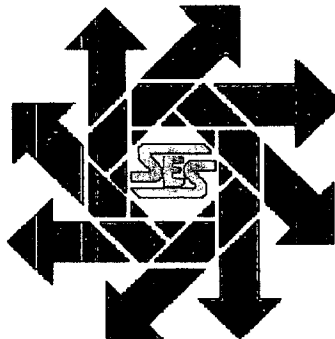


**Americo Energy
Denton #1 SWD Northeast Corner
Work Plan
Unit J, Section 11, Township 15S, Range 37E
Lea County, New Mexico**

April 6, 2005



Prepared for:

**Americo Energy
10940 Old Katy Road
Houston, Texas 77043**

By:

**Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 102
Hobbs, New Mexico 88240
(505) 397-0510**

*Americo - 22805 / 8223
facility - f PAC0603947791
incident - n PAC0603947791
application - p PAC0603947793*

I. Company Contacts

Oscar Nosrati	Americo	713-984-9700	oscar.nosrati@americoenergy.com
Bob Allen	SESI	505-397-0510	ballen@sesi-nm.com

II. Purpose

The purpose of this work plan is to propose a plan for the cleanup of the area identified as the Denton #1 SWD Northeast Corner release. ~~The site is located in Unit J, Section 11, Township 15S, Range 37E. The land is owned by Mr. Darr Angell.~~

III. Background

~~On November 15, 2004 the Denton # 1 SWD 4" high pressure fiberglass line breached and released approximately 150 barrels of salt water. The line was shut down, excavated, and the leak was repaired. The area was then fenced off.~~

IV. Contaminant

The suspected contaminant is salt water. Approximately ~~150 barrels of salt water were released, of which 145 barrels were recovered.~~

V. Vertical and Horizontal Extent of Contamination

The horizontal extent of contamination was visually determined to be approximately 12' X 12' in the initial leak area. The runoff area measures approximately 65' X 2'. The vertical extent of contamination has reached depths of approximately 36" and to the hard caliche layer that underlies the spill area.

VI. Groundwater

Monitor wells installed by SESI within 1/2 to 3/4 of a mile of the subject site have respective depths to water of ~~56.04'~~ and 67.78'. During installation of the monitor well on this site the depth to groundwater was found to be 59.1 feet.

VII. Action Plan

On February 10, 2005 SESI installed three (3) shallow boreholes to a depth varying from 12" to 36". Samples were retrieved in Borehole #1 and Borehole #2 at 18" and 36". Samples were retrieved in Borehole #3 at 12". All samples were properly preserved and sent under chain of custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Chlorides (EPA Method 4500-Cl⁻B). The results of the analysis are as follows:

Date	Sample ID	Cl ⁻
------	-----------	-----------------

2/10/05	XX-1, 18	3279
2/10/05	XX-1, 36	2639
2/10/05	XX-3, 12	240
2/10/05	XX-2, 18	5438
2/10/05	XX-2, 36	4719

The installation of the boreholes and the subsequent analysis of the soil extracted from them indicate that the vertical migration of the chlorides has reached depths of approximately 36" and to the hard caliche layer that underlies the spill area. A groundwater monitor well is situated inside the SWD location to the southwest of the spill area. This monitor well was sampled in October 2004 and the analysis indicated the water was not contaminated. This well will be sampled again as an integral part of this action plan.

The affected area will be excavated until the chloride level reaches 1000 ppm or to the hard caliche layer, which ever is encountered first. This soil will be transported to an NMOCD approved facility for disposal. A 40-mil plastic liner will be placed in the bottom of the excavation.

The entire area will then be backfilled with the clean blended soils and be reseeded with an appropriate seed mix.

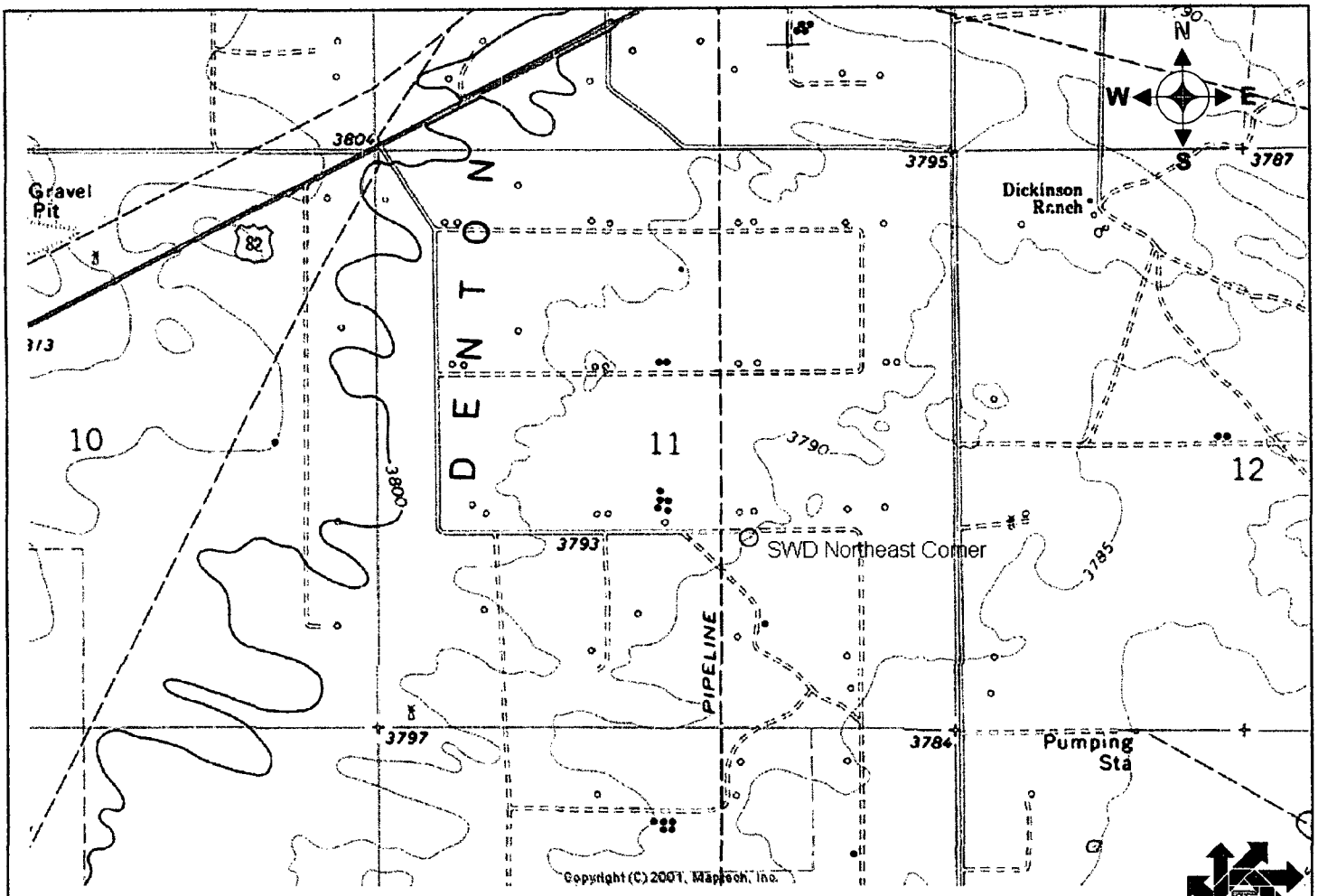
VIII. Figures & Appendices

Figure 1. - Vicinity Map

Figure 2. - Site Plan

Appendix A - C-141

Appendix B - Analytical Results

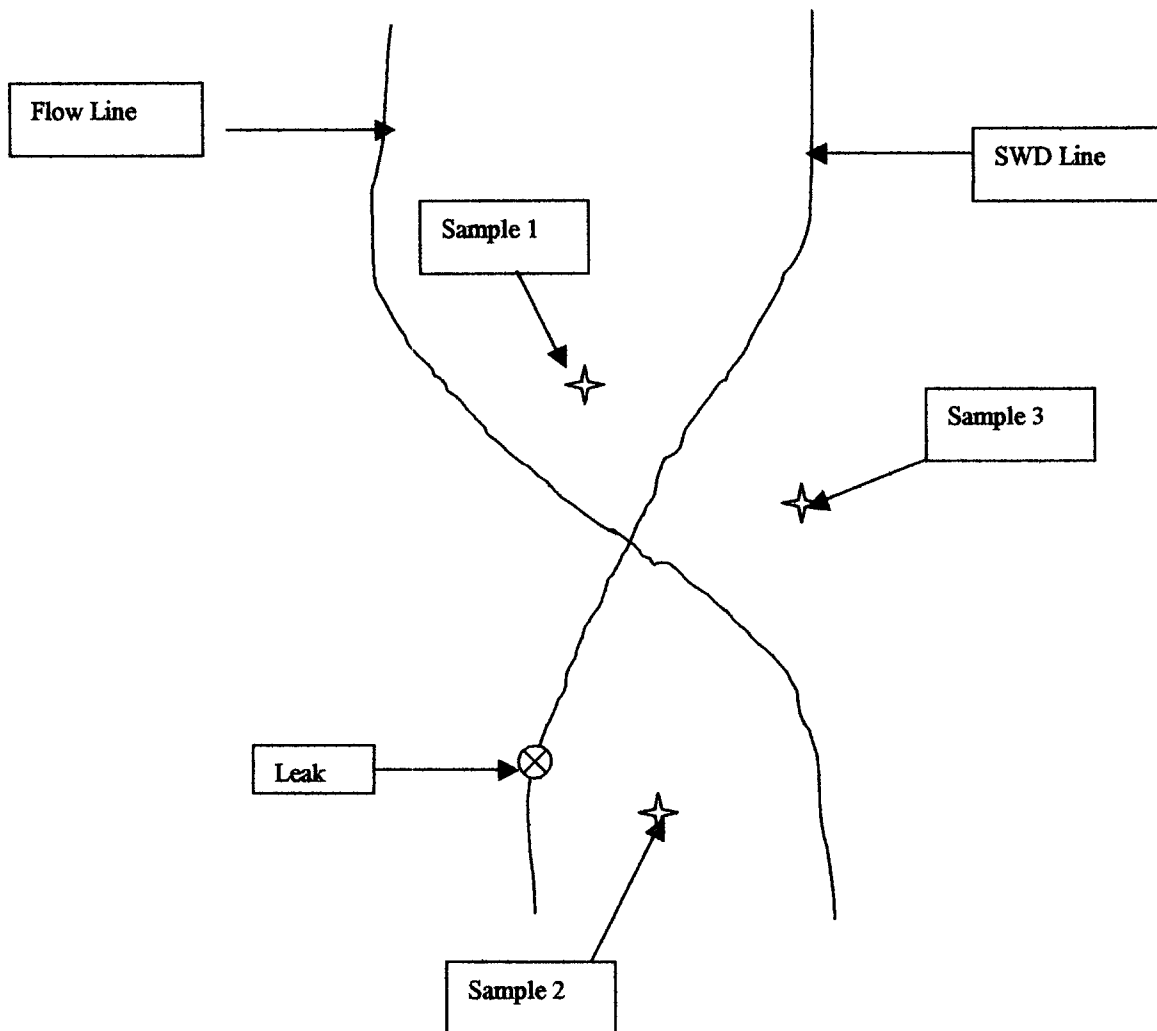
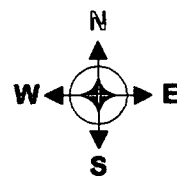


Americo Energy

**Denton S.W.D. Northeast Corner
Unit J, Sec 11, T15S, R37E
Lea County, New Mexico**

**Safety & Environmental
Solutions, Inc.**





Not to Scale

Americo Energy

**Denton SWD Northeast Corner
Unit J, Sec 11, T15S, R37E
Lea County, New Mexico**

**Safety & Environmental
Solutions, Inc.**





PHONE (325) 673-7301 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON #102
HOBBS, NM 88240
FAX TO: (505) 393-4388

Receiving Date: 02/11/05

Reporting Date: 02/14/05

Project Number: AME-05-001

Project Name: AMERICO SWD NORTHEAST CORNER

Project Location: SEC12 T36S R37E

Analysis Date: 02/14/05

Sampling Date: 02/10/05

Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: GP

Analyzed By: AH

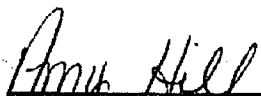
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H9545-1A	XX-1, 18	3279
H9545-2A	XX-1, 36	2639
H9545-3A	XX-3, 12	240
H9545-4A	XX-2, 18	5438
H9545-5A	XX-2, 36	4719
Quality Control		950
True Value QC		1000
% Recovery		95.0
Relative Percent Difference		1.0


METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.

Samples were only stirred with DI water.


Chemist


Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. Cardinal shall not be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

R37E R38E

Atlantic

Coro

11

12

7

J. M. Denton et al

B. C. Dickinson

B. C. Dick

MS Alester Fuel

Atlantic

Gul

660'



Wood River

18

B. C. Dick

14

MS Alester Fuel

13

Atlantic

D.G. M&Co

Forrest

L. R. Chamberlin et al

Bettie C. Dickinson

Stat

Atlantic

23

24

19

W.C. Stoneman et al

M. Clayton et al

U. S.

Stat

*Operator
Lease*

THE ATLANTIC REFINING CO.
BETTIE C. DICKINSON



District I
1025 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Hondo 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, 2001

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	Contact	Steve Smith
Address	10940 OLAKATY Rd Houston, TX 77043	Telephone No.	(505) 441-0926
Facility Name	DENTON SUD #1	Facility Type	SALT WATER DISPOSAL
Surface Owner	DARR ANGELL	Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	13	153	39E		NW/4			LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	SALT WATER	Volume of Release	150 BBLS	Volume Recovered	145 BBLS
Source of Release	DENTON #3 INJECTION LINO	Date and Hour of Occurrence	11/15	Date and Hour of Discovery	11/16
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required				
By Whom?	STEVE SMITH				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
If a Watercourse was Impacted, Describe Fully:		LARKY JOHNSON, RANNIE GREEN, DARR ANGELL			
		Date and Hour: 5:00 PM			
		If YES, Volume Impacting the Watercourse:			

Describe Cause of Problem and Remedial Action Taken:

LEAK @ CONNECTION IN 4" HI PRESSURE FIBERGLASS LINE

Describe Area Affected and Cleanup Action Taken:

EXCAVATED LINO, DRAINING & RECOVERED BY VACUUM TRUCK.
REPAIRED LEAK, FENCED AREA, WAITING FOR PASTURE TO DRY OUT ENOUGH TO
WORK AREA IN BACKHOLE.

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 action for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOC 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:	OIL CONSERVATION DIVISION		
Printed Name:	Steve Smith		
Title:	Approved by District Supervisor:	Approval Date:	Expiration Date:
E-mail Address:	Conditions of Approval:		Attached <input type="checkbox"/>
Date:	11/20/04		
Phone:	441-0926		

* Attach Additional Sheets If Necessary