Mr. Bill Dougherty Field Supervisor NADEL & GUSSMAN PERMIAN, LLC 2408 Freeman Avenue Artesia, New Mexico 88210

February 12, 2016

Mr. Mike Bratcher
New Mexico Oil Conservation Division
District 2
811 South First Street
Artesia, New Mexico 88210

Ms. Amber Groves
New Mexico State Land Office
Hobbs District
2827 N. Dal Paso Street
Suite No. 117
Hobbs, New Mexico 88240

Re: Loving 2 State No. 5 Corrective Action Plan/ Final Remediation Report U/L K 2-23S-28E 1865' FSL 1980' FWL, Eddy County, New Mexico API No. 30-015-37111

Dear Mr. Bratcher and Ms. Groves:

Nadel & Gussman Permian, LLC (NGP) herewith submits its Corrective Action Plan (CAP) and Final Remediation Report (FRR) as a single document for the act of malicious vandalism of the three tanks contained in the Loving 2 State No. 5 battery, identified as one fiberglass water tank and two steel oil tanks. The water tank load line valve was opened and the produced water allowed to run out of the tank. The two steel oil tanks were found with their aluminum seals twisted off and the tank load line valves opened allowing for the oil to free flow out of the tanks. These acts of malicious vandalism resulted in the unauthorized discharge of approximately 188 barrels of hydrocarbon and produced water, which flowed onto but was contained by the Loving 2 State No. 5 drilling pad and its associated berm configuration.

At no time during either the delineation, investigation period or the actual onsite remediation excavation using heavy equipment was there any evidence found to verify an offsite discharge contamination had occurred. Likewise, no penetration into the base of berms with sufficiency enough for concern had occurred. Consequently, no Environmental Protection Agency (EPA) reportable requirements were triggered and therefore, NGP's Spill Control and Countermeasure Plan (SPCC) for this site was not activated.

Nonetheless, this malicious vandalism placed NGP in a critical, field response, management configuration due to the immediate proximity of the Pecos River to the Loving 2 State No. 5 location. The Pecos River runs in a southerly direction along the west side of the location at

approximately 1,000 feet down gradient and westerly from the drilling pad surface.

Additionally, these acts of malicious vandalism were also evidenced and verified by the fact that the aluminum seals locking the valves on the two oil tanks had been twisted off rather than cut off, as the professional truckers would do when picking up the oil from these tanks. These malicious actions summarily provided an unrestricted, open line on each tank, leaving them to free flow either oil or produced water until the tanks emptied or continued to empty (depending upon the well cycle) and were later discovered by NGP's pumper on December 8, 2015 around 1430 in the afternoon. Therefore an urgent situation was mandated and addressed, regardless of the fact that ultimately, the discharged fluids never left the location. NGP now presently had a standing pool of oil which needed to be immediately removed to prevent an offsite release from occurring. Jason Hammond, Pumper Supervisor for NGP, immediately called for three vacuum trucks to begin sucking up the discharged hydrocarbon and produced water contaminants. Mr. Bill Dougherty, Field Superintendent arrived on location and began the effort to obtain proper, heavy equipment necessary to continue and effectively engage in the first response activities and target future remediation efforts. Ultimately, 130 barrels of fluid were recovered and reprocessed to salvage the oil.

The Eddy County Sheriff's Office was notified immediately by Mr. Dougherty, following NGP's response to their emergent situation, that the discharge was secured and prevented from leaving the Loving 2 State No. 5 location, which otherwise would have terminated as a down gradient flow into the Pecos River. Upon arrival, the Eddy County Sheriff's officer was shown around the site and the vandalism area at the tank battery, along with earlier photos of the discharged oil. The Sheriff's report is included in this transmittal for your review. (see "Eddy County Sheriff's Incident Report", Exhibit C) To date, there is no further information on the crime.

Following this, the contaminated soils were excavated to average depths, ranging from approximately 2'-3', predicated on horizontal and vertical delineation contaminant values mandated for NMOCD compliance. The contaminated material was temporarily stockpiled on location atop a plastic base. A total of 778 yards were excavated and hauled to Lea Land Disposal.

A series of four sampling events (see "Sample Analyticals", Exhibit A) were taken during the excavation operations to determine when regulatory compliance had been achieved. Once the location was compliant, NMOCD released the site, authorizing the backfilling of 612 yards for reconstruction of the impacted pad and berm areas. Also included are photos showing the initial footprint discharge, a sampling map and final reclamation. (see "Photos", Exhibit B)

The "Oil Spill History Report" will be updated in NGP's SPCC Plan by their SPCC consultant for future reference. Should you have questions, please contact our office at your earliest convenience.

Sincerely,

Bill Dougherty

Field Superintendent

Enclosed: Sample Analyticals, Photos, Eddy County Sheriff's Report

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 811 S. First St., 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

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-141

Revised August 8, 2011

Address: 601 N. Marienfeld, Suite 508, Midland, TX 79707	ontact: Bill Dougherty elephone No.325-998-710 acility Type: Oil Well  OF RELEASE outh Line UTH Feet from the 1980  Longitude  DF RELEASE  Volume of Release 188 BBI Date and Hour of Occurrence 12/8/2015 Early morning ho If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2: If YES, Volume Impacting	East/West Line WEST  LS Volume I ce Date and 12/8/2013	County EDDY  Recovered 130 BBLS Hour of Discovery 5 2:15 PM MST
Address: 601 N. Marienfeld, Suite 508, Midland, TX 79707   Tel Facility Name: Loving 2 State #5   Fac Surface Owner State of NM   Mineral Owner    Unit Letter   Section   Township   Range   Feet from the   North/Sot 1865   SOU    Latitude   NATURE O    Type of Release Oil and Water   Source of Release   It   Local lines were opened   It   Was Immediate Notice Given?   Yes   No   Not Required   By Whom? Cheryl Winkler   It   Was a Watercourse Reached?   Yes   No   It    Yes   Yes   No   It    Yes   Yes   No   It    Yes   Yes   Yes   Yes   It    Yes	OF RELEASE Outh Line Feet from the 1980  Longitude  DF RELEASE Volume of Release 188 BB Date and Hour of Occurrence 12/8/2015 Early morning he If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	East/West Line WEST  LS Volume I ce Date and 12/8/2013	County EDDY  Recovered 130 BBLS Hour of Discovery
Surface Owner State of NM  LOCATION ( Unit Letter   Section   Township   Range   1865   SOU  Latitude  NATURE O  Type of Release Oil and Water Source of Release Load lines were opened Was Immediate Notice Given?  Yes   No   Not Required   Not Req	OF RELEASE outh Line 1980  Longitude  DF RELEASE Volume of Release 188 BB Date and Hour of Occurrence 12/8/2015 Early morning be 18 YES, To Whom? Mike Bratcher of the NMOODate and Hour 12/8/2015 2:	East/West Line WEST  LS Volume I ce Date and ours 12/8/201:	County EDDY  Recovered 130 BBLS Hour of Discovery
LOCATION C Unit Letter Section Township Range 28 E Feet from the 1865 SOU  Latitude  NATURE O  Type of Release Oil and Water Source of Release Load lines were opened Was Immediate Notice Given?  Yes No Not Required By Whom? Cheryl Winkler Was a Watercourse Reached?  Yes No	Longitude  DF RELEASE  Volume of Release 188 BB  Date and Hour of Occurrence 12/8/2015 Early morning her  If YES, To Whom?  Mike Bratcher of the NMOO	East/West Line WEST  LS Volume I ce Date and ours 12/8/201:	County EDDY  Recovered 130 BBLS Hour of Discovery
LOCATION C Unit Letter   Section   Township   Range   28 E   Section   1865   SOU  Latitude  NATURE O  Type of Release Oil and Water Source of Release Load lines were opened Was Immediate Notice Given?   Yes   No   Not Required   N	Longitude  DF RELEASE  Volume of Release 188 BB  Date and Hour of Occurrence 12/8/2015 Early morning her  If YES, To Whom?  Mike Bratcher of the NMOO	LS Volume I ce Date and ours 12/8/201:	Recovered 130 BBLS Hour of Discovery
Unit Letter K 2 Township Range 28 E Feet from the 1865 SOU  Latitude  NATURE O  Type of Release Oil and Water Source of Release Load lines were opened Was Immediate Notice Given?  Yes No Not Required By Whom? Cheryl Winkler Was a Watercourse Reached?  Yes No	Longitude  DF RELEASE  Volume of Release 188 BB  Date and Hour of Occurrence 12/8/2015 Early morning her  If YES, To Whom?  Mike Bratcher of the NMOO	LS Volume I ce Date and ours 12/8/201:	Recovered 130 BBLS Hour of Discovery
Latitude  NATURE O  Type of Release Oil and Water  Source of Release Load lines were opened Was Immediate Notice Given?  Yes No Not Required  By Whom? Cheryl Winkler  Was a Watercourse Reached?  Yes No	Longitude  DF RELEASE  Volume of Release 188 BBI Date and Hour of Occurrence 12/8/2015 Early morning he If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	LS Volume I ce Date and ours 12/8/201:	Recovered 130 BBLS Hour of Discovery
NATURE O  Type of Release Oil and Water  Source of Release Load lines were opened  Was Immediate Notice Given?  Yes No Not Required  By Whom? Cheryl Winkler  Was a Watercourse Reached?  Yes No	Volume of Release 188 BBI Date and Hour of Occurrence 12/8/2015 Early morning he If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	Date and 12/8/201:	Hour of Discovery
Type of Release Oil and Water  Source of Release Load lines were opened  Was Immediate Notice Given?  Yes No Not Required  Was a Watercourse Reached?  Yes No	Volume of Release 188 BBi Date and Hour of Occurrence 12/8/2015 Early morning he If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	Date and 12/8/201:	Hour of Discovery
Source of Release Load lines were opened  Was Immediate Notice Given?  Yes No Not Required  By Whom? Cheryl Winkler  Was a Watercourse Reached?  Yes No	Date and Hour of Occurrent 12/8/2015 Early morning he If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	Date and 12/8/201:	Hour of Discovery
Load lines were opened  Was Immediate Notice Given?   ☐ Yes ☐ No ☐ Not Required  Not Required  Yes ☐ No ☐ Not Required	12/8/2015 Early morning ho If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	Durs 12/8/2013 CD	
Was Immediate Notice Given?  ☐ Yes ☐ No ☐ Not Required Notice Given?  ☐ Yes ☐ No ☐ Not Required Notice Given?  ☐ Yes ☐ No ☐ Not Required Notice Given?  ☐ Yes ☐ No ☐ Not Required Notice Given?  ☐ Yes ☐ No ☐ Not Required Notice Given?	If YES, To Whom? Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:	CD	2 2:13 PM M51
By Whom? Cheryl Winkler Was a Watercourse Reached?  Yes No Not Required I  Yes No	Mike Bratcher of the NMOO Date and Hour 12/8/2015 2:		
By Whom? Cheryl Winkler  Was a Watercourse Reached?  ☐ Yes ☑ No		30 PM MST	
Was a Watercourse Reached?  ☐ Yes ☑ No			
		the Watercourse.	
f a Watercourse was Impacted, Describe Fully,*			
In an act of vandalism, the load lines on the water and oil tanks were opened.  A Double R vacuum truck arrived on location at approx. 5:00 PM MST on 1:	d. 12/8/2015.		
Describe Area Affected and Cleanup Action Taken.*  Approximately, half of the pad area was affected by this act of malicious van site. Vacuum trucks were called in to begin sucking up the oil. Later excavativards back onto location. Four sampling events occurred, three of which necessary of the malicious vandalism and an officer came	ation of the contaminated soi ecessitated further excavation	ls began, ultimately n to obtain NMOCI	y hauling 787 yards out and 61
I hereby certify that the information given above is true and complete to the lead to regulations all operators are required to report and/or file certain release not in public health or the environment. The acceptance of a C-141 report by the N should their operations have failed to adequately investigate and remediate control the environment. In addition, NMOCD acceptance of a C-141 report does federal, state, or local laws and/or regulations.	tifications and perform corre NMOCD marked as "Final F contamination that pose a th	ctive actions for re Report" does not re reat to ground wate	leases-which may endanger lieve the operator of liability er, surface water, human health
1.0	OIL CON	SERVATION	DIVISION
Signature: Bil Doughan	approved by Environmental S	Specialist:	
Printed Name: Bill Dougherty	pproved by Environmental a	престапот.	
Title: NM Field Superintendent Ap	approval Date:	Expiration	Date:
	Conditions of Approval:		Attached

## **EXHIBIT A**

**SAMPLE ANALYTICALS** 

Report Date: December 15, 2015 Work Order: 15121025 Page Number: 1 of 3

#### **Summary Report**

Bill Dougherty Nadel & Gussman Permian LLC 601 N. Marienfeld Suite 508 Midland, TX 79701

Project Name: Vandalism Discharge (Initial)

Project Number: Loving 2 State No.5

			Date	$\operatorname{Time}$	Date
Sample	Description	Matrix	Taken	Taken	Received
409925	South Area 6"	soil	2015-12-09	09:00	2015-12-10
409926	North Area 6"	soil	2015-12-09	09:10	2015-12-10
409927	East Area 6"	soil	2015-12-09	09:15	2015-12-10
409928	West Area 6"	soil	2015-12-09	09:20	2015-12-10
409929	Middle Pond Area 6"	soil	2015-12-09	09:25	2015-12-10
409930	Last Pond Area 6"	soil	2015-12-09	09:30	2015-12-10
409931	Pump Jack Area 6"	soil	2015-12-09	10:05	2015-12-10
409932	Upper Tank Battery 6"	soil	2015-12-09	10:20	2015-12-10
409933	Berm Area Outside Pad	soil	2015-12-09	11:20	2015-12-10
409934	Background Caliche Pit	soil	2015-12-09	11:00	2015-12-10

	BTEX				TPH DRO	TPH GRO
	Benzene	Toluene	Ethylbenzene	Xylene	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
409925 - South Area 6"	2.12	14.1	6.26	34.5	<b>2480</b> в	1200
409926 - North Area 6"	57.6	800	306	1140	<b>48000</b> в	35700 Je
409927 - East Area 6"	34.0	517	179	588	<b>20400</b> в	$19100  \mathrm{Je}$
409928 - West Area 6"	31.3	449	154	621	<b>20600</b> в	$18800  \mathrm{Je}$
409929 - Middle Pond Area 6"	22.7	$\bf 324$	105	441	<b>13100</b> B	23000
409930 - Last Pond Area 6"	26.4	$\bf 322$	109	454	<b>13000</b> B	20900
409931 - Pump Jack Area 6"	29.9	388	133	446	<b>30100</b> B	11700
409932 - Upper Tank Battery 6"	25.6	286	86.0	322	<b>7480</b> в	<b>9740</b> Je
409933 - Berm Area Outside Pad	< 0.0200	< 0.0200	< 0.0200	< 0.0200	$< 50.0 \; \mathrm{B}$	< 4.00
409934 - Background Caliche Pit	< 0.0200	< 0.0200	< 0.0200	< 0.0200	<50.0 в	< 4.00

Sample: 409925 - South Area 6"

 $continued \dots$ 

Report Date: December 15, 2015

Work Order: 15121025

	ember 15, 2015	Work Order: 15121025	Page N	Number: 2 of 3
sample 409925 con	$tinued \dots$			
Param	Flag	Result	Units	RL
Param	Flag	Result	Units	RL
Chloride		26900	m mg/Kg	50
Sample: 409926	- North Area 6"			
Param	Flag	Result	Units	RL
Chloride		6890	m mg/Kg	50
Sample: 409927	- East Area 6"			
Param	Flag	Result	Units	RL
Chloride		11900	$\mathrm{mg}/\mathrm{Kg}$	50
Sample: 400028	- Wost Aroa 6"			
Sample: 409928				
Sample: 409928 Param Chloride	- West Area 6" Flag	Result 13100	Units mg/Kg	RL 50
Param Chloride		13100		
Param Chloride Sample: 409929 Param	Flag	13100 , Result	mg/Kg Units	50 RL
Param Chloride Sample: 409929	Flag - Middle Pond Area 6"	,	mg/Kg	50
Param Chloride  Sample: 409929 Param Chloride	Flag - Middle Pond Area 6"	13100 , Result	mg/Kg Units	50 RL
Param Chloride  Sample: 409929 Param Chloride	Flag  - Middle Pond Area 6"  Flag  - Last Pond Area 6"	13100 , Result	mg/Kg Units	50 RL
Param Chloride  Sample: 409929 Param Chloride  Sample: 409930	Flag  - Middle Pond Area 6"  Flag	13100 , Result 12700	mg/Kg  Units  mg/Kg	RL 50
Param Chloride  Sample: 409929  Param Chloride  Sample: 409930  Param Chloride	Flag  - Middle Pond Area 6"  Flag  - Last Pond Area 6"	13100  Result 12700  Result	mg/Kg  Units  mg/Kg  Units	50 RL 50
Param Chloride  Sample: 409929  Param Chloride  Sample: 409930  Param Chloride	Flag  - Middle Pond Area 6"  Flag  - Last Pond Area 6"  Flag	13100  Result 12700  Result	mg/Kg  Units  mg/Kg  Units	50 RL 50

Sample: 409932 - Upper Tank Battery 6"

Report Date: December 15, 2015		Work Order: 15121025		Page Number: 3 of 3	
Param	Flag	Result	Units	RL	
Chloride	Trag	15700	mg/Kg	50	
Sample: 409933	- Berm Area Outside l	Pad			
Param	Flag	Result	Units	RL	
Chloride		<250	mg/Kg	50	
Sample: 409934	- Background Caliche	Pit			
Param	Flag	Result	Units	RL	
Chloride		<250	mg/Kg	50	

Report Date: January 4, 2016 Work Order: 15121814 Page Number: 1 of 3

#### **Summary Report**

Bill Dougherty Nadel & Gussman Permian LLC 601 N. Marienfeld Suite 508 Midland, TX 79701

Project Name: Vandalism Discharge (Final)

Project Number: Loving 2 State No 5

			Date	Time	Date
Sample	Description	Matrix	Taken	Taken	Received
410693	South Area 17"	soil	2015-12-18	08:00	2015-12-18
410694	North Area 17"	soil	2015-12-18	08:10	2015-12-18
410695	East Area 17"	soil	2015-12-18	08:16	2015-12-18
410696	West Area 17"	soil	2015-12-18	08:21	2015-12-18
410697	Middle Pond Area 20"	soil	2015-12-18	08:35	2015-12-18
410698	Last Pond Area 20"	soil	2015-12-18	08:47	2015-12-18
410699	Pump Jack Area 17"	soil	2015-12-18	08:56	2015-12-18
410700	Upper Tank Battery 20"	soil	2015-12-18	09:11	2015-12-18
410701	Berm Area Outside Pad	soil	2015-12-18	09:20	2015-12-18
410702	Background Caliche Pit	soil	2015-12-18	10:00	2015-12-18

		BTEX				TPH GRO
	Benzene	Toluene	Ethylbenzene	Xylene	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
410693 - South Area 17"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410694 - North Area 17"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410695 - East Area 17"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410696 - West Area 17"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410697 - Middle Pond Area 20"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410698 - Last Pond Area 20"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410699 - Pump Jack Area 17"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410700 - Upper Tank Battery 20"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410701 - Berm Area Outside Pad	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
410702 - Background Caliche Pit	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	$< 4.00 _{\rm Qs}$

Sample: 410693 - South Area 17"

 $continued \dots$ 

Report Date: January 4, 2016

Work Order: 15121814

Report Date: January 4, 2016		Work Order: 15121814	Page Number: 2 of 3	
sample 410693 con	$tinued \dots$			
Param	Flag	Result	Units	RL
Param	Flag	Result	Units	RL
Chloride		777	mg/Kg	50
Sample: 410694	- North Area 17"			
Param	Flag	Result	Units	RL
Chloride		<250	m mg/Kg	50
Sample: 410695	- East Area 17"			
Param	Flag	Result	Units	RL
			1	F.0.
Chloride	- West Area 17"	<250	mg/Kg	50
Chloride Sample: 410696				
Chloride Sample: 410696	- West Area 17" Flag	<250  Result  680	mg/Kg  Units  mg/Kg	RL 50
Chloride  Sample: 410696  Param Chloride		Result 680	Units	m RL
Chloride  Sample: 410696  Param Chloride  Sample: 410697  Param	Flag	Result 680  O" Result	Units mg/Kg Units	RL 50 RL
Chloride  Sample: 410696  Param Chloride  Sample: 410697	Flag - Middle Pond Area 2	Result 680	Units mg/Kg	RL 50
Chloride  Sample: 410696  Param Chloride  Sample: 410697  Param Chloride	Flag - Middle Pond Area 2	Result 680  O" Result	Units mg/Kg Units	RL 50 RL
Chloride  Sample: 410696  Param Chloride  Sample: 410697  Param Chloride  Sample: 410698	Flag  - Middle Pond Area 2  Flag	Result 680  O" Result	Units mg/Kg Units	RL 50 RL
Chloride  Sample: 410696  Param Chloride  Sample: 410697  Param Chloride  Sample: 410698	Flag  - Middle Pond Area 2  Flag  - Last Pond Area 20"	Result	Units mg/Kg  Units mg/Kg	RL 50 RL 50
Chloride  Sample: 410696  Param Chloride  Sample: 410697  Param Chloride  Sample: 410698  Param Chloride	Flag  - Middle Pond Area 2  Flag  - Last Pond Area 20"	Result 680  0" Result 680  Result 1940	Units  Units  mg/Kg  Units  mg/Kg	RL 50 RL 50
Chloride  Sample: 410696  Param Chloride  Sample: 410697  Param Chloride  Sample: 410698  Param Chloride	Flag  - Middle Pond Area 2  Flag  - Last Pond Area 20"  Flag	Result 680  0" Result 680  Result 1940	Units  Units  mg/Kg  Units  mg/Kg	RL 50 RL 50

Sample: 410700 - Upper Tank Battery 20"

Report Date: January 4, 2016		Work Order: 15121814	Page Number: 3 of 3	
Param	$\operatorname{Flag}$	Result	Units	RL
Chloride		388	mg/Kg	50
Sample: 410701 Param	- Berm Area Outside ${\bf Flag}$	Pad Result	Units	m RL
Chloride		971	$\mathrm{mg}/\mathrm{Kg}$	50
Sample: 410702	- Background Caliche	Pit		

Result

<250

Units

mg/Kg

RL

50

Param

 $\overline{\text{Chloride}}$ 

Flag

Report Date: January 15, 2016 Work Order: 16011413 Page Number: 1 of 2

#### **Summary Report**

Report Date: January 15, 2016

Work Order: 16011413

Bill Dougherty Nadel & Gussman Permian LLC 601 N. Marienfeld Suite 508 Midland, TX 79701

Project Name: Loving State 5

Project Number: Vandalism Discharge Final (2)

			Date	Time	Date
Sample	Description	Matrix	Taken	Taken	Received
411698	S Area 22"	soil	2016-01-13	12:00	2016-01-14
411699	W Area 24"	soil	2016-01-13	12:10	2016-01-14
411700	Middle Area 30"	soil	2016-01-13	12:20	2016-01-14
411701	Last Pond Area 30"	soil	2016-01-13	12:45	2016-01-14
411702	Pump Jack Area 29"	soil	2016-01-13	13:00	2016-01-14
411703	Upper Tank Battery 24"	soil	2016-01-13	13:11	2016-01-14
411704	Berm Outside Pad 31"	soil	2016-01-13	13.20	2016-01-14

	BTEX				TPH DRO	TPH GRO
	Benzene	Toluene	Ethylbenzene	Xylene	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
411698 - S Area 22"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	125	$< 4.00 \ _{Qr}$
411699 - W Area 24"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	167	$<4.00~\mathrm{Qr}$
411700 - Middle Area 30"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	$< 4.00 \ _{Qr}$
411701 - Last Pond Area 30"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	$< 4.00 \ _{Qr}$
411702 - Pump Jack Area 29"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	$< 4.00 \ _{Qr}$
411703 - Upper Tank Battery 24"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	$<4.00~\mathrm{Qr}$
411704 - Berm Outside Pad 31"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	$< 4.00 \ Qr$

Sample: 411698 - S Area 22"

Param	$\operatorname{Flag}$	Result	Units	RL
Chloride		467	m mg/Kg	50

Sample: 411699 - W Area 24"

Report Date: Janu	ary 15, 2016	Work Order: 16011413	Page N	Number: 2 of 2
Param	Flag	Result	Units	$\operatorname{RL}$
Chloride		467	m mg/Kg	50
Sample: 411700	- Middle Area 30"			
Param	Flag	Result	Units	RL
Chloride		280	m mg/Kg	50
Sample: 411701	- Last Pond Area 30"			
Param	Flag	Result	Units	RL
Chloride		561	$\mathrm{mg}/\mathrm{Kg}$	50
Sample: 411702	- Pump Jack Area 29"	,		
Param	Flag	Result	Units	RL
Chloride	0	654	${ m mg/Kg}$	50
Sample: 411703	- Upper Tank Battery	24"		
Param	Flag	Result	Units	RL
Chloride		374	m mg/Kg	50
Complex 411704	- Berm Outside Pad 3	1"		
Sample: 411704				
Param	Flag	Result	Units	RL

Report Date: January 25, 2016 Work Order: 16012106 Page Number: 1 of 2

#### **Summary Report**

Report Date: January 25, 2016

Work Order: 16012106

Bill Dougherty Nadel & Gussman Permian LLC 601 N. Marienfeld Suite 508 Midland, TX 79701

Project Name: Loving State 5

Project Number: Vandalism Remediation Final (3)

			Date	$\operatorname{Time}$	Date
Sample	Description	Matrix	Taken	Taken	Received
412283	Pump Jack Area 35"	soil	2016-01-20	13:16	2016-01-21
412284	Last Pond Area 35"	soil	2016-01-20	13:10	2016-01-21
412285	West Area 30"	soil	2016-01-20	13:04	2016-01-21
412286	South Area 30"	soil	2016-01-20	13:00	2016-01-21
412287	Background 30"	soil	2016-01-20	13:37	2016-01-21

		B'	ГЕХ		TPH DRO	TPH GRO
	Benzene	Toluene	Ethylbenzene	Xylene	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
412283 - Pump Jack Area 35"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
412284 - Last Pond Area 35"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
412285 - West Area 30"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
412286 - South Area 30"	< 0.0200	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00
412287 - Background 30"	$< 0.0200 _{\mathrm{Qs}}$	< 0.0200	< 0.0200	< 0.0200	< 50.0	< 4.00

Sample: 412283 - Pump Jack Area 35"

Param	Flag	Result	Units	RL
Chloride		294	m mg/Kg	50

Sample: 412284 - Last Pond Area 35"

Param	$\operatorname{Flag}$	Result	$\operatorname{Units}$	RL
Chloride		294	m mg/Kg	50

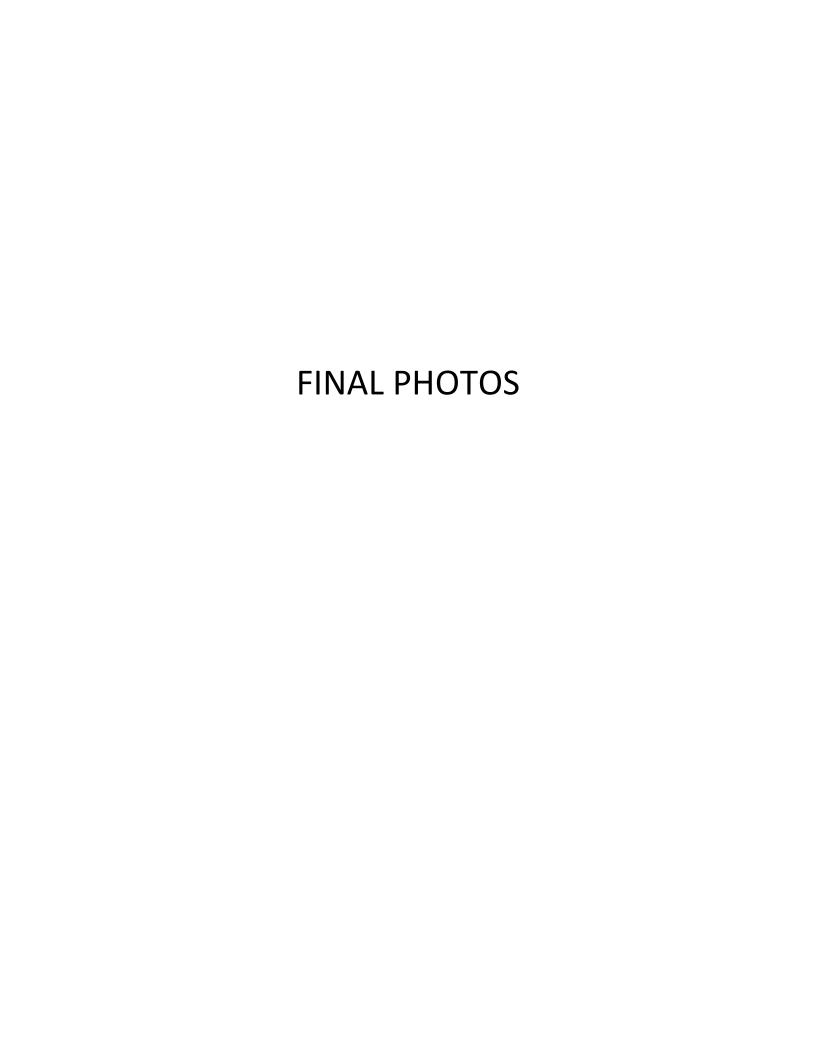
Work Order: 16012106 Report Date: January 25, 2016 Page Number: 2 of 2 Sample: 412285 - West Area 30" Param Result Units RLFlag Chloride 392 50 mg/Kg Sample: 412286 - South Area 30" Param Result Units RLFlag Chloride <250 mg/Kg 50 Sample: 412287 - Background 30" Param Flag Result Units RLChloride 392 mg/Kg 50

## **EXHIBIT B**

**PHOTOS** 

### **INITIAL PHOTOS**

\*PREVIOUSLY SUBMITTED TO NMOCD\*







## **EXHIBIT C**

# EDDY COUNTY SHERIFF'S INCIDENT REPORT

9																	(	OR	IGI	1 30 //	_A.A.				
4		CCURR	OR BET			DATE	)	LIN	STA	ATE (	OF N	IDEN	ME.	XIC	O ORT	N	IM.	008	3000	13	IDEN 121			PA 1	GE OF
MM/I		// ·	MM/D		MM/DI	/YY		AGENC			1110	15-14		1 to 1	J.(.)		DIS	STRICT N	O OP		-	ASE NO.		BURGLAR FORCE NO	Y NO OF
12/	7/2	015	12/8	/2015		2015		Eddy	Cou	nty Sh	eriffs	Office						03	R	15027				ALUC BE	III TENIET
TIM.		N E	*		OF TIME		ACEV	ADDRES						· ·	-	CI		a al		ZIP	220			YES NO	MOT CODE
140	-	Mo ox on surp	n 1400	) M	on 1424	V	Ved	US Re	tine	ry Ka	-	ng 2 St	ate 5		el. Atte	Ta	arlsb	UCR	CRIMINAL	LOCAT	TV	VEAPON	.057	ENDER(8)	SUSPECTED ING
۹		J.(T)		OFFE	NSE / II	VCIDE	ENT					DINANCE		1 "	lisd mpt	plet		CODE	COLE	CODE		CODE OFFENSE	ALCOH	TT	
ISE		Lu Com	nation							99-99.	0					XX	9	100		25	99				xx
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OF.	. 1													1		1	1			=::::::::::::::::::::::::::::::::::::::	+	$\vdash$	+	-	
	1													1											
-	1	OLON PE	RSON C	ODES V-V	ICTIM C-CI	TED S-SI	JSPEC	OT A-ARRE	STED			S F-FINAL						CODES	EN BONE	M-AP	PAREN	ACERATION NT MINOR I	NURY U	LOSS OF	TEETH COUSNESS
		R-I	REPORTIN	G PERSON I	D-DECEASE	M-MISS	ING P	ERSON/RU	NAWA		SINE 88	&GOVER!	NMENT	U-UN	URITY N	),		DOB	AL INJURY		AGE	MAJOR IN		RAC	
		FRSON TO DE CO	PE INJU	90	el and G				ı I.I	.C			2000010	Land Section	01817.15180			2.0.0			(RANGE)		THW	BLA ASI	A ING UNK
	- 1-		ADDRES	1000000	or and C	ussiii		ÇTTITCI			T. NO.	RES. PH	ONE			HEI	GHT	WEIG	HT_F	AIR	EY	ES	HISP NO	NIC N UNK	AGG ASSAULT JUST HOM CODE
· C			reema	n				STATE	ZIP			( BUS. PH	) ONE			VICT	IM OF		CIIVOF	REL	Vic	T OF R	EL.	uct as	REL
CT.		rtesia						NM	882	210		( 575		46-1	428	OFF.	NO	s	UBNO -	T. Show here:	- 308	S NO.		SUS NO.	
NES	ita	CCUPA			-	El		YER / SC								SCH	HOOL	ADDRES	S			G	ANG AE	FILIATIO	N
5	1	1114011	UCKNAMA							MAR	KS SC	ARS TAT	roos	AND/O	R CLOTH	ING D	ESCR	IPTION		ARMED	WITH	(SEE CO	DESI		OF ARREST
E E	3 4	ALIAS LI	IICKNAM							THOU	1101. 504	DI 30												OWEW	OLED CREE
`	- 1-	DRIVER	S LICENS	ENO	DLS	ATE A	RRES	T/CITATI	ON N	0.	F.B.L	NO.			S.I.	D NO.				NIC NO.	-			-	RES STATUS RES NON
PERSONS		ERSON T	YPE (NJ)	mu 2 8148	ME (LAST, F	IDST M	IDDI	ev			1		SOCIA	SEC	URITY N	0		DOB			AGE	SEX		BAC	XX
S C C		COOE C	obe co	DE	gherty,		III.	-					N/A								-runce 57	M	XX		IA INO LINS
D	-		ADDRES		5,,,,,					Al	PT, NO.	RES. PH	-				IGHT	WEIG		IAIR		YES	HISP N		AGG ASSAULT JUST HOM GODE
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E	7 T		wwod					TX	768	301		( 575	) 7	46-1											
CDE		OCCUPA						YERISC										ADDRES		0010			ù.	FILIATIO	ΣΝ
5	2 1	Aanag	er UCKNAM			N	lade	l and (	Juss	man P	ermia RKS, SC	an ARS, TAT	TOOS	AND/O	R CLOTE	eema	an A	rtesia,	, NM 8	ARMED	WITE	I (SEE C	lone		OF ARREST CITED DUST
1	~ [	Vone								Un	know	'n								99				GAY MENY	
2	2 -		S LICENS	E NO.	D.L. S	TATE A	RRES	ST/ CITAT	ION N	O.	F.B.I	NO.			S.I.	D. NO	-			NIC NO					RES NON
MTTA	3	PERSON T	YPE (IN)	URY 3-NAM	ME (LAST, I	IRST, M	HODL	E)					SOCIA	AL SEC	URITY N	O.		DOB			AGE (RANGE	SEX	WHI	RA BLK A	CE IIA INO UNK
11/	>	C006 C	one co	DE																V		ļi.	. L		
U	0	STREET	ADDRES	S						A	PT, NO.	RES. PH	ONE			HE	IGHT	WER	GHT	HAIR	T	YES		ON LINK	JUST HOM CODE
C	3	CITY						STATE	ZIP			BUS. PH	ONE			VIC	TIM OF		VICT OF SUS, NO	REL.	VIC	S NO.	EL.	VICT OF SUS NO	
	0											(	)										24110 1		011
2		OCCUP/	MOUL			E	MPL	OYER/SC	HOO					T E	MPLOYE	RISC	HOOL	ADDRES	33				JANG A	EFILIATI	ON
		ALIAS /	NICKNAM	E						MAI	RKS, SC	CARS, TAT	TOOS	AND/Q	R CLOT	HING E	DESCR	RIPTION		ARMED	WT!	H (SEE C	ODES)	ONVIEW	OF ARREST
												118			8.1	5 110				NIC NO					RES.STATUS
		DRIVER	S LICENS	E NO.	D.L. S	TATE A	RRES	ST/ CITAT	ONA	10.	F.B.I.	NU.			8.1	D NO				100 100					RES NON
-	+	COL ON VI	H.	1-STOLEN		4-RI	EC (S	TOLEN OTH	IER JU	RIS) 7-DAI	VAGEOV V	/ANDALIZEI	) 10-OT	HER	VEH.TYPE CODE	T	01-AIR	TOMORII E	4-OTHER 28-MOTO	MOTOR '	VEHIC		ATERCE-MOTORC	VATE:	43-ATV
		\$19-D	STATUS	3:REC. (S	TOLEN LOCA	5-8E	EIZED			8-SU 9-VIC	SPECT'S TIM'S VEH	VEHICLE I	12-RE	PO.			05-BUS		37-TRUC	K (PICK-U	P)	42	-\$NOWMC	BILE	A4-TRAILER
1		YEAR	MAK	E		MODEL			BO	DY STYL		LIGI	NSE N	M		MIN LC	(11)	1,0.5			-			1	MAN HALL
1 2		REGIST	ERED OV	WER'S NA	ME (OR SA	ME AS S	SUBJE	ECT NO.)		VIN								DIST	NGUISHI			ey vroye	FIRM	AFTE	NV
IJIIJ										TO	W TO / E	av							17 PM	11-13	il ka	N	CNO	i iu	)
>	>	ADDRE	iS		-					10		- L.													
		AGENC'	Y OPTION	ALU9E						ТО	WEDFR	ЮМ					OV	WER NO	TIFIED	DATE R	ECOV	ERED	TIME	RECOV	ERED .
																				1		1			

		PERTY	1-STOLEN 2-STOLEN & REC 3-RECOVERED		5	S-EVIDENCE	D (STOLEN OTHE	R JURIS )	7-FOUND 8-COUNTERFE 9-DAMAGED	EIT/FOR	GED ROYEDNA	NDALIZ	10-BUR 11-SEIZ ED 12-USE	ED	1	SAFEKE LUNKNO EMBEZZ	WN
	PROF	PERTY PE	07-ALGOHOL 04-BICYGLES 08-CLOTHES/FURS 07-CONFUTERHAROW 08-CREDIT/DEBIT CAR 10-DRUGE/MARCOTIC 11-DRUGE/MARCOTIC	003 03 8	15-HEAVYCON	IS IG EQUIPMENT NETRUCTION/IN IOLD GOODS Y/PRECIOUS ME GK	OUSTRIAL EQUIP TALS	22-NON-NEGO 23-OFFICE EQU 25-PUR SE 5 // 25-RADIOS/TV- 27-RECONDING	ANDBAGSIWAL	ENTS JZ- 3 LETS	STRUCTU STRUCTUR SETRUCTUR SETRUCTUR SETRUCTUR SETRUCTUR	RES-OTHE ES-NOUST RES-PUBLIC TURES-ST LES-OTHER	ORAGE	SINESS 77.	CTHER	QUIPMENT INVENTORY IATEGORY	
		RUG PE	A-GRACK B-GOCAINE C-HASHISH	D-HEROIN E-MARIJU F-MORPH	ANA	G-OPIL H-OTH I-LSD	IM ER NARCOTICS		ER HALLUGINO	GENS	N	BARBITU	STIMULANT RATES DEPRESSAN		U.	OTHER DA UNKNOW OVER 3 T	4
	MEA	UNIT OF SURE	GM-GRAM KG-	ILOGRAM	OZ-OUNG	CE LB-PC	OUND GL-GALL	ON-NP-NC	). PLANTS	LT-LITI	R FO-FL		04		2 3/0/1		LILITER
7	1-PROPERTY STATUS	PROPERTY TYPE	TYPE OF ITEM		MAKE/	BRAND	MC	DEL			-	CALIB	ER	VAL	UE (EXC	EPT DRUG	5)
PER	SUSPECTED DRUG TYPE	QUANTITY! UNIT OF MS	DESCRIPTION (C	OLOR SIZE F	EATURES.	ETC.)	SE	RIAL/OAN				DATE	RECOVER	RED NIC	NO.		
PRO	2-PHOPERTY STATUS	PROPERTY TYPE	TYPE OF ITEM		MAKE/	BRAND	MC	DEL				CALIE	ER	VAL	UE (EXC	EPT DRUC	(\$)
	SUSPECTED DRUG TYPE	QUANTITY/ UNIT OF MS	DESCRIPTION (C	OLOR, SIZE, F	EATURES,	ÉTC.)	SE	RIAL/OAN			-	DATE	RECOVER	RED NIC	NO.	_	_
	3-РИОРЕНТУ	PROPERTY	TYPE OF ITEM		MAKE/E	BRAND	MC	DDEL				CALIE	ER	VAL	UE (EXC	EPT DRUG	(S)
	SUBPECTED ORUGITYPE	QUANTITY/ UNIT OF MS.	DESCRIPTION (C	OLOR SIZE, F	EATURES	ETC.)	SE	RIAL / CAN				DATE	RECOVER	RED NIC	NO.		
								DEL				CALIE	FR	VAL	UF (EXC.	EPT DRUG	(8)
	4-PROPERTY STATUS	TYPE	TYPE OF ITEM		MAKEN												
	SUBPECTED DRUG TYPE	UNIT OF MS.	DESCRIPTION /C	OLOR SIZE I	EATURES	ETC.)	SE	RIAL / CAN				DATE	RECOVER	GED NIL	NU		
-	M O. EVEN	T CODES: (A	GENCY OPTIONAL	USE)							TOTAL	VALUE	STOLEN	TOTAL V	ALUE R	EC,	ABOL 0: \$1,000
YNOPSIS	On 12/9/	/2015 at 1	424 hours, I,	Deputy Jo	osh Rod	riguez w	as dispatche	ed to US	Kennery 1	CO III				maro			
SYNO						riguez w	as dispatch	ed to US	Remary	CU III							
SYNO			424 hours, I,			riguez w	as dispatche	ed to US	Reiniciy				RIO				
ARRATIVE SYNO	See addit		yes No 7	information of the control of the co	on.  To file a RT TO POLITIKE  Putty 5	CERTIE	SCATION STATES	DETECTOR PROCE	TIVE / FOLLOW	W-UP O		C	PIC		NA		DATE
TATUS NARRATIVE SYNO	See addit	tional page	yes NO PRINTI	information of the control of the co	on.  File A  RT TO POLI  K  Puty  S  K  I	CERTIE CERTIE CE. SIGNAT I.D. NO.	ICATION URE DATE 12/9/2013	DETEC 5 PROCE	TIVE / FOLLO	W-UP O	FEICER /	REFERR	PIC	LD NO.	VA RSON		DATE

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STATE OF NEW MEXICO	ORIGINAL OFFENSE DATE	SUPP DATE	CASE NO.	INC. NO.	PAGE	OF
SUPPLEMENTAL REPORT	12/9/2015	12/9/2015	R1502776	15121742	3	3
DRIGINAL OFFENSE REPORTED		ORIGINAL VICTIM'S	NAME (LAST, FIRST, MIC	DLE)	DATE OF BIRTH	
nformation		Nadel and Gu	ssman Permian L1	.C	N/A	
ocation of occurrence US Refinery Rd Carlsbad, NM 88220 (Lo						
On 12/9/2015 at 1424 hours, I, Deputy J County of Eddy and State of New Mexico Upon arrival I made contact with the repfrom the reported incident. Bill stated an State 5) and released a large amount of o December 7th and did not notice any oil state open. I asked Bill if he knew of any he just needed a report on file just in case would email to me at a different time. I wany other leads to this case to contact the suspect in the area of the scene. This ender Case Inactive.	o in reference to an info porting person identifies unknown subject went ill from the tank batterie spill. Bill stated when hated it had to be someous suspects who could hat this incident occurred ill attach the photos to Eddy County Sheriffs	d as Bill Dougl out to one of h es. Bill stated h his pumper wen one who knew we eve opened the again. Bill tool the report as so Office for a sup	herty. I asked Bill is job locations of his pumper checked to out to location of what they were do valves on the tank is several pictures on as i get the emplemental report.	if he could provi f of US Refinery d on the location n the 8th of Dece ing due to all the , Bill stated no not of the oil spill on ail of the photos.	de me with a st Rd (Lease # Le at around 1400 ember he notice valves on the t ot at this time. location that h I advised Bill	atement oving 2 on d about anks to b Bill state e stated I if he got
Case machine.						
Case macriye.				ORIO	GINAL	

ADDITION EUPR DETECTIVE/FOLLOW-UP OFFICER/REFERRED TO REPORTING OFFICER (PRINT) I.D. NO. DATE RANK I.D. NO. DATE Deputy 548 12/9/2015 Rodriguez, Josh DATA ENTRY PERSON ASSISTING OFFICER (PRINT) PROCESSED BY DATE DATE RANK I.D. NO DATE STATUS INCIDENT STATUS APPROVING OFFICER (PRINT) DATE I.D. NO. DATE RANK 12/04/18 AGENCY OPTIONAL USE DIS RIBOTION, OTHER OFFICERS, ETC) SGT CASES CLEARED BY THIS ARREST CASE NO. CASE NO. CASE NO.

