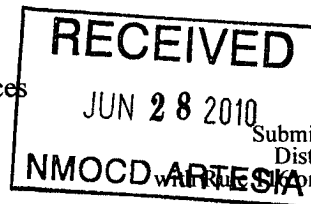


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 10 of back side of form

**Release Notification and Corrective Action**

30-015-32877

**OPERATOR**

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.: 30-015-32877  
32877

Unit Letter D	Section 36	Township 17S	Range 36E 26E	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? <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 *Final Remediation Report* for details of final remediation actions. The spill occurred due to a lightening strike on the water tank in an area which had naturally occurring, extremely high salt concentrations resulting from the Pecos River flooding repeatedly into the area and the harvesting of hundreds of Salt Cedar trees which exacerbated the presence of salt concentrations in the soils.

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>		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Kem McCready		Approved by District Supervisor: <i>Mike Brandon</i>	
Title: Operations Manager		Approval Date: JUN 29 2010	Expiration Date: N/A
E-mail Address: kemm@naguss.com		Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 24 June 2010 Phone: 432-682-4429			

\* Attach Additional Sheets If Necessary

nseb 10/12 59221  
pmlb 10/40 34862

2RP-411