

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

Release Notification and Corrective Action

30-015-27148

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Merit Energy Company	Contact: Mike Self
Address: P.O. Box 69, Loco Hills N.M., 88255	Telephone No.: 505-677-2327
Facility Name: H.E. West B # 53	Facility Type: Water injection line

Surface Owner: BLM	Mineral Owner: BLM	Lease No.:
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NCLB060594630

LOCATION OF RELEASE

Unit Letter H	Section 9	Township 17S	Range 31E	Feet from the 1040	North/South Line South	Feet from the 700	East/West Line East	County Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

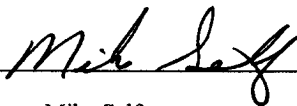

Type of Release: Injection Water	Volume of Release: 45	Volume Recovered: 35
Source of Release: 4" fiberglass injection line	Date and Hour of Occurrence: 12-15-05 15:30	Date and Hour of Discovery: 12-15-06 16:30
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Paul Evans / BLM, Attempted to contact OCD	
By Whom? Mike Self	Date and Hour: 12-15-05 @ 17:00	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

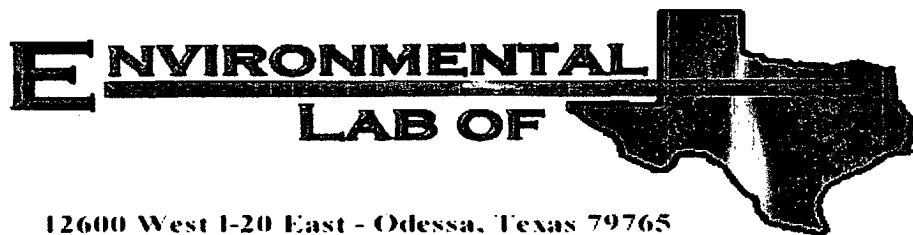
Describe Cause of Problem and Remedial Action Taken.*
Pipeline crew installing a new line trenched across the injection line.

Describe Area Affected and Cleanup Action Taken.*
The affected area was contained to a 5' X 30' trench, a vacuum truck in the area was used to recover approximately 35 bbls of water. After recovery and repairs, the affected soils in the area were blended, before backfilling. A confirmation sample was taken from 8' deep in the area of the intersecting lines. The resulting chlorides were 26.5 mg/kg.

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: Mike Self		Approved by District Supervisor: TIM GUM by MB 	
Title: Area Foreman		Approval Date: 3/30/06	Expiration Date:
E-mail Address: m.self@meritenergy.com		Conditions of Approval:	
Date: 3/27/06 Phone: 505-677-2327		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Jim Hollon

Terracon Consulting, Inc.

24 Smith Road, Ste. 261

Midland, TX 79705

Project: West B #53

Project Number: 94057472C

Location: Loco Hills

Lab Order Number: 6B23010

Report Date: 03/01/06

Terracon Consulting, Inc.
24 Smith Road, Ste. 261
Midland TX, 79705

Project: West B #53
Project Number: 94057472C
Project Manager: Jim Hollon

Fax: (432) 684-9608

Reported:
03/01/06 11:28

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
8'	6B23010-01	Soil	02/22/06 00:00	02/23/06 08:45

Terracon Consulting, Inc.
24 Smith Road, Ste. 261
Midland TX, 79705

Project: West B #53
Project Number: 94057472C
Project Manager: Jim Hollon

Fax: (432) 684-9608

Reported:
03/01/06 11:28

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
8' (6B23010-01) Soil									
Chloride	26.5	5.00	mg/kg	10	EB62709	02/24/06	02/27/06	EPA 300.0	

Terracon Consulting, Inc.
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Midland TX, 79705

Project: West B #53
Project Number: 94057472C
Project Manager: Jim Hollon

Fax: (432) 684-9608

Reported:
03/01/06 11:28

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD	RPD Limit	Notes
Batch EB62709 - Water Extraction									
Blank (EB62709-BLK1)				Prepared: 02/24/06 Analyzed: 02/27/06					
Chloride	ND	0.500	mg/kg						
LCS (EB62709-BS1)				Prepared: 02/24/06 Analyzed: 02/27/06					
Chloride	9.43	0.500	mg/kg	10.0		94.3 80-120			
Calibration Check (EB62709-CCV1)				Prepared: 02/24/06 Analyzed: 02/27/06					
Chloride	8.77		mg/L	10.0		87.7 80-120			
Duplicate (EB62709-DUP1)				Source: 6B23012-01 Prepared: 02/24/06 Analyzed: 02/27/06					
Chloride	347	10.0	mg/kg		352		1.43	20	

Terracon Consulting, Inc.
24 Smith Road, Ste. 261
Midland TX, 79705

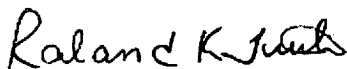
Project: West B #53
Project Number: 94057472C
Project Manager: Jim Hollon

Fax: (432) 684-9608
Reported:
03/01/06 11:28

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By:



Date:

3/1/2006

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

12800 West I-20 East
Odessa, Texas 79763
Phone: 816-463-1800
Fax: 816-463-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

West B #53
Project Name: ~~KEET A #53~~ per dhl.
Project #: 940574720
Project Loc: 1000 Hills
PO #:

Project Manager: Jim Hollow
Company Name: TEGRA.COM
Company Address: 24 SMITH RD. STE 261
City/State/Zip: MILWAUKEE WI 53205
Telephone No: 684-9608
Fax No: 684-9608
Sampler Signature: Jim Hollow

[illegible]

Environmental Lab of Texas

Variance / Corrective Action Report – Sample Log-In

Client: Terracon

Date/Time: 2/23/06 9:00

Order #: 6B23010

Initials: ck

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	12.5 C
Shipping container/cooler in good condition?	<input checked="" type="checkbox"/>	No	
Custody Seals intact on shipping container/cooler?	Yes	No	Not present
Custody Seals intact on sample bottles?	<input checked="" type="checkbox"/>	No	Not present
Chain of custody present?	<input checked="" type="checkbox"/>	No	
Sample Instructions complete on Chain of Custody?	<input checked="" type="checkbox"/>	No	
Chain of Custody signed when relinquished and received?	<input checked="" type="checkbox"/>	No	
Chain of custody agrees with sample label(s)	<input checked="" type="checkbox"/>	No	
Container labels legible and intact?	<input checked="" type="checkbox"/>	No	
Sample Matrix and properties same as on chain of custody?	<input checked="" type="checkbox"/>	No	
Samples in proper container/bottle?	<input checked="" type="checkbox"/>	No	
Samples properly preserved?	<input checked="" type="checkbox"/>	No	
Sample bottles intact?	<input checked="" type="checkbox"/>	No	
Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/>	No	
Containers documented on Chain of Custody?	<input checked="" type="checkbox"/>	No	
Sufficient sample amount for indicated test?	<input checked="" type="checkbox"/>	No	
All samples received within sufficient hold time?	<input checked="" type="checkbox"/>	No	
VOC samples have zero headspace?	Yes	No	Not Applicable

Other observations:

Variance Documentation:

Contact Person: _____ Date/Time: _____ Contacted by: _____

Regarding: _____

Corrective Action Taken:

Jeanne McMurrey

From: "Hollon, James D." <jdhollon@terracon.com>
To: "Jeanne McMurrey" <jeanne@elabtexas.com>
Sent: Tuesday, February 28, 2006 3:51 PM
Subject: Wrong project name

Jeanne,

The COC I turned in on 02/23/06 with the project name Keel A # 53, should be West B # 53. If it is possible, could you change that for me?

Thanks

Jim Hollon

Project Manager

Terracon

24 Smith Rd. Ste 261 | Midland, Texas 79705

P 432-684-9600 | F 432-684-9608 | M 432-631-5768

jdhollon@terracon.com | www.terracon.com

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2/28/2006

Table 1

CONCENTRATIONS OF CHEMICALS OF CONCERN IN SOIL

**Merit Energy
West B # 53 Site
Loco Hills, Eddy County, New Mexico
Terracon Project Number 94057472C**

All concentrations are in mg/kg

SAMPLE DATE	SAMPLE LOCATION	SAMPLE DEPTH	Total Chlorides
02/22/06	1	8'	26.5

CONCENTRATIONS IN BOLD ARE ABOVE REGULATORY GUIDELINES

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Release Notification and Corrective Action

Name of Company <u>MERIT ENERGY</u>		Contact <u>MIKE SELF / CHAS FLORES</u>	
Address <u>P.O. BOX 65 ALBUQUERQUE, NM</u>		Telephone No. <u>505 706 4758 420 5506</u>	
Facility Name <u>GRAND RIVER JUNCTION 8925</u>		Facility Type <u>4" FIBER GLASS LINE</u>	
Surface Owner <u>BLM</u>	Mineral Owner <u>BLM</u>	Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<u>9</u>	<u>175</u>	<u>31E</u>	<u>1040</u>	<u>SOUTH</u>	<u>760</u>	<u>EAST</u>	<u>EDDY</u>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <u>PRODUCE WATER</u>	Volume of Release <u>45</u>	Volume Recovered <u>35</u>
Source of Release <u>4" FIBER GLASS LINE</u>	Date and Hour of Occurrence <u>12-15-05 3:30 PM</u>	Date and Hour of Discovery <u>12-15-05 4:00 PM</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>PAUL EVANS BLM / TO CONTACT AGO</u>	
By Whom? <u>MIKE SELF 505-706-4758</u>	Date and Hour	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

(4M)
PIPE LINE CREW LAYING LINE CUT INTO FIBERGLASS LINE
APPROX 5' X 30' AREA ALONG ROADSIDE REPAIRED WITH
AREA OF FLUID CONTAINED IN DITCH DRESSER SLEEVE
BEING DUG ABOUT 4 FT DOWN FILLED UP 35 BARRELS OF P/W

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>[Signature]</u>		OIL CONSERVATION DIVISION	
Printed Name: <u>CHAS V. FLORES</u>		Approved by District Supervisor:	
Title: <u>PUMPER</u>	Approval Date:	Expiration Date:	
E-mail Address: <u>CFLORES@MERITENERGY.COM</u>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <u>12-15-05</u>	Phone: <u>505 420 5506</u>		

* Attach Additional Sheets If Necessary

NOTE: ALL FLUID CONTAINED IN AREA OF DITCH
P/W BEING EXCAVATED LOCATED
S.W. OF WEST B-28 & ONE EAST
OF WEST B- WELL # 53

30-015-27148