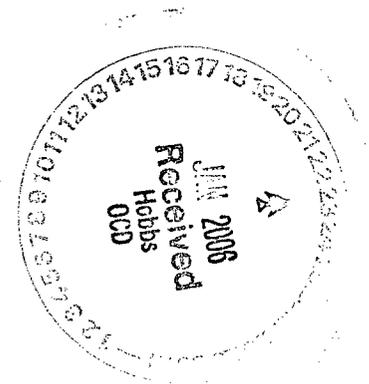


**NADEL AND GUSSMAN PERMIAN, LLC**  
**NM STATE #1**  
**Unit N Section 4, T. 16 S., R. 35 E.**  
**GPS: 32 57' 10" N & 103 27' 48"**

**FINAL REPORT**



**Prepared By**  
**Eddie Seay Consulting**  
**January 2006**

*incident - NLWJ0524253584*  
*application - PAC0534750355*

January 18, 2006

NMOCD Environmental  
ATTN: Larry Johnson  
1625 N. French Drive  
Hobbs, NM 88240

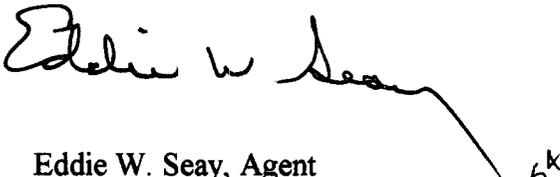
RE: Nadel and Gussman Permian, LLC  
NM State #1 Spill  
Unit N Sect. 4, T. 16 S., R. 35 E  
API-30-025-27539

Mr. Johnson:

We have finalized the cleanup and closure for the above listed site as approved. Clean soil was hauled back in, leveled and area cleaned up. We also installed berms around tank to contain any further leaks or spills. Find attached photos of site.

If you have any questions, please call.

Sincerely,



390-2454

Eddie W. Seay, Agent  
Eddie Seay Consulting  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236  
seay04@leaco.net

cc: Kem E. McCready  
Nadel and Gussman  
(432)682-4429  
kemm@naguss.com

Ernie Little  
(505)441-1256

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 Nadel and Gussman Permian LLC	Contact Loc Ledbetter
Address 601 N. Marienfeld Midland Texas	Telephone No. 505-746-1428
Facility Name NM State #1	Facility Type Oil Tank Battery
Surface Owner Mr. Danny Watson	Mineral Owner _____ Lease No. VB-0376

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	4	16 South	35 East	3350	South	2310	West	Lea

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

*WTR 55*

**NATURE OF RELEASE**

Type of Release crude oil	Volume of Release 120 bbls	Volume Recovered 0 bbls
Source of Release Failed swage on a tank drain line	Date and Hour of Occurrence 8/20/05 time Unknown	Date and Hour of Discovery 8/20/05 3:00 pm
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.\*

A swage on the tank drain valve failed causing the tank to empty. As soon as the leak was reported steps were taken to contain the leak. Nadel and Gussman has already started cleanup operations. Nadel and Gussman has contacted with Eddy Seay to perform an initial site assessment and provide coordinate cleanup efforts. Once Mr. Seay had completed the initial assessment we will submit a proposed remediation plan to the NMOCID

Describe Area Affected and Cleanup Action Taken.\*

We have started removing contaminated soil to prevent downward migration. A more detailed remediation plan will be submitted once the initial site assessment is complete.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCID 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 NMOCID 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, NMOCID 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: <i>Kem E. McCready</i>	Approved by District Supervisor	
Printed Name: Kem E. McCready	Approval Date:	Expiration Date:
Title: Operations Engineer	Conditions of Approval:	
E-mail Address: kcmun@mguss.com	Attached <input type="checkbox"/>	
Date: 8/22/05	Phone: 432-682-4429	

