

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

30-015-05442

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|-----------------------------------|
| Name of Company: Merit Energy Company | Contact: Dwain Wall |
| Address: P.O. Box 69, Loco Hills N.M., 88255 | Telephone No.: 505-677-2327 |
| Facility Name: Turner B South Battery | Facility Type: Production battery |

| | | |
|--------------------|--------------------|------------------------|
| Surface Owner: BLM | Mineral Owner: BLM | Lease No.: LC-029395-B |
|--------------------|--------------------|------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter E | Section 29 | Township 17S | Range 31E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.80812 Longitude 103.89658

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release: Skim oil & produced water | Volume of Release: ~500 bbls | Volume Recovered: ~120 |
| Source of Release: Water Tanks | Date and Hour of Occurrence: 8/31/07 01:00 | Date and Hour of Discovery: 8/31/07 7:30 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Jim Amos (BLM) & Jerry Guy (OCD) | |
| By Whom? Jim Hollon | Date and Hour: 9/04/07 8:00 | |
| Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. ~200 bbls | |

If a Watercourse was Impacted, Describe Fully.*

The fluids breached the berm, ran across the road and immediately into an arroyo behind the battery. The arroyo ended near the Fren #23 well location, where the spill was contained.


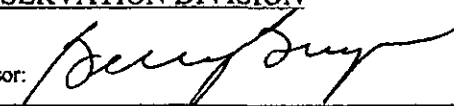
Describe Cause of Problem and Remedial Action Taken.*

The Lovejoy connection on the water transfer pump failed, allowing the tanks to overflow. It is unknown why the alarms did not activate. The pumps and valves were repaired and or replaced, and the alarm system is being diagnosed and repaired.

Describe Area Affected and Cleanup Action Taken.*

The release overflowed the tanks filling the firewall. As the firewall filled the fluids breached the berm running across the road and into an arroyo immediately behind the battery. The field was shut in and vacuum trucks were summoned to recover the fluids. Approximately 120 bbls were recovered. A backhoe was utilized to repair the firewall and excavate the visually affected soils that could be accessed. On 9-05-07 fresh water will be used to attempt to recover any additional hydrocarbons. Oil degrading microbes will added to the fresh water to assist in the remediation. A chloride reducing agent will be tested as well.

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: Jim Hollon | Approved by District Supervisor:  | |
| Title: Consultant | Approval Date: SEP 6 2007 Expiration Date: | |
| E-mail Address: Jhollon@JHCcon.net | Conditions of Approval: See Attached Stipulations | Attached <input checked="" type="checkbox"/> |
| Date: 9-04-07 Phone: 432-631-5768 | | |

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 6, 2007

Merit Energy Company
PO Box 69
Loco Hills, NM 88255

ATTN: Dwain Wall

RE: Turner B South Battery

Dear Sir:

This office is in receipt of your C-141 on the oil and produced water release, at this facility.

NMOCD Rule 19.15.3.116 states in part ... "The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/oed under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, **on or before October 6, 2007**, completion of corrective activities should be finalized and a final report summarizing all actions taken to mitigate environmental damage related to the leak, spill or release will be provided to OCD for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

Sincerely,

Gerry Guye
Compliance Officer
NMOCD District II, Artesia
(505) 748-1283 ext 105
Cell (505) 626-0843
E-mail: gerry.guye@state.nm.us

To: Jerry Guy**From:** Jim Hollon

Fax: 505-748-9720**Pages:** 2

Phone: 505-748-1283**Date:** 9/4/2007

Re: Turner B South Battery spill**CC:**

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

● **Comments:**

Mr. Guy,

Friday morning Merit Energy discovered a spill at their Turner B South battery. An estimated 500 bbls of skim oil and water was lost and a vacuum truck recovered approximately 120 bbls. Peat-Sorb has been (or will be) roto-tilled into the affected soil to recover the remainder of the oil. The affected area will be flushed with fresh water to recover any additional oil and treated with M-1000, a blend of oil degrading microbes, to assist in the degradation of the unrecovered oil if necessary. I am also going to test a chloride reducing agent at the site, it is unproven to me but claims to be successful at farms and dairy operations.

Thanks,

Jim Hollon

Cell: 432-631-5768

Home: 432-563-0702

Fax: 432-563-1166

E-mail: jim@JHCon.net
