

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: Mercury Fee No. 1

API #: 3001534241

U/L or Qtr/Qtr Lot L4 Sec 19 T23S R28E

County: Eddy

Latitude

N

Longitude

W

NAD: 1927

☐ 1983

Surface Owner: Federal ☒ State ☒ Private ☐ Indian ☐

SEP 20 2008

OCD-ARTESIA

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

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

Pit Volume: 1400 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.) Two water wells exist in Sec 19 showing high water elevation of groundwater at 45'.

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) 20 pts.

No

(0 points)

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

Less than 200 feet

(20 points) 20 pts.

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

60 pts.

If this is a pit closure: (1) Indicate disposal location: Control Recovery, Inc. (CRI) south of Carlsbad, NM offsite ☒ If offsite, name of facility: CRI (2) Attach a general description of remedial action taken. (3) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (4) Attach soil sample results.

Additional Comments: Please refer to the attached letter for detailed "Closure Plan" information already online.

PIT CLOSED FEBRUARY 2006

SAMPLE ANALYTICALS ATTACHED

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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 10 March 2006

Printed Name/Title: Kem McCready, Operations Engineer

Signature: Kem McCready

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

Accepted for record  
NMOCD

Date:

SEP 29 2008





6701 Aberdeen Avenue, Suite 9  
155 McCutcheon, Suite H

Lubbock, Texas 79424 800•378•1296  
El Paso, Texas 79932 888•588•3443  
E-Mail lab@traceanalysis.com

806•794•1296 FAX 806•794•1298  
915•585•3443 FAX 915•585•4944

## Analytical and Quality Control Report

Cheryl Winkler  
Nade Gussman Permain LLC  
Cheryl Winkler  
2408 Freeman  
Artesia, NM, 88210

Report Date: February 1, 2006

Work Order: 6013102



Project Location: Mercury Fee No. 1  
Project Name: Mercury Fee No. 1  
Project Number: Sample #1

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
83352	Mercury Pit Composite	soil	2006-01-28	00:00	2006-01-31
83353	Mercury Background	soil	2006-01-28	00:00	2006-01-31
83354	Mercury State Site #1	soil	2006-01-28	00:00	2006-01-31

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 4 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

Dr. Blair Leftwich, Director

## Analytical Report

### Sample: 83352 - Mercury Pit Composite

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	24352	Date Analyzed:	2006-02-01	Analyzed By:	WB
Prep Batch:	21407	Sample Preparation:	2006-02-01	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		8150	mg/Kg	500	1.00

### Sample: 83353 - Mercury Background

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	24352	Date Analyzed:	2006-02-01	Analyzed By:	WB
Prep Batch:	21407	Sample Preparation:	2006-02-01	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		4990	mg/Kg	500	1.00

### Sample: 83354 - Mercury State Site #1

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	24352	Date Analyzed:	2006-02-01	Analyzed By:	WB
Prep Batch:	21407	Sample Preparation:	2006-02-01	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		10700	mg/Kg	500	1.00

### Matrix Blank (1) QC Batch: 24352

Parameter	Flag	MDL Result	Units	RL
Chloride		1.38	mg/Kg	1

### Laboratory Control Spike (LCS-1) QC Batch: 24352

Param	LCS Result	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	RPD	Rec. Limit	RPD Limit
Chloride	13.1	13.7	mg/Kg	1	12.5	1.38	94	4	90 - 110	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

### Matrix Spike (MS-1) QC Batch: 24352 Spiked Sample: 83353

Param	MS Result	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	RPD	Rec. Limit	RPD Limit
Chloride	<sup>12</sup> 12400	13100	mg/Kg	500	12.5	4987	119	6	81.5 - 115	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

**Standard (ICV-1)** QC Batch: 24352

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	12.5	12.5	100	90 - 110	2006-02-01

**Standard (CCV-1)** QC Batch: 24352

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	12.5	12.6	101	90 - 110	2006-02-01

<sup>1</sup>Matrix spike recovery out of control limits due to matrix interference. Use LCS/LCSD to demonstrate analysis is under control.

<sup>2</sup>Matrix spike recovery out of control limits due to matrix interference. Use LCS/LCSD to demonstrate analysis is under control.

NADEL & GUSSMAN PERMAIN, LLC  
attn: CHERYL WINKLER  
2408 FREEMAN  
ARTESIA NM 88210

Explanation of codes	
B	Analyte Detected in Method Blank
E	Result is Estimated
H	Analyzed Out of Hold Time
N	Tentatively Identified Compound
S	Subcontracted
1-9	See Footnote

Assagai Analytical Laboratories, Inc.

STANDARD

## Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).

Client: NADEL & GUSSMAN PERMAIN, LLC  
Project: MERCURY FEE NO.1  
Order: 0601624 CREDIT Receipt: 01-30-06

William P. Biava President of Assagai Analytical Laboratories, Inc.

Sample: MERCURY PIT COMP Collected: 01-28-06 7:35:00 By:  
Matrix: COMP

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0601624-0001A		EPA 300.0 Anions by IC						By: JTK		
W06067	WC.2006.235.4	16887-00-6	Chloride	5970	mg / Kg	50	0.5		01-30-06	01-30-06

Sample: MERCURY BACKGROUND Collected: 01-28-06 7:35:00 By:  
Matrix: COMP

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0601624-0002A		EPA 300.0 Anions by IC						By: JTK		
W06067	WC.2006.235.7	16887-00-6	Chloride	4900	mg / Kg	50	0.5		01-30-06	01-30-06

Sample: MERCURY STATE SITE #1 Collected: 01-28-06 7:35:00 By:  
Matrix: GRAB

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0601624-0003A		EPA 300.0 Anions by IC						By: JTK		
W06067	WC.2006.235.10	16887-00-6	Chloride	10900	mg / Kg	100	0.5		01-30-06	01-31-06

Unless otherwise noted, all samples were received in acceptable condition and all sampling was performed by client or client representative. Sample result of ND indicates Not Detected, ie result is less than the sample specific Detection Limit. Sample specific Detection Limit is determined by multiplying the sample Dilution Factor by the listed Reporting Detection Limit. All results relate only to the items tested. Any miscellaneous workorder information or footnotes will appear below.

Analytical results are not corrected for method blank or field blank contamination.

MEMO Samples were received with no ice.

NADEL & GUSSMAN PERMAIN, LLC  
attn: CHERYL WINKLER  
2408 FREEMAN  
ARTESIA NM 88210

Explanation of codes	
B	Analyte Detected in Method Blank
E	Result is Estimated
H	Analyzed Out of Hold Time
N	Tentatively Identified Compound
S	Subcontracted
1-9	See Footnote

STANDARD

Assagai Analytical Laboratories, Inc.

## Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).

Client: NADEL & GUSSMAN PERMAIN, LLC  
Project: MERCURY FEE #1  
Order: 0602042 CREDIT Receipt: 02-02-06

William P. Biava President of Assagai Analytical Laboratories, Inc.

Sample: PIT HOT SPOT #2 Collected: 02-01-06 12:00:00 By: CW  
Matrix: COMP

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0602042-0001A			EPA 300.0 Anions by IC					By: JTK		
W06076	WC.2006.274.4	16887-00-6	Chloride	3410	mg / Kg	50	0.5		02-02-06	02-02-06

Unless otherwise noted, all samples were received in acceptable condition and all sampling was performed by client or client representative. Sample result of ND indicates Not Detected, ie result is less than the sample specific Detection Limit. Sample specific Detection Limit is determined by multiplying the sample Dilution Factor by the listed Reporting Detection Limit. All results relate only to the items tested. Any miscellaneous workorder information or footnotes will appear below.

Analytical results are not corrected for method blank or field blank contamination.

MEMO Please note that the sample was received without ice.