

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

JAN 25 2008

OCD-ARTESIA

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back side of form

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

30-015-35569 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 St. Suite 508, Midland, TX 79701	Telephone No.: 432-682-4429
Facility Name: Cronos Fee No. 1	Facility Type: Oil/Gas

Surface Owner: D. Brantley	Mineral Owner	Lease No.
----------------------------	---------------	-----------

LOCATION OF RELEASE

API No.: 30-015-33408

Unit Letter E	Section 20	Township 23S	Range 28E	Feet from the 1950'	North/South Line N	Feet from the 660'	East/West Line W	County Eddy
------------------	---------------	-----------------	--------------	------------------------	-----------------------	-----------------------	---------------------	----------------

Latitude Longitude

c141.DOC

NATURE OF RELEASE

Type of Release: Water/Oil mix (produced water)	Volume of Release: Unknown but likely close to the recovered amount.	Volume Recovered: 130 bbls.
Source of Release: Illegal dump by unknown trucking company	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 0600 Hours on 7 January 2008
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: 7 January 2008 Approx. 0800 Hours	
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.\*

An illegal dumping of a mixture of produced water and oil into the return side of the Cronos drilling pit occurred between the hours of 1800 on January 6 and 0600 hours on January 7. Basic was notified to send a truck to remove the liquid material for proper disposal.

Describe Area Affected and Cleanup Action Taken.\*

See Final C-141 Report and attached *Corrective Action* and *Final Remediation Plans*.

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: <u>Jam McCreedy</u>		OIL CONSERVATION DIVISION	
Printed Name: Kem McCready		TIM GUM	
Title: Operations Manager		Approved by District Supervisor: <u>by MB</u>	Signed By: <u>Mike Bratcher</u>
E-mail Address: kemm@naguss.com		Approval Date: JAN 25 2008	Expiration Date: N/A
Date: 18 January 2008 Phone: 432-682-4429		Conditions of Approval: N/A	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary



JAN 25 2008  
OCD-ARTESIA

Mr. Kem McCready  
Operations Manager  
NADEL AND GUSSMAN PERMIAN, LLC  
601 N. Marienfeld  
Suite 508  
Midland, TX 79701

23 January 2008

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

Re: Cronos Fee No. 1 Drilling Pit Illegal Dump Spill (API No. 30-015-35569)  
*Corrective Action and Final Remediation Plan*

Dear Mr. Bratcher:

Please be advised that Nadel & Gussman Permian, LLC (NGP) received an illegal deposit of an oily liquid, which probably can be identified as produced water containing some oil, into the return side of the Cronos Fee No. 1 (U/L E S20 T23S, R28E, 1950' FNL, 660' FWL of Eddy County) drilling pit scheduled to begin pit closure the morning of 7 January. NGP is unaware of the actual time of the illegal dump occurring but estimates it to be between 1800 hours on 6 January and 0600 hours on 7 January.

Subsequently, the following information constitutes NGP's *Corrective Action and Final Remediation Plan* for the above cited action. Also enclosed with this transmittal are the Initial and Final C-141 documents.

Upon discovery of the spill, NMOCD was notified that pit closure would be delayed until the spilled liquid could be vacuumed from the pit. Basic was called and dispatched a truck, which arrived on location at 0930 hours on 7 January picking up 130 bbls. of the spilled liquid (Basic Ticket No. 07997) which was hauled to Basic's Myrtle Myra SWD for disposal.

Following this action, the Cronos Fee No. 1 drilling pit commenced its closure operations.

Should you have questions, please call 432-682-4429 (office) or 432-425-6347 (cell).

Sincerely,

Kem McCready  
Operations Manager

Enclosed: Initial C-141, Final C-141