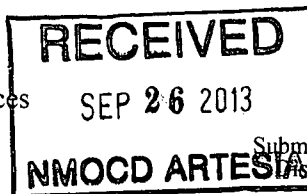


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nMLB 12355-5243		155615		OPERATOR		Initial Report		X Final Report	
Name of Company: Nadel & Gussman Permian, LLC				Contact: Joel Martin					
Address: 600 Marienfeld St., Suite 508, Midland, Texas 79701				Telephone No.: 432-682-4429					
Facility Name: Valero State No. 1				Facility Type: Oil		API NO.: 30-015-31848			
Surface Owner: New Mexico				Mineral Owner: New Mexico				Lease No.: VO-6201	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	35	18S	28E	660	North	1980	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Hydrocarbon and produced water.	Volume of Release: Approximately 104 bbls.	Volume Recovered: 50 bbls. of produced water and 50 bbls. of hydrocarbon
Source of Release: Oil tank release valve.	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 12/10/12 1400
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Not immediately discovered but given to Mike Bratcher on Tuesday, 12/11/12	
By Whom: Kurt Hood	Date and Hour: Morning of 12/11/12.	
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

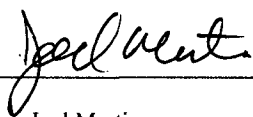
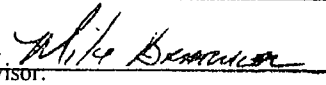
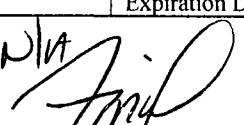
Describe Cause of Problem and Remedial Action Taken.*

Hydrocarbon and produced water were released from the oil tank release valve due to cold weather conditions that froze the valve causing it to fracture. The pumper who repaired it and notified the field superintendent at 1400 on 12/10/12 discovered the valve condition. Vacuum tucks were immediately called to the site and began sucking up the discharged fluids contained within the bermed area. The oil was returned to the tank. According to the pumper, a total of 50 barrels of produced water and 50 barrels of hydrocarbon were recovered, leaving 4 barrels unrecoverable. The pumper went into NMOCD's office and verbally reported the discharge incident to the NMOCD.

Describe Area Affected and Cleanup Action Taken.*

All contaminated material exceeding NMOCD regulatory standards or not otherwise approved by them to be treated in place was excavated and either hauled to disposal at R360 or placed on location by permission of the NMOCD to flash off until the BTEX and TPH values had reduced to an acceptable range approved by the NMOCD. Since this was a condensate discharge, authorization was given for this method to be handled on location and turned several times with a backhoe to expose the contaminated soils to the wind and sun, as much as possible. Final samples were taken on August 6, 2013. Verbal approval for closure was given by Mike Bratcher at NMOCD following his review of the final laboratory analyticals published on August 16, 2013.

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: 		OIL CONSERVATION DIVISION	
Printed Name: Joel Martin		Signed By:  Approved by District Supervisor.	
Title: Engineering Manager		Approval Date: FEB 12 2014	Expiration Date: N/A
E-mail Address: jmartin@naguss.com		Conditions of Approval: N/A 	
Date: 9/23/13 Phone: 432-682-4429		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

2RP-1463