

District I
1625 N. French Dr., Hobbs, NM 88240
District II
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

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

Form C-141
Revised August 8, 2011

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

Release Notification and Corrective Action

nAB1534555029

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Nadel and Gussman Permian, LLC	Contact: Bill Dougherty
Address: 601 N. Marienfeld, Suite 508, Midland, TX 79707	Telephone No. 325-998-7107
Facility Name: Loving 2 State #5	Facility Type: Oil Well

Surface Owner State of NM	Mineral Owner	API No. 30-015-37111
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LOCATION OF RELEASE

Unit Letter K	Section 2	Township 23 S	Range 28 E	Feet from the 1865	North/South Line SOUTH	Feet from the 1980	East/West Line WEST	County EDDY
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Oil and Water	Volume of Release 188 BBLS	Volume Recovered 130 BBLS
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Load lines were opened	12/8/2015 Early morning hours	12/8/2015 2:15 PM MST
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher of the NMOCD	
By Whom? Cheryl Winkler	Date and Hour 12/8/2015 2:30 PM MST	
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.*

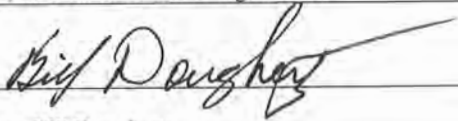
Describe Cause of Problem and Remedial Action Taken.*

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 12/8/2015.

Describe Area Affected and Cleanup Action Taken.*

Approximately, half of the pad area was affected by this act of malicious vandalism. The initial action was to secure the discharged fluids from going off site. Vacuum trucks were called in to begin sucking up the oil. Later excavation of the contaminated soils began, ultimately hauling 787 yards out and 612 yards back onto location. Four sampling events occurred, three of which necessitated further excavation to obtain NMOCD compliance. The Eddy County Sheriff's Office was notified of the malicious vandalism and an officer came to the site to obtain a report.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Bill Dougherty	Approved by Environmental Specialist: <i>MBratcher</i>	
Title: NM Field Superintendent	Approval Date: 2/16/2016	Expiration Date: N/A
E-mail Address: spresley@bcoperating.com	Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 2/15/2016 Phone: 432-682-4429	Final Report	

* Attach Additional Sheets If Necessary

2RP-3442