

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

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MAR 29 2011

NMOCD ARTESIA

Form C-141
October 10, 2003

30-015-33974

Release Notification and Corrective Action

NKMW 1108928830

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

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

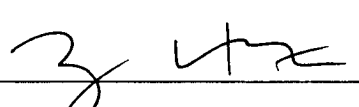


Describe Cause of Problem and Remedial Action Taken.*

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