

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

258462 OPERATOR

Initial Report Final Report

| | | | |
|-----------------|---------------------------------|---------------|-------------------------------|
| Name of Company | NADEL AND GUSSMAN HEYCO, LLC | Contact | Keith Cannon or Tammy R. Link |
| Address | PO Box 1936, Roswell 88202-1936 | Telephone No. | (575) 623-6601 |
| Facility Name | Parker Deep 5 Fed Com #1 | Facility Type | |
| Surface Owner | USA | Mineral Owner | State of New Mexico |
| | | Lease No. | 30-015-31040 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L | 5 | 18S | 31E | 1850' | S | 1660' | W | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|--------------------|----------------------|------------------|
| Type of Release | - 130 bbls of oil and 36 bbls of water | Volume of Release | 166 bbls | Volume Recovered | -0- |
| Source of Release | tank | Date/Hour of Release | Not sure | Date/Hour Discovered | 2/11/14 11:15 am |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Jim Amos with BLM | | |
| By Whom? | Keith Cannon | Date and Hour | 2/11/14 at 2:42 pm | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | | | |

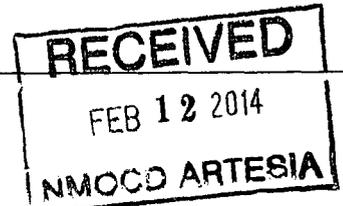
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Load line valve froze and busted.

Describe Area Affected and Cleanup Action Taken.*

Will dig up saturated soil and haul off and back fill, will take soil samples and have tested.



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: Tammy Link | Approved by District Supervisor: | |
| Title: Production Tech | Approval Date: 3/7/14 | Expiration Date: |
| E-mail Address: tlink@heycoenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 2/11/2014 | Phone: (575)623-6601 | Remediation per OCD Rule & Guidelines, & Inter-approval by EPA SUBMIT REMEDIATION PROPOSAL NO LATER THAN: |

* Attach Additional Sheets If Necessary

4/7/14

22P 2185