

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

RECEIVED

APR 28 2009

HOBBSOCD

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 HEYCO, LLC	Contact	Keith Cannon or Tammy R. Link
Address	PO Box 1936, Roswell 88202-1936	Telephone No.	(505) 623-6601
Facility Name	Pearsall 6 Federal #9	Facility Type	
Surface Owner	USA	Mineral Owner	State of New Mexico
		Lease No.	API 30-025-39135

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P I	6	18S	38E 32	1750'	S	1,060'	E	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release - 15 bbls of oil	Volume of Release 15 bbls	Volume Recovered 0
Source of Release	Date/Hour of Release 3/1/08 7:57am	Date/Hour Discovered 3/2/09 1:00 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoff Lekint w/Hobbs OCD	
By Whom? Keith Cannon	Date and Hour 2:30 pm	
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.*

WATER @ 260'

Describe Cause of Problem and Remedial Action Taken.*

Back pressure valve on wellhead plugged with paraffin, causing packing to blow out.

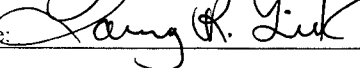
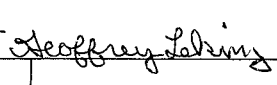
Describe Area Affected and Cleanup Action Taken.*

Remediation clean-up, sprayed w/1000 gals of water of 30 gals of micro-blaze. Dug up and hauled off contaminate dirt and caliche and hauled CRI and laid down fresh caliche on well pad.

See Attached Lab Analysis dated 4/21/09

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.

OIL CONSERVATION DIVISION

Signature: 	Approved by  ENV ENGR District Supervisor	
Printed Name: Tammy Link	Approval Date: 06/26/09	Expiration Date: -
Title: Engineering Tech	Conditions of Approval:	
E-mail Address: tlink@heycoenergy.com	Attached <input type="checkbox"/>	
Date: 4-27-09 Phone: (505)623-6601	IRP-09-3-2124	

* Attach Additional Sheets If Necessary



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
NADEL AND GUSSMAN HEYCO, LLC
ATTN: KEITH CANNON
500 N. MAIN ST., SUITE 1
ROSWELL, NM 88202
FAX TO: (575) 624-5321


Receiving Date: 04/20/09
Reporting Date: 04/21/09
Project Number: NOT GIVEN
Project Name: PEARSALL 6-9
Project Location: PEARSALL

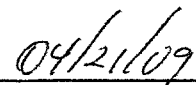
Analysis Date: 04/21/09
Sampling Date: 04/20/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: TR

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H17277-1	SOUTH 001	336
H17277-2	SOUTH 002	128
H17277-3	NORTH 001	1,310
H17277-4	NORTH 002	384
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-Cl ⁻ B
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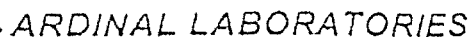
Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H17277 HEYCO

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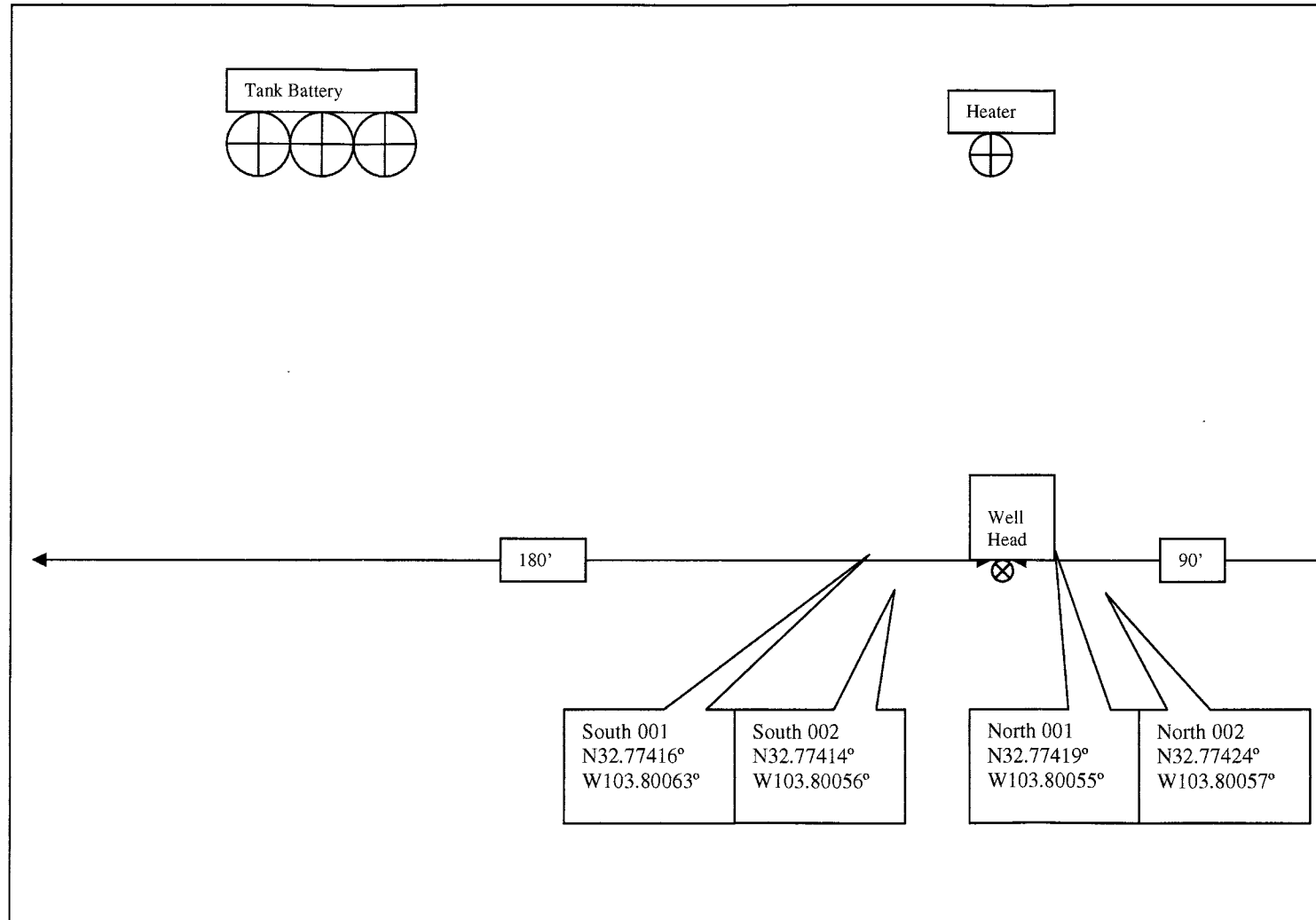


(575) 393-2326 Fax (575) 393-2476

Page _____ of _____

* Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

Pearsall 6 Federal #9
1750' FSL & 1060' FEL
Sec 6, T18S, R32E
Lea Co. N.M.



All Samples Taken at 2" +/-

RECEIVED

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MAR 17 2009

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Revised October 10, 2003

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Release Notification and Corrective Action**OPERATOR**
☐ Initial Report ☒ Final Report

Name of Company	NADEL AND GUSSMAN HEYCO, LLC	Contact	Keith Cannon or Tammy R. Link
Address	PO Box 1936, Roswell 88202-1936	Telephone No.	(505) 623-6601
Facility Name	Pearsall 6 Federal #9	Facility Type	
Surface Owner	USA	Mineral Owner	State of New Mexico
		Lease No.	API 30-025-39135

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P I	6	18S	33E 32	1750'	S	1,060'	E	Lea

Latitude ³² 7740499N Longitude 103.800106°W

NATURE OF RELEASE

Type of Release - 15 bbls of oil	Volume of Release 15 bbls	Volume Recovered 0
Source of Release	Date/Hour of Release 3/1/08 7:57am	Date/Hour Discovered 3/2/09 1:00 pm
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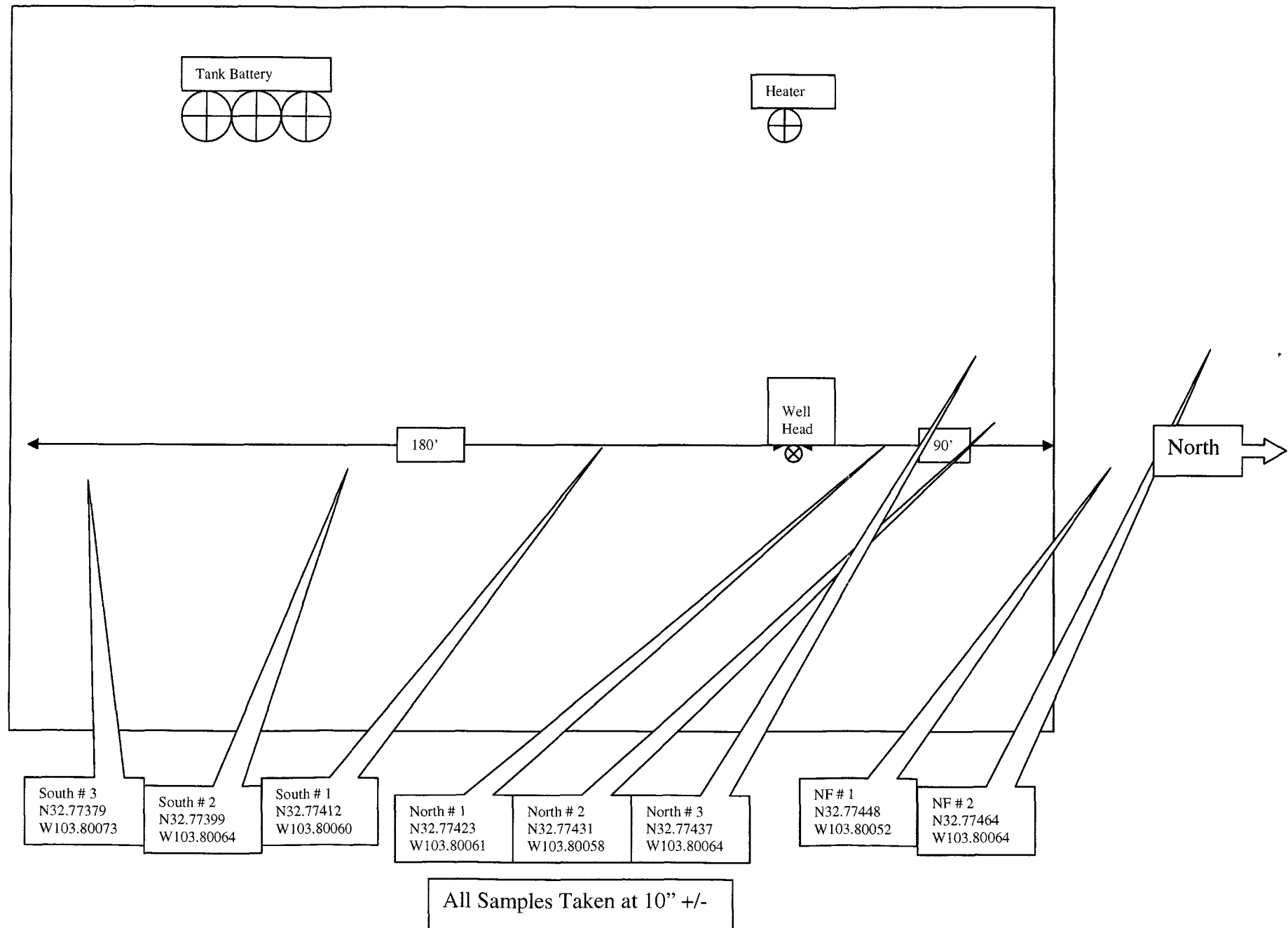
Remediation clean-up, sprayed w/1000 gals of water of 30 gals of micro-blaze. Dug up and hauled off contaminate dirt and caliche and hauled CRI and laid down fresh caliche on well pad. Will re-sample in 30 days.

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 <i>Tammy R. Link</i>	OIL CONSERVATION DIVISION	
Printed Name: Tammy Link	Approved by District Supervisor: <i>Geoffrey Lekint</i>	
Title: Engineering Tech	Approval Date: 06/26/09	Expiration Date: -
E-mail Address: tlink@heycoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3-16-09 Phone: (505)623-6601		IRP-09.3.2124

* Attach Additional Sheets If Necessary

Pearsall 6 Federal #9
1750' FSL & 1060' FEL
Sec 6, T18S, R32E
Lea Co. N.M.





PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
NADAL AND GUSSMAN HEYCO, LLC.
ATTN: KEITH CANNON
P.O. BOX 1936
ROSWELL, NM 88202
FAX TO: (575) 624-5321

Receiving Date: 03/05/09
Reporting Date: 03/06/09
Project Owner: NOT GIVEN
Project Name: PEARSALL
Project Location: PEARSALL 6 FEDERAL #9


Sampling Date: 03/05/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: CK
Analyzed By: AB/ZL/HM

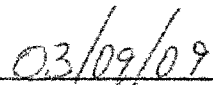
LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	CI* (mg/kg)
ANALYSIS DATE:		03/05/09	03/05/09	03/05/09	03/05/09	03/05/09	03/05/09	03/05/09
H17019-1	SOUTH #1	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	2,080
H17019-2	SOUTH #2	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	272
H17019-3	SOUTH #3	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	752
H17019-4	NORTH #1	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	1,700
H17019-5	NORTH #2	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	48
H17019-6	NORTH #3	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	< 16
H17019-7	NF #1	<10.0	117	<0.050	<0.050	<0.050	<0.300	368
H17019-8	NF #2	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	< 16
Quality Control		510	592	0.051	0.051	0.050	0.151	500
True Value QC		500	500	0.050	0.050	0.050	0.150	500
% Recovery		102	118	102	102	100	101	100
Relative Percent Difference		1.2	2.9	5.4	1.0	1.2	<1.0	<0.1

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI- Std. Methods 4500-CI-B

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

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES.


Lab Director
H17019 TBCL HEYCO


Date

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



ARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2325 Fax (575) 393-2476

Page ____ of ____

Company Name: <u>Model and Cassman HXCO, LLC</u>		BILL TO		ANALYSIS REQUEST																				
Project Manager: <u>Keith Cannon</u>		P.O. #: <u>1936</u>		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">C1</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">BTEX</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">TPH 8015</div> </div>																				
Address: <u>P.O. Box 1936</u>		Company:																						
City: <u>Roswell</u> State: <u>NM</u> Zip: <u>88202</u>		Attn: <u>Keith</u>																						
Phone #: <u>575-623-6601</u> Fax #: <u>575-624-5321</u>		Address:																						
Project #: _____ Project Owner:		City: <u>Roswell</u>																						
Project Name: <u>Pearson</u>		State: <u>NM</u> Zip: <u>88202</u>																						
Project Location: <u>Pearson & Federal #9</u>		Phone #: <u>575-623-6601</u>																						
Sampler Name:		Fax #: <u>575-624-5321</u>																						
FOR LAB USE ONLY																								
Lab ID	Sample ID	(GRAB OR (C)OMP.)	# CONTAINERS	MATRIX					PRESERV.	SAMPLING														
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME										
H17019-1	South #1					✓							3/5/09	8:10	✓	✓	✓							
-2	South #2													8:20										
-3	South #3													8:25										
-4	North #1													8:30										
-5	North #2													8:35										
-6	North #3													8:40										
-7	NF #1													8:55										
-8	NF #2													8:58										

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Sampler Relinquished:		Date:	Received By:	Phone Result:	<input type="checkbox"/> No	Add'l Phone #:
		Time:		Fax Result:	<input type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date:	Received By:	REMARKS:		
Keith Cannon		3/5/09	Ally Meene			
Delivered By: (Circle One)		Time:				
Sampler - UPS - Bus - Other:		Temp.	Sample Condition	CHECKED BY:		
			Cool Intact	(Initials)		
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes	CCK		
			<input checked="" type="checkbox"/> No <input type="checkbox"/> No			

kcannon@hycenergy.com