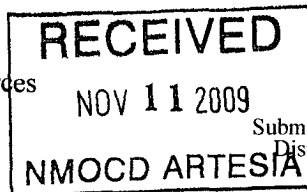


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30-015-23504

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---------------------------------|---------------|-------------------------------|
| Name of Company | NADEL AND GUSSMAN HEYCO, LLC | Contact | Clay Stevens or Tammy R. Link |
| Address | PO Box 1936, Roswell 88202-1936 | Telephone No. | (505) 623-6601 |
| Facility Name | Eddy JP State #1 | Facility Type | |
| Surface Owner | USA | Mineral Owner | State of New Mexico |
| | | Lease No. | NMNM073240 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| N | 36 | 18S | 31E | 750' | S | 1980' | W | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|---|---|--|-----------|----------------------|--------------|
| Type of Release | -37 bbls of oil | Volume of Release | 37 bbls | Volume Recovered | -0- |
| Source of Release | Hole in bottom of tank | Date/Hour of Release | 11/6/09 ? | Date/Hour Discovered | 11/7/09 7 am |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | | | | |
| By Whom? | Clay Stevens | If YES, To Whom? Mike Bratcher w/OCD in Artesia | | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| Date and Hour 7:30 am 11/9/09 | | | | | |
| If YES, Volume Impacting the Watercourse. | | | | | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Hole in the bottom of tank, will empty and clean and determine whether to repair or replace.

Describe Area Affected and Cleanup Action Taken.*

Will arrange to dig up and haul off contaminated soil and remove, will have a sample of soil tested and then wait to hear from Mike Bratcher.

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: | |
| Printed Name: | Tammy Link |
| Title: | Engineering Tech |
| E-mail Address: | tlink@heycoenergy.com |
| Date: | 11/9/09 |
| Phone: | (505)623-6601 |

OIL CONSERVATION DIVISION

| | |
|---|-----------------------------------|
| Approved by District Supervisor | |
| Approval Date: | 3/30/11 |
| Expiration Date: | |
| Conditions of Approval: | Attached <input type="checkbox"/> |
| REMEDATION per OCD Rules and Guidelines. <u>SUBMIT REMEDIATION PROPOSAL BY:</u> | |

* Attach Additional Sheets If Necessary

5/1/11

2RP-685