District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Nadel and Gussman Permian, LLC	Contact: Bill Dougherty
Address: 601 N. Marienfeld, Suite 508, Midland, TX 79707	Telephone No.325-998-7107
Facility Name: Raptor West 3 State #1	Facility Type: Oil Well

Surface Owner State of NM	Mineral Owner	API No. 30-025-36680

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	3	19 S	34 E	1650	SOUTH	1650	EAST	LEA

Latitude_____ **Longitude**_____

NATURE OF RELEASE

Type of Release Oil, Water and some Rain Water	Volume of Release 19 BBLS	Volume Recovered 18.5 BBLS
Source of Release Man hole on heater treater	Date and Hour of Occurrence 5/13/2015 12:00 PM	Date and Hour of Discovery 5/13/2015 3:30 PM
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Maxey Brown with the OCD	
By Whom? Bill Dougherty	Date and Hour 5/13/2015 4:00 PM	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

APPROVED
By Kellie Jones at 9:01 am, Nov 25, 2015

Describe Cause of Problem and Remedial Action Taken.*

A man hole on the bottom of the heater treater blew a gasket.
A Double R Vacuum truck arrived on location at 4:30PM.

REVIEWED
By Kellie Jones at 9:01 am, Nov 25, 2015

Describe Area Affected and Cleanup Action Taken.*

Approx. 9 bbls of oil and 10 bbls of water were released. A majority of the spill was contained within the berm, except for a few bbls of oil and some oil spray that was carried by the wind.

See attached CAP/FRR dated 10/19/2015

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: Bill Dougherty

Printed Name: Bill Dougherty

Title: NM Field Superintendent

E-mail Address:spresley@naguss.com

Date: 10/21/2015 Phone: 432-682-4429

OIL CONSERVATION DIVISION

Approved by Environmental Specialist: Kelly

Approval Date: 11/25/2015 Expiration Date: //

Conditions of Approval:

//

Attached ☐
IRP-3638

* Attach Additional Sheets If Necessary

Mr. Bill Dougherty
Field Supervisor
NADEL & GUSSMAN PERMIAN, LLC
2408 Freeman Avenue
Artesia, New Mexico 88210

October 19, 2015

Ms. Kellie Jones
Mr. Jamie Keys
Environmental Field Specialists
New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Raptor West 3 State No. 1 Corrective Action Plan/ Final Remediation Report
U/L J S3 T19S R34E 1650' FSL 1650' FEL, Lea County, New Mexico
API No. 30-025-36680

Dear Ms. Jones and Mr. Keys:

Nadel & Gussman Permian, LLC (NGP) herewith submits the Corrective Action Plan (CAP) and the Final Remediation Report (FRR) for the unauthorized hydrocarbon and produced water discharge, which occurred on the Raptor West 3 State No. 1 location on or about 1530 on May 13, 2015 due to a manway gasket failure on the heater treater. The incident was reported by the company at approximately 1600 on the same day to Mr. Maxey Brown at the New Mexico Oil Conservation Division (NMOCD) in Lea County, New Mexico. Likewise, this reporting shall address the stuffing box discharge at the wellhead since both were simultaneously remediated and it is impossible to separate the excavated material, one from the other.

Following this, NGP called for a vacuum truck to begin sucking up the fluid which was for a time contained within the bermed area around the heater treater. However, since this area was not lined, a down gradient flow developed exiting underneath the east wall of the berm onto the pad where it impounded. The vacuum truck report shows 9 bbls of oil and 10 bbls of water were removed from location. Due to the heavy rain event which developed earlier that week, it is important to keep in mind that most of the oil had been floating on top of the rainwater which was, for the most part, contained within the bowl like area on the pad itself. Therefore, leaving this site relatively clean at depth. The effected area, directly in front of the heater treater, was excavated down to approximately 2 or 3 feet depending on the saturation level of the contaminant. End dumps then trucked a total of 10 loads of this material to R360 Disposal where the Chain of Custody (COC) was released to the disposal facility.

During the remediation activity for the heater treater discharge, the minor impact to the southwest side of the pad and the two corresponding, bowl-like offsite areas, which were approximately 4' x3.5' and 4.5' x 6' respectively, running between 4" to 6" deep, were also addressed. These had been reviewed during the NMOCD onsite and found not to be of serious concern for the following reasons: (1) their volumes, size and contaminant depth were found to be below regulatory

reporting requirements; (2) the events were actually caused and subsequently exacerbated by significant rainfall to the area, not by high contaminant volume discharges; (3) the vegetative stands were lush, dense and had achieved climax speciation for grasslands of that area; (4) cattle frequently browsed this area and were also found lying down atop the lush vegetation, numerous old trails and even the two footprints. The NMOCD, consequently, believed these small areas would quickly recover themselves with the immense precipitous storms which had earlier passed through this area, as they have also done since the onsite date. Subsequently, a few inches of the surface was removed, raked and the areas hand broadcast seeded with BLM Seed Mix No. 2. To avoid and/or minimize future potential runoffs, the height of the berm was increased accordingly, due to the gradient of the surrounding terrain in reference to the location's position within commensurate topographic contours. This will prevent all future runoffs, unless they are of an inordinately large volume or projectile forms. Such measures are normally considered to be reasonable and prudent performance within environmental compliance mandates.

While the initial visit to the site by the NMOCD was consequent of the heater treater discharge event , the stuffing box on the well was showing potential release issues caused by the stuffing box packing and vitriolic clamps. The vitriolic clamps had been inadequate to prevent an active discharge at the wellhead.

Subsequently, NGP investigated the discharge to ascertain necessary remediation actions and replacement of the hardware on the active wellhead. During the following few days, the vitriolic clamps were removed and replaced with hammer unions, nipples and valves. The polishing rod was repacked, as well. The footprint associated with this discharge was excavated down to approximately 2.5' to 3' with its inward extent married up to the cellar walls on the south and east sides. Shovels were used to excavate the inside of the cellar to the extent both safety margins and the potential impact to the well's production capability was not violated. The remainder of the discharged fluid contained within the cellar itself was absorbed and transferred to the R360 Disposal Facility along with the contaminated material from the site in general.

Groundwater in this area is shown to range between 300 and 400 feet deep. Vast sand dunes and several dry lakes (playas) are the prominent surface features in this area. The sand dunes cover approximately 400 square miles and are generally underlain by a caliche surface. The sand cover ranges from a few inches to about 20 feet. The dry lakes are irregular and flat-bottomed, and can cover up to 2 square miles. The floors of the dry lakes are underlain by fine sediments with a scattering of pebble gravel and precipitated salt and gypsum. There is no threat to groundwater in this area, which was impacted by the unauthorized discharge.

Currently, there are no known discharges at this facility. Whatever contaminated material remains within the cellar walls will not be known until the well is plugged and abandoned at the end of its production cycle but it certainly should not be any greater than is normally expected industry wide when facing the closure of a well and its associated pad.

Enclosed are two C-141's for the above discharges. The stuffing box C-141 is being submitted as an initial and final together, due to the circumstances of the remediation actions and associated discharges at the heater treater which has separate initial and final C-141's. Also enclosed are the laboratory analytical reports covering the initial and post remediation actions, verifying the compliant status of the remediation efforts.

Please call (432-425-7386) should you have questions.

Sincerely,

Sincerely,

Bill Dougherty
Field Supervisor

Cc: Maxey Brown, NMOCD

Enclosures: Initial and Final C-141's, Sample Location Map, Sample Analyticals, Remediation Photographs

RAPTOR WEST 3 STATE #1

NOT TO SCALE

SAMPLE DEPTHS ~ 3'

Summary Report

Nadel & Gussman Permian LLC
601 N. Marienfeld
Suite 508
Midland, TX 79701

Report Date: June 24, 2015

Work Order: 15061804

Project Location: Sec. 3-T19S-R34E, Lea Co.
Project Name: Raptor West 3 State #1

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
396049	On Location	soil	2015-05-15	00:00	2015-05-18
396050	Outside Berm by Gate	soil	2015-05-15	00:00	2015-05-18
396051	Inside Berm	soil	2015-05-15	00:00	2015-05-18

Sample - Field Code	BTEX Benzene (mg/Kg)	BTEX Toluene (mg/Kg)	BTEX Ethylbenzene (mg/Kg)	BTEX Xylene (mg/Kg)	MTBE MTBE (mg/Kg)	TPH DRO - NEW DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
396049 - On Location	<1.00 [1]	<1.00	<1.00	**10.0**		**23700**	**501** [2]
396050 - Outside Berm by Gate	<0.200 [3]	<0.200	<0.200	**0.377**		**2330**	<40.0 [4]
396051 - Inside Berm	<0.200 [5]	<0.200	<0.200	**0.808**		**3650**	**56.1** [6]

Sample: 396049 - On Location

Param	Flag	Result	Units	RL
Chloride		**2080**	mg/Kg	5

Sample: 396050 - Outside Berm by Gate

Param	Flag	Result	Units	RL
Chloride		**2990**	mg/Kg	5

[1] dilutions due to hydrocarbons.
[2] dilution due to hydrocarbons.
[3] dilution due to hydrocarbons.
[4] dilution due to hydrocarbons.
[5] dilution due to hydrocarbons.
[6] dilution due to hydrocarbons.

Sample: 396051 - Inside Berm

Param	Flag	Result	Units	RL
Chloride		**4550**	mg/Kg	5

Summary Report

(Corrected Report)

Bill Dougherty
Nadel & Gussman Permian LLC
601 N. Marienfeld
Suite 508
Midland, TX 79701

Report Date: October 19, 2015

Work Order: 15101318

Project Name: Raptor West 3 State #1
Project Number: Resample Front of HT

Report Corrections (Work Order 15101318)

- 10/19/15: Corrected Project Name.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
406269	NE Hole 1	soil	2015-10-12	08:00	2015-10-13
406270	E Center	soil	2015-10-12	08:10	2015-10-13
406271	Hole 3 NW	soil	2015-10-12	08:20	2015-10-13

	BTEX				MTBE	TPH DRO	TPH GRO
	Benzene	Toluene	Ethylbenzene	Xylene	MTBE	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
406269 - NE Hole 1	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<4.00
406270 - E Center	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<4.00
406271 - Hole 3 NW	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<4.00

Sample: 406269 - NE Hole 1

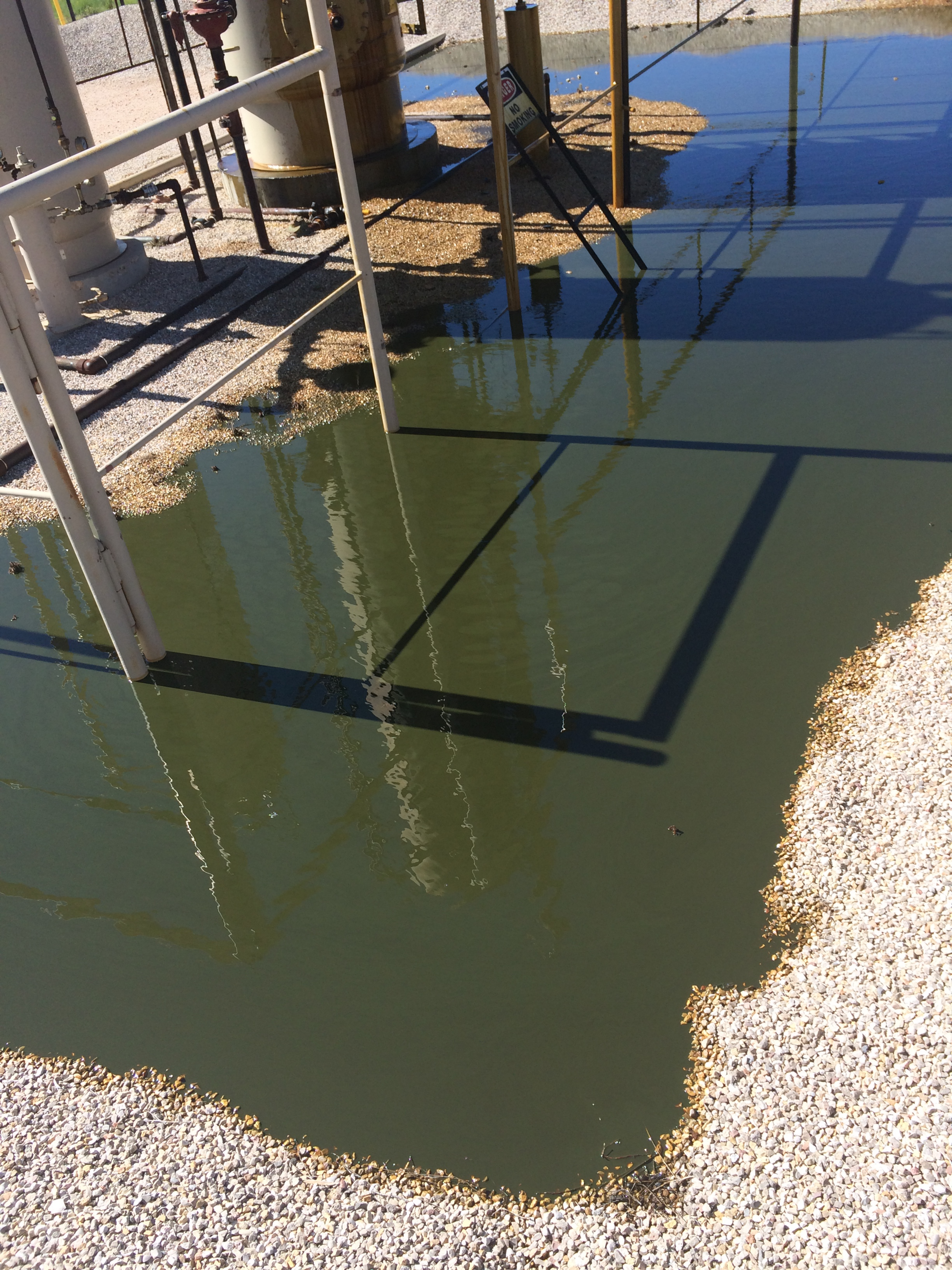
Param	Flag	Result	Units	RL
Chloride		**164**	mg/Kg	50

Sample: 406270 - E Center

Param	Flag	Result	Units	RL
Chloride		**530**	mg/Kg	50

Sample: 406271 - Hole 3 NW

Param	Flag	Result	Units	RL
Chloride		**578**	mg/Kg	50


NO
SMOKING