

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

**RECEIVED**  
JUN 07 2012  
NMOCD ARTESIA

Form C-141  
Revised August 1, 2011

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 #75          | Facility Type: Injection Well |
| Surface Owner: BLM                                 | Mineral Owner: BLM            |
| Lease No.:   |                               |

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| A           | 35      | 18S      | 31E   | 2560          | South            | 1350          | West           | Eddy   |

Latitude 32.708382 Longitude -103.832156

**NATURE OF RELEASE**

|  |  |   |
|--|--|---|
| Type of Release: Produced Water  | Volume of Release : Unknown                      | Volume Recovered: Unknown                       |
| Source of Release: Leak at Well Head/ Trucks Dumping in location   | Date and Hour of Occurrence:<br>December 6, 2011 | Date and Hour of Discovery:<br>December 6, 2011 |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>BLM; Unknown person          |   |
| By Whom? Billy Botts   | Date and Hour: December 6, 2011                  |   |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br>N/A |   |

If a Watercourse was Impacted, Describe Fully.\*

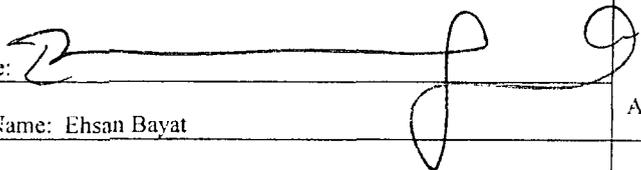
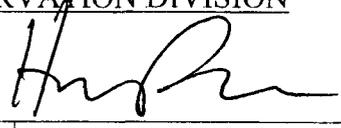
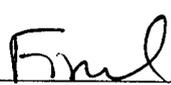
Describe Cause of Problem and Remedial Action Taken.\*

The well head had a leak which has since been repaired. There is a work over pit which has been left open where the fluid gathered.

Describe Area Affected and Cleanup Action Taken.\*

The pit covers an area of 60' X 20' X 8'. The contamination is confined to the pit area with all contaminant remaining in the pit. The area was delineated and found to be present at 95' Below Ground Surface. A plan was submitted and approved to back fill to 4' Below Ground Surface then place a 20 mil Liner, key lock the edges and back fill with approved top soil and seeded.

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:  | <b>OIL CONSERVATION DIVISION</b>   |                      |
| Printed Name: Ehsan Bayat  | Approved by District Supervisor:                          |                      |
| Title: Regulatory Analysis   | Approval Date: 7/13/11   | Expiration Date: N/A |
| E-mail Address: Ehsan.bayat@amicoenergy.com  | Conditions of Approval:  Attached <input type="checkbox"/> |                      |
| Date: March 22, 2012   | Phone: 713-984-9700  |                      |

\* Attach Additional Sheets If Necessary

2RD-1532