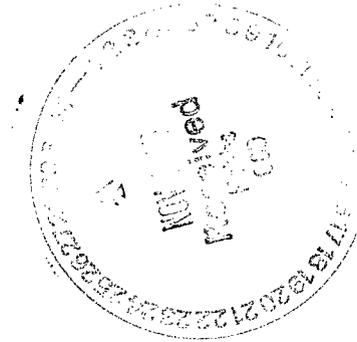


APPROVED 12.13.05  


**NADEL AND GUSSMAN PERMIAN, LLC**  
**NM STATE #1**  
**Unit N Section 4, T. 16 S., R. 35 E.**  
**GPS: 32 57' 10" N & 103 27' 48"**

**CLOSURE**



**Prepared By**  
**Eddie Seay Consulting**  
**November 2005**

November 25, 2005

NMOCD Environmental  
ATTN: Larry Johnson  
1625 N. French Drive  
Hobbs, NM 88240

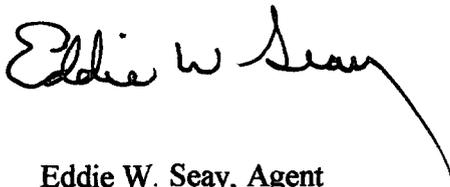
RE: Nadel and Gussman Permian, LLC  
NM State #1 Spill  
Unit N Sect. 4, T. 16 S., R. 35 E  
API-30-025-27539

Mr. Johnson:

We have achieved cleanup per OCD guidelines at the above listed site. We have hauled approximately 1100 cu. yds. of oily soil to Saunders Landfarm. We would like to backfill excavated area with clean soil, contour and seed. When this has been completed, a final report will be filed.

Find attached photos of site and analytical. If you have any questions, please call.

Sincerely,



Eddie W. Seay, Agent  
Eddie Seay Consulting  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236  
seay04@leaco.net

cc: Kem E. McCready  
Nadel and Gussman  
(432)682-4429  
kem@naguss.com

Ernie Little  
(505)441-1256

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**

**OPERATOR**

Initial Report  Final Report

Name of Company Nadel and Gussman Permian LLC	Contact Lee Ledbetter
Address 601 N. Marienfeld Midland Texas	Telephone No. 505-746-1428
Facility Name NM State #1	Facility Type Oil Tank Battery
Surface Owner Mr. Danny Watson	Mineral Owner _____ Lease No VB-0376

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	4	16 South	35 East	3350	South	2310	West	Lea

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release crude oil	Volume of Release 120 bbls	Volume Recovered 0 bbls
Source of Release Failed swage on a tank drain line	Date and Hour of Occurrence 8/20/05 time Unknown	Date and Hour of Discovery 8/20/05 3:00 pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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 \*

Describe Cause of Problem and Remedial Action Taken.\*  
A swage on the tank drain valve failed causing the tank to empty. As soon as the leak was reported steps were taken to contain the leak. Nadel and Gussman has already started cleanup operations. Nadel and Gussman has contacted with Eddy Seay to perform an initial site assessment and provide coordinate cleanup efforts. Once Mr. Seay had completed the initial assessment we will submit a proposed remediation plan to the NMOCDD

Describe Area Affected and Cleanup Action Taken.\*  
We have started removing contaminated soil to prevent downward migration. A more detailed remediation plan will be submitted once the initial site assessment is complete.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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.

**OIL CONSERVATION DIVISION**

Signature: <i>Kem E. McCready</i>	Approved by District Supervisor	
Printed Name: Kem E. McCready	Approval Date:	Expiration Date:
Title: Operations Engineer	Conditions of Approval:	
E-mail Address: kemun@maguss.com	Attached <input type="checkbox"/>	
Date: 8/22/05	Phone: 432-682-4429	





PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
 EDDIE SEAY CONSULTING  
 ATTN: EDDIE SEAY  
 601 W. ILLINOIS  
 HOBBS, NM 88242  
 FAX TO: (505) 392-6949

Receiving Date: 10/28/05  
 Reporting Date: 11/01/05  
 Project Owner: NADEL-GASSMAN  
 Project Name: NADEL GASSMAN ST. 4  
 Project Location: LOVINGTON, NM

Sampling Date: 10/28/05  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: GP  
 Analyzed By: BC/AH

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	CI* (mg/Kg)
ANALYSIS DATE		10/31/05	10/31/05	10/31/05
H10354-1	NG-1	<10.0	1131	2800
H10354-2	NG-2	<10.0	543	1070
H10354-3	NG-3	<10.0	607	656
H10354-4	NG-4	<10.0	288	192
Quality Control		756	744	990
True Value QC		800	800	1000
% Recovery		94.5	92.9	99.0
Relative Percent Difference		8.8	3.4	1.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI'B

\*Analyses performed on 1:4 w:v aqueous extracts.

*Bryson A. Cooke*  
 Chemist

11/1/05  
 Date

H10354.XLS

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page \_\_\_ of \_\_\_

Company Name: <u>Eddie See Consulting</u>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>					
Project Manager: <u>Eddie See</u>		P.O. #:							
Address: <u>101 W Illinois</u>		Company:							
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88242</u>		Attn:							
Phone #: <u>2-2236</u> Fax #: <u>2-6999</u>		Address:							
Project #: <u>Nadal Gussman</u> Project Owner: <u>Nadal Gussman</u>		City:							
Project Name: <u>Nadal Gussman SA 4</u>		State: Zip:							
Project Location: <u>Low angle</u>		Phone #:							
Sampler Name: <u>Eddie See</u>		Fax #:							

FOR LAB USE ONLY		(GRAB OR C/DMP)	# CONTAINERS	MATRIX					PRESERV.			SAMPLING		TP#	CL
Lab I.D.	Sample I.D.			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE		
H10354-1	NG-1	✓	1			✓					✓	10/28	11:20	✓	✓
-2	NG-2	✓	1			✓					✓	11:50		✓	✓
-3	NG-3	✓	1			✓					✓	12:30		✓	✓
-4	NG-4	✓	1			✓					✓	1:00		✓	✓

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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: <u>Eddie See</u>		Date: <u>10/28</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By:		Time: <u>3:30</u>	Received By: (Lab Staff) <u>Gayle Potter</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Delivered By: (Circle One) <input checked="" type="radio"/> Sampler - UPS - Bus - Other:		Date: <u>10/28/2005</u>	Time: <u>2:40 PM</u>	REMARKS:
		Sample Condition Intact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Temp, °C	Checked By: (Initials)

† Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.



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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
 EDDIE SEAY CONSULTING  
 ATTN: EDDIE SEAY  
 601 W. ILLINOIS  
 HOBBS, NM 88242  
 FAX TO: (505) 392-6949

Receiving Date: 11/04/05  
 Reporting Date: 11/15/05  
 Project Owner: NADEL GUSSMAN  
 Project Name: STATE  
 Project Location: W. LOVINGTON, NM

Sampling Date: 11/03/05  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: NF  
 Analyzed By: BC/AH

LAB NUMBER SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE	11/11/05	11/11/08	11/07/05
H10384-1 NG-1	<10.0	725	848
Quality Control	781	771	1010
True Value QC	800	800	1000
% Recovery	97.6	96.4	101
Relative Percent Difference	2.8	4.9	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB  
 \*Analyses performed on 1:4 w:v aqueous extracts.

*Bryan J. Cook*  
 Chemist

11/15/05  
 Date

H10384.XLS

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



Nadel and Gussman  
NM 4 #1  
unit N Section 4

