

**NGX COMPANY  
100 N. PENNSYLVANIA  
ROSWELL, NEW MEXICO 88203**

(505) 622-6713 OFFICE

(505) 622-9282 FAX

DEC 07 2007  
OCD-ARTESIA

**Via Federal Express**

December 6, 2007

NM Oil Conservation Division  
1301 W. Grand Ave.  
Artesia, NM 88210

Attention: Mike Bratcher

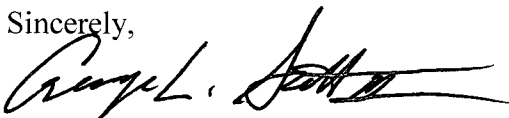
RE: NGX McKee State No.1  
Sec. 25, T24S, R28E  
Eddy County, NM

Dear Mike:

As per our agreement, enclosed please find a C-141 form with the a description of the remediation done on the captioned well.

Should you have any questions, please contact me at (505) 350-2030.

Sincerely,



George L. Scott, III, Pres.

enclosures

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

DEC 07 2007  
OCD-ARTESIA

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	NGX Company	Contact	George L. Scott, III
Address	100 N. Pennsylvania, Roswell, NM 88203	Telephone No.	(505) 350-2030
Facility Name	McKee State #1	Facility Type	Oil Well
Surface Owner	State of NM	Mineral Owner	State of NM
		Lease No.	VO-5446-2

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	25	24S	28E	990'	South	1650'	East	Eddy

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release	See C-141 filed 9/4/2007 approved 9/5/2007	Volume of Release	Volume Recovered
Source of Release		Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?		Date and Hour	
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

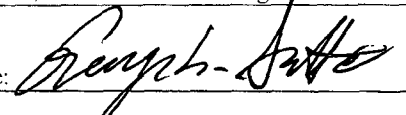
If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

Describe Area Affected and Cleanup Action Taken.\*

Scraped up 72 yards of contaminated soil and put on 15 ml plastic. Hauled contaminated soil to CRI on 10/4/07. Notified Gery Guy with OCD of sampling on 11/19/07. Sent samples to Hall Environmental. Back filled with top soil on 11/26/07.  
Attachments: Core Sample Report, wellpad diagram of samples, and contaminated dirt haul tickets. Spill area clean and ready for inspection.

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: 	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: George L. Scott, III	Approved by District Supervisor:		
Title: President	Approval Date:	Expiration Date:	
E-mail Address: geoiexploration@aol.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 12/5/2007	Phone: (505) 350-2030		

\* Attach Additional Sheets If Necessary

**Hall Environmental Analysis Laboratory, Inc.****Date:** 04-Dec-07

**CLIENT:** NGX Company Inc.  
**Lab Order:** 0711347  
**Project:** McKee St. #1  
**Lab ID:** 0711347-01

**Client Sample ID:** # 1  
**Collection Date:** 11/19/2007 3:45:00 AM  
**Date Received:** 11/21/2007  
**Matrix:** SOLID

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
<b>EPA METHOD 8015B: DIESEL RANGE ORGANICS</b>						Analyst: <b>SCC</b>
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	11/27/2007 4:27:45 AM
Motor Oil Range Organics (MRO)	ND	50		mg/Kg	1	11/27/2007 4:27:45 AM
Surr. DNOP	69.8	61.7-135		%REC	1	11/27/2007 4:27:45 AM
<b>EPA METHOD 9056A: ANIONS</b>						Analyst: <b>SMP</b>
Chloride	ND	1.5		mg/Kg	5	12/3/2007 10:01:11 AM
<b>EPA METHOD 6010B: SOIL METALS</b>						Analyst: <b>NMO</b>
Sodium	36	25		mg/Kg	1	11/28/2007 10:40:26 AM

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level
- E Value above quantitation range
- J Analyte detected below quantitation limits
- ND Not Detected at the Reporting Limit
- S Spike recovery outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- MCL Maximum Contaminant Level
- RL Reporting Limit

**Hall Environmental Analysis Laboratory, Inc.**

Date: 04-Dec-07

**CLIENT:** NGX Company Inc.  
**Lab Order:** 0711347  
**Project:** McKee St. #1  
**Lab ID:** 0711347-02

**Client Sample ID:** #2  
**Collection Date:** 11/19/2007 3:45:00 PM  
**Date Received:** 11/21/2007  
**Matrix:** SOLID

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
<b>EPA METHOD 8015B: DIESEL RANGE ORGANICS</b>						Analyst: <b>SCC</b>
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	11/27/2007 4:58 10 AM
Motor Oil Range Organics (MRO)	ND	50		mg/Kg	1	11/27/2007 4:58 10 AM
Surr: DNOP	73.7	61.7-135		%REC	1	11/27/2007 4:58.10 AM
<b>EPA METHOD 9056A: ANIONS</b>						Analyst: <b>SMP</b>
Chloride	ND	1.5		mg/Kg	5	12/3/2007 10:18.36 AM
<b>EPA METHOD 6010B: SOIL METALS</b>						Analyst: <b>NMO</b>
Sodium	ND	25		mg/Kg	1	11/28/2007 10:44:08 AM

<b>Qualifiers:</b>	*	Value exceeds Maximum Contaminant Level	B	Analyte detected in the associated Method Blank
	E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
	J	Analyte detected below quantitation limits	MCL	Maximum Contaminant Level
	ND	Not Detected at the Reporting Limit	RL	Reporting Limit
	S	Spike recovery outside accepted recovery limits		

**Hall Environmental Analysis Laboratory, Inc.**

Date: 04-Dec-07

**CLIENT:** NGX Company Inc.  
**Lab Order:** 0711347  
**Project:** McKee St. #1  
**Lab ID:** 0711347-03

**Client Sample ID:** #3  
**Collection Date:** 11/19/2007 3:45:00 PM  
**Date Received:** 11/21/2007  
**Matrix:** SOLID

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
<b>EPA METHOD 8015B: DIESEL RANGE ORGANICS</b>						Analyst: <b>SCC</b>
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	11/27/2007 5:28:48 AM
Motor Oil Range Organics (MRO)	ND	50		mg/Kg	1	11/27/2007 5:28 48 AM
Surr. DNOP	68.1	61.7-135		%REC	1	11/27/2007 5:28 48 AM
<b>EPA METHOD 9056A: ANIONS</b>						Analyst: <b>SMP</b>
Chloride	1.5	1 5		mg/Kg	5	12/3/2007 10:36.01 AM
<b>EPA METHOD 6010B: SOIL METALS</b>						Analyst: <b>NMO</b>
Sodium	28	25		mg/Kg	1	11/28/2007 10:47 36 AM

**Qualifiers:** \* Value exceeds Maximum Contaminant Level  
E Value above quantitation range  
J Analyte detected below quantitation limits  
ND Not Detected at the Reporting Limit  
S Spike recovery outside accepted recovery limits

B Analyte detected in the associated Method Blank  
H Holding times for preparation or analysis exceeded  
MCL Maximum Contaminant Level  
RL Reporting Limit

**Hall Environmental Analysis Laboratory, Inc.**

Date: 04-Dec-07

CLIENT: NGX Company Inc.

Client Sample ID: #4

Lab Order: 0711347

Collection Date: 11/19/2007 3:45:00 PM

Project: McKee St. #1

Date Received: 11/21/2007

Lab ID: 0711347-04

Matrix: SOLID

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
<b>EPA METHOD 8015B: DIESEL RANGE ORGANICS</b>						Analyst: SCC
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	11/27/2007 5:59:30 AM
Motor Oil Range Organics (MRO)	ND	50		mg/Kg	1	11/27/2007 5:59:30 AM
Surr: DNOP	71.3	61.7-135		%REC	1	11/27/2007 5:59:30 AM
<b>EPA METHOD 9056A: ANIONS</b>						Analyst: SMP
Chloride	1300	60		mg/Kg	20	12/3/2007 1:30:05 PM
<b>EPA METHOD 6010B: SOIL METALS</b>						Analyst: NMO
Sodium	480	25		mg/Kg	1	11/28/2007 10:51:04 AM

Qualifiers: \* Value exceeds Maximum Contaminant Level  
E Value above quantitation range  
J Analyte detected below quantitation limits  
ND Not Detected at the Reporting Limit  
S Spike recovery outside accepted recovery limits

B Analyte detected in the associated Method Blank  
H Holding times for preparation or analysis exceeded  
MCL Maximum Contaminant Level  
RL Reporting Limit

**Hall Environmental Analysis Laboratory, Inc.**

Date: 04-Dec-07

**CLIENT:** NGX Company Inc.  
**Lab Order:** 0711347  
**Project:** McKee St. #1  
**Lab ID:** 0711347-05

**Client Sample ID:** #5  
**Collection Date:** 11/19/2007 3:45:00 PM  
**Date Received:** 11/21/2007  
**Matrix:** SOLID

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
<b>EPA METHOD 8015B: DIESEL RANGE ORGANICS</b>						Analyst: <b>SCC</b>
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	11/27/2007 6:30:14 AM
Motor Oil Range Organics (MRO)	ND	50		mg/Kg	1	11/27/2007 6:30:14 AM
Surr: DNOP	67.3	61.7-135		%REC	1	11/27/2007 6:30:14 AM
<b>EPA METHOD 9056A: ANIONS</b>						Analyst: <b>SMP</b>
Chloride	410	1.5		mg/Kg	5	12/3/2007 11:10:50 AM
<b>EPA METHOD 6010B: SOIL METALS</b>						Analyst: <b>NMO</b>
Sodium	120	25		mg/Kg	1	11/28/2007 10:54:31 AM

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level
- E Value above quantitation range
- J Analyte detected below quantitation limits
- ND Not Detected at the Reporting Limit
- S Spike recovery outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- MCL Maximum Contaminant Level
- RL Reporting Limit

## QA/QC SUMMARY REPORT

Client: NGX Company Inc.

Project: McKee St. #1

Work Order: 0711347

Analyte	Result	Units	PQL	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
<b>Method: EPA Method 9056A: Anions</b>									
Sample ID: MB-14538		MBLK					Batch ID: 14538	Analysis Date	12/3/2007 9:26:22 AM
Chloride	ND	mg/Kg	0.30						
Sample ID: LCS-14538		LCS					Batch ID: 14538	Analysis Date	12/3/2007 9:43:47 AM
Chloride	14.48	mg/Kg	0.30	96.5	90	110			
<b>Method: EPA Method 8015B: Diesel Range Organics</b>									
Sample ID: MB-14474		MBLK					Batch ID: 14474	Analysis Date	11/26/2007 7:32:22 PM
Diesel Range Organics (DRO)	ND	mg/Kg	10						
Motor Oil Range Organics (MRO)	ND	mg/Kg	50						
Sample ID: LCS-14474		LCS					Batch ID: 14474	Analysis Date	11/26/2007 8:06:47 PM
Diesel Range Organics (DRO)	42.54	mg/Kg	10	85.1	64.6	116			
Sample ID: LCSD-14474		LCSD					Batch ID: 14474	Analysis Date	11/26/2007 8:41:11 PM
Diesel Range Organics (DRO)	36.27	mg/Kg	10	72.5	64.6	116	15.9	17.4	
<b>Method: EPA Method 6010B: Soil Metals</b>									
Sample ID: MB-14488		MBLK					Batch ID: 14488	Analysis Date	11/28/2007 8:17:20 AM
Sodium	ND	mg/Kg	25						
Sample ID: LCS-14488		LCS					Batch ID: 14488	Analysis Date	11/28/2007 8:20:21 AM
Sodium	2634	mg/Kg	25	105	80	120			

## Qualifiers:

E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	ND	Not Detected at the Reporting Limit
R	RPD outside accepted recovery limits	S	Spike recovery outside accepted recovery limits



# Hall Environmental Analysis Laboratory, Inc.

## Sample Receipt Checklist

Client Name NGX COMPANY INC

Date Received.

11/21/2007

Work Order Number 0711347

Received by: AMF

Checklist completed by:

  
Signature

11/21/07  
Date

Sample ID labels checked by

Initials

Matrix

Carrier name Client drop-off

Shipping container/cooler in good condition?

Yes ☒

No ☐

Not Present ☐

Custody seals intact on shipping container/cooler?

Yes ☐

No ☐

Not Present ☐

Not Shipped ☒

Custody seals intact on sample bottles?

Yes ☐

No ☐

N/A ☒

Chain of custody present?

Yes ☒

No ☐

Chain of custody signed when relinquished and received?

Yes ☒

No ☐

Chain of custody agrees with sample labels?

Yes ☒

No ☐

Samples in proper container/bottle?

Yes ☒

No ☐

Sample containers intact?

Yes ☒

No ☐

Sufficient sample volume for indicated test?

Yes ☒

No ☐

All samples received within holding time?

Yes ☒

No ☐

Water - VOA vials have zero headspace?

No VOA vials submitted ☒

Yes ☐

No ☐

Water - Preservation labels on bottle and cap match?

Yes ☐

No ☐

N/A ☒

Water - pH acceptable upon receipt?

Yes ☐

No ☐

N/A ☒

Container/Temp Blank temperature?

21°

<6° C Acceptable

If given sufficient time to cool.

COMMENTS:

Client contacted

Date contacted:

Person contacted

Contacted by

Regarding

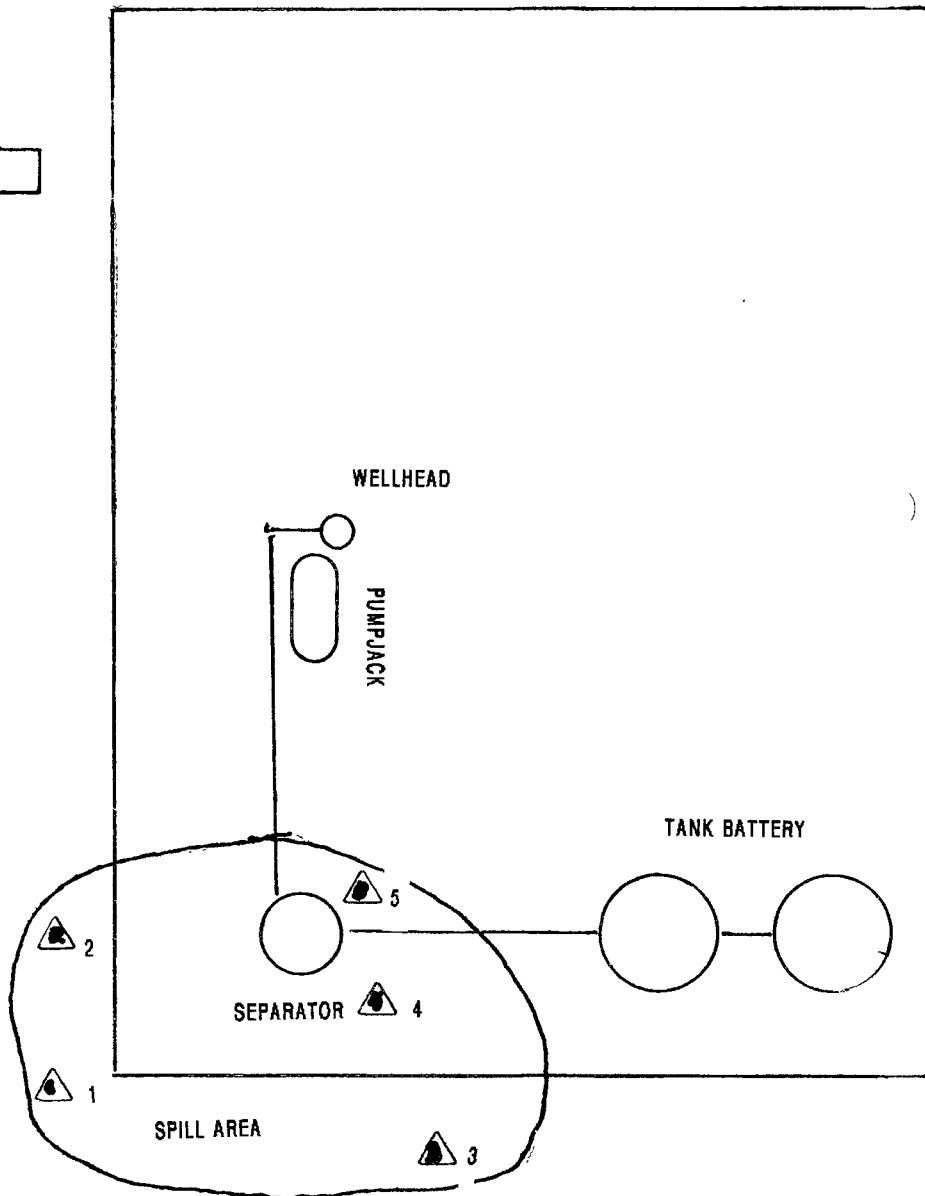
Comments

per JS analyze the 5 samples on LOC / dr 11/24/07

Corrective Action



McKee State #1  
Unit 0, Sec. 25, T24S, R28E  
Eddy County, NM



Roadrunner Environmental, Inc

P O Box 1238  
Carlsbad, NM 88220**Invoice**

Date	Invoice #
10/10/2007	42341

Bill To
NGX PO BOX 5 ROSWELL, NM 88202

Field Ticket No.		Location			Due Upon Receipt
MULTI		MCKEE ST #1			Due on receipt
Item	Description	Comp. Date	Qty	Rate	Amount
DUMP TRUC...	FT.#47579-DUMP TRUCK, BACKHOE, AND OPERATOR ON LOCATION TO LOAD SOIL INTO TRUCKS TO BE HAULED TO CRI FOR DISPOSAL. HAULED 1-12 YARD LOAD	10/4/2007	11	80.00	880.00T
FUEL DUMP TRUCK	F.T.#46250-BELLY DUMP TRUCK AND OPERATOR ON LOCATION TO BE LOADED WITH SOIL TO BE HAULED TO CRI FOR DISPOSAL. HAULED 1-20 YARD LOAD.	10/4/2007	6.5	10.00% 95.00	88.00T 617.50T
FUEL DUMP TRUCK	F.T.#46249-BELLY DUMP TRUCK AND OPERATOR ON LOCATION TO BE LOADED WITH SOIL TO BE HAULED TO CRI FOR DISPOSAL. HAULED 2-20 YARD LOADS.	10/4/2007	3.5	10.00% 95.00	61.75T 332.50T
FUEL DUMP TRUC...	F.T.#47581-DUMP TRUCK, BACKHOE, AND OPERATOR ON LOCATION TO LOAD SOIL AND HAUL TO CRI FOR DISPOSAL.	10/5/2007	2	10.00% 80.00	33.25T 160.00T
FUEL				10.00%	16.00T
Thank you for your business.				<b>Subtotal</b>	\$2,189.00
				<b>Sales Tax (5.625%)</b>	\$123.13
				<b>Total</b>	\$2,312.13