

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

n MLB0423149108

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company <i>Merit Energy</i>	Contact <i>Chris Brookshire</i>
Address <i>P.O. Box 69, West Hills, NM 88207</i>	Telephone No. <i>505-677-2327-1700-4758</i>
Facility Name <i>HUDSON BTRY</i>	Facility Type <i>Battery</i>
Surface Owner <i>Federal Land</i>	Mineral Owner <i>BLM</i>
Lease No. <i>054985</i>	

LOCATION OF RELEASE

Unit Letter <i>A</i>	Section <i>18</i>	Township <i>17S</i>	Range <i>31E</i>	Feet from the	North/South Line	Feet from the	East/West Line	County <i>DOUG</i>
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>oil spill</i>	Volume of Release <i>300</i>	Volume Recovered <i>285</i>
Source of Release <i>tank battery</i>	Date and Hour of Occurrence <i>8-11-04</i>	Date and Hour of Discovery <i>8-11-04 10:30 AM</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Paul Evans / BLM / Mike Bradshaw OGD</i>	
By Whom? <i>Eugene Sparks / Chris Brookshire</i>	Date and Hour <i>8-11-04 7:00 PM</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

NA

Describe Cause of Problem and Remedial Action Taken.*

- Water meter plugged off causing water to dump in stock tank over filling tank and spilling oil inside dike
- removed screen in meter

Describe Area Affected and Cleanup Action Taken.*

- Inside dike around tanks was saturated. Less than 1 barrel got outside of dike on south side of battery
- vacuum truck picked up spill

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>Chris Brookshire</i>		OIL CONSERVATION DIVISION	
Printed Name: <i>Chris Brookshire</i>		Approved by District Supervisor:	
Title: <i>Production Manager</i>		Approval Date:	Expiration Date:
E-mail Address:		Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>8-12-04</i> Phone: <i>505-677-2328</i>			

* Attach Additional Sheets If Necessary

Work plan approval sent to op & SESF

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Release Notification and Corrective Action

n MLBO423149108

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company <i>Merit Energy</i>	Contact <i>Chris Brookshire</i>	
Address <i>P.O. Box 69, West Hills, NM, 87227</i>	Telephone No. <i>off. 677-2327 - 1700 - 4733</i>	
Facility Name <i>Hydrogen & Battery HUDSON BTRY</i>	Facility Type <i>Battery</i>	
Surface Owner <i>Federal Land</i>	Mineral Owner <i>BLM</i>	Lease No. <i>054988</i>

LOCATION OF RELEASE

Unit Letter <i>A</i>	Section <i>18</i>	Township <i>17S</i>	Range <i>31E</i>	Feet from the	North/South Line	Feet from the	East/West Line	County <i>EDDY</i>
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>oil spill</i>	Volume of Release <i>300</i>	Volume Recovered <i>285</i>
Source of Release <i>Tank battery</i>	Date and Hour of Occurrence <i>8-11-04</i>	Date and Hour of Discovery <i>8-11-04 10:00 AM</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Paul Evans / BLM / Mike Bradshaw OGD</i>	
By Whom? <i>Ernest Sanchez / Chris Brookshire</i>	Date and Hour <i>8-11-04 4:30 PM</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

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OIL CONSERVATION DIVISION

Signature: <i>Debra Brook</i>	Approved by District Supervisor:		
Printed Name: <i>Chris Brookshire</i>	Approval Date:		
Title: <i>Production Manager</i>	Expiration Date:		Attached <input type="checkbox"/>
E-mail Address:	Conditions of Approval:		
Date: <i>8-12-04</i>	Phone: <i>706-4733</i>		

* Attach Additional Sheets If Necessary

Work plan approval sent



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

August 18, 2004

Merit Energy
PO Box 69
Loco Hills NM 88255

Re: Hudson Federal Tank Battery

¹⁸
A-20-17s-31e

Eddy County, New Mexico

Dear Operator,

O.C.D. has received the Remediation Work plan as prepared by Safety & Environmental Solutions, Inc. and presented by your company.

The Remediation Work plan as presented is approved with the following added stipulations:

1. Chloride and/or TPH levels must meet OCD requirements as related to site assessment.
2. The work plan as approved shall begin corrective actions no later than 9/3/2004.
3. Please notify the Oil Conservation Division 24 hours prior to corrective actions or soil samples being taken to allow an OCD representative to witness actions as needed.

If I can be of assistance in this matter please do not hesitate to contact me at 505-748-1283 Ext 108 (Cell:505-626-0857) or E-mail me at mbratcher@state.nm.us

Sincerely,

Mike Bratcher
Compliance Officer
NMOCD

Cc/ Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 102
Hobbs NM 88240

FAX COVER SHEET

OIL CONSERVATION DIVISON
1301 W. GRAND AVE
ARTESIA, NM 88210

PHONE (505-748-1283
FAX (505-748-9720

Date 8/18/04

TO: SESI Attn: Bob Allen

FROM: Mike Bratcher Dist. II NMOC

NUMBER OF PAGES

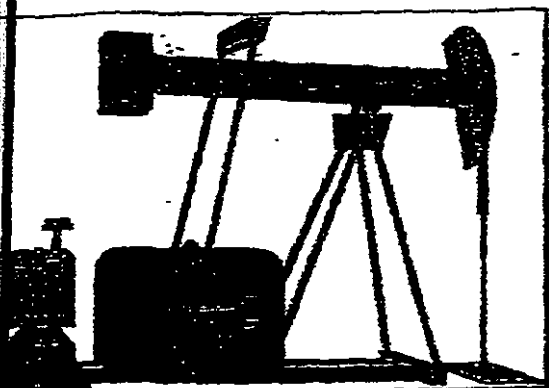
3

(INCLUDING COVER SHEET)

MESSAGE

MERIT ENERGY
HUDSON FED TANK BATTERY RELEASE 8/11/04

FAX



Merit Energy Company

P.O. Box 300

2560 F.M. 301

WhiteFace, Texas 79379

Phone: 806-229-6300

Date: _____

No of Pages: _____ (including Cover Page)

To: Mike Bradsher

From: Gene Brookshire

Phone #: _____

Phone #: 677-2327

Fax #: _____

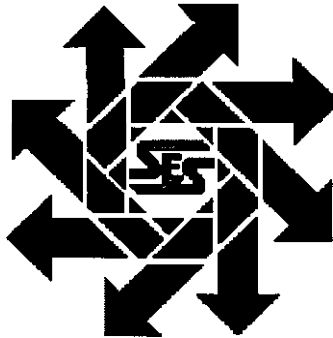
Fax #: _____

Correction on C-141-form sent 8-12-04
it is the Hudson Battery - not Turner A
Sorry for Inconvenience

**Merit Energy
Hudson Federal Battery
Work Plan**

**NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section ~~20~~¹⁸
Township 17S, Range 31E
Eddy County, New Mexico**

August 13, 2004



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
PHONE (505) 397-0510; FAX (505) 393-4388
Email: ballen@sesi-nm.com***

TABLE OF CONTENTS

I. Purpose.....	1
II. Background	1
III. Contaminant and Size of Area.....	1
IV. Vertical and Horizontal Extent of Contamination.....	1
V. Groundwater.....	1
VI. Action Plan.....	1
VII. Figures & Appendices.....	2

I. Purpose

The purpose of this work plan is to propose a remedial course of action for a crude oil release associated with the Merit Energy "Hudson Federal Tank Battery" site. The site is located in the NE corner of Section 18 Township 17S Range 31E, Eddy County, New Mexico. The crude oil release at this location is contained within the battery firewall excepting a moderate overspray area south of the battery.

II. Background

The active tank battery site is associated with the Merit Energy Hudson gathering system. The release was discovered the morning of August 11, 2004, having occurred during the previous night. The release was the result of a plugged produced water line. 285-bbl of crude oil was recovered from a total 300-bbl release.

III. Contaminant and Size of Area

The contaminant is unprocessed crude oil. The release was contained within the firewall structure of the tank battery. An area beyond the firewall on the south side of the battery has some surface residual resulting from overspray during the release event. (Site Plan)

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

IV. Vertical and Horizontal Extent of Contamination

A profile of the vertical contamination extent beneath the battery will be determined by the drilling of one borehole near the center of the battery. Analytical samples will be collected at 5-ft intervals.

V. Groundwater

There is no groundwater of record in the area according to information obtained from the New Mexico State Engineer online database.

VI. Action Plan

Based on the "**Guidelines for Remediation of Leaks, Spills and Releases**" *New Mexico Oil Conservation Division* – August 13, 1993 (Guidelines), the remedial goal for this site is 5000-ppm TPH, 50-ppm BTEX and 10-pp Benzene. Application of the NMOCD ranking criteria for contaminated soils at this site is presented below.

Depth to Ground Water: (>100-ft bgs)	0 points
Distance to Well Head or Water Source: (>1000-ft)	0 points
Distance to Surface Water/Waterways: (>1000-ft)	0 points
Total Score:	0 points

SESI proposes to remediate this site as follows:

1. The contaminated berm/firewall and the highly contaminated surface soil within the battery will be excavated and removed.

2. The borehole (Section IV) will be drilled, sampled and analyzed. The soil will be sampled at 5-ft intervals to a depth where a <5000-ppm TPH concentration is achieved. Bore samples will be field analyzed for TPH utilizing EPA Method 418.1. The final sample (<5000-ppm) will be submitted under Chain of Custody to Cardinal Laboratories, Hobbs, NM, for certified TPH and BTEX analyses.
3. Utilizing the determined vertical delineation profile, the soil within the battery confinement area contaminated above the 5000-ppm TPH remedial goal will be excavated and removed.
4. A compacted 1-ft layer of clay will be installed on the bottom of the excavation. The clay layer will extend to the outer perimeter of the firewall.
5. The contaminated soil excavated and removed from this site will be transported to an, as yet, undetermined location (close proximity) and blended with available clean soil to reduce the TPH level to <5000-ppm. This blended material will be utilized to backfill the battery excavation and to reconstruct the firewall at the Hudson Battery site. Surplus blended soil will be stockpiled for future firewall construction and/or maintenance at any of Merit's numerous batteries in this area.

VII. Figures & Appendices

Figure 1. Vicinity Map

Figure 2. Site Plan

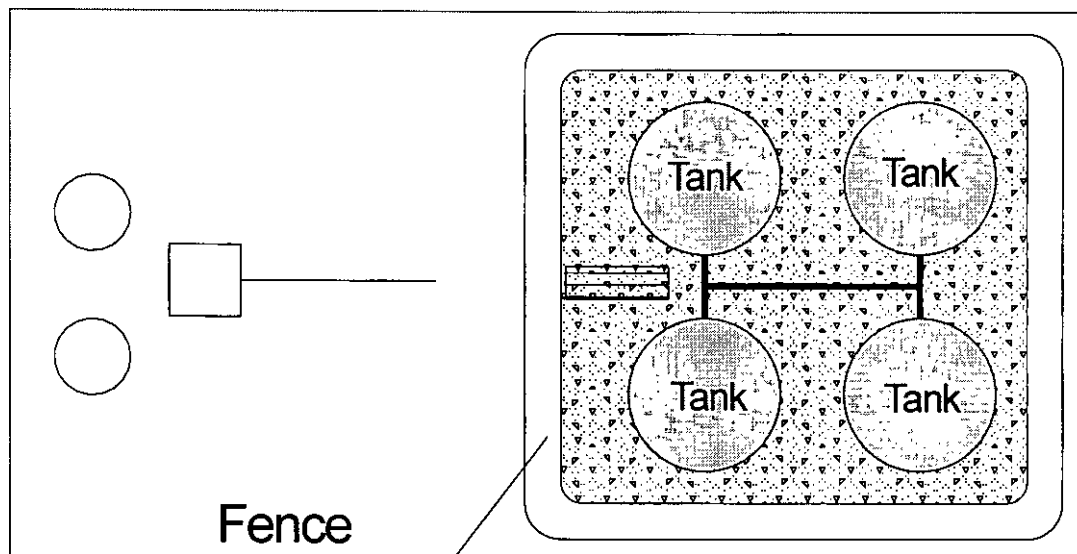
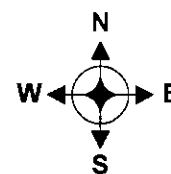
Appendix A Site Photos

Figure 1

Vicinity Map

Figure 2

Site Plan



Firewall

Overspray
Area

Drawing Not To Scale



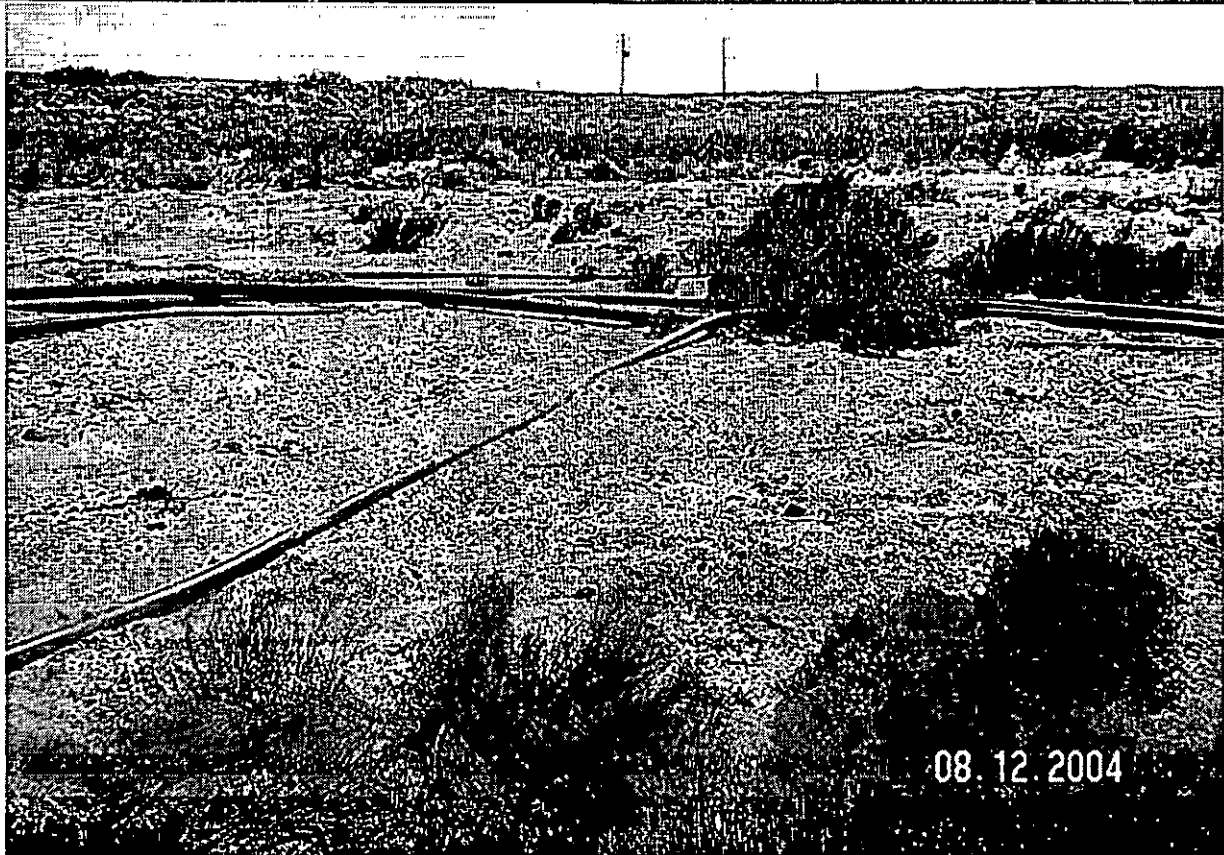
Merit Energy

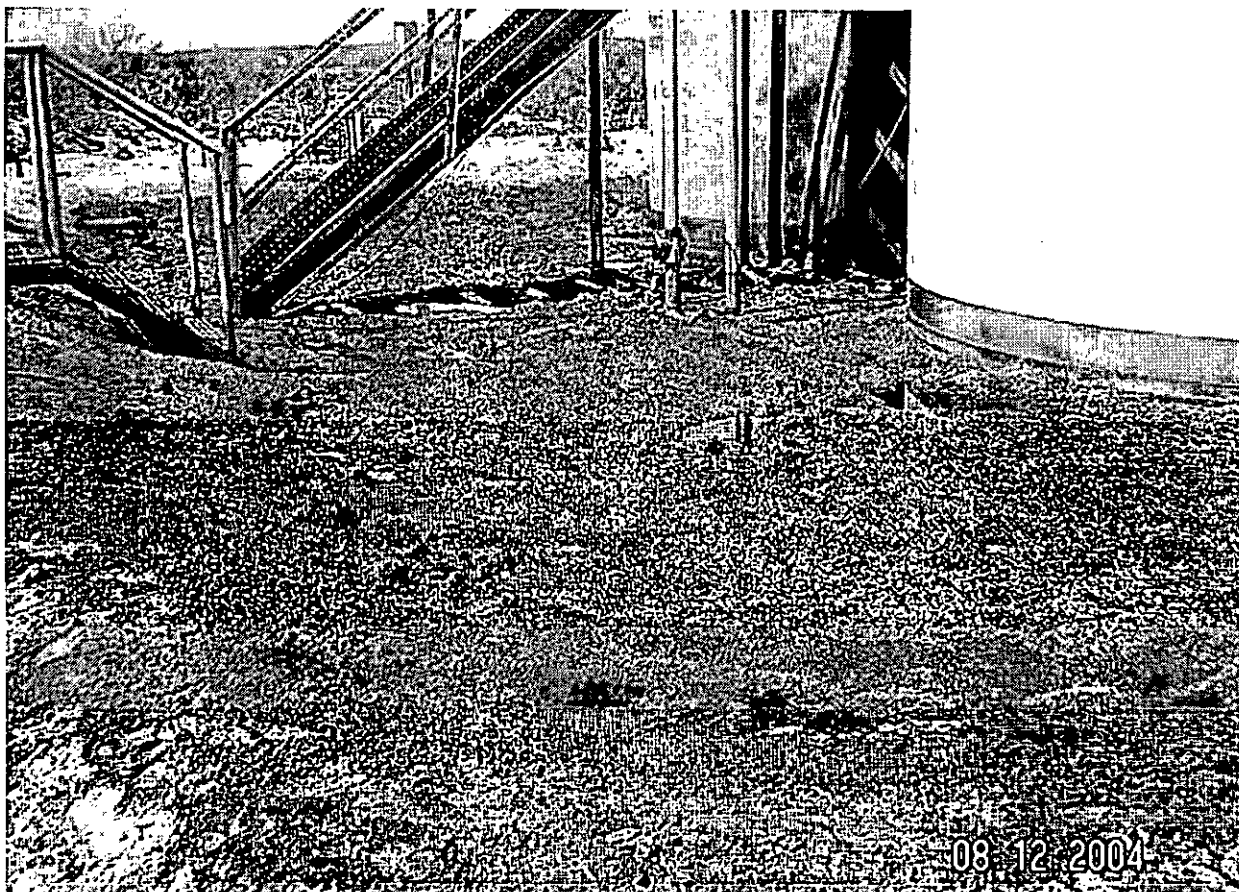
Hudson Federal Battery
Sec. 18, T17S, R31E
Eddy County, New Mexico

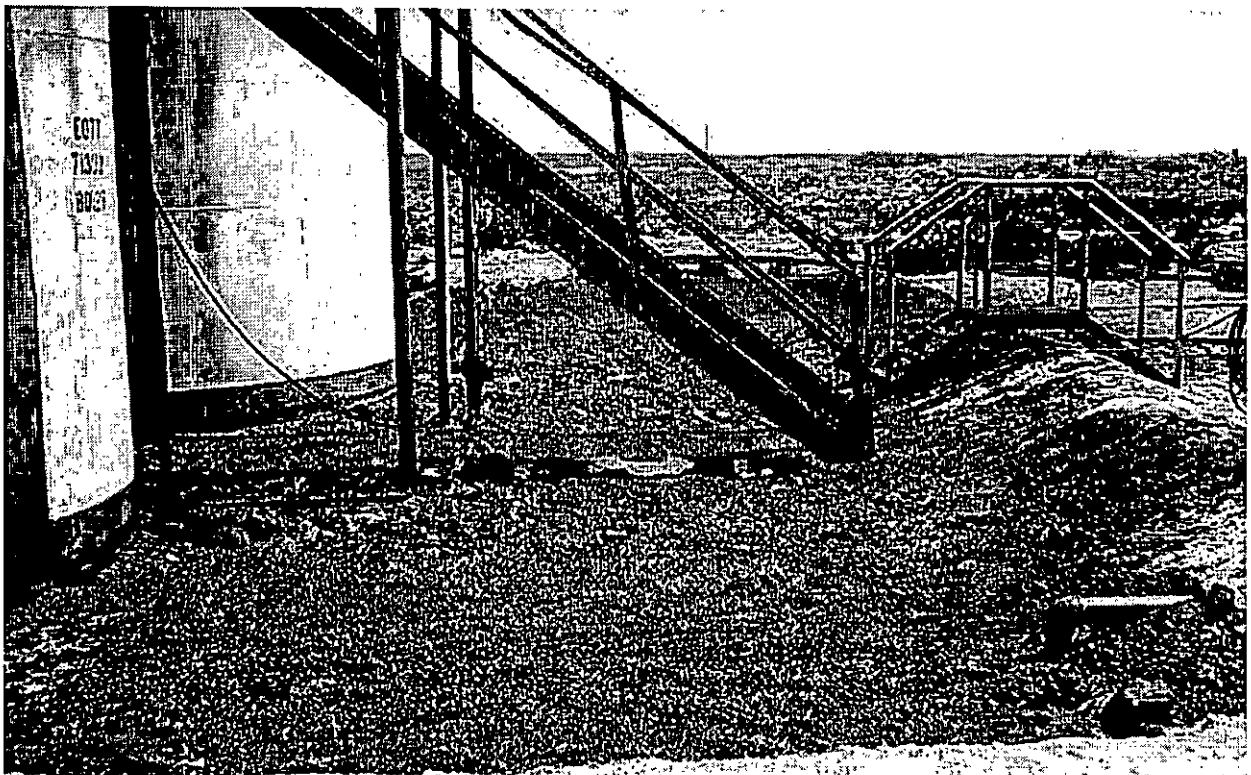
**Safety & Environmental
Solutions, Inc.**

Appendix A

Site Photos







08.12.2004



08.12.2004