

Mr. Keith Cannon
Drilling Superintendent
NADEL & GUSSMAN HEYCO, LLC
PO Box 1936
Roswell, New Mexico 88202

11 April 2012

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
District 2
811 South First Street
Artesia, NM 88210



Re: Rock Island 16 State No. 1H Release Corrective Action Plan Remediation Notification
(API No.: 30-01538461)

Dear Mr. Bratcher:

Nadel & Gussman HEYCO, LLC (NGH) desires to backfill two areas on either side of the Rock Island 16 State No. 1H access road as it nears the south end of the drilling pad. This area is currently a safety concern to NGH since the contaminated material removed to disposal along the east and west sides of the road reduced its width, potentially causing endangerment for all ingress and egress traffic turning the corner northbound into the location.

Based on our discussion this morning regarding the reclamation of these southwest and southeast areas adjacent to the lease access road, sampling analyticals have been taken following excavation of the contaminated materials from these areas. The attached laboratory analytical report documents compliance with New Mexico Oil Conservation Division (NMOCD) regulatory requirements. NGH intends to backfill the two areas with previously stockpiled soil as designated by the New Mexico State University, Agricultural Science Center Superintendent.

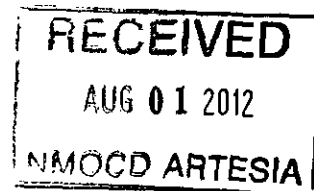
Sincerely,

A handwritten signature in black ink, appearing to read "Keith Cannon".

Keith Cannon
Drilling Superintendent

Enclosed: Laboratory analyticals

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Report Date: March 13, 2012

Work Order: 12031212

Page Number: 1 of 1

COPY

Summary Report

Keith Cannon
Nadel & Gussman Heyco, LLC

Report Date: March 13, 2012

P.O. Box 1936
Roswell, NM 88202

Work Order: 12031212

Project Name: Rock Island 16 State 1H
Project Number: Well Blowout

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
291157	Initial Blow-out Levels Pit Area No. 1	soil	2012-03-08	14:30	2012-03-12
291158	Initial Blow-out Levels Pit Area No. 2	soil	2012-03-08	14:45	2012-03-12
291159	Soil Background	soil	2012-03-08	15:10	2012-03-12

Sample - Field Code	BTEX				MTBE	TPH DRO - NEW	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	MTBE (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
291157 - Initial Blow-out Levels Pit Area No. 1	0.145	0.386	0.149	0.259		<50.0 q*	4.78
291158 - Initial Blow-out Levels Pit Area No. 2	0.150	0.432	0.150	0.262		<50.0 q*	2.42
291159 - Soil Background	<0.0200	<0.0200	<0.0200	<0.0200		<50.0 q*	<2.00

Sample: 291157 - Initial Blow-out Levels Pit Area No. 1

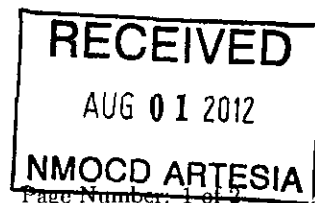
Param	Flag	Result	Units	RL
Chloride	q*	7940	mg/Kg	5

Sample: 291158 - Initial Blow-out Levels Pit Area No. 2

Param	Flag	Result	Units	RL
Chloride	q*	6890	mg/Kg	5

Sample: 291159 - Soil Background

Param	Flag	Result	Units	RL
Chloride	q*	<50.0	mg/Kg	5



Report Date: March 15, 2012

Work Order: 12031411

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Summary Report

Keith Cannon
Nadel & Gussman Heyco, LLC

Report Date: March 15, 2012

P.O. Box 1936
Roswell, NM 88202

Work Order: 12031411



Project Name: Rock Island 16 State 1H
Project Number: Well Blowout

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
291443	Pit #1 Area Post-Mix Down	soil	2012-03-12	00:00	2012-03-14
291444	Pit #2 Post-Mix Down	soil	2012-03-12	00:00	2012-03-14
291445	Drilling Pad Area Post-Excavation	soil	2012-03-12	00:00	2012-03-14
291446	Pits #1 & #2 Bottom @ Post-Excavation	soil	2012-03-12	00:00	2012-03-14

Sample - Field Code	BTEX				MTBE	TPH DRO - NEW	TPH GI
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	MTBE (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
291443 - Pit #1 Area Post-Mix Down	<0.0200	<0.0200	<0.0200	<0.0200		<50.0 Qs	<2.00
291444 - Pit #2 Post-Mix Down	<0.0200	<0.0200	<0.0200	<0.0200		<50.0 Qs	<2.00
291445 - Drilling Pad Area Post-Excavation	0.0862	0.0480	<0.0200	<0.0200		<50.0 Qs	<2.00
291446 - Pits #1 & #2 Bottom @ Post-Excavation	<0.0200	<0.0200	<0.0200	<0.0200		<50.0 Qs	<2.00

Sample: 291443 - Pit #1 Area Post-Mix Down

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 291444 - Pit #2 Post-Mix Down

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 291445 - Drilling Pad Area Post-Excavation

Param	Flag	Result	Units	RL
Chloride		9950	mg/Kg	5

Sample: 291446 - Pits #1 & #2 Bottom @ Post-Excavation

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

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Report Date: March 26, 2012

Work Order: 12032322

Page Number: 1 of 2

Summary Report

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Keith Cannon
Nadel & Gussman Heyco, LLC

Report Date: March 26, 2012

P.O. Box 1936
Roswell, NM 88202

Work Order: 12032322



Project Location: Eddy Co., NM
Project Name: Rock Island 16 State 1H
Project Number: Containment Area & Pad

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
292198	North Mix @ 1'	soil	2012-03-23	00:00	2012-03-23
292199	Central of N @ 1'	soil	2012-03-23	00:00	2012-03-23
292200	NE end of N @ 1'	soil	2012-03-23	00:00	2012-03-23
292201	NW end of N @ 1'	soil	2012-03-23	00:00	2012-03-23
292202	Powerline (L) @ 6 in.	soil	2012-03-23	00:00	2012-03-23
292203	Powerline (R) @ 6 in.	soil	2012-03-23	00:00	2012-03-23
292204	Pad NE @ 6 in.	soil	2012-03-23	00:00	2012-03-23
292363	Composite North & Central	soil	2012-03-23	00:00	2012-03-23

Sample - Field Code	BTEX				TPH DRO - NEW	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
292198 - North Mix @ 1'	0.329	2.59	4.63	9.97	1270 Qs	1170
292199 - Central of N @ 1'	<0.100	0.404	0.514	1.24	129 Qs	76.5
292200 - NE end of N @ 1'	0.486	3.78	12.1	20.9	1390 Qs	3020
292201 - NW end of N @ 1'	0.0903	0.123	0.142	0.326	<50.0 Qs	3.15
292202 - Powerline (L) @ 6 in.	<0.0200	<0.0200	<0.0200	<0.0200	67.0 Qs	<2.00
292203 - Powerline (R) @ 6 in.	<0.0200	<0.0200	<0.0200	<0.0200	<50.0 Qs	<2.00
292204 - Pad NE @ 6 in.	<0.0200	<0.0200	<0.0200	<0.0200	<50.0 Qs	3.20

Sample: 292198 - North Mix @ 1'

Param	Flag	Result	Units	RL
Chloride		3760	mg/Kg	4

Sample: 292199 - Central of N @ 1'

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296
This is only a summary. Please, refer to the complete report package for quality control data.

Param	Flag	Result	Units	RL
Chloride		497	mg/Kg	4

Sample: 292200 - NE end of N @ 1'

Param	Flag	Result	Units	RL
Chloride		4460	mg/Kg	4

Sample: 292201 - NW end of N @ 1'

Param	Flag	Result	Units	RL
Chloride		1900	mg/Kg	4

Sample: 292202 - Powerline (L) @ 6 in.

Param	Flag	Result	Units	RL
Chloride		513	mg/Kg	4

Sample: 292203 - Powerline (R) @ 6 in.

Param	Flag	Result	Units	RL
Chloride		<200	mg/Kg	4

Sample: 292204 - Pad NE @ 6 in.

Param	Flag	Result	Units	RL
Chloride		2660	mg/Kg	4

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Summary Report

Keith Cannon
Nadel & Gussman Heyco, LLC

Report Date: April 2, 2012

P.O. Box 1936
Roswell, NM 88202

Work Order: 12040206



Project Location: Well Discharge
Project Name: Well Discharge
Project Number: Rock Island 16 State No. 1H

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
293244	Pad @ NE 1'	soil	2012-03-30	17:01	2012-04-02
293245	Powerline (L) @ 1'	soil	2012-03-30	17:12	2012-04-02
293246	Cont. NE of N Area @ 3'	soil	2012-03-30	13:33	2012-04-02
293247	Cont. NW of N Area @ 3'	soil	2012-03-30	13:41	2012-04-02
293248	Cont. Central of N Area @ 3'	soil	2012-03-30	13:20	2012-04-02
293249	Cont. N Mix @ 3'	soil	2012-03-30	13:10	2012-04-02

Sample: 293244 - Pad @ NE 1'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293245 - Powerline (L) @ 1'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293246 - Cont. NE of N Area @ 3'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293247 - Cont. NW of N Area @ 3'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293248 - Cont. Central of N Area @ 3'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293249 - Cont. N Mix @ 3'

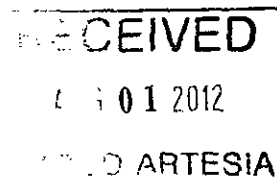
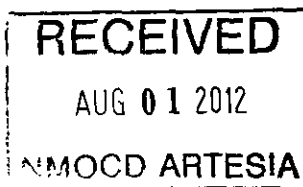
Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

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Report Date: April 4, 2012

Work Order: 12040206

Page Number: 1 of 2

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Summary Report

Keith Cannon
Nadel & Gussman Heyco, LLC

Report Date: April 4, 2012

P.O. Box 1936
Roswell, NM 88202

Work Order: 12040206



Project Location: Well Discharge
Project Name: Well Discharge
Project Number: Rock Island 16 State No. 1H

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
293244	Pad @ NE 1'	soil	2012-03-30	17:01	2012-04-02
293245	Powerline (L) @ 1'	soil	2012-03-30	17:12	2012-04-02
293246	Cont. NE of N Area @ 3'	soil	2012-03-30	13:33	2012-04-02
293247	Cont. NW of N Area @ 3'	soil	2012-03-30	13:41	2012-04-02
293248	Cont. Central of N Area @ 3'	soil	2012-03-30	13:20	2012-04-02
293249	Cont. N Mix @ 3'	soil	2012-03-30	13:10	2012-04-02

Sample - Field Code	BTEX				MTBE	TPH DRO - NEW	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	MTBE (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
293244 - Pad @ NE 1'	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00 qc
293245 - Powerline (L) @ 1'	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00 qc
293246 - Cont. NE of N Area @ 3'	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00 qc
293247 - Cont. NW of N Area @ 3'	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00 qc
293248 - Cont. Central of N Area @ 3'	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00 qc
293249 - Cont. N Mix @ 3'	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00 qc

Sample: 293244 - Pad @ NE 1'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293245 - Powerline (L) @ 1'

continued ...

sample 293245 continued ...

Param	Flag	Result	Units	RL
Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293246 - Cont. NE of N Area @ 3'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293247 - Cont. NW of N Area @ 3'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

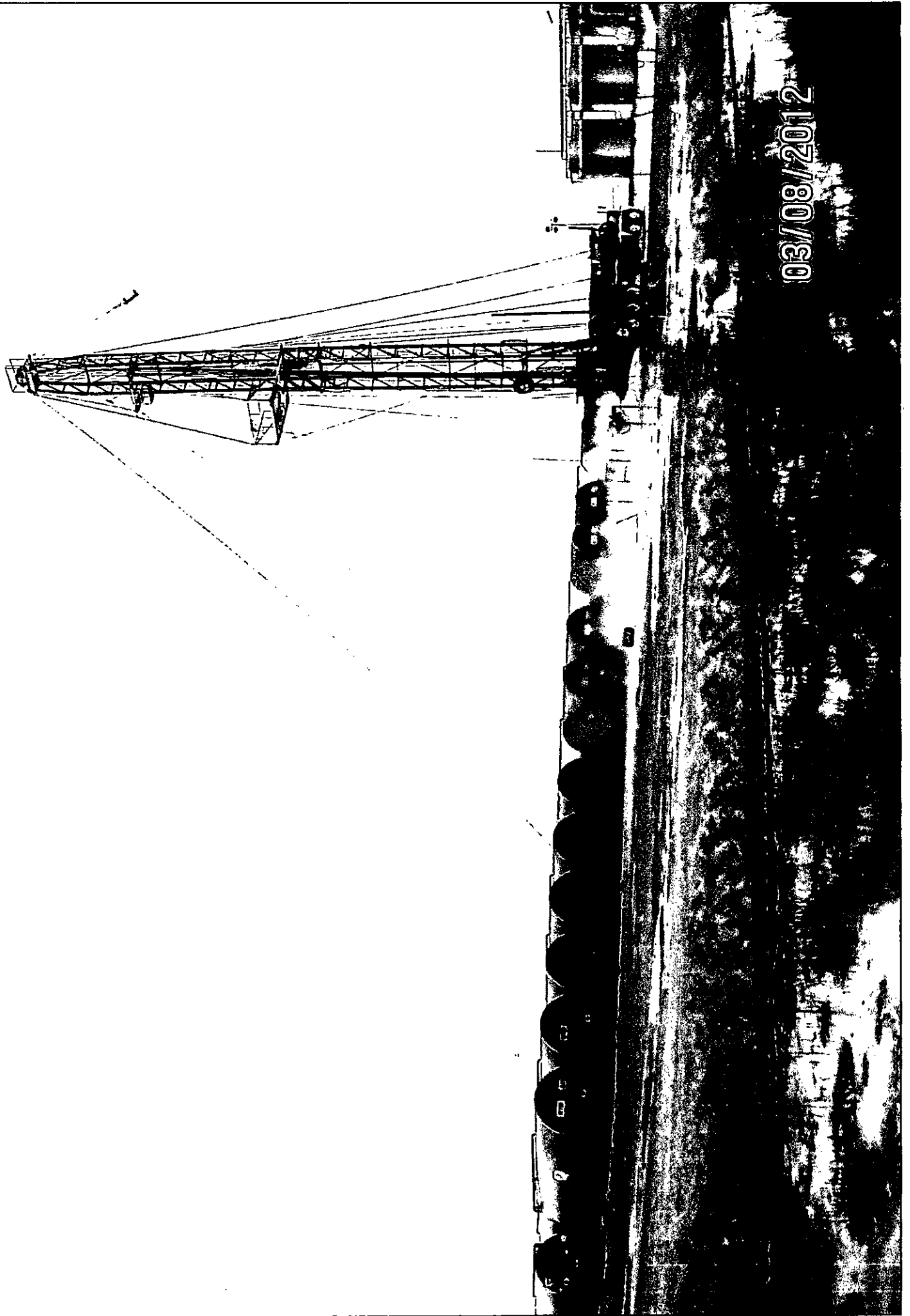
Sample: 293248 - Cont. Central of N Area @ 3'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

Sample: 293249 - Cont. N Mix @ 3'

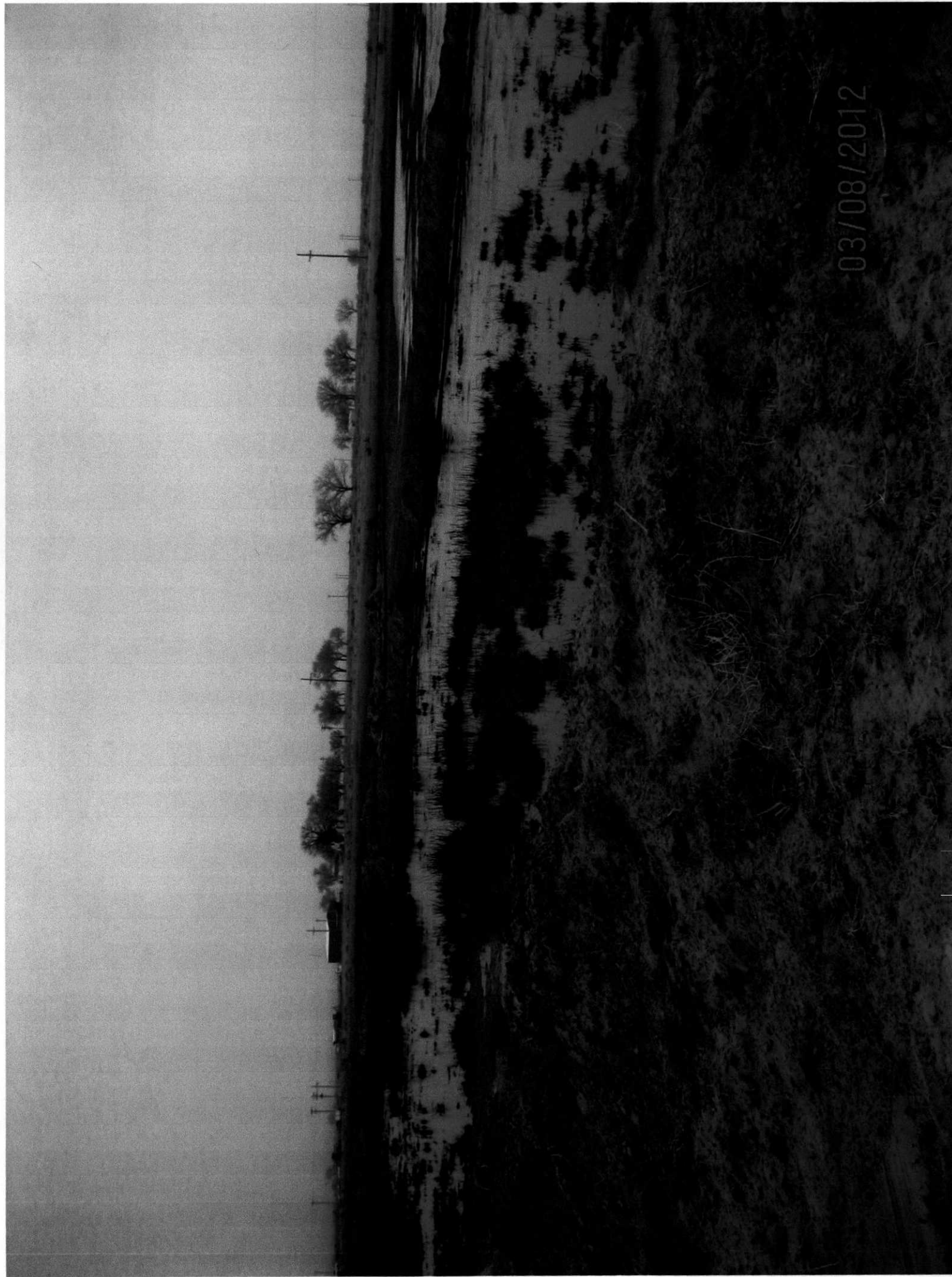
Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5

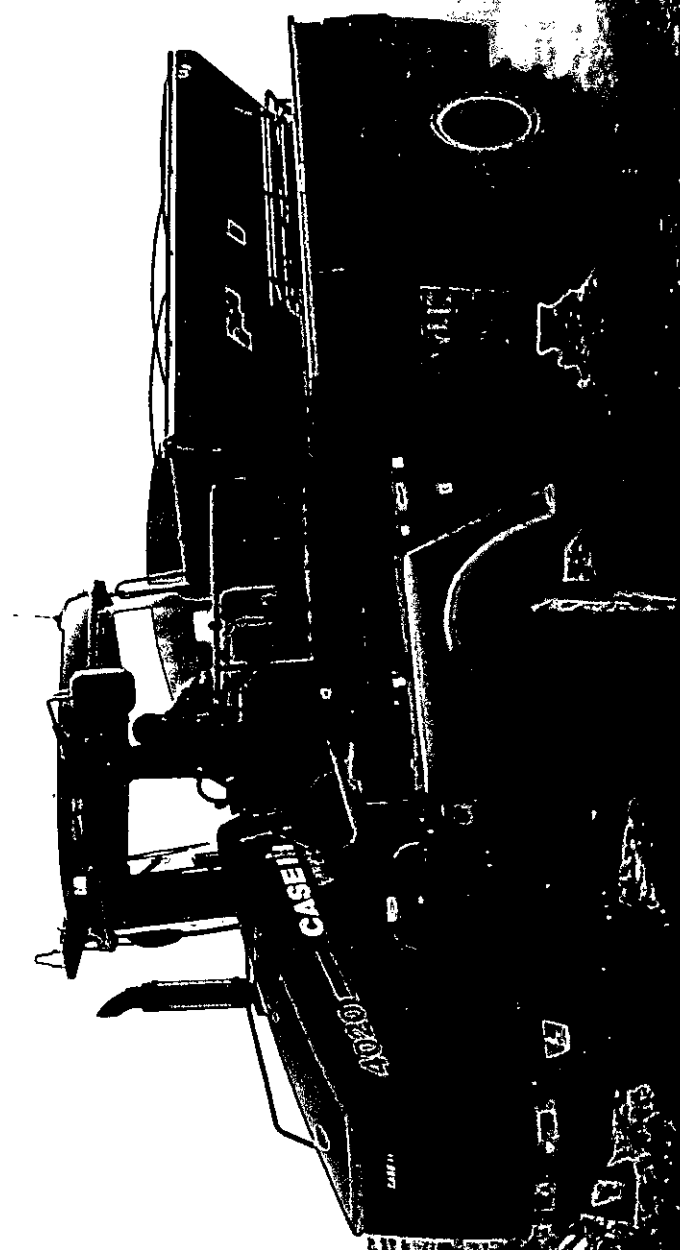
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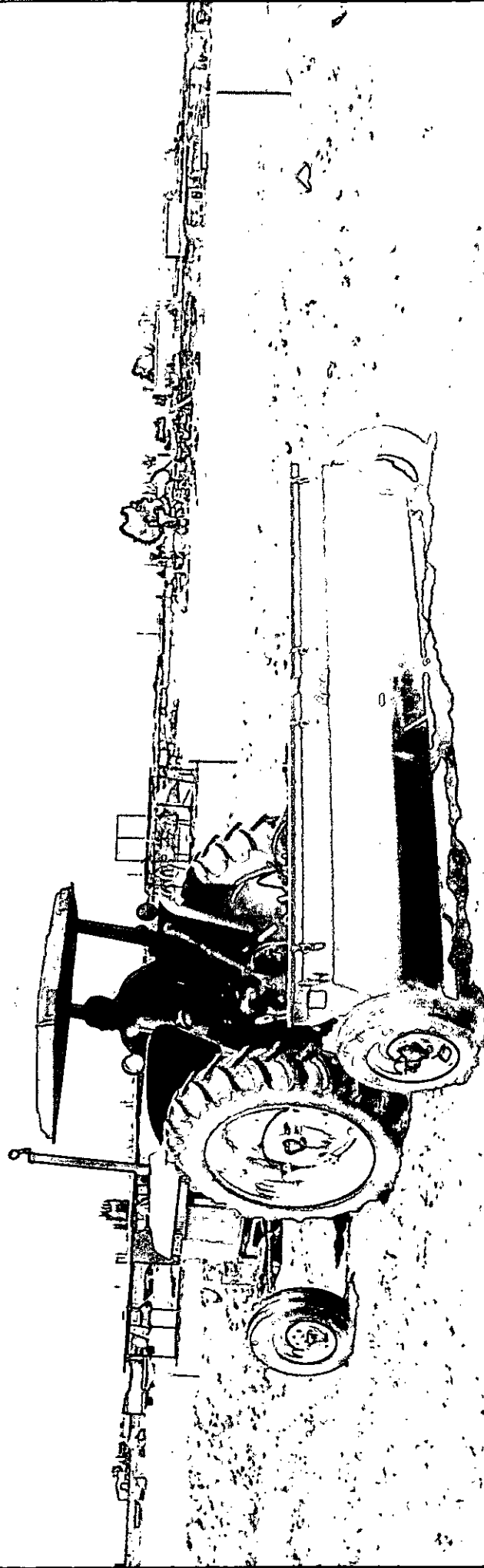
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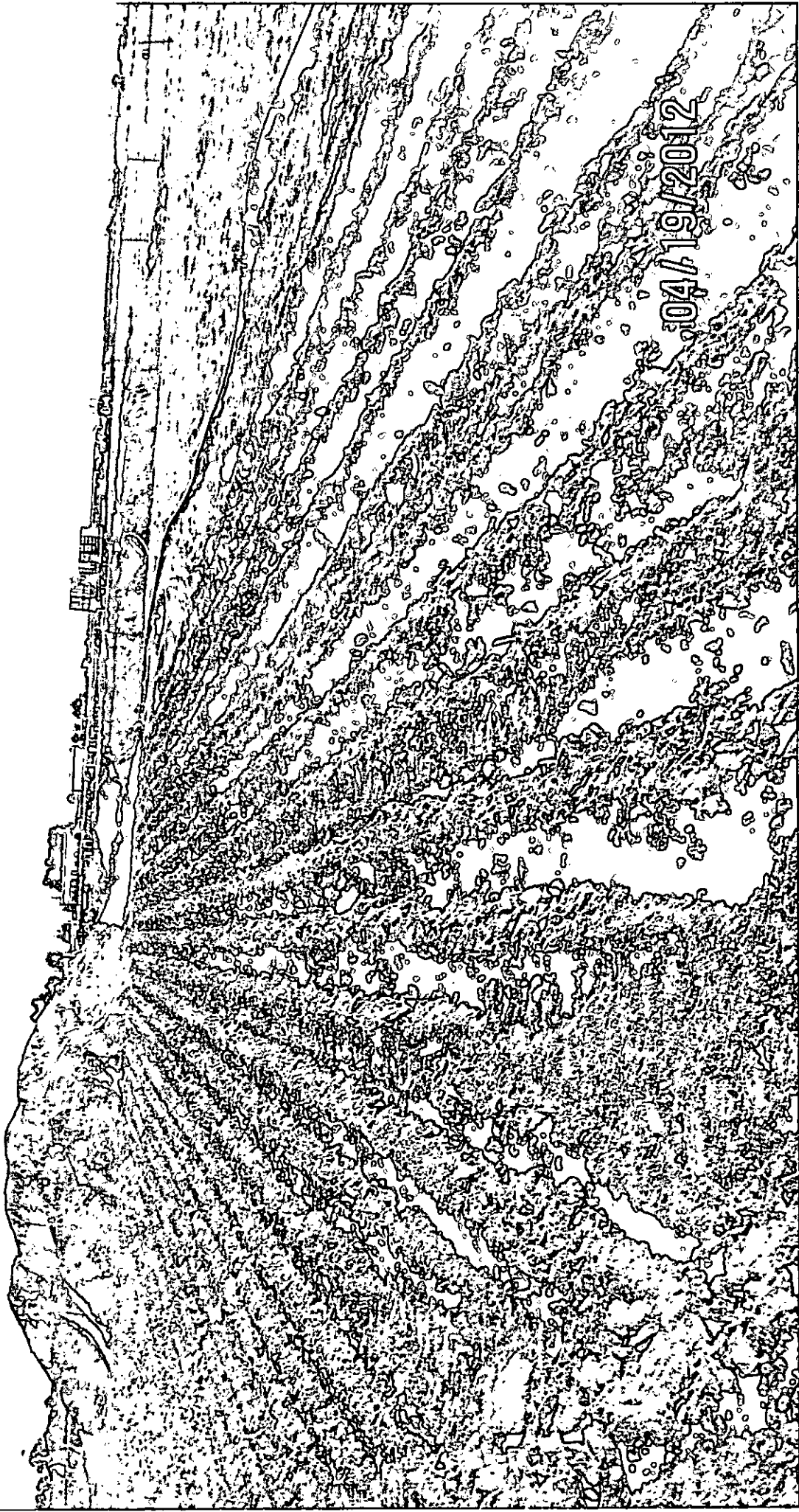


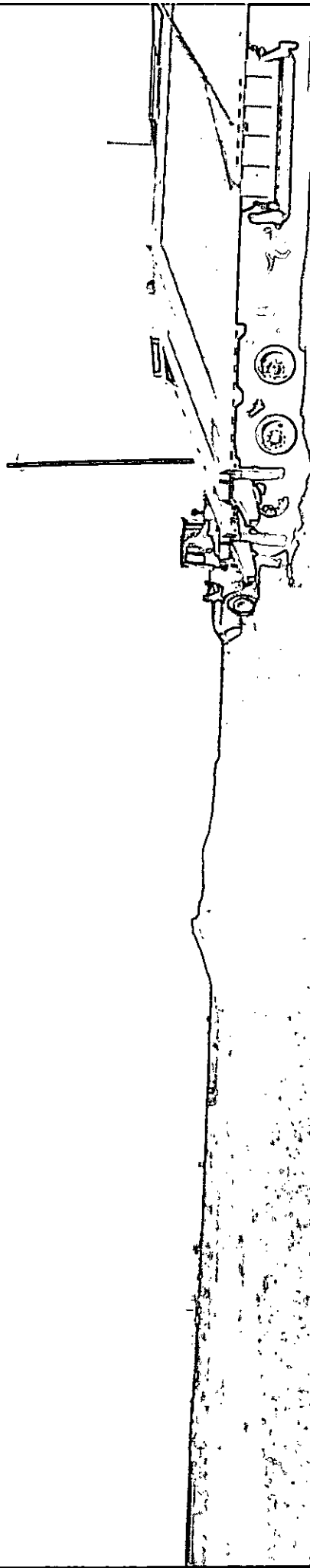


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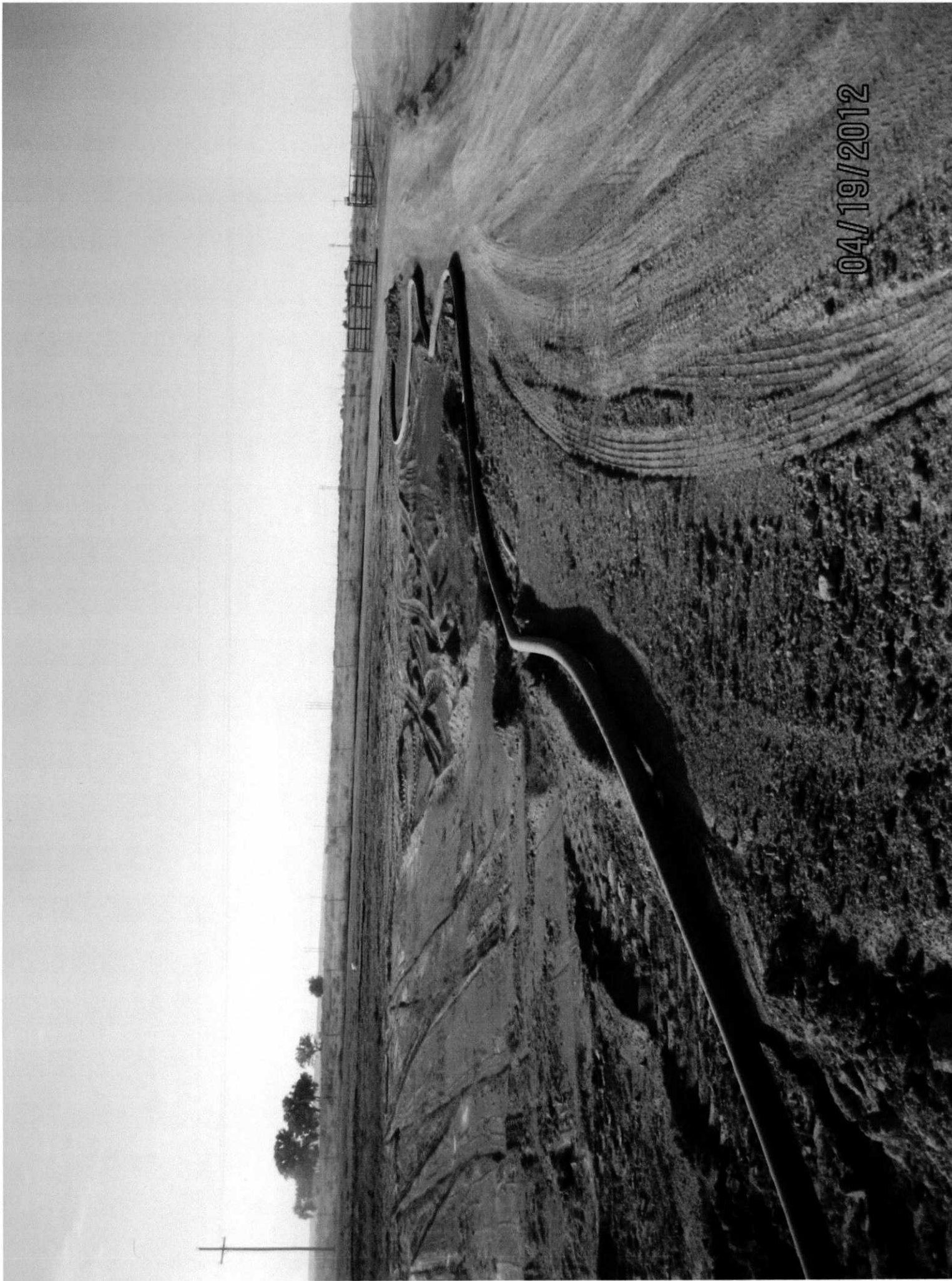
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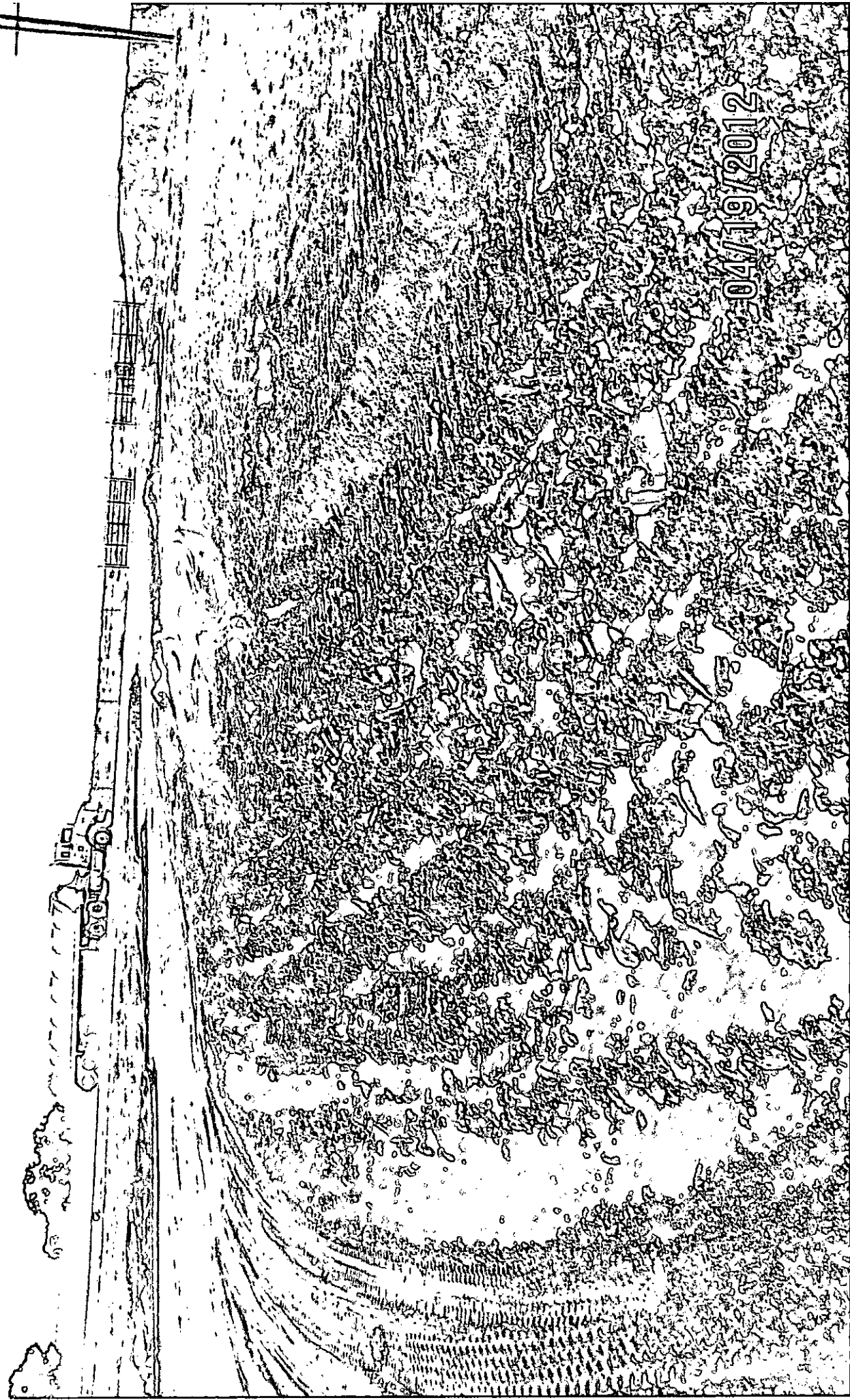




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