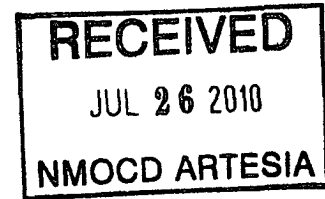


COPY

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

20 July 2010

Mr. Jim Amos  
Supervisor Environmental Protection Specialist  
U.S. Department of Interior  
Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, NM 88220



Accepted for record  
NMOCD

JUL 27 2010

*MS*

Re: Major Gant Federal No. 1 Location Closure (API No. 30-015-35415)

Dear Mr. Amos:

Pursuant to the State of New Mexico regulatory requirements for permanent closure of drilling pads, please be advised Nadel and Gussman Permian, LLC, (NGP) intends to initiate final reclamation of the Major Gant Federal No. 1 (Major Gant) drilling pad and associated road located in U/L N S12 T21S, R21E, 660' FSL, 2160' FWL of Eddy County, New Mexico. Final reclamation of the drilling pit was completed by 8 March 2008 (NMOCD Web Files).

Final remediation of the NGP, Major Gant location is targeted to begin during the week of 26 July with completion expected during the first week of August, permitting weather and the occurrence of unexpected conditions not within the Operator's control do not create delays or exacerbate the proposed schedule.

Prior to initiating final reclamation of the Major Gant location, NGP obtained samples of the existing pad to verify no soil contaminants exceeding NMOCD regulatory standards existed. It was confirmed there were no contaminants in excess of regulatory standards. These results are attached for your information.

On 7 July 2010, NGP met onsite with the Bureau of Land Management (BLM) to review closure of the location. During this onsite, *African Rue* was discovered on the pad in three places. As a consequence of this, NGP contacted the Carlsbad Soil and Water Conservation District (CSWCD) along with the appropriate BLM personnel to commit to their existing eradication program for this noxious weed. This program will handle all future issues with the *African Rue* (see attached documents).

Final remediation of the Major Gant shall be commensurate with existing topography and terrain relief features (contouring) so as to return it to its "near-as" previous condition, including a contour for prevailing wind conditions and moisture accumulation which prevents abnormal or

unsustainable water impoundments resulting in erosive actions. All sites shall be seeded in compliance with BLM seed mixtures, which are currently being used by the NMOCD as well.

NGP will notify both the BLM and the NMOCD when final contours have been established and prior to seeding so that an infield inspection may occur.

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

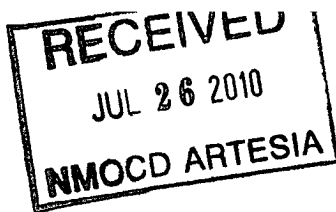
Sincerely,

  
Kem McCready  
Operation Manager

COPY

Cc: Mike Bratcher, NMOCD Eddy County

Enclosure: *African Rue* documents, sample analytical results



COPY

Report Date: June 23, 2010

Work Order: 10062114

Page Number: 1 of 2

### Summary Report

Kem McCready  
Nadel & Gussman Permian LLC  
600 N. Marienfeld  
Suite 508  
Midland, TX 79701

Report Date: June 23, 2010

Work Order: 10062114



Project Name: Location Closure  
Project Number: Major Gant Fed. No. 1

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
235257	NE Pit Area	soil	2010-06-15	10:00	2010-06-21
235258	NW Pit Area	soil	2010-06-15	10:20	2010-06-21
235259	Background	soil	2010-06-15	10:30	2010-06-21
235260	W Pad	soil	2010-06-15	10:40	2010-06-21
235261	SW Pad	soil	2010-06-15	10:50	2010-06-21
235262	N Pad	soil	2010-06-15	11:00	2010-06-21
235263	S Pad	soil	2010-06-15	11:20	2010-06-21

Sample - Field Code	BTEX				MTBE MTBE (mg/Kg)	TPH DRO - NEW DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)			
235257 - NE Pit Area	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
235258 - NW Pit Area	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
235259 - Background	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
235260 - W Pad	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
235261 - SW Pad	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
235262 - N Pad	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
235263 - S Pad	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00

**Sample: 235257 - NE Pit Area**

Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	2.50

**Sample: 235258 - NW Pit Area**

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Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	2.50

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**Sample: 235259 - Background**

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Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	2.50

---

**Sample: 235260 - W Pad**

---

Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	2.50

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**Sample: 235261 - SW Pad**

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Param	Flag	Result	Units	RL
Chloride		<b>46.7</b>	mg/Kg	2.50

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**Sample: 235262 - N Pad**

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Param	Flag	Result	Units	RL
Chloride		<b>93.5</b>	mg/Kg	2.50

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**Sample: 235263 - S Pad**

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Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	2.50

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