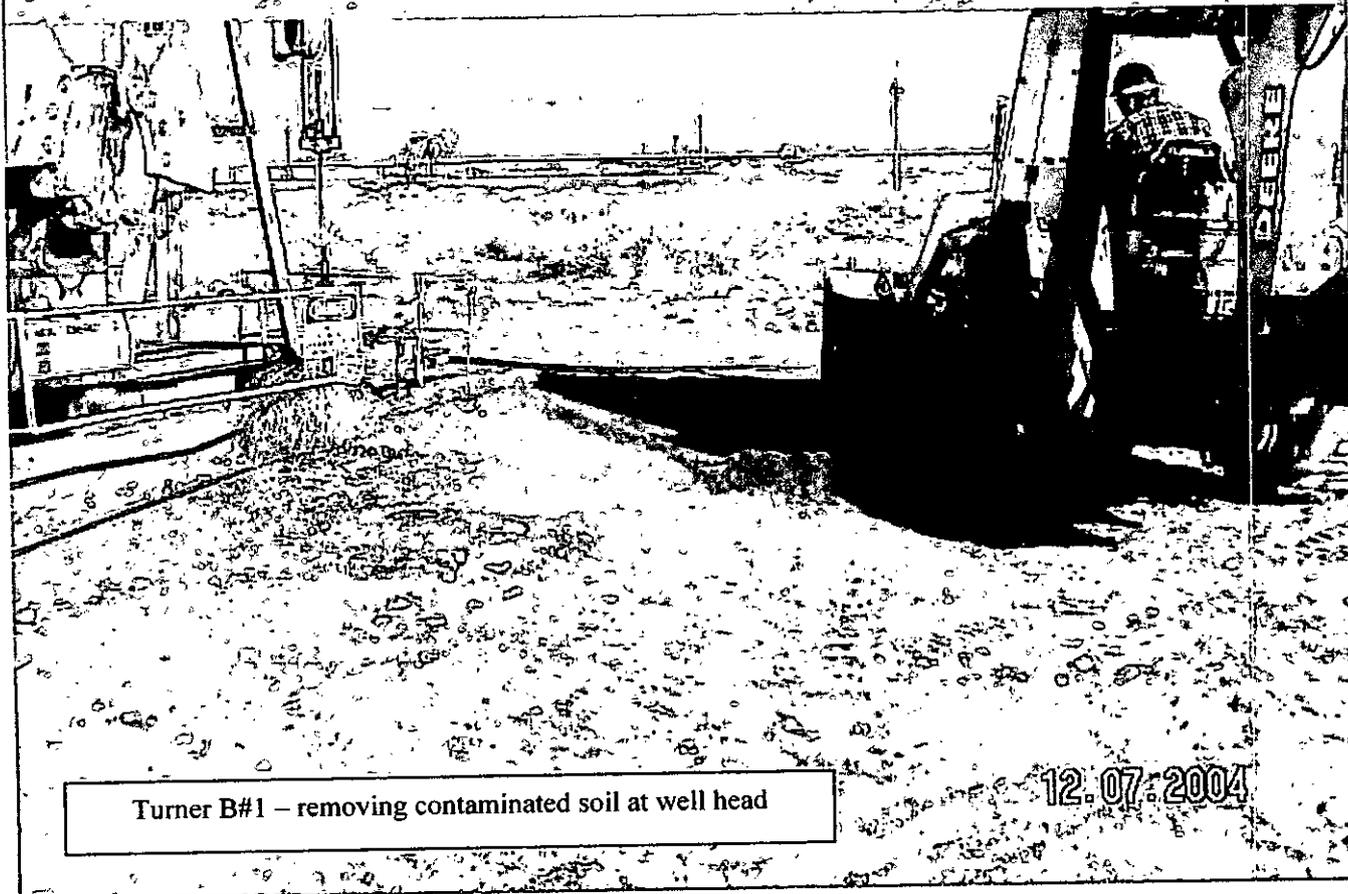
<sup>1</sup> 100-ppm field VOC headspace measurement may be substituted for lab analysis

**Appendix D**  
**Site Photos**

Turner B#1 – contaminated soil at well head



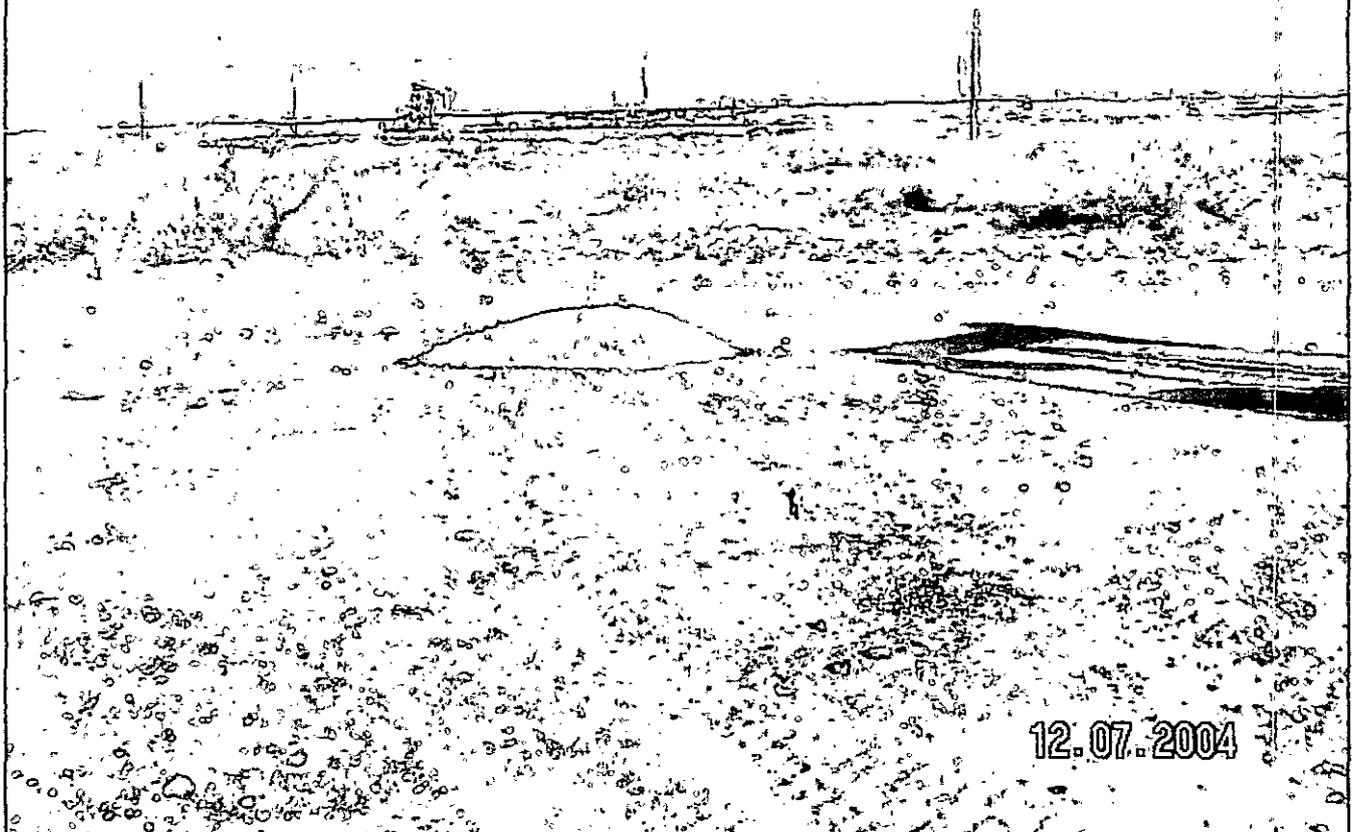
12.02.2004



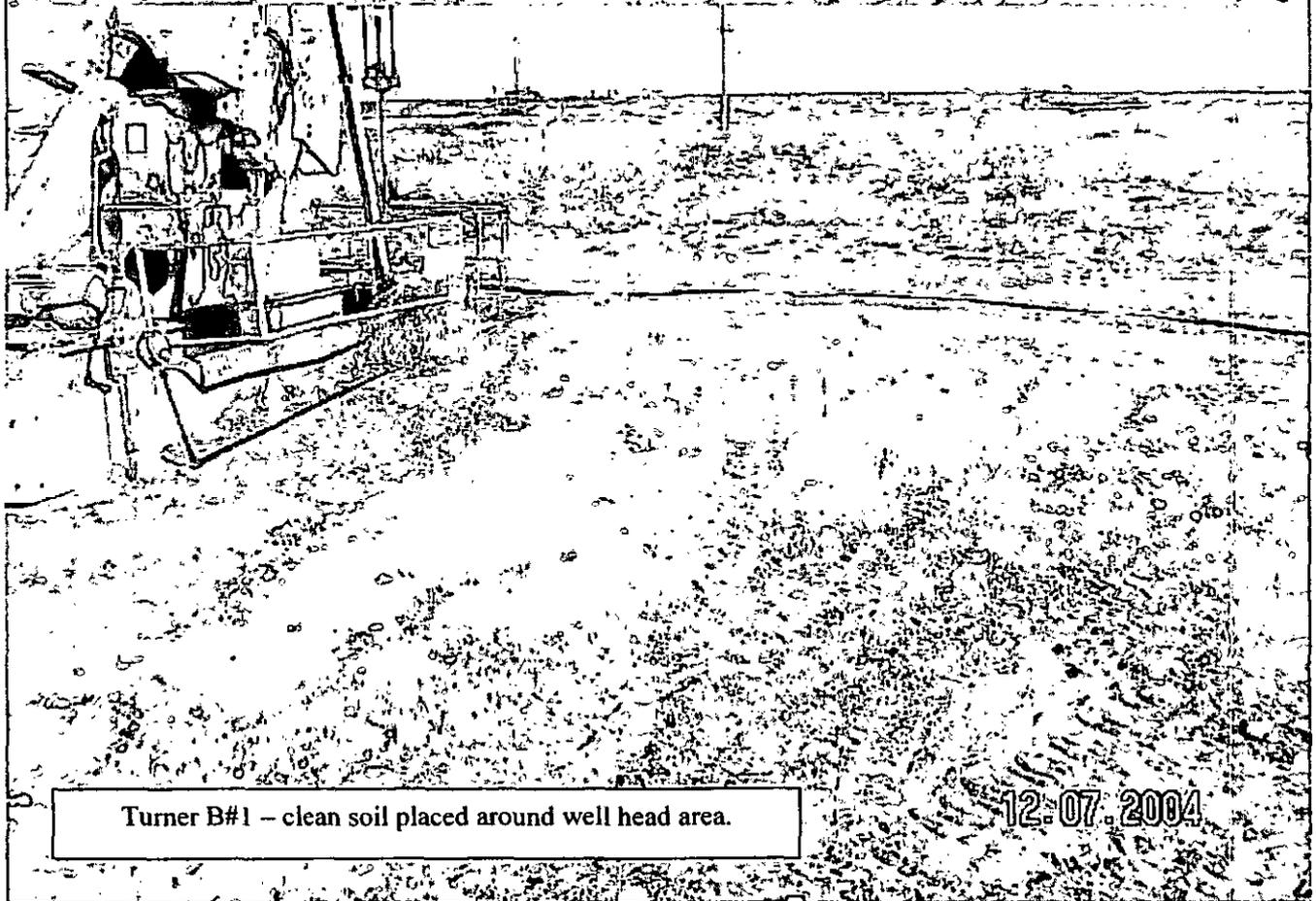
Turner B#1 – removing contaminated soil at well head

12.07.2004

Turner B#1 – contaminated soil removed from well head area



12.07.2004



Turner B#1 – clean soil placed around well head area.

12.07.2004

File

30-015-05181  
nMLB0426749827

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1080 Rio Bravo 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

#### OPERATOR

Initial Report  Final Report

|   |   |           |
|---|---|-----------|
| Name of Company <i>Mesa Energy</i>              | Contact <i>Gene Brookshire 706-4758</i> |           |
| Address <i>P.O. Box 69 Uno Hills N.M. 87255</i> | Telephone No. <i>677-2327</i>           |           |
| Facility Name <i>Turner 3 #1</i>                | Facility Type <i>well</i>               |           |
| Surface Owner                                   | Mineral Owner                           | Lease No. |

#### LOCATION OF RELEASE

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

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

#### NATURE OF RELEASE

|  |  |  |
|--|--|--|
| Type of Release <i>oil</i>   | Volume of Release <i>5.6612</i>            | Volume Recovered <i>1/2 BBL</i>                  |
| Source of Release <i>CSG</i>   | Date and Hour of Occurrence <i>6:00pm</i>  | Date and Hour of Discovery <i>6:15am 7/21/04</i> |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br><i>Mike Stubbins</i>   |  |
| By Whom? <i>Gene Brookshire</i>  | Date and Hour <i>7/21/04 8:00am</i>        |  |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Suspecting the Watercourse. |  |

If a Watercourse was impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

*CSG valve was left shut well pressured up Blew out connection on CSG valve Blew out. Sprayed mist of oil in air. Shut in and had vacuum truck pick up free standing oil only got 1/2 BBL*

Describe Area Affected and Cleanup Action Taken.\*

*3' x 60' Area East of Location. Location and 100 yd x 100 yd Area west of Location. Will cleanup 3' x 60' strip with shovels + wheelbarrow will cleanup location with Backhoe. would like BLM to inspect pasture area before cleanup*

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>Gene Brookshire</i>     | <b>OIL CONSERVATION DIVISION</b> |                  |
| Printed Name: <i>Gene Brookshire</i> | Approved by District Supervisor: |                  |
| Title: <i>Production Foreman</i>     | Approval Date:                   | Expiration Date: |
| Facility Address:                    | Conditions of Approval:          |                  |

121  
11/1/04