

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

## Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company NADCO Gussman Permian LLC Contact Kern McCready  
Address 501 N. MACENFELT, MIDLAND, TX 79701 Telephone No. 432-682-4429/432-425-6347 (C)  
Facility Name TP STATE NO. 2 Facility Type 625

Surface Owner STATE Mineral Owner NEW MEXICO Lease No. E75671

### LOCATION OF RELEASE API No: 30-025-23950

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>I</u>	<u>24</u>	<u>173</u>	<u>35E</u>					<u>LEA COUNTY</u>

Latitude 37° Longitude \_\_\_\_\_

### NATURE OF RELEASE

Type of Release <u>UNKNOWN</u>	Volume of Release <u>5-10 bbls</u>	Volume Recovered <u>2 bbls</u>
Source of Release <u>HYDROCARBON</u>	Date and Hour of Occurrence	Date and Hour of Discovery <u>UNKNOWN</u>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? <u>N/A</u>	
By Whom? <u>N/A</u>	Date and Hour <u>N/A</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <u>N/A</u>	

If a Watercourse was Impacted, Describe Fully.\*

N/A

Describe Cause of Problem and Remedial Action Taken.\*

Water leg froze on gum barrel tank forcing tank contents to continue to rise and overflowed out of small holes in tank skin and thief hatch.

Describe Area Affected and Cleanup Action Taken.\*

Pad area, less than 50' of road bed. Caliche applied to soak up liquids. Will be land farmed later.

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.

### OIL CONSERVATION DIVISION

Signature: Kern McCready

Printed Name: Kern McCready

Title: Operations Engineer

E-mail Address: KEMM@naguss.com

Date: 11 February 2007

Phone: 432-425-6347

Approved by District Supervisor: ENVIR ENGR

Approval Date: 2-20-07

Expiration Date: 5-20-07

Conditions of Approval:

Attached ☐

\* Attach Additional Sheets If Necessary

2 SAMPLES

Facility - APAC 0710634999  
Incident - APAC 0710635093  
Application - APAC 0710635176

RPT# 1258

Mr. Kern McCready  
Operations Engineer  
NADEL AND GUSSMAN PERMIAN, LLC  
601 N. Marienfeld  
Suite 508  
Midland, TX 79701

11 February 2007

Mr. Larry Johnson  
OIL CONSERVATION DIVISION  
1625 N. French Drive  
Hobbs, NM 88240



Re: TP State No. 2 "Corrective Action Work Plan" for Hydrocarbon Fluid Release  
Reference Letter of Violation No.: iMGB0703661710

Dear Mr. Johnson:

Pursuant to your Letter of Violation No. iMGB0703661710 issued on 7 February 2007 with corrective action cited to be completed by 11 May 2007, Nadel & Gussman Permian, LLC, hereinafter "NGP", herewith notifies Lea County, State of New Mexico, Oil Conservation Division of its receipt of the LOV for their location TP State No. 2 (API No. 30-025-23950) located in the U/L I S24 T17S R35E (Lease No. E75671). NGP intends to engage remediation action as soon as approval to commence is granted by the OCD.

In accordance with the State of New Mexico regulatory requirements and guidelines for *Remediation of Leaks, Spills and Releases*, please find enclosed NGP's, Form C-141 in compliance with New Mexico Administrative Code 19.15.3.116 for the release of approximately 5 to 10 barrels of oil and oil laden hydrocarbon fluids leaking from the thief hatch and small holes in the gum barrel tank located on the northeast corner of the pad at an unknown time of day, approximately two weeks prior to this transmittal.

In summation, the spill occurred consequential of the water leg on the gum barrel tank freezing, forcing the rise of its contents to the top of the tank at which point it simultaneously released through several small holes in the tank skin and the thief hatch (refer to photos). Compounding the action was the intermittent presence of inclement weather releasing both snow and rain over a several day period, preventing adequate implementation of measures to both clean up and assess the spill. Ineluctably, the spill became diffuse across portions of the pad with an exiguous amount traveling a short distance down the road wherein it pooled at the grassy berm but did not exit the roadbed.

To date the following actions have been undertaken: (1) NGP placed several loads of caliche on the active spill area to absorb excess hydrocarbon fluids for the purpose of preparing them for removal from the spill area and to prevent further spread of the spill.

(2) A backhoe and cleanup crew has been contracted to pick up said contaminated soils, land farm them and apply them to construction of the berms required to meet regulatory Performa on location.

(3) Due to the location exhibiting highly compacted soils, the prospective estimation is that the hydrocarbon penetration rate was inhibited, at least to some degree creating a semi-impermeable situation retarding the spill spread.

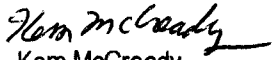
(4) The location has been checked for potential groundwater contamination and offsite spill areas. To the best of our knowledge at this juncture, groundwater has not been contaminated. Depth to groundwater in this area ranges from 35 to 60 feet with existing contamination manifest to approximately eight inches. Offsite spill areas are located along the northeastern and southern boundaries, impounding somewhat in the southwest corner of the pad (see photos). Known private domestic water sources are significantly up-dip and greater than 2,000 feet from the location.

NGP intends to implement the following "Corrective Action Work Plan" for remediation of the spill action:

1. Remove contaminated materials to utilize for land farming and berm construction.
2. Construct berms around the tank farm area and make necessary repairs to achieve compliance and safety regulatory Performa.
3. NGP intends to meet New Mexico, OCD Rule 50 remediation requirements regarding spill cleanup and provide notification to Lea County, OCD prior to closure. A final closure report shall be submitted at culmination of said actions.

Should you have questions, please call 432-682-4429 (office) or 432-425-6347 (cell).

Sincerely,

  
Kem McCready  
NM Operations Manager

