

Mr. Kem McCready  
Operations Engineer  
NADEL AND GUSSMAN PERMIAN, LLC  
601 N. Marienfeld  
Suite 508  
Midland, TX 79701



20 April 2007

Mr. Mike Bratcher  
OIL CONSERVATION DIVISION  
1301 West Grand Avenue  
Artesia, NM 88210

Re: Big Chief Fee No. 10 Brine Spill *Corrective Action Work Plan & Final Remediation Report*  
API No. 30-015-35337 U/L D S22 T22S R28E

Dear Mr. Bratcher:

Pursuant to the State of New Mexico regulatory requirements and guidelines for *Remediation of Leaks, Spills and Releases*, please find enclosed the following documents for Nadel and Gussman Permian, LLC's (NGP) Big Chief Fee No. 10 brine spill: (1) Initial Report Form C-141 filed on 12 April 2007, (2) Final Report Form C-141, (3) *Corrective Action Work Plan & Final Remediation Report*, (4) baseline and final remediation photos for the release of approximately 350 to 400 barrels of brine water covering the west half of the pad flowing to the southern corner and running almost due west down the bar ditch along the north side of the road for a distance of approximately 588 feet wherein the flow impounded and ceased to move further west. The actual date of the spill occurrence is unknown but estimated to have occurred on or about 30 or 31 March 2007 at an unknown time of day. The spill was discovered around 1000 hours on 2 April 2007 and reported to New Mexico Oil Conservation Division (NMOCD) at approximately 1418 hours on the same date.

### **Corrective Action Plan**

Due to the simplicity of the cleanup necessary to bring the location back into compliance and the low level of threat to the environment, upon reporting the spill to the NMOCD a verbal Corrective Action Plan was agreed to on 2 April and strictly executed. The following are the parameters discussed and implemented:

- Call vacuum trucks to remove standing brine water on the pad and along roadside areas.
- Have backhoes remove brine-contaminated soils depositing directly into the pit due to low volumes and lack of hydrocarbons.
- Conduct location delineation for compliance levels.

- Sample brine contaminated areas for compliance levels and remove additional material where necessary predicated upon laboratory results.
- Replace soil where necessary to achieve existing topographic relief after NMOCD approves closure determined by sample results.
- Submit Final Remediation Report and C-141.

### **Final Remediation Report**

Delineation of the Big Chief Fee No. 10 defines the following parameters: (1) non-water sensitive area with depth to groundwater > 50' but < 75', (2) brine water spill of approximately 350– 400 bbls., (3) no water sensitive issues in the area, (4) cleanup success expected 100%, (5) local geology and topography conducive to excellent handling measures and (6) no T&E issues. Potential, temporary contamination at the site resulted solely from oil and gas production activities.

Remediation measures were executed immediately by calling in a vacuum truck to suck as much brine water off the ground as was possible. This effort totaled 40 barrels. Simultaneously, backhoes were called to location to begin picking up contaminated and saturated soil from the pad and along the north side of the west bound access road, depositing this material into the drilling pit on location.

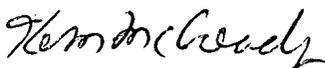
Once this process was completed, infield testing was conducted for the main contaminated areas to determine if more soil needed to be removed to meet NMOCD compliance standards prior to confirmation by Trace Analysis, Inc. laboratory in Lubbock, Texas. Once the infield testing documented approximate compliance levels, samples were pulled and shipped to Trace Analysis, Inc. for confirmation and submittal to the NMOCD. Upon receipt of these results, NMOCD was notified and closure authorized.

NGP then requested the dirt contractor to return the soil impacted areas to their original topographic relief. Since this spill effected mainly the pad and bar ditch along the access road, no severe remediation efforts were necessary to return it to the previous condition. Also, the depth of soil removed was very shallow with the exception of one of the northern areas, which was backfilled to grade. No seeding was necessary due to the fact that the impact occurred on an active drilling location and along its access road.

Enclosed please find (1) a graph depicting baseline and cleanup levels, (2) photographs of the spill and remediation phases and (3) the final Form C-141 for your files.

Should you have questions, please call 432-682-4429 (office) or 432-425-6347 (cell).

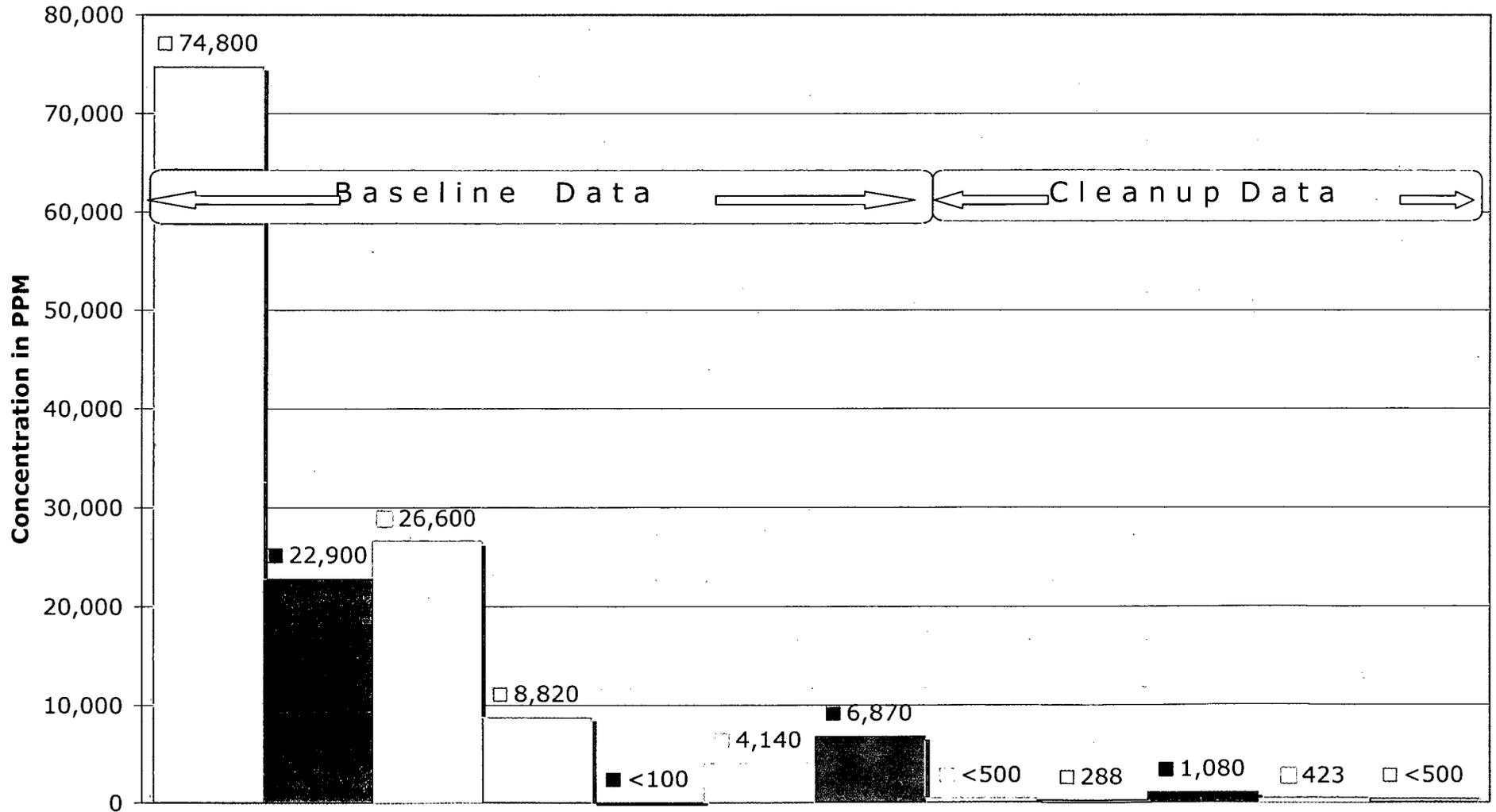
Sincerely,



Kem McCready  
Operations Engineer

## Nadel & Gussman Permian, LLC Big Chief Fee No. 10 Brine Spill

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>□ Water Sample</li> <li>□ Road SW Area</li> <li>■ Off Location Area No. 2</li> <li>■ S End of Road</li> </ul> | <ul style="list-style-type: none"> <li>■ Main Pad Area East</li> <li>■ Road NE Area</li> <li>□ Location Pad Composite</li> <li>Mid-Road Area</li> </ul> | <ul style="list-style-type: none"> <li>Main Pad Area West</li> <li>□ Off Location Area No. 1</li> <li>□ N End of Road</li> <li>□ Natural Background Composite</li> </ul> |
|--|---|--|



## Summary Report

Mike Bratcher  
Nadel & Gussman Permian LLC  
601 N. Marienfeld  
Suite 508  
Midland, TX, 79701

Report Date: October 22, 2007

Work Order: 7101814



Project Name: Big Chief Fee #10

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
139516	N 1/2 comp. East Pit Insitu	soil	2007-10-15	16:00	2007-10-18
139517	S 1/2 comp. East Pit Insitu	soil	2007-10-15	16:20	2007-10-18
139518	N 1/2 comp. West Pit Insitu	soil	2007-10-16	13:00	2007-10-18
139519	S 1/2 comp. West Pit Insitu	soil	2007-10-16	13:40	2007-10-18

**Sample: 139516 - N 1/2 comp. East Pit Insitu**

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

**Sample: 139517 - S 1/2 comp. East Pit Insitu**

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	5.00

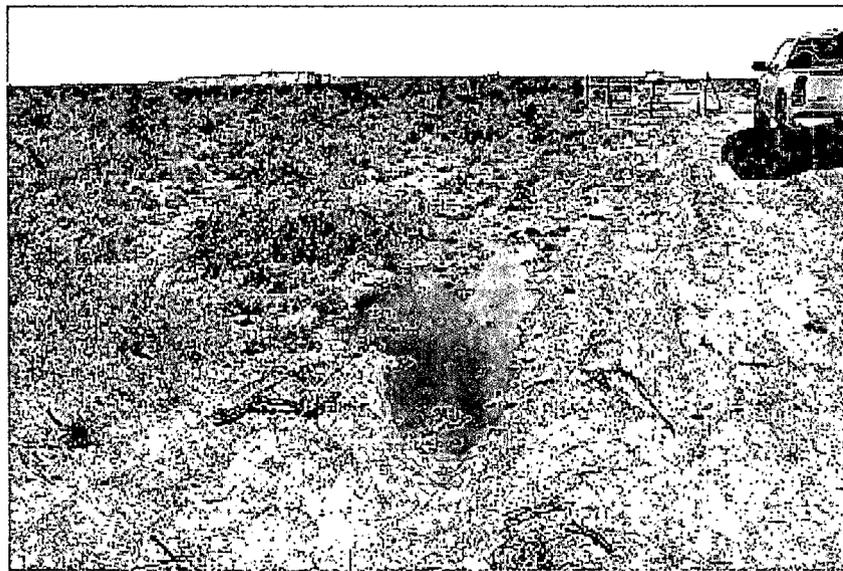
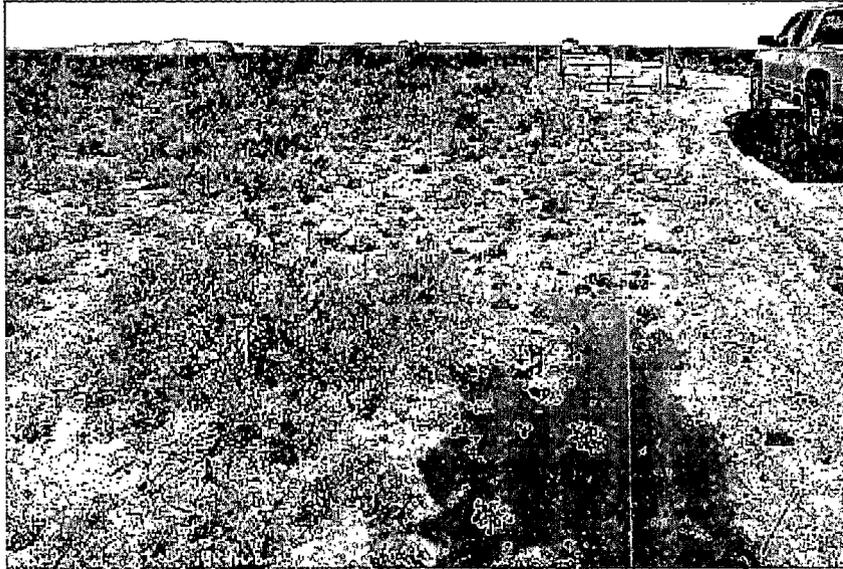
**Sample: 139518 - N 1/2 comp. West Pit Insitu**

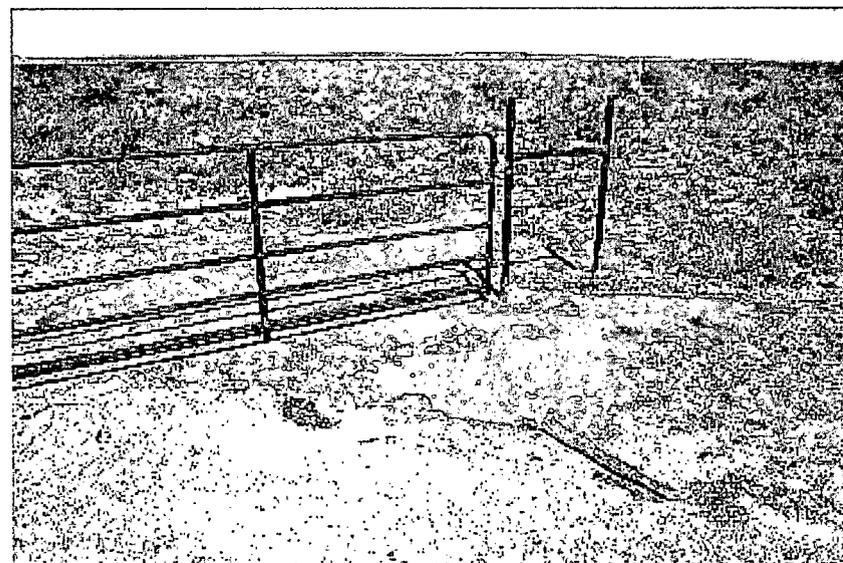
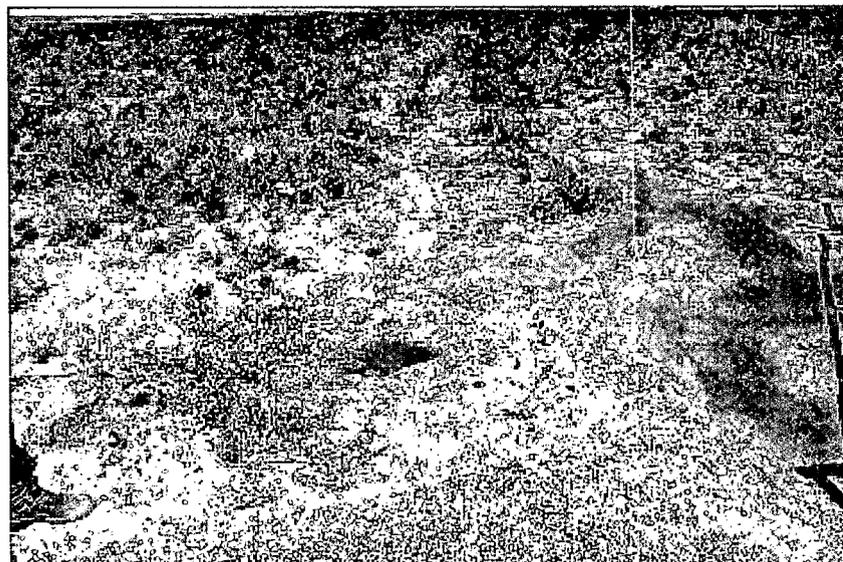
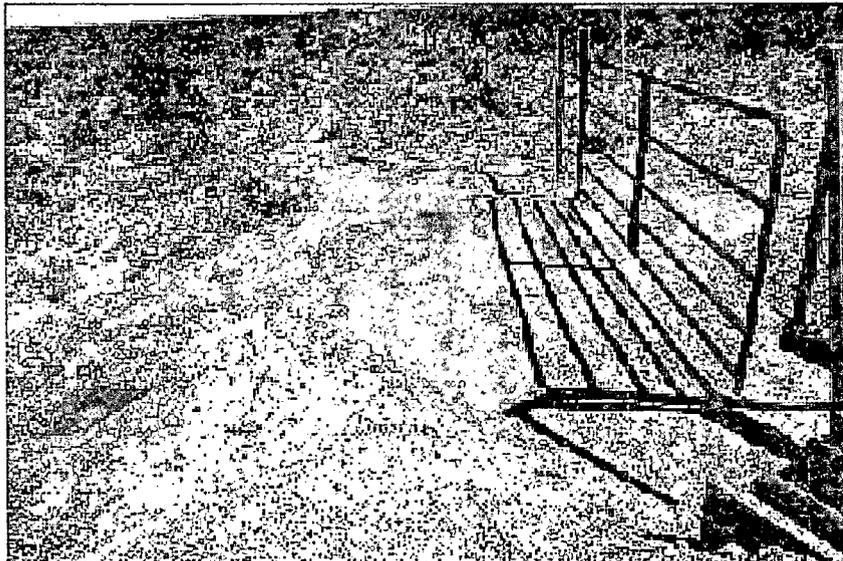
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Chloride		<50.0	mg/Kg	5.00

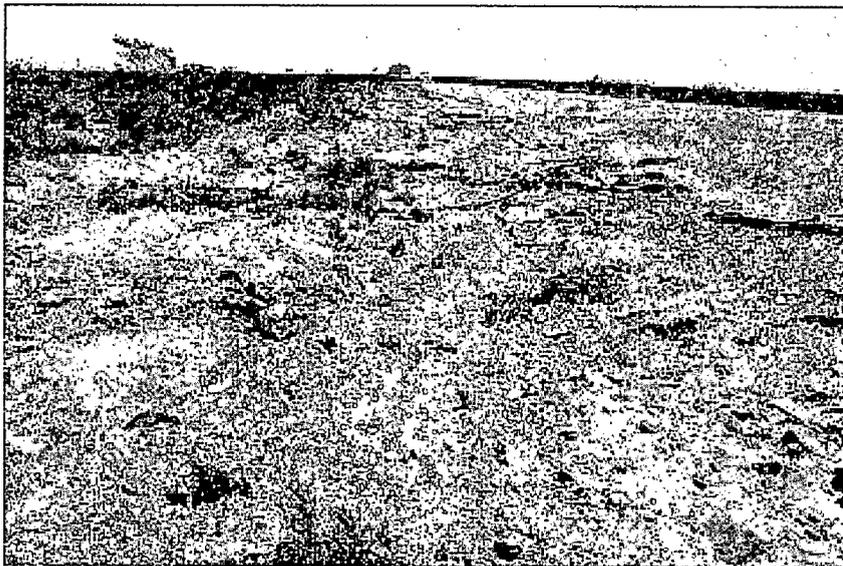
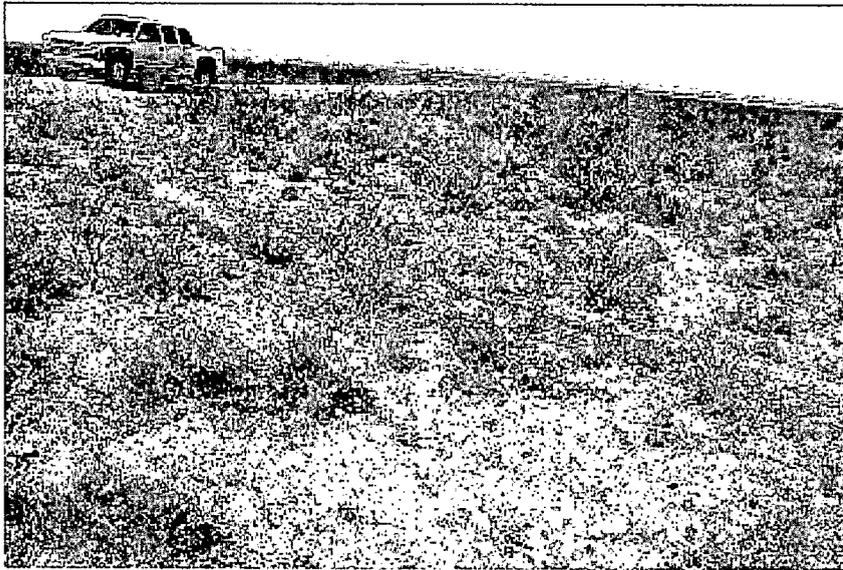
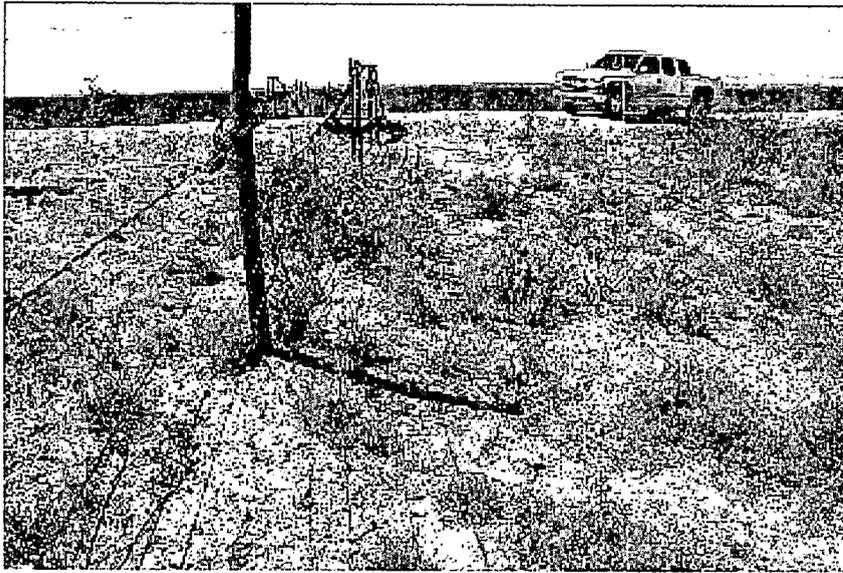
**Sample: 139519 - S 1/2 comp. West Pit Insitu**

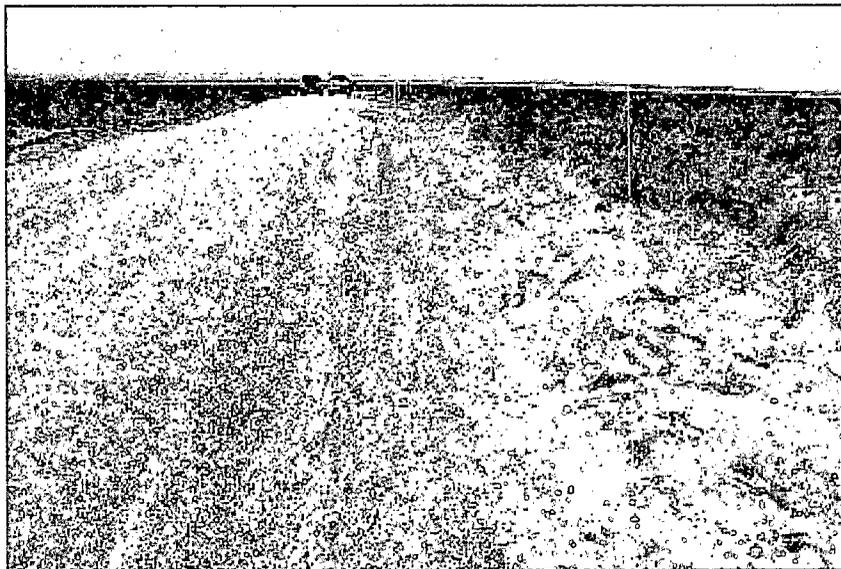
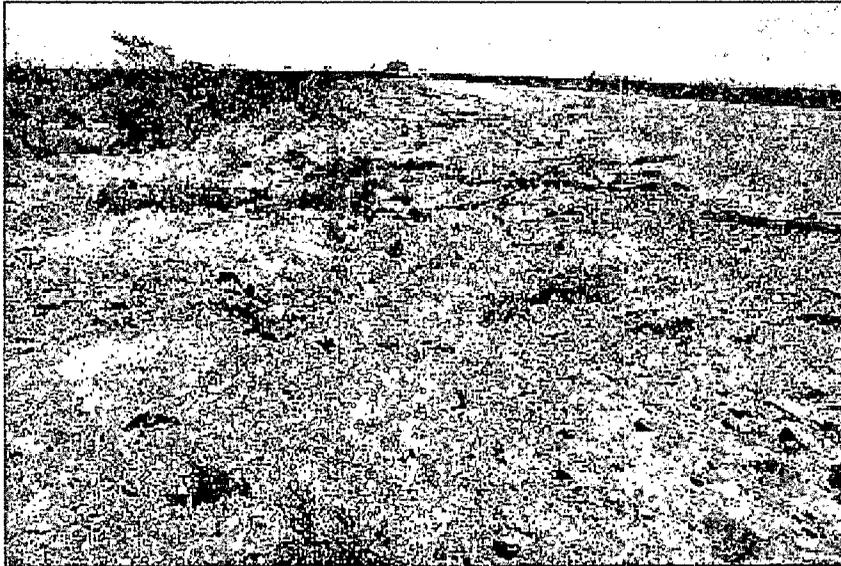
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Chloride		119	mg/Kg	5.00

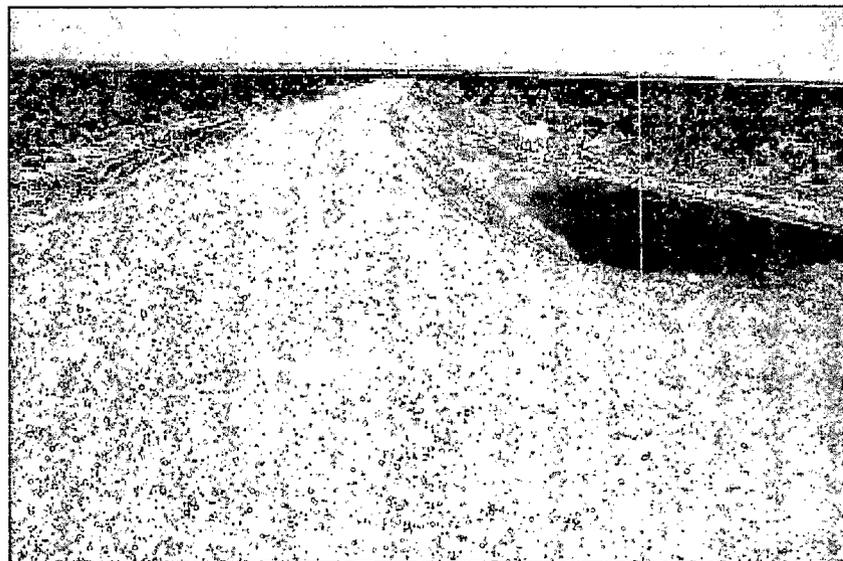
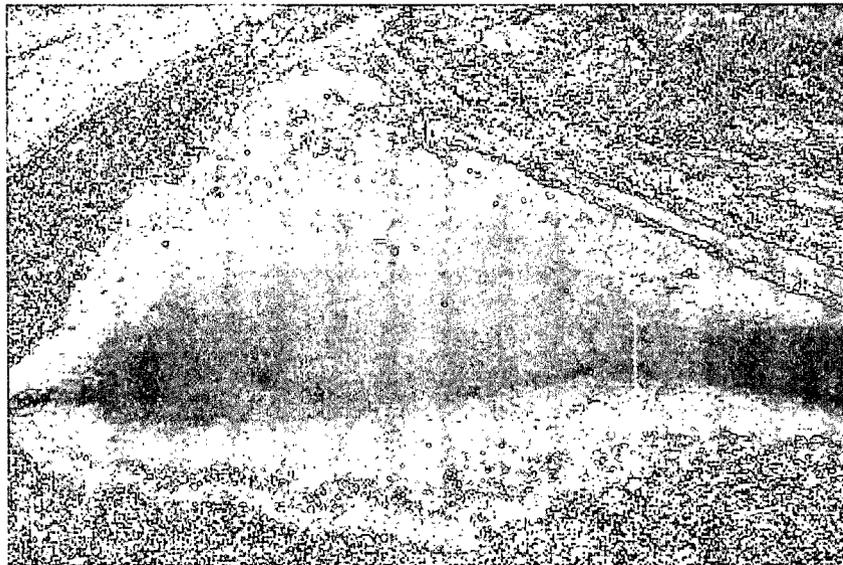
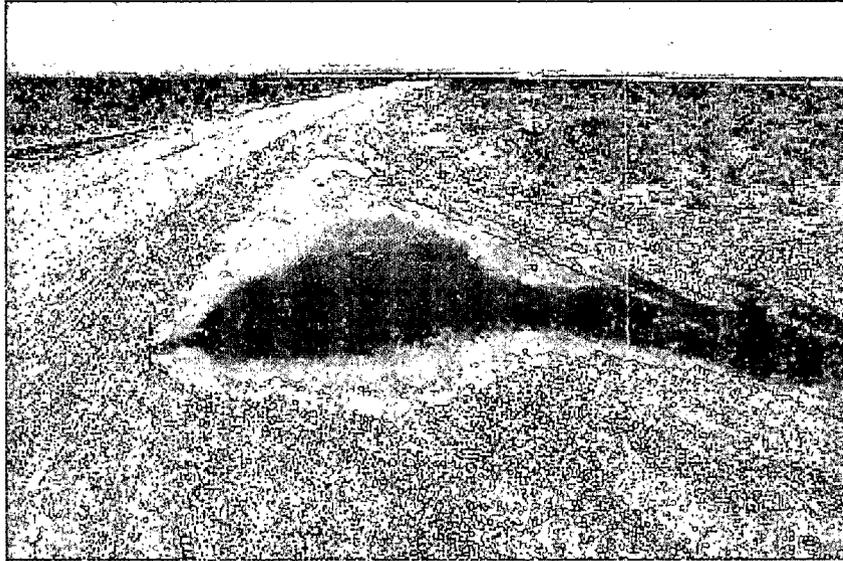
**NADEL & GUSSMAN PERMIAN, LLC.**  
BIG CHIEF FEE NO. 10  
DRILLING FLUID SPILL

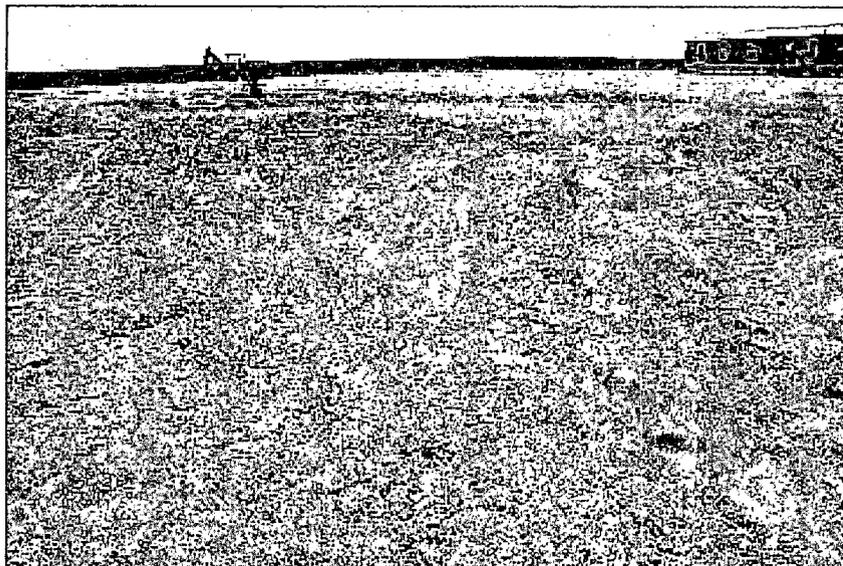
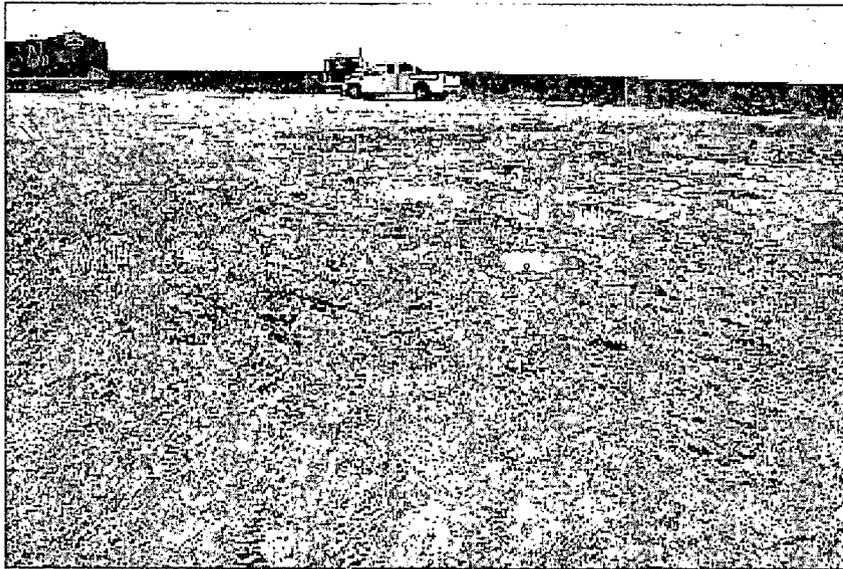


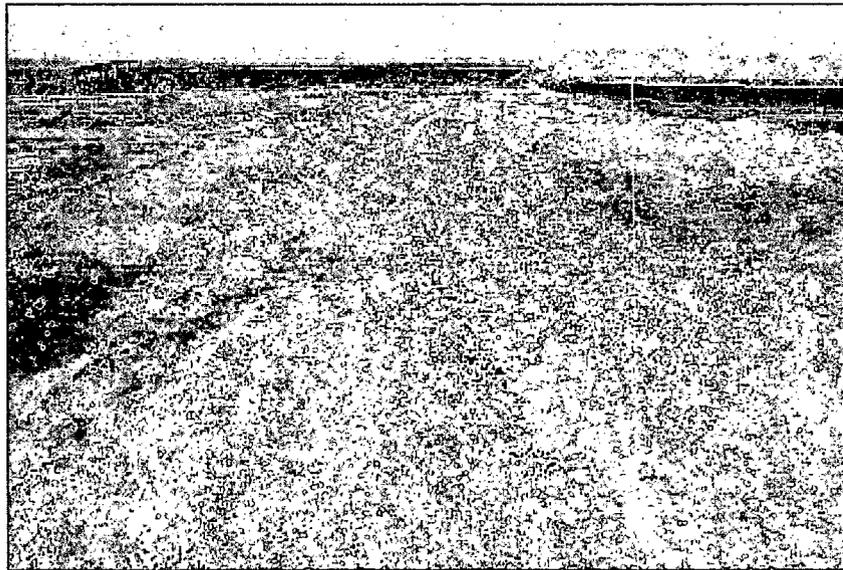
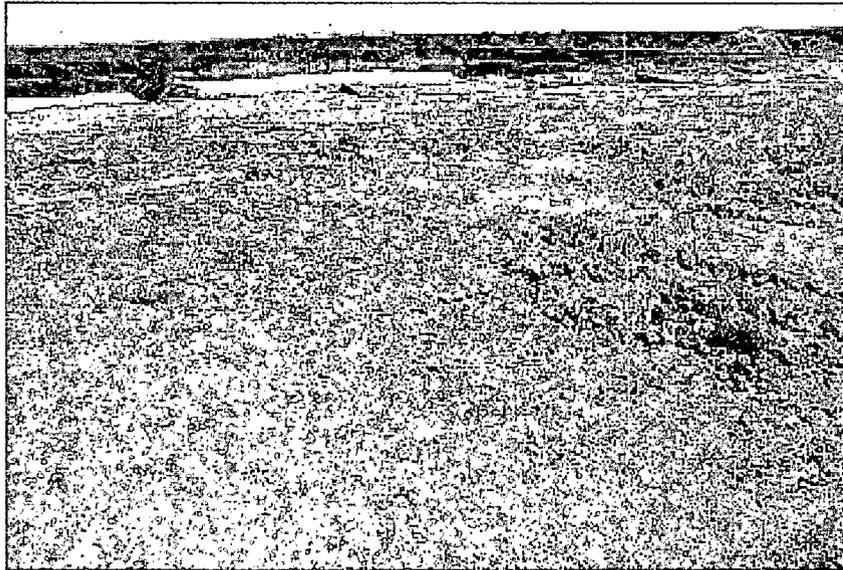












**NADEL & GUSSMAN PERMIAN, LLC.**  
BIG CHIEF FEE NO. 10  
RECLAMATION PHASE

