



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

8/18/2004

Nadel and Gussman Permian, LLC
601 N. Marienfeld, Suite 508
Midland, TX 79701

RE: Big Eddy Unit #150 30-015-33231

Dear Operator:

An inspection, of the above referenced well, on August 17, 2004 found three pits had been dug for drilling process. The lined drilling pit (approved with the drilling permit from BLM), a small pit to the south (apparently used as a blowdown pit) and a deeper pit to the north (which is not lined and contains fluid and what appears to be drilling cuttings and plastic).

Since this office has no record of the pit north of the drilling pit, the following information is required by this office prior to September 3, 2004.

1. The date the pit was opened.
2. Copies of any and/or all the **written** authorizations to open the pit.
3. Depth to which the pit was dug.
4. Site rating as indicated on Form C-144.
5. If the pit in fact contains cuttings advisement of where the cuttings originated.
6. Copies of any analysis taken of the suspected cuttings.
7. Complete environmental analysis as to impact on this area.
8. Proposed Closure Plan.

Thank you in advance for your cooperation.

Sincerely,


Gerry Guy
Deputy Field Inspector
District II - Artesia