

District I
1625 N French Dr, Hobbs, NM 88240
District II
811 S First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15 29 NMAC.

Release Notification and Corrective Action

nMLB1125549978 228051 OPERATOR Initial Report Final Report

Name of Company	Americo Energy Resources, LLC	Contact	Ehsan Bayat
Address	7575 SAN FELIPE ST. STE 200 Houston, TX 77063	Telephone No.	713-984-9700
Facility Name	East Shugart Unit #3	Facility Type	Injection line
Surface Owner	Mineral Owner Americo Energy Resources, LLC	API No. 30-015-05683	

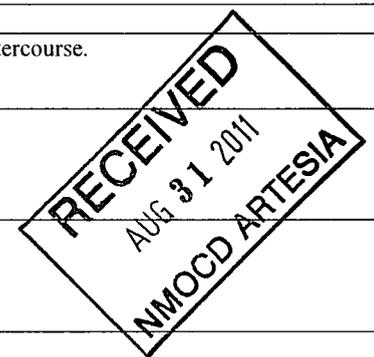
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	34	18S	31E	990	North	330	East	Eddy

Latitude 32.708431 Longitude -103.849419

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	380	Volume Recovered	330
Source of Release	Injection line	Date and Hour of Occurrence	8/11/11 900	Date and Hour of Discovery	8/11/11 9:15
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Tim Gum (575-626-0824)			
By Whom?	Danny White	Date and Hour 8/11/11			
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.*
Injection well number 3 south bank off main injection line sprung a leak between valve bank and well.

Describe Area Affected and Cleanup Action Taken.*
Backhoe has been ordered to dig up South bank to dig up south bank and repair. Vacuum trucks were dispatched immediately. All visible standing water was picked up

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: Ehsan Bayat	Signed By Approved by Environmental Specialist:	
Title: Regulatory Analyst	Approval Date: SEP 12 2011	Expiration Date:
E-mail Address: ehsan.bayat@americoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 8/11/11 Phone: 713-984-9700	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>10/12/2011</u>	

* Attach Additional Sheets If Necessary

ZRA-892