

# RECEIVED

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-141  
Revised October 10, 2003

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

007105 2008

HOBBS OIL

### Release Notification and Corrective Action

#### OPERATOR

Initial Report  Final Report

Name of Company	NADEL AND GUSSMAN HEYCO, LLC	Contact	Keith Cannon or Tammy Link
Address	PO Box 1936, Roswell 88202-1936	Telephone No.	(505) 623-6601
Facility Name	Young Deep 3 Federal #02	Facility Type	

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	NMNM-036852
---------------	-----	---------------	-----	-----------	-------------

#### LOCATION OF RELEASE

AP1 # 30 025 28907

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	3	18S	32E	660'	S	660'	E	LEA

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

GW = 25'

#### NATURE OF RELEASE

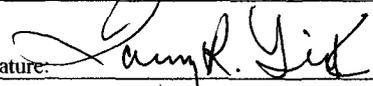
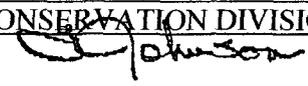
Type of Release	Oil Spill	Volume of Release	25 bbls	Volume Recovered	22 bbls
Source of Release	Hydrocarbons	Date/Hour of Release	10/8/08 1:10	Date/Hour Discovered	10/9/08 8:40 am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Buddy Hill, Hobbs OCD			
By Whom?	Keith Cannon	Date and Hour 10/9/08 10:44 am			
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.\*  
2" backside valve was left open, well started flowing at backside.

Describe Area Affected and Cleanup Action Taken.\*  
Ran off to the west side of location, vegetation was mustard grass, sunflowers, oat shinnery, prairie grass.  
Remediation clean-up- ripped up surface, sprayed w/450 gals of water w/3% micro-blaze.

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: 	<b>OIL CONSERVATION DIVISION</b> 	
Printed Name: Tammy Link	Approved by District <b>ENVIRONMENTAL ENGINEER</b>	
Title: Engineering Tech	Approval Date: 10.16.08	Expiration Date: 12.16.08
E-mail Address: tlink@heycoenergy.com	Conditions of Approval: <b>SUBMIT FINAL C-141</b>	Attached <input type="checkbox"/> <b>1 CP # 197A</b>
Date: 10/13/08	Phone: (505)623-6601	

\* Attach Additional Sheets If Necessary

W/SUBMITTING DOCUMENTATION BY 12.16.08

FGRLO834540029