

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

OCT 09 2008

OCD-ARTESIA

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

258462 OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> 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	Arco 8 Federal #1	Facility Type	

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	NMLC029393A
30 615 27055					

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	8	18S	31E	330'	S	1650'	W	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil Spill	Volume of Release	less 10 lbs	Volume Recovered	none
Source of Release		Date/Hour of Release	10/6/08 1:15p	Date/Hour Discovered	10/07/08 11 am
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
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.*

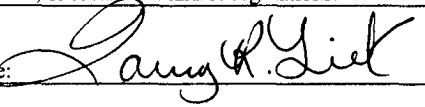
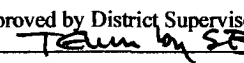
Describe Cause of Problem and Remedial Action Taken.*

Hole in fire tube.

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, sprayed w/500 gals of 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: 		OIL CONSERVATION DIVISION	
Printed Name: Tammy Link		Approved by District Supervisor: 	
Title: Engineering Tech		Approval Date: 10-07-08	Expiration Date: 12-18-08
E-mail Address: tlink@heycoenergy.com		Conditions of Approval: DELINEATION REQUIRED until contamination reaches background levels or a site specific acceptable level. As warranted, a work plan may be required.	
Date: 10/08/08 Phone: (505)623-6601		Attached <input checked="" type="checkbox"/> 2RP - 254	

* Attach Additional Sheets If Necessary

Within 30 days, on or before 11-18-08, completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage.

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD