

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1361 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  
AUG 17 2007  
OCD-ARTESIA  
Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

30-015-27670

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 #42             | Facility Type Injection Well |

|                   |                   |           |
|-------------------|-------------------|-----------|
| Surface Owner BLM | Mineral Owner BLM | Lease No. |
|-------------------|-------------------|-----------|

LOCATION OF RELEASE

|                  |               |                 |              |                      |                           |                       |                        |                |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter<br>A | Section<br>34 | Township<br>18S | Range<br>31E | Feet from the<br>330 | North/South Line<br>North | Feet from the<br>1140 | East/West Line<br>East | County<br>Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

|  |  |  |
|--|--|--|
| Type of Release Produced salt water with slight oil cut  | Volume of Release 100 bbls.                                  | Volume Recovered 70                                |
| Source of Release Blown relief valve   | Date and Hour of Occurrence<br>8/10/2007 prior to 12:30 p.m. | Date and Hour of Discovery<br>8/10/2007 12:30 p.m. |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Gerry Guye                               |  |
| By Whom?   | Date and Hour  |  |
| Was a Watercourse Reached?<br><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.\*

Relief valve blew. Release consisted of approximately 95 bbls of saltwater and 5 bbls of oil. Well shut-in. Waiting on parts to repair valve.

Describe Area Affected and Cleanup Action Taken.\*  
Approximately 100' x 450' area affected by release, most of which is on pad site. Vacuum truck brought on to remove recoverable fluids. Soil to be cleaned and tilled.

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, Robert M. Gray               | Approved by District Supervisor: |  |
| Title: Land Manager                        | Approval Date: AUG 20 2007       | Expiration Date: 9-20-07                     |
| E-mail Address: don.gray@americoenergy.com | Conditions of Approval:          | Attached <input checked="" type="checkbox"/> |
| Date: 8/10/2007 Phone: 713-984-9700        |                                  |  |

\* Attach Additional Sheets If Necessary

Americo Energy Resources, LLC

Case 14079  
OCD Exhibit No. 10