

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

Form C-141
Revised October 10, 2003

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

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report **Final Report**

Name of Company: Nadel & Gussman Permian, LLC	Contact: Jeff Duke
Address: 601 N. Marienfeld, Suite 508, Midland, TX 79701	Telephone: 575-513-3301
Facility Name: Carrington State No. 7	Facility Type: Oil Well
API NO. : 30-015-39250	

Surface Owner: State of New Mexico	Mineral Owner: State of New Mexico	Lease No.:
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	12	17S	28E	1650'	S	2310'	W	Eddy County

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Oil and produced water.	Volume of Release: Approx. 60 bbls	Volume Recovered: Approx. 40 bbls
Source of Release: Vent line on Heater Treater	Date and Hour of Occurrence Jan. 17, 2012 Hour - Unknown	Date and Hour of Discovery Jan. 17, 2012 - Not noted
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Laura Juarez	
By Whom? Zac Hernandez	Date and Hour: Jan. 17, 2012 Hour - Not noted	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.* NA	NM OIL CONSERVATION ARTESIA DISTRICT
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Describe Cause of Problem and Remedial Action Taken.* Refer to Initial C-141 attached to this report.	JAN 20 2015 RECEIVED
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Describe Area Affected and Cleanup Action Taken.*
Contaminated material was excavated and removed from location to disposal facility. Samples were taken during follow-up and infield inspection which are attached to this report. NE area no longer showed evidence of discharge event. NMOCD was contacted to obtain permission for closure of the open areas and backfill with clean caliche. Approximately 15 yards of material was replaced.

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: <i>Joel Martin</i>	OIL CONSERVATION DIVISION	
Printed Name: Joel Martin	Approved by District Supervisor: <i>Mike [Signature]</i>	
Title: Operations Manager	Approval Date: <i>2/6/15</i>	Expiration Date: <i>N/A</i>
E-mail Address: <i>jmartin@naguss.com</i>	Conditions of Approval: <i>N/A</i>	Attached <input type="checkbox"/>
Date: December 22, 2014 Phone: 432-682-4429	<i>Final</i>	

* Attach Additional Sheets If Necessary

2RP-1050