

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

RECEIVED

OCT 01 2009

HUBBS

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

OPERATOR

Initial Report

X Final Report

Name of Company: Nadel & Gussman HEYCO, LLC	Contact: Keith Cannon
Address: PO Box 1936, Roswell, NM 88202	Telephone No.: 575-626-1936
Facility Name: ESWS Waterflood (Tank 1 Federal No. 2)	Facility Type: Oil RP No.: 09-7-2218

Surface Owner: HEYCO	Mineral Owner	API No. 30-025-30112
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LOCATION OF RELEASE

Unit Letter M	Section 1	Township 18S	Range 32E	Feet from the 330'	North/South Line FSL	Feet from the 990'	East/West Line FWL	County Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Hydrocarbon release.	Volume Released: Est. 81 bbls.	Volume Recovered: 66 bbls.
Source of Release: Source of discharge occurred because the water pump was down causing overflow of the oil tank.	Date and Hour of Occurrence: Unknown: Suspect 29 June 2009	Date and Hour of Discovery: 30 June 09 @ 1105 Hours
Was Immediate Notice Given? X Yes <input type="checkbox"/> No Not Required	If YES, To Whom: Larry Johnson (NMOCD)	
By Whom? Keith Cannon	Date and Hour: 1 July 2009 Approx. 1100 Hours	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. N/A	

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


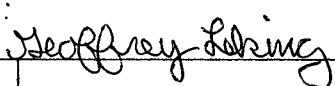
Describe Cause of Problem and Remedial Action Taken.*

The source of the discharge resulted from a power outage causing the water pump to fail and consequently, the tank overflowed. NMOCD was notified of the spill. Vacuum trucks were called into the area removing 66 bbls. of standing oil (created by the 81 bbl.) which was hauled to a storage tank. Plans were then made to excavate the contaminated soils and haul them to Lea Land Disposal.

Describe Area Affected and Cleanup Action Taken.*

Delineation of the spill was estimated to be an average of 2' to 3' depending on the area. Contaminated hydrocarbon soils (220 cy) were removed and disposed of at Lea Land Disposal. Final samples were taken and sent to Trace Analysis for analytical results, which were then communicated to NMOCD for permission to close out the project area. Initial analyticals are provided. The final results will follow pending lab report. Backfill was obtained and used to return the area to its original contours.

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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Keith Cannon	ENV ENGINEER: Approved by District Supervisor: 	
Title: Production/Drilling Manager	Approval Date: 10/01/09	Expiration Date: —
E-mail Address: kcannon@heycoenergy.com	Conditions of Approval:	
Date: 29 July 2009 Phone: 575-626-1936	Attached <input type="checkbox"/> IRP-09-7-2218	

* Attach Additional Sheets If Necessary

Mr. Keith Cannon
Drilling / Production Manager
Harvey E. Yates Company
PO Box 1936
Roswell, New Mexico 88202

29 July 2009

Mr. Larry Johnson
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, NM 88240

Re: ESWS Waterflood (Tank 1 Federal No. 2) Spill *Corrective Action Plan/Final Remediation Report*
(API No.: 30-025-30112) U/L M S1 T18S R32E, 330' FSL and 990' FWL
NMOCD Spill Report No.: 09-7-2218

Dear Mr. Johnson:

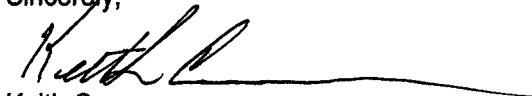
Nadel & Gussman HEYCO (NGH) herewith submits its *Corrective Action Plan* and *Final Remediation Report* pursuant to the information submitted in our Initial C-141 on 1 July 2009 regarding the discharge on 29 June 2009, of approximately 81 bbls. of hydrocarbon resulting from a power outage which caused the pump to shut down, eventually causing the oil tank to overflow. Analytical data gathered at the time show that the discharge was composed of only hydrocarbon fluids. No non-compliant soil chlorides were identified.

NMOCD was notified of the spill. Vacuum trucks were called into the area removing 66 bbls. of standing oil (created by the 81 bbl.) which was hauled to a storage tank. Plans were then made to excavate the contaminated soils and haul them to Lea Land Disposal.

Delineation of the spill resulted in an estimated average of 2' to 3' depending on the area. Contaminated hydrocarbon soils (220 cy) were removed and disposed of at Lea Land Disposal. Final samples were taken and sent to Trace Analysis for analytical results, which were then communicated to NMOCD for permission to close out the project area. The initial delineated results are submitted here and the final analyticals will be submitted pending laboratory completion. Backfill was obtained and used to return the area to its original contours.

Should you have questions please phone (575-626-1936).

Sincerely,



Keith Cannon
Drilling and Production Manager

Enclosure: Laboratory data

Summary Report

Keith Cannon
Nadel & Gussman Heyco, LLC
P.O. Box 1936
Roswell, NM 88202

Report Date: July 22, 2009

Work Order: 9071605



Project Name: Comp. Samples
Project Number: ESWS Waterflood

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
202664	N Comp.	soil	2009-07-14	16:15	2009-07-16
202665	S Comp.	soil	2009-07-14	16:25	2009-07-16

Sample - Field Code	BTEX				MTBE	TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	MTBE (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
202664 - N Comp.	<0.0400	0.318	<0.0400	3.63		2600	416
202665 - S Comp.	<0.0400	0.140	<0.0400	1.40		11000	75.8

Sample: 202664 - N Comp.

Param	Flag	Result	Units	RL
Chloride		394	mg/Kg	3.25

Sample: 202665 - S Comp.

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

Summary Report

Keith Cannon
Nadel & Gussman Heyco, LLC
P.O. Box 1936
Roswell, NM 88202

Report Date: August 14, 2009

Work Order: 9081014



Project Location: ESWS
Project Name: Tank 1 Fed. #2 Spill Cleanup

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
205304	ESWS N-S Comp.	soil	2009-08-05	13:00	2009-08-10
205305	ESWS E Comp.	soil	2009-08-05	13:20	2009-08-10
205306	ESWS W Comp.	soil	2009-08-05	13:40	2009-08-10

Sample - Field Code	TPH DRO DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
205304 - ESWS N-S Comp.	<50.0	<2.00
205305 - ESWS E Comp.	<50.0	<2.00
205306 - ESWS W Comp.	<50.0	<2.00

Sample: 205304 - ESWS N-S Comp.

Param	Flag	Result	Units	RL
Chloride		165	mg/Kg	3.25

Sample: 205305 - ESWS E Comp.

Param	Flag	Result	Units	RL
Chloride		92.2	mg/Kg	3.25

Sample: 205306 - ESWS W Comp.

Param	Flag	Result	Units	RL
Chloride		146	mg/Kg	3.25