District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 R10 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

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

Form C-144

June 1, 2004

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \square No \square Type of action: Registration of a pit or below-grade tank \(\bigcup \) Closure of a pit or below-grade tank \(\bigcup \) e-mail address: kemm@naguss.com(O)CD_ARTES/A Telephone: 432-682-4429 Operator: Nadel & Gussman Permian, LLC Address: 601 N. Marienfeld, Suite 508, Midland, Texas 79701 34513 Facility or well name: Josey Federal No. 3 API #: 30-015-34153 U/L or Qtr/Qtr Lot N Sec 30 T20S R23E 660'FSL and 2,280'FWL County: Eddy Longitude W NAD: 1927 🔲 1983 🔲 Surface Owner: Federal X State Private Indian Below-grade tank N/A Production Disposal Volume: N/A bbl Type of fluid: N/A Type: Drilling X Construction material: N/A Lined X Unlined 🔲 Double-walled, with leak detection?

If not, explain why not. Liner type: Synthetic X Thickness: 12ml HDPE liner Clay Pit Volume: 2500 bbl. Approximately Depth to ground water (vertical distance from bottom of pit to seasonal Less than 50 feet (20 points) high water elevation of groundwater.) New Mexico, OCD water well 50 feet or more, but less than 100 feet 0 points) and map data shows greater than 400 feet to groundwater. 100 feet or more 0 pts. Wellhead protection area: (Less than 200 feet from a private domestic (20 points) water source, or less than 1000 feet from all other water sources.) No X (0 points) 0 pts. Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) 0 pts. 0 pts. Ranking Score (Total Points) If this is a pit closure: (1) Indicate disposal location: offsite N/A If offsite, name of facility: N/A (2) Attach a general description of remedial action taken including remediation start date and end date. (3) Groundwater encountered: No X Yes 🔲 If yes, show depth below ground surface _ft. and attach sample results. (4) Attach soil sample results. Additional Comments: PIT CLOSED NOVEMBER 2006 SAMPLE ANALYTICALS ATTACHED 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 X, a general permit , or an (attached) alternative OCD-approved plan . Date: 19 November 2006 Printed Name/Title Kem McCready, Operation Engineer Signature: <u>Hem Inc Grandy</u> 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. Accepted for record Approval: SEP 2 9 2008 NMOCD Signature Printed Name/Title



Work Order: 6110901 Josey Federal No. 3

Page Number: 1 of 1

Summary Report

Cheryl Winkler Nadel & Gussman Permian LLC Cheryl Winkler 2408 Freeman Artesia, NM, 88210

Report Date: November 9, 2006

Work Order: 6110901

Project Name: Josey Federal No. 3

			Date	${f Time}$	Date
Sample	Description	Matrix	Taken	Taken	Received
108316	Pit North Resample	soil	2006-11-08	08:00	2006-11-09
108317	Pit East Resample	soil	2006-11-08	08:30	2006-11-09

Sample: 108316 - Pit North Resample

Param	Flag	Result	Units	RL
Chloride		18.7	mg/Kg	1.00

Sample: 108317 - Pit East Resample

Param	Flag	Result	Units	RL
Chloride		20.0	mg/Kg	1.00