

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

NAB1521727876

155615 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: Aid State #10 | Facility Type: Oil Well |

| | | |
|---------------------------|---------------|----------------------|
| Surface Owner State of NM | Mineral Owner | API No. 30-015-38462 |
|---------------------------|---------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|------------------|---------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter G | Section 13 | Township 17 S | Range 28 E | Feet from the 1650 | North/South Line NORTH | Feet from the 2310 | East/West Line EAST | County EDDY |
|------------------|---------------|------------------|---------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Oil and Water | Volume of Release N/A * | Volume Recovered 71.52 BBLS |
| Source of Release Manway Gasket Leak | Date and Hour of Occurrence 7/30/2015 Early Hours | Date and Hour of Discovery 7/30/2015 1:00 PM MST |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Heather Patterson with the OCD | |
| By Whom? Bill Dougherty | Date and Hour 7/30/2015 2:00 PM MST | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 4 2015

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Manway gasket was leaking on the heater treater.
A Double R Vacuum truck arrived on location at 5:15 PM. Sucked up all fluid inside the berm. Bill Dougherty sprayed micro blaze on the vegetation on 7/31/2015.

Describe Area Affected and Cleanup Action Taken.*

Approx. 5.52 bbls of oil and 66 bbls of water were released. A majority of the spill was contained within the berm, except for some oil spray that was carried by the wind.

A double R vacuum truck sucked up all oil inside the berm. Micro Blaze was sprayed onto the vegetation.

We will take a sample of the soil inside and outside of the berm and send the results to Heather Patterson of the OCD. Once we have the sample results a final report will be submitted.

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.

OIL CONSERVATION DIVISION

Signature: Sarah Presley

Printed Name: Sarah Presley

Title: Regulatory Analyst

E-mail Address: spresley@naguss.com

Date: 8/4/2015

Phone: 432-682-4429

Approved by Environmental Specialist:

Approval Date: 8/5/15

Expiration Date: N/A

Conditions of Approval:

Remediation per O.C.D. Rules & Guidelines ☐
SUBMIT REMEDIATION PROPOSAL NO

LATER THAN: 9/10/15

2RP-3185

* Attach Additional Sheets If Necessary