

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

Form C-144
June 1, 2004
For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Nadel & Gussman Permian, LLC

Telephone: 432-682-4429

e-mail address: kemm@naguss.com

Address: 601 N. Marienfeld, Suite 508, Midland, Texas 79701

Facility or well name: Bond Fee No. 1

API #: 30-015-21175

U/L or Qtr/Qtr Lot K

Sec 20 T21S R28E, 1980FNL and 1986FWL

County: Eddy

Latitude

N

Longitude

W

NAD: 1927

☐ 1983

Surface Owner: Private X

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover X Emergency ☐

Lined X Unlined ☐

Liner type: Synthetic X Thickness: 12ml HDPE liner Clay ☐

Pit Volume: 500 bbl. Approximately

Below-grade tank N/A

Volume: N/A bbl Type of fluid: N/A

Construction material: N/A

Double-walled, with leak detection? ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of groundwater.) This area of Section 20 shows possible high water elevation for groundwater between 20' and 47'.

Less than 50 feet

(20 points) 20 pts.

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No X

(0 points)

0 pts.

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

10 pts.

1000 feet or more

(0 points)

Ranking Score (Total Points)

30 pts.

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: offsite X If offsite, name of facility: (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No X Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

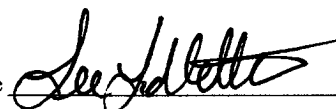
Additional Comments: Operator intends to construct a wash pit for the cleaning of mud residue accumulated on down-hole pipe during workover on the Bond Fee #1. The pit shall be constructed as 15' wide x 20' across x 8' deep hole adjacent to and west of the Bond Fee No. 1 closed drilling fine pit. The pit shall be lined with 12 ml HDPE liner which upon completion of the workover activity shall be disposed with the Bond Fee No. 2 drilling fine pit contents. Once the contents are removed from the Bond Fee No. 1 workover pit, the hole shall be closed and returned to current topographic relief of the surrounding area.

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: 21 August 2006

Printed Name/Title: Lee Ledbetter, Southeast New Mexico Field Superintendent

Signature

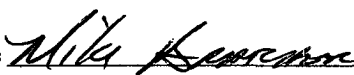


Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title

Signature



Date:

8/22/06

Mr. Lee Ledbetter
Southeast New Mexico Field Superintendent
2408 Freeman
Artesia, NM 88210

22 August 2006

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Bond Fee No. 1 Workover Wash Pit Construction Application and Closure

Dear Mr. Bratcher:

Pursuant to the State of New Mexico regulatory requirements for construction of a wash pit for the cleaning of mud residue accumulated on down-hole pipe during workover operations, Nadel & Gussman Permian, LLC, hereinafter "NGP", herewith submit the completed Form C-144 and additional information constituting the "Construction Plan" for construction of the NGP Bond Fee No. 1 wash pit (API No. 30-015-21175) located in U/L K S20 T21S, R28E, 1980 FNL and 1860 FWL of Eddy County, New Mexico.

INTRODUCTION

Construction of the NGP Bond Fee No. 1, hereinafter "Bond No. 1", wash pit is targeted to begin on approximately 28 August 2006 with completion anticipated two days later, permitting weather and the occurrence of unexpected conditions not within the Operator's control do not create delays or exacerbate the proposed schedule in any way. NGP intends to maintain its commitment to environmental health and safety and fully comply with the Regulatory Performa of the State of New Mexico, OCD regarding this construction action on the Bond No. 1 location.

The wash pit shall be constructed directly west of and adjacent to the reclaimed drilling pit located due south and east of the wellhead. Extreme care shall be taken to delineate the margins of the existing reclaimed drilling pit such that construction of the wash pit shall not reopen the old drilling pit area. Said pit shall be constructed 15 feet wide by 20 feet across and 8 feet deep to the south and west of the existing pad area. The wash pit shall be lined with a 12 ml HDPE liner wherein upon completion of workover operations all wash pit contents and liner shall be disposed of along with the Bond Fee No. 2 drilling fine pit contents located less than 50 yards from the Bond No. 1 pad. Upon completion of wash pit content removal, the pit area shall be filled with backfill material stockpiled during excavation and the site returned to match the topographic relief of the surrounding area.

Area land use is primarily ranching with domestic pasturage and oil and gas production activities. The NGP Bond Fee No. 1 wash pit is located in an area wherein groundwater depth to surface demonstrates an average depth ranging from 20 feet to 47 feet. NGP shall ensure compliant environmental performance and reduction of liability in this water sensitive designated area pursuant to New Mexico, OCD regulations.

The closure disposition shall include a final report providing lab analysis of the backfill material, digital project photos and evidentiary narrative to support the completed disposition of the reclaimed Bond No. 1 wash pit site.

Should you have questions, please call 505-746-1428 (office).

Sincerely, 

Lee Ledbetter
Southeast New Mexico Field Superintendent

cc: State of New Mexico, OCD, Form C-144

30-015-21175