

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-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: NADAL GOSSUAN PERMAIN LLC Telephone: 505-746-1428 e-mail address: _____
Address: 2408 FREEMAN, ARTESIA, NEW MEXICO 88210
Facility or well name: HINKLE B26 #6 API #: 30-015-23381 U/L or Qtr/Qtr: NWSW Sec: 26 T: 18S R: 31E
County: SDDY Latitude: 32°-42'-57" N Longitude: 103°-50'-30" W NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐ ELU. 3652

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: <u>10</u> mil Clay <input type="checkbox"/> Pit Volume: <u>1000</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u>N/A</u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>250' +</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <u>100 feet or more</u> (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <u>No</u> (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) <u>0</u>	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility: ON-SITE (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: <u>PLEASE SEE WORK PLAN</u>
RECEIVED
DEC 5 2005
OCD-ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: _____
Printed Name/Title: Lee Ledbetter / Superintendent Signature: [Signature]
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Gerry Guye
Printed Name/Title: Compliance Officer Signature: [Signature] Date: DEC 6 2005

Number 05-JA-067
 Page 3 of

 Certified Mail - Return
 Receipt Requested
 7004 2510 0000 6938 6665

 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 NOTICE OF WRITTEN ORDER

IDENTIFICATION	
IID NMLC029392B	
Lease NMLC029392B	
CA	
Unit	
PA	

Bureau of Land Management				Operator			
CARLSBAD FIELD OFFICE				Nadel and Gussman Permian, LLC			
Address 620 EAST GREEN STREET				Address			
CARLSBAD, NM 88220				3200 First National Tower, Tulsa, OK 74103			
Inspector		Telephone		Attention			
Amos		(505) 234-5909					
Site Name	Well or Facility	1/4 Section	Township	Range	Meridian	County	State
Hinkle B 26	6	NWSW, 26	18S	31E	NMP	Eddy	NM
Site Name	Well or Facility	1/4 Section	Township	Range	Meridian	County	State
					NMP		NM
Site Name	Well or Facility	1/4 Section	Township	Range	Meridian	County	State
					NMP		NM

The following condition(s) were found by Bureau of Land Management inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
9-8-05	1200	10-8-05		43 CFR 3162.1a

Remarks:

Reserve pit area has trash/scrap, pit plastic, and salts. Pit needs to be properly reclaimed. Deep bury pit contents with three feet of clean material covering contaminated soils. In addition, several joints of tubing on the east side of the location (off location) need to be removed.

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title _____ Signature _____ Date _____

Company Comments _____

WARNING

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. If you do not comply as noted above under "Corrective Action To Be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1992, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer		Date	Time
<i>James L. Amos</i>		9-8-05	1200
FOR OFFICE USE ONLY			
Number	Date	Assignment / Penalty	Termination / Type of Inspection



PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

November 28, 2005

Nadel & Gussman Permian, LLC
2408 Freeman
Artesia, New Mexico 88210

Attn: Mr. Lee Ledbetter

RE: Work Plan to Clean Up the Hinkle B Well # 6 Drilling Pit Located in Sec 26, T18S and R31E of Eddy County, New Mexico

Dear Mr. Ledbetter:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Nadel & Gussman Permian, LLC for the opportunity to provide our professional services on the site remediation of the above listed site that is located in Eddy Co. New Mexico.

If you have any questions and/or need more data in regards to this project please call at any time.

Sincerely,

Allen Hodge, REM
Sr. Project Manager
Phoenix Environmental LLC



Summary/Overview

The BLM has a notice of written order and wants the old drilling pit reclaimed due to the fact that there is plastic showing and some old pipe on location. Before this work can be done approval from the NMOCD is required with a work plan and C-144.

The Drilling Pit site should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the drilling and production of oil and gas.

The potential contaminants of concern are mid to high-level concentrations of salt water, drilling mud and fluids that were left after drilling operations were completed.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 250' range.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <5,000ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the BLM and NMOCD for site clean up.

Scope of Work for Entombment of Impacted Soils

NOTE: Phoenix, for the purpose of this work plan, will estimate that there is approximately 1,000cyds of impacted soils and mud at the site that needs to be addressed for site closure.

1. First Phoenix will call One-Call for line spot clearance before any excavation at the site is started.
2. Phoenix will mobilize to the site located off of Westall Rd. in Eddy Co., NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.



3. The site will be cleared of brush and debris and a staging area set up for site control and safety.
4. Phoenix will excavate the tomb to hold the three foot of soil and plastic from the pit, as per the BLM orders. While leaving the top of the impacted soils at a minimum of three feet below grade, the size of the tomb will need to be 100x20x14 and will yield an estimated 1,100cyds of total material.
5. Once the tomb area has been excavated it will be lined with 12mil HDPE bottom and a 20mil top with enough to fold back over the top of the impacted soils before backfilling.
6. Impacted soils and plastic at the site will then be excavated, transported and placed in the lined tomb area until the top of the impacted soils are at a minimum of three feet below grade.
7. Phoenix will field screen the site during the excavation and once the TPH and CL has dropped below clean up requirements final samples will be taken and sent to a third party lab for analysis.
8. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the site. The site will be contoured with a slight crown to prevent the ponding of any water and reseeded.
9. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos.

If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely,



Allen Hodge, REM
Sr. Project Manager
Phoenix Environmental LLC



TOPOI map printed on 12/05/05 from "Untitled.tpo"

