

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

OCT 15 2007
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
OCD-ARTESIA

Release Notification and Corrective Action

OPERATOR

X Initial Report ☐ Final Report

Name of Company	Nadel & Gussman Permian, LLC	Contact	Kem McCready
Address	601 N. Marienfeld, Ste. 508, Midland, TX 79701	Telephone No.	432-682-4429
Facility Name	Dulce Amor No. 1	Facility Type	Oil & Gas
Surface Owner	Mineral Owner	API No. 30-015-32925	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	S4	18S	26E	900'	FNL	1980'	FEL	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Produced water with traceable amount of hydrocarbon.	Volume of Release: 56 bbls. produced water and 5 bbls. oil	Volume Recovered: 60 bbls. water (includes fire truck water) 117 bbls. remained in oil tank
Source of Release: Lightening strike to produced water tank.	Date and Hour of Occurrence: 9/29/07 @ approx. 1637 Hrs.	Date and Hour of Discovery: Approximately same.
Was Immediate Notice Given? <input type="checkbox"/> Yes X No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher - notice given on Monday, 10/1/07	
By Whom? Newspaper/ Atoka Fire Department	Date and Hour: Sunday Paper - unknown	
Was a Watercourse Reached? <input type="checkbox"/> Yes X 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.* Lightening strike to the produced water tank which jettisoned the tank outside the firewall, ripping it from its foundation. The impact also caused the top of the oil tank to be removed and minor amounts of oil to be deposited on the ground much like a rain. However, the vast majority was volatilized in air never having made contact with the ground. Consequently, the most egregious damage was caused by the removal of produced water contained within the produced water tank, which predicated on laboratory analyses, was minimal. The heat of the fire/electrical charge also volatilized liquids and incinerated airborne hydrocarbons.

Describe Area Affected and Cleanup Action Taken: See final report Form C-141 describing this action and Corrective Action Work Plan/Final Remediation Report attached.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: <i>Kem McCready</i>	OIL CONSERVATION DIVISION	
Printed Name: Kem McCready	Approved by District Supervisor: <i>[Signature]</i>	Expiration Date: OCT 22 2007
Title: Operation Manager	Approval Date:	Attached <input type="checkbox"/>
E-mail Address: kemm@naguss.com	Conditions of Approval: <i>See Mike</i>	
Date: October 3, 2007 Phone: 432-682-4429		

* Attach Additional Sheets If Necessary