



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 21, 2008

Merit Energy Company
Attn: Mr. Justin Findley
13727 Noel Rd., Ste 500
Dallas, TX 75240

RE: Remediation Work Plan
Turner B #127 Flow Line Leak 20-17S-31E Eddy County, New Mexico
Nearest Facility: Turner B 41 (P/A)
2RP-128

Operator;

The New Mexico Oil Conservation Division District 2 office (OCD) is in receipt of a work plan (plan) submitted by Jim Hollon Consulting for site remediation regarding a produced fluid release occurring at an unknown date and discovered January 29, 2008. The plan included a site ranking of zero, preliminary soil sample analyses, site map, and proposal for remediation for the above mentioned site.

The report indicates approximately 210 cubic yards of saturated soils were disposed at an approved disposal facility. The report indicates a "limited" site investigation was performed on February 19, 2008. Sample analyses indicate TPH levels to be as high as 21,610 ppm at seven feet on sample point one and chloride levels to be as high as 10,400 ppm at fourteen feet on sample point one. BTEX was not addressed. Concentrations of constituents of concern were also addressed in sample points two, three, four, and five.

The plan suggests that Merit Energy is requesting contaminated materials including chloride concentrations "...will be stockpiled on site and sampled to determine if additional remediation will be required, such as microbial treatments and aeration. Confirmation samples will be collected from the excavated areas, and when the excavated soils meet the NMOCD remediation levels, they will be used as backfill."

The plan as presented to remediate excavated soils on site is denied. An alternate remediation work plan based on further delineation to address the contamination must be presented to OCD.

Please submit the delineation results and alternate remediation work plan on or before April 25, 2008.

Thank you for your attention to this matter. If I can be of assistance or should you have any questions/concerns, please don't hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Sherry Bonham".

Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
575.748.1283 Ext. 109
sherry.bonham@state.nm.us



Bonham, Sherry, EMNRD

From: Jim Hollon [jim@jhcon.net]
Sent: Monday, March 24, 2008 10:04 AM
To: Bonham, Sherry, EMNRD
Cc: Justin Findley; David Hertel; Dennis Potter
Subject: Merit Energy's Turner B #127

Ms. Bonham,

I have spoken with Mr. Findley this morning regarding the leak site at Merit Energy's Turner B #127. To address the requested additional delineation, we are going to start excavating the affected soils, beginning at SP-1. The excavation will allow the backhoe to reach depths below the existing samples. Following the collection of additional samples and their analysis, a revised work plan will be submitted to you. The excavated soils will be stockpiled on site and analyzed prior to determining their final disposition.

Jim Hollon
Jim Hollon Consulting
(432)631-5768
(432)563-1166 fax

This inbound email has been scanned by the MessageLabs Email Security System.

3/24/2008