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

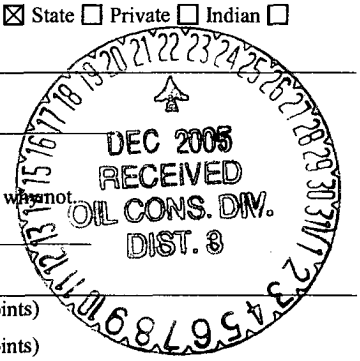
Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Merrion Oil & Gas Telephone: (505)324-5326 e-mail address: cdinning@merrion.bz
Address: 610 Reilly Ave., Farmington, NM 87401
Facility or well name: Custer Federal No. 1 API #: 30-045-25974 U/L or Qtr/Qtr 790' fsl & 790' fwl, sw/sw Sec 5 T 25N R 8W
County: San Juan Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐



Pit	**Below-grade tank**		
Type: Drilling ☐ Production ☒ Disposal ☐ Workover ☐ Emergency ☐ Lined ☐ Unlined ☒ Liner type: Synthetic ☐ Thickness ____mil Clay ☐ Pit Volume 89 bbl 10' X 10' X 5'	Volume: ____bbl Type of fluid: ____ Construction material: ____ Double-walled, with leak detection? Yes ☐ If not, explain why not. ____		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)	10
	Ranking Score (Total Points)		10

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☒ offsite ☐ If offsite, name of facility____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface____ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Pit location is approximately 40° north of west, 70' from the wellhead.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**
Date: December 20, 2005
Printed Name/Title Connie Dinning/ Production Engineer Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title DEPUTY OIL & GAS INSPECTOR, DIST. #3 Signature Date: DEC 22 2005

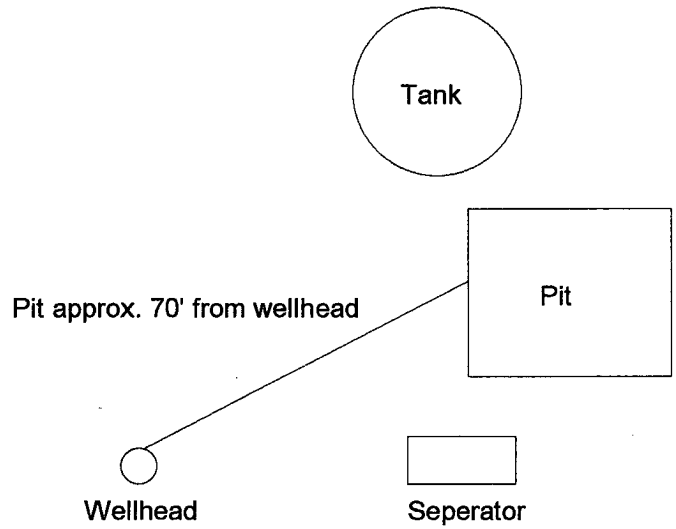
Custer Federal No. 1
Pit Closure, Case Narrative
December 20, 2005

Cleanup began on 8/20/96. The pit was to be remediated in place. Vent tubes and fertilizer were mixed in with the soil.

On July 12, 2004, the pit was excavated, and the soil was landfarmed on site due to poor results from other pits that had been treated in place. Lab results from Hall Environmental showed the composite sample to be clean. A new crew was performing this work, and they did not take separate composites from the sides, and the bottom of the pit, and they labeled the sample as "landfarm" which was incorrect. The sample tested clean.

In August 2005, after a year of working the landfarm, it tested clean.

Merrion Oil & Gas
Custer Federal #1
Site Schematic



Note: Not to Scale, Dimensions are Approximate

Hall Environmental Analysis Laboratory

Date: *20-Jul-04*

CLIENT:	iina ba, Ltd	**Client Sample ID:**	0407027-003A
Lab Order:	0407103	**Collection Date:**	7/8/2004 3:50:00 PM
Project:	0407027		
Lab ID:	0407103-03	**Matrix:**	SOIL

CUSTER FED 1

LANDFARM COMP

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE						Analyst: **JMP**
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	7/15/2004 2:39:42 PM
Motor Oil Range Organics (MRO)	ND	50		mg/Kg	1	7/15/2004 2:39:42 PM
Surr: DNOP	72.6	60-124		%REC	1	7/15/2004 2:39:42 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: **NSB**
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	7/16/2004 2:12:57 AM
Surr: BFB	91.8	74-118		%REC	1	7/16/2004 2:12:57 AM

Qualifiers:

ND - Not Detected at the Reporting Limit

J - Analyte detected below quantitation limits

B - Analyte detected in the associated Method Blank

* - Value exceeds Maximum Contaminant Level

S - Spike Recovery outside accepted recovery limits

R - RPD outside accepted recovery limits

E - Value above quantitation range

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	Merrion Oil	Project #:	03048-009
Sample ID:	Walls Composite	Date Reported:	08-04-05
Laboratory Number:	33916	Date Sampled:	07-28-05
Chain of Custody No:	14348	Date Received:	07-29-05
Sample Matrix:	Soil	Date Extracted:	08-01-05
Preservative:	Cool	Date Analyzed:	08-04-05
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**10.7**	**0.1**
Total Petroleum Hydrocarbons	**10.7**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Custer Federal No. 1.**

Analyst

Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865

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Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

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Laboratory Number:	33917	Date Sampled:	07-28-05
Chain of Custody No:	14348	Date Received:	07-29-05
Sample Matrix:	Soil	Date Extracted:	08-01-05
Preservative:	Cool	Date Analyzed:	08-04-05
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	Merrion Oil	Project #:	03048-009
Sample ID:	Walls Composite	Date Reported:	08-04-05
Laboratory Number:	33916	Date Sampled:	07-28-05
Chain of Custody:	14348	Date Received:	07-29-05
Sample Matrix:	Soil	Date Analyzed:	08-04-05
Preservative:	Cool	Date Extracted:	08-01-05
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**2.1**
Toluene	**9.1**	**1.8**
Ethylbenzene	**ND**	**1.7**
p,m-Xylene	**13.9**	**1.5**
o-Xylene	**3.8**	**2.2**
Total BTEX	**26.8**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**98.0 %**
	1,4-difluorobenzene	**98.0 %**
	Bromochlorobenzene	**98.0 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Custer Federal No. 1.**

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Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**2.1**
Toluene	**ND**	**1.8**
Ethylbenzene	**ND**	**1.7**
p,m-Xylene	**ND**	**1.5**
o-Xylene	**ND**	**2.2**
Total BTEX	**ND**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**99.0 %**
	1,4-difluorobenzene	**99.0 %**
	Bromochlorobenzene	**99.0 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Custer Federal No. 1.**

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