

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

OPERATOR

Initial Report Final Report

Name of Company	Americo Energy Resources, LLC	Contact	Oscar Nosrati
Address	7575 San Felipe, Ste 200, Houston, TX 77063	Telephone No.	713-984-9700
Facility Name	East Shugart Unit Well #72	Facility Type	Injection Well

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	LC-03473
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30-015-28203

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	35	18S	31E	1,650	South	1,150	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced water and skim oil	Volume of Release	~505 bbls.	Volume Recovered	240 bbls
Source of Release	2" Trunk Line	Date and Hour of Occurrence	10/5/07	Date and Hour of Discovery	10/5/07
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher		
By Whom?	Larry Wood	Date and Hour	12/14/2007 3:00 pm		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Failure on trunk line. The line was closed in.

Describe Area Affected and Cleanup Action Taken.*
All work has been performed according to the approved Workplan dated February 25, 2008.

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.

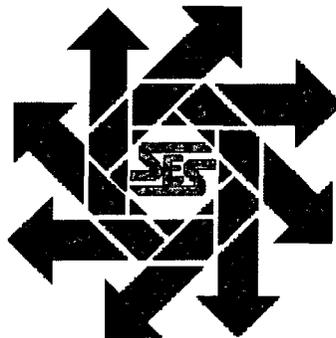
Signature:		OIL CONSERVATION DIVISION	
Printed Name: Jerri Lee		Approved by District Supervisor: <i>TC</i> by <i>SB</i>	
Title: Consultant		Approval Date: <i>08-08-08</i>	Expiration Date: <i>N/A</i>
E-mail Address: office@sesei-nm.com		Conditions of Approval: <i>N/A</i>	
Date: August 6, 2008		Attached <input type="checkbox"/> <i>N/A</i>	
Phone: 575-397-0510			

* Attach Additional Sheets If Necessary

2R-122

**Americo Energy Resources
East Shugart Unit #72
Closure Report
Unit L, Section 35, Township 18S, Range 31E
Eddy County, New Mexico**

August 6, 2008



Prepared for:

**Americo Energy Resources
7575 San Felipe, Ste 200
Houston, TX 77063**

By:

***Safety & Environmental Solutions, Inc.
703 E. Clinton
Hobbs, New Mexico 88240
(575) 397-0510***

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I. Company Contacts

NAME	Company	Telephone	E-mail
Oscar Nosrati	Americo Energy	713-984-9700	Oscar.nosrati@americoenergy.com
Brian Cuellar	SESI	505-390-7066	bcuellar@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Americo Energy Resources to perform cleanup services at the East Shugart Unit #72 spill site. This is an injection well located in Unit L, Section 35, Township 18S, range 31E. On October 5, 2007 a trunk line failure caused the released of approximately 505 barrels of produce water. A vacuum truck was utilized to recover 240 barrels of fluid.

III. Surface and Ground Water

The closest groundwater of record is in Section 34 of the same Range and Township. The depth of water in this well was 261' in March of 1994.

IV. Work Performed

On May 29, 2008 SESI began remediation of the contaminated areas according to the approved workplan dated February 25, 2008. The top 4' of soil was excavated and blended with surrounding soils. Composite samples were retrieved from the blended soils and transported under Chain of Custody to Argon Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Chlorides (EPA Method 300.0). The results of the analysis were as follows:

Sample ID	Cl⁻ ppm
#1 Surface	170
#2 Surface	60
#3 Surface	120

The excavation was then backfilled with the blended soils. Windrows were installed to help with re-vegetation and the area was reseeded.

V. Closure

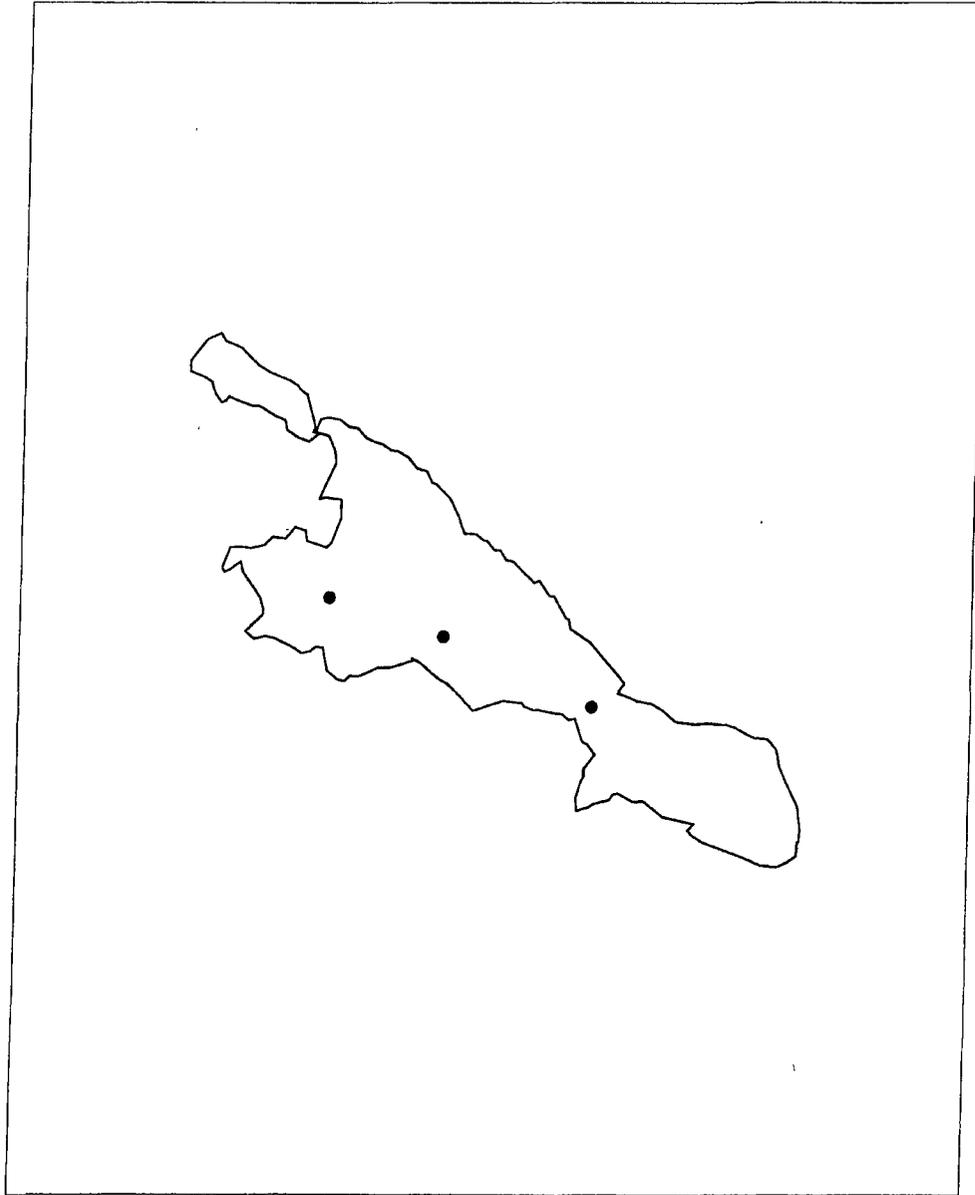
It is requested that the spill report be closed with no further action required.

VI. Figures & Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – C-141
- Appendix B – Analytical Results
- Appendix C – Site Photos

Figure 1
Vicinity Map

Figure 2
Site Plan



Americo East Shugart #72

Lat/Long
WGS 1984



Scale 1:500
0 60.00
Feet

Site Plan.ssf
1/30/2008

GPS Pathfinder® Office



Appendix A

C-141

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OPERATOR

Initial Report Final Report

Name of Company: Americo Energy Resources	Contact: Don Gray
Address: 7575 San Filipe Ste 200, Houston Tx 77063	Telephone No.: 713-984-9700
Facility Name: ESU # 72 -	Facility Type: Injection water line
Surface Owner: BLM	Mineral Owner: BLM
Lease No.: LC-03473	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	35	18-S	31-E	1650'	South	1150'	West	Eddy

Latitude 32.701350 Longitude 103.844550

NATURE OF RELEASE

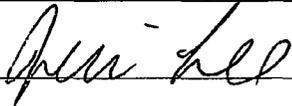
Type of Release: Produced water and skim oil	Volume of Release: ~505 bbl	Volume Recovered: 240 bbl
Source of Release: 2' Trunk Line	Date and Hour of Occurrence: 10/5/07	Date and Hour of Discovery: 10/5/07
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Failure of the trunk line. The line was closed in.

Describe Area Affected and Cleanup Action Taken.*
The spill affected approximately 4,732 sq.ft. SESI has been contacted to delineate and compose workplan

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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Jerri Lee	Approved by District Supervisor:	
Title: Consultant/SESI	Approval Date:	Expiration Date:
E-mail Address: office@sesi-nm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1-31-08 Phone: 575-397-0510		

* Attach Additional Sheets If Necessary

Appendix B

Analytical Results

Appendix C
Site Photos

