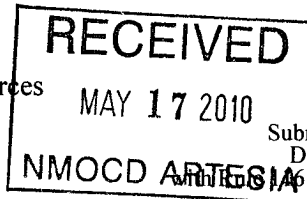


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 instructions on back side of form

Release Notification and Corrective Action

30-015-32877

OPERATOR

X Initial Report ☐ Final Report

Name of Company: Nadel & Gussman Permian, LLC	Contact: Kem McCready
Address: 601 N. Marienfeld St. Suite 508, Midland, TX 79701	Telephone No.: 432-682-4429
Facility Name: Jump Start No. 1	Facility Type: Gas

Surface Owner:	Mineral Owner:	Lease No.:
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LOCATION OF RELEASE

API No.: 30-015-~~32887~~ ³²⁸⁷⁷

Unit Letter D	Section 36	Township 17S	Range 36E	Feet from the 660'	North/South Line N	Feet from the 660'	East/West Line W	County Eddy
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Latitude _____ Longitude _____

c141 DOC

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: Approximately 85 bbls.	Volume Recovered: 15 bbls.
Source of Release: Lightening Strike	Date and Hour of Occurrence: Late night of 4/21/10	Date and Hour of Discovery: 2315 Hrs. 4/21/10
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD Artesia: Jason / Sherry	
By Whom? Lee Ledbetter	Date and Hour: 22 April 2010	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*

Lightening strike hit the 210 bbl. water tank causing it to burn and vaporizing most of the liquid it contained. Atoka Fire Department notified NGP of the strike and immediately went to location to stop the burn from spreading. Atoka used a fire retardant gel on the burn quickly extinguishing it. Discharge of contaminated fluids occurred on a limited basis due to volatilization of the majority of the produced water with approximately 67 bbls. lost and 15 recovered.

Describe Area Affected and Cleanup Action Taken.*

See attached *Corrective Action Plan* to be followed up with the *Final Remediation Report* when cleanup is completed.

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. 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>Kem McCready</i>		OIL CONSERVATION DIVISION	
Printed Name: Kem McCready		Approved by District Supervisor: <i>Mike Brennan</i>	
Title: Operations Manager		Approval Date: MAY 20 2010	Expiration Date:
E-mail Address: kemm@naguss.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12 May 2010 Phone: 432-682-4429			

* Attach Additional Sheets If Necessary

05EB1011259221

PMLB1014034862

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY: JUNE 20, 2010

2RP-411