

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

RCVD NOV 3 '06
OIL CONS. DIV.
DIST. 3

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 Corporation Telephone: 505.324.5300 e-mail address: dmerilatt@merrion.bz

Address: 610 Reilly Ave., Farmington, NM 87401

Facility or well name: Nelson A2 API #: 30-045-32215 U/L or Qtr/Qtr E Sec 9 T 26N R 12W

County: San Juan Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐

Surface Owner: Federal ☐ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume ~17,500 bbl

Below-grade tank

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) 10

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) 0

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 you 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: Merrion Oil & Gas closed the reserve pit as per the NMOCD guidelines on approximately 10/20/05.

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: 11/2/06

Printed Name/Title Denise Merilatt, Engineering Tech

Signature

Denise Merilatt

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

Bob Hall

Date:

NOV 03 2006

Merrion Oil & Gas

Remediation Plan for Pit Closure

As soon as pit is dried, Merrion Oil & Gas will begin the process of backfilling, leveling and contouring. The liner is to be cut off at mud level.

Waste disposal and spoils materials will be buried using stockpiled topsoil. The stockpiled soil material will be spread on the reclaimed portions of the pad, including the reserve pit, cut and fill slopes prior to re-seeding.