

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

RECEIVED

MAR 29 2011

NMOCD ARTESIA

Form C-141
October 10, 2003

Release Notification and Corrective Action

OPERATOR

X Initial Report X Final Report

Name of Company: Nadel & Gussman Permian, LLC 155615	Contact: Zac Hernandez
Address: 600 N. Marienfeld St. Suite 508, Midland, TX 79701	Telephone No.: 432-682-4429
Facility Name: Big Chief Fee No. 8	Facility Type: Oil

Surface Owner: Fee	Mineral Owner:	Lease No.: NA Fee
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LOCATION OF RELEASE

Unit Letter O	Section 22	Township 22S	Range 28E	Feet from the 990'	North/South Line S	Feet from the 1650'	East/West Line E	County Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Hydrocarbon discharge - oil	Volume of Release: Approximately 15 bbls.	Volume Recovered: Approximately 9 bbls.
Source of Release: Bullet shot into the 4x20 heater treater.	Date and Hour of Occurrence Unknown	Date and Hour of Discovery: 3/23/11 @ 1753
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher	
By Whom? Cheryl Winkler	Date and Hour: 3/24/11 @ 0833 Hrs.	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.*

NA

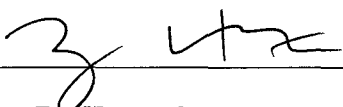
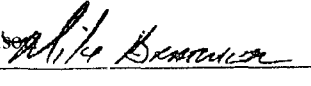

Describe Cause of Problem and Remedial Action Taken.*

The point of discharge resulted from a bullet shot into the heater treater causing a release of approximately 15 bbls. into the 40ml lined battery containment area. Vacuum trucks were called immediately to recover the discharged oil. None of the discharge exited the containment area walls.

Describe Area Affected and Cleanup Action Taken.*

Once the recoverable oil was removed from the battery containment area, the vacuum truck returned it to the oil tank. The lined battery also contained a thin layer of chat, which was removed and hauled to disposal; then the area was backfilled with pea gravel. Upon examination of the integrity of the liner, no violations were found. Due to the nature of the cause of the discharge, the Sheriff's Office responded to NGP's request for investigation of property damage on Thursday, 24 March 2011. This report will be available after 1 April 2011 and forwarded to the NMOCD under separate cover.

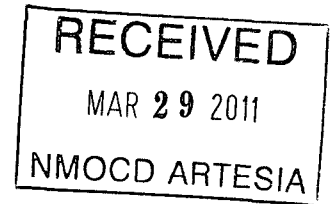
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment.

Signature: 		OIL CONSERVATION DIVISION	
Printed Name: Zac Hernandez		Approved by District Supervisor Signed By 	
Title: Operations Engineer		Approval Date: 3/29/2011	Expiration Date: N/A
E-mail Address: zhernandez@naguss.com		Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 28 March 2011 Phone: 432-682-4429			

* Attach Additional Sheets If Necessary

2RP-669

Mr. Zac Hernandez
Operations Engineer
NADEL AND GUSSMAN PERMIAN, LLC
601 N. Marienfeld
Suite 508
Midland, TX 79701



28 March 2011

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Big Chief Fee No. 8 Hydrocarbon Discharge *Corrective Action Plan/Final Remediation Report*
U/L O S22 T22S R28E
API NO.: 30-015-33974
NMOCD 2RP No.:

Dear Mr. Bratcher:


Pursuant to the State of New Mexico regulatory requirements and guidelines for *Remediation of Leaks, Spills and Releases*, please find enclosed the following documents for Nadel and Gussman Permian, LLC's (NGP) Big Chief Fee No. 8 hydrocarbon discharge: (1) Initial and Final Report Form C-141 and (2) *Corrective Action Plan (CAP) and Final Remediation Report (FRR)* for the release of approximately 15 barrels of hydrocarbon resulting from a bullet piercing the 20x140 heater treater wall. The discharge was contained within the 40ml lined battery and reported to the New Mexico Oil Conservation Division (NMOCD) at approximately 0833 hours on 24 March 2011.

Once the recoverable oil (approximately 9 bbls.) was removed from the battery containment area, the vacuum truck returned it to the oil tank. The lined battery also contained a thin layer of chat, which was removed and hauled to disposal; then the area was backfilled with pea gravel. Upon examination of the integrity of the liner, no violations were found.

Due to the nature of the cause of the discharge, the Sheriff's Office responded to NGP's request for investigation of property damage on Thursday, 24 March 2011. This report will be available after 1 April 2011 and forwarded to the NMOCD under separate cover with pertinent information, if necessary.

Should you have questions, please call 432-682-4429 (office).

Sincerely,


Zac Hernandez
Operations Engineer

Enclosures: C-141 Initial/Final, CAP/FRR