

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	Contact	Ehsan Bayat
Address	7575 San Felipe St. Ste 200 Houston, TX 77063	Telephone No.	713 984-9700
Facility Name	State T 9	Facility Type	

Surface Owner	STATE	Mineral Owner		Lease No.	
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LOCATION OF RELEASE

API 30.025.25570

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	2	15S	37E	3500	South	1650	West	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	oil	Volume of Release	100bbls	Volume Recovered	20
Source of Release	Heater Treater	Date and Hour of Occurrence	7/20/07	Date and Hour of Discovery	7/20/07
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Bruce Madden	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.*

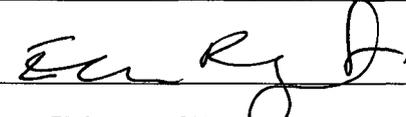
Describe Cause of Problem and Remedial Action Taken.*

Work was done per the approval of C141 and performed by Safety & Environmental Solutions, Inc.

Describe Area Affected and Cleanup Action Taken.*

Attached is the closure report prepared by Safety & Environmental Solutions, Inc.

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	 Approved by District Supervisor ENVIRONMENTAL ENGINEER.	
Title:	Regulatory Analyst/Production Technician	Approval Date:	7.22.10
E-mail Address:	ehsan.bayat@americoenergy.com	Expiration Date:	_____
Date:	6/2/2009	Conditions of Approval:	Attached <input type="checkbox"/> IRP# 1573
Phone:	713-984-9700		

* Attach Additional Sheets If Necessary

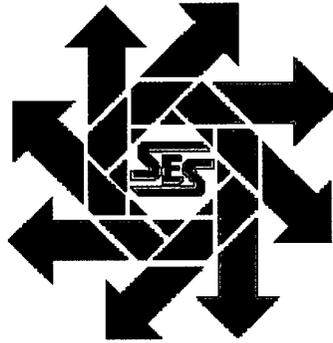
(7.8.1573)

**Americo Energy Resources
State T #9
Unit N, Section 2, Township 15S, Range 37E
Lea County, New Mexico
Closure Report**

May 29, 2009

**RECEIVED
FEB 22 2010
HOBBSOCD**

IRP# 07.8.1573



FINAL

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***

TABLE OF CONTENTS

I. COMPANY CONTACTS.....	1
II. BACKGROUND.....	1
III. SURFACE AND GROUND WATER.....	1
IV. WORK PERFORMED.....	1
V. CLOSURE PLAN.....	2
VI. FIGURES & APPENDICES.....	2
Figure 1 - Vicinity Map.....	3
Figure 2 - Site Plan.....	4
Appendix A – Analytical Results.....	5
Appendix B – Site Photos.....	6

I. Company Contacts

NAME	Company	Telephone	E-mail
Oscar Nosrati	Americo Energy	713-984-9700	Oscar.nosrati@americoenergy.com
Sergio Contreras	SESI	575-397-0510	scontreras@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Americo Energy Resources to perform delineation and cleanup services at the State T #9. This is an active well site located in Unit N, Section 2, Township 15S, Range 37E. On July 20, 2007 a release occurred from the wellhead. It is estimated that less than 100 barrels of oil was released, 20 barrels were recovered.

III. Surface and Ground Water

The closest groundwater of record listed with the New Mexico office of the state engineer is located in the same section, range and township. The depth of water in this well was 47' in 1974. SESI has a monitor well installed approximately ¾ of a mile northeast of this site. The depth of water in this well was 69.41' in March of 2007.

IV. Work Performed

On November 1, 2007 SESI was on site to delineate the site. Two (2) boreholes were installed. Borehole #1 was installed to a depth of 15' and Borehole #2 was installed to a depth of 10'. Grab samples were retrieved in five foot intervals from each borehole. Field chloride analyses were performed on each sample. The 15' sample from BH #1 and the 5' and 10' samples from BH #2 were properly preserved 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), Total Petroleum Hydrocarbons (TPH) (EPA Method 418.1) and Benzene, Toluene, Ethylbenzene, and Xylenes (BTEX) (EPA Method 8021B). The results of that analysis were as follows:

Sample point	Field Chlorides mg/kg	Lab Chlorides mg/kg	TPH mg/kg	Benzene mg/kg	Toluene mg/kg	Ethyl Benzene mg/kg	Total Xylenes mg/kg
BH #1 5'	1484	-	-	-	-	-	-
BH #1 10'	372	-	-	-	-	-	-
BH #1 15'	<124	16	<20	<0.005	<0.005	<0.005	<0.005
BH #2 5'	452	180	1200	<0.005	0.011	0.022	0.15
BH #2 10'	176	91	<20	<0.005	<0.005	<0.005	<0.005

On May 18, 2009 SESI was onsite to start excavating release area. The site was excavated to a depth three (3) feet throughout the entire excavation except for the northeast corner which was excavated to a depth of 8'. Approximately 2,120 yards of contaminated soils were disposed of at an NMOCD approved disposal facility.

On May 19, 2009 SESI was onsite to obtain samples throughout the excavated area. All samples were properly preserved and transported under Chain of Custody to Hall Environmental Analysis Laboratory, Inc of Albuquerque, New Mexico for analysis. The samples were analyzed for Chlorides (EPA Method 300.0),

Sample Point	Chlorides (mg/Kg)
#1 2 1/2'	360
#2 2 1/2'	370
#3 3'	640
#4 2'	520
#5 8'	590
#6 3 1/2'	840
#7 3 1/2'	270

Once the extent of chloride contamination had been determined, and the analytical results showed less than 1,000, the 40-mil liner was not installed per agreement with Larry Johnson of the New Mexico Oil Conservation Division. The area was then backfilled with soils from an offsite facility. Approximately 1,584 yards of caliche and top soil were used for backfill. The area was then contoured to its natural grade.

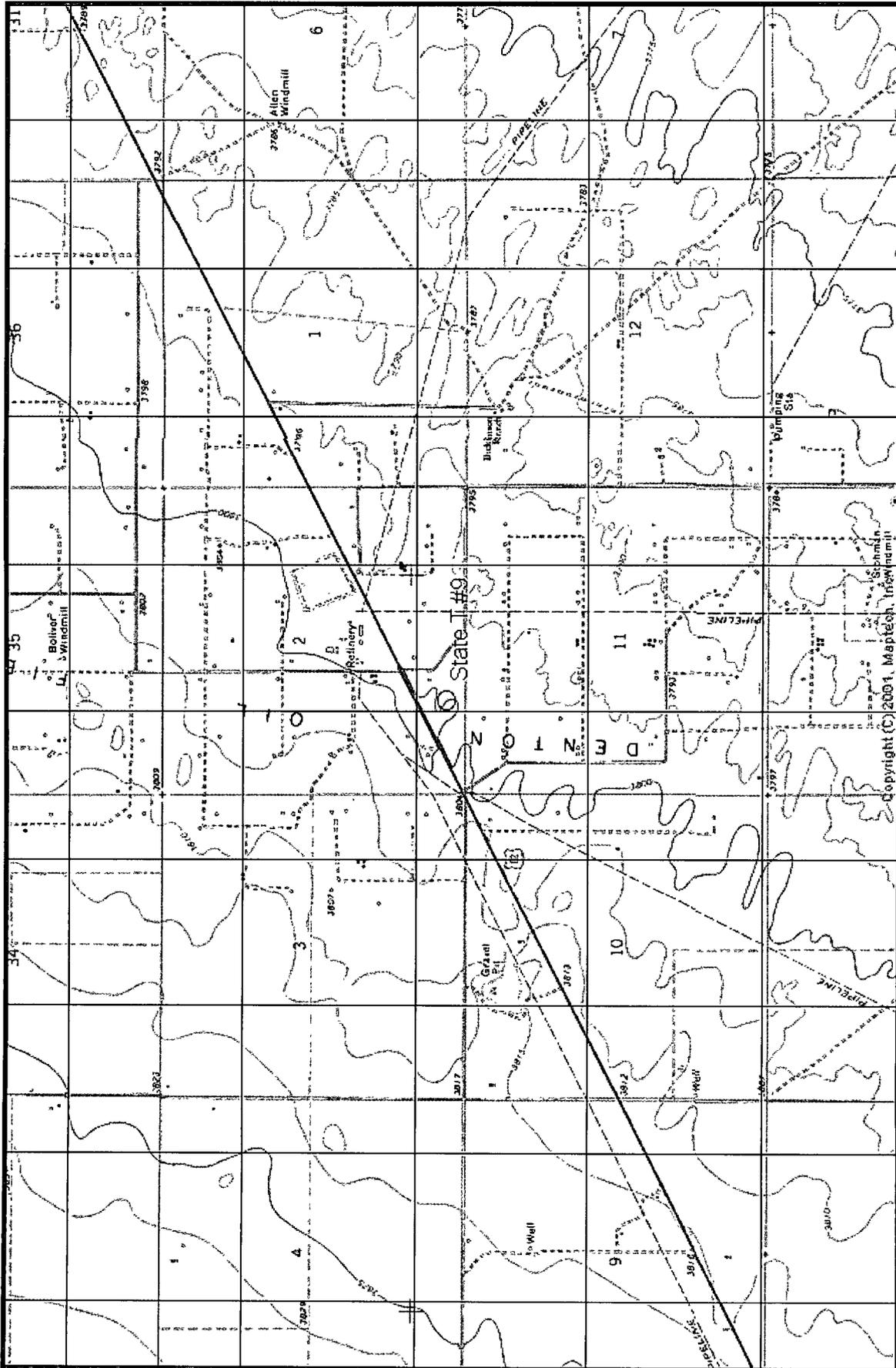
V. Closure

It is requested that no further action will be required.

VI. Figures & Appendices

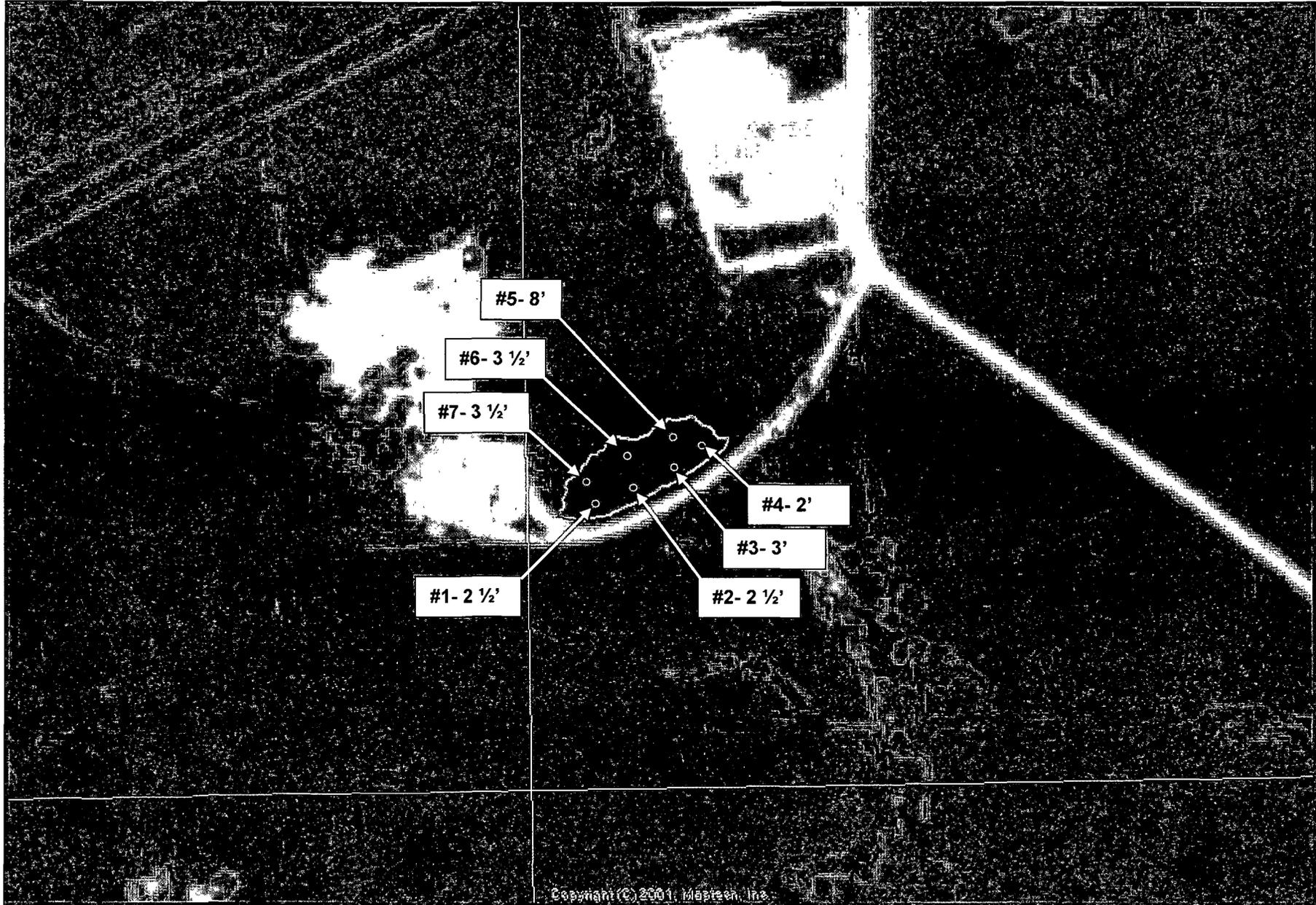
- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photos

Figure 1 Vicinity Map



Copyright (C) 2001, Maptech, Inc.

**Figure 2
Site Plan**



#5- 8'

#6- 3 1/2'

#7- 3 1/2'

#4- 2'

#3- 3'

#1- 2 1/2'

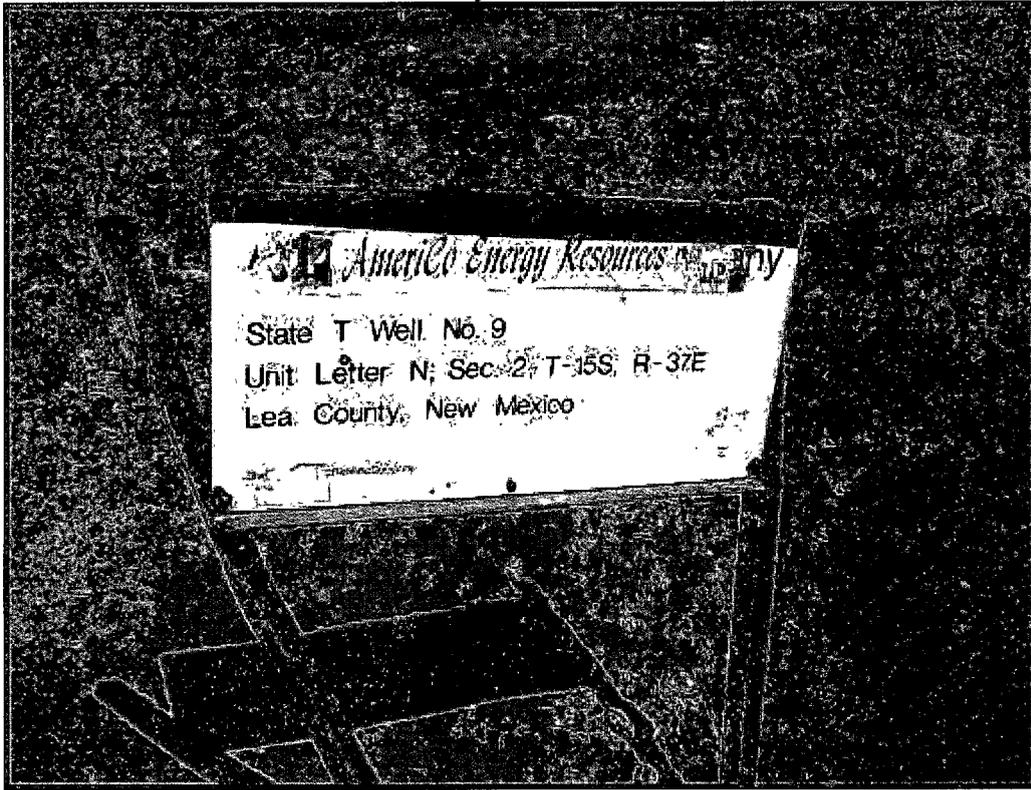
#2- 2 1/2'

Appendix A

Analytical Results

Appendix B Site Photos

July 20, 2007



Well Sign



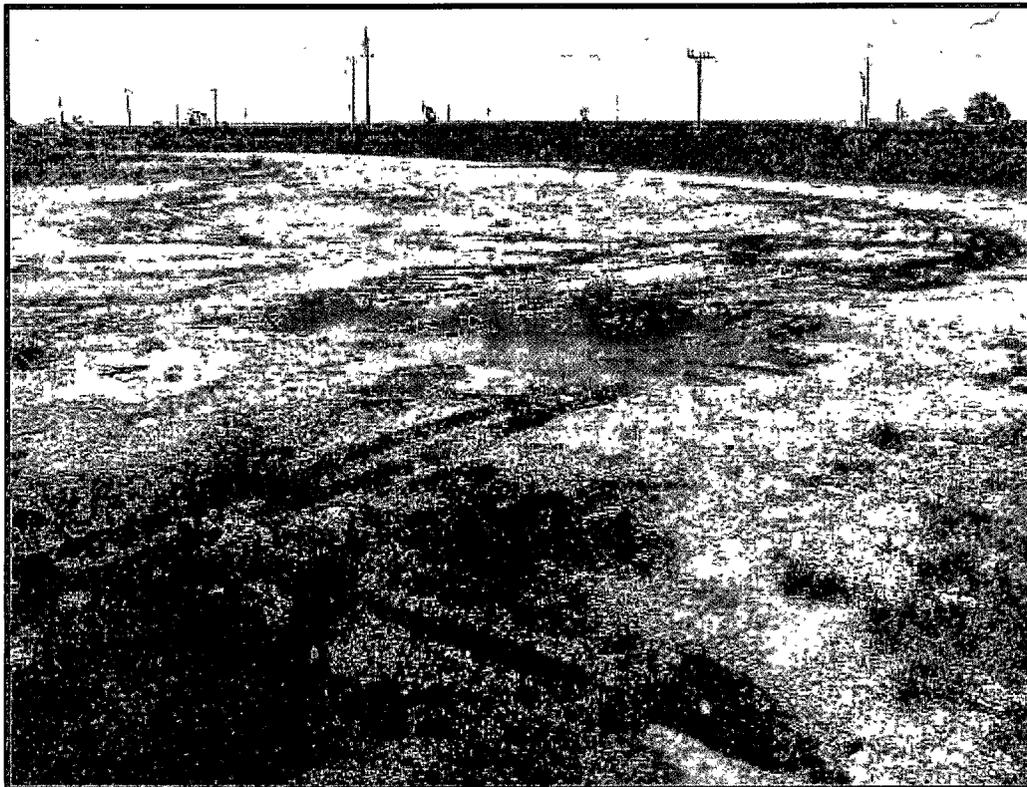
Well head release



Well head release facing west



Release area facing south



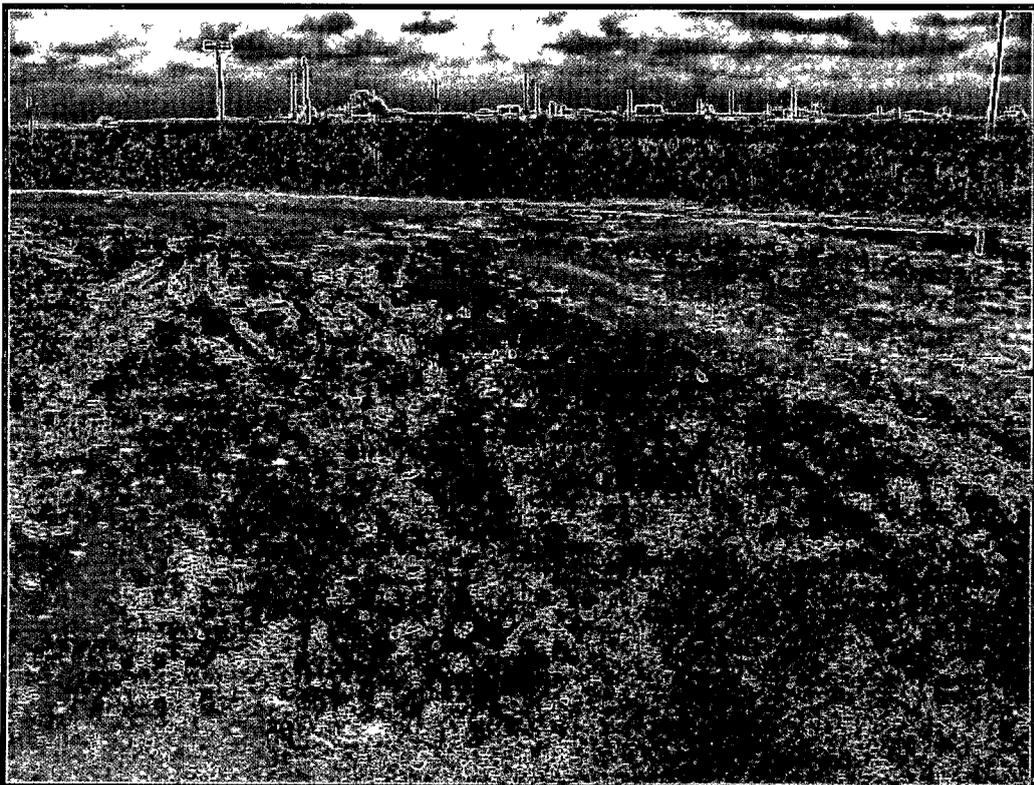
Release area facing southeast



Release area facing southeast



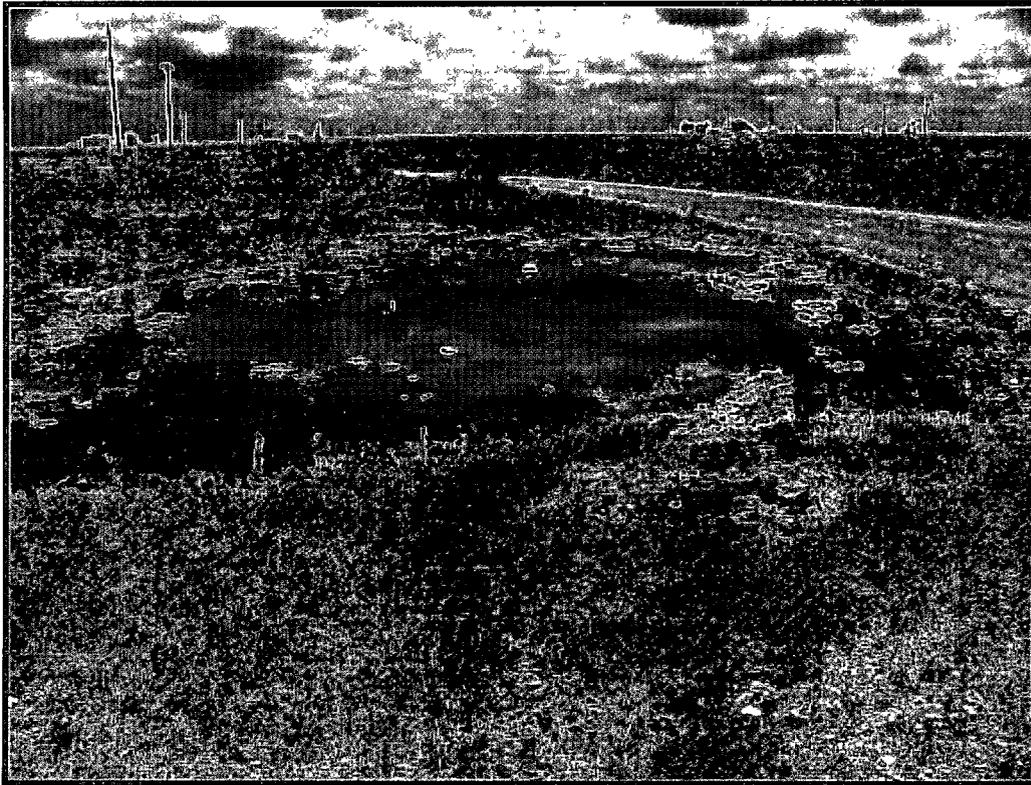
Release area facing southeast



Release area facing south



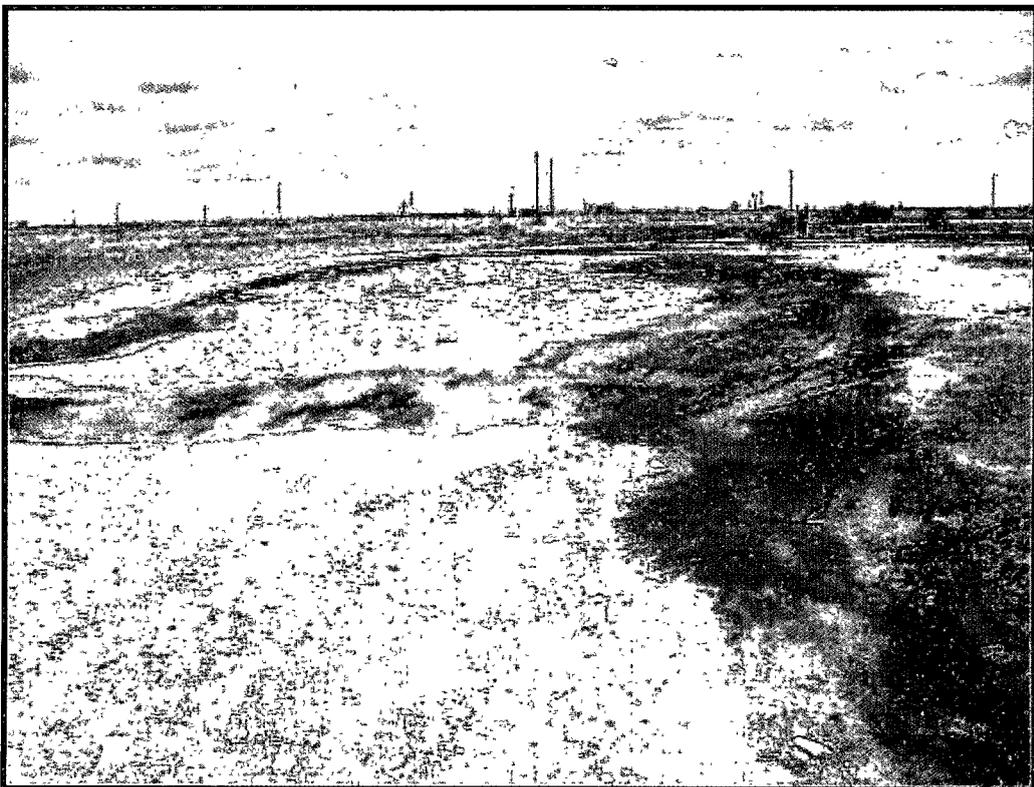
Release in pasture facing southeast



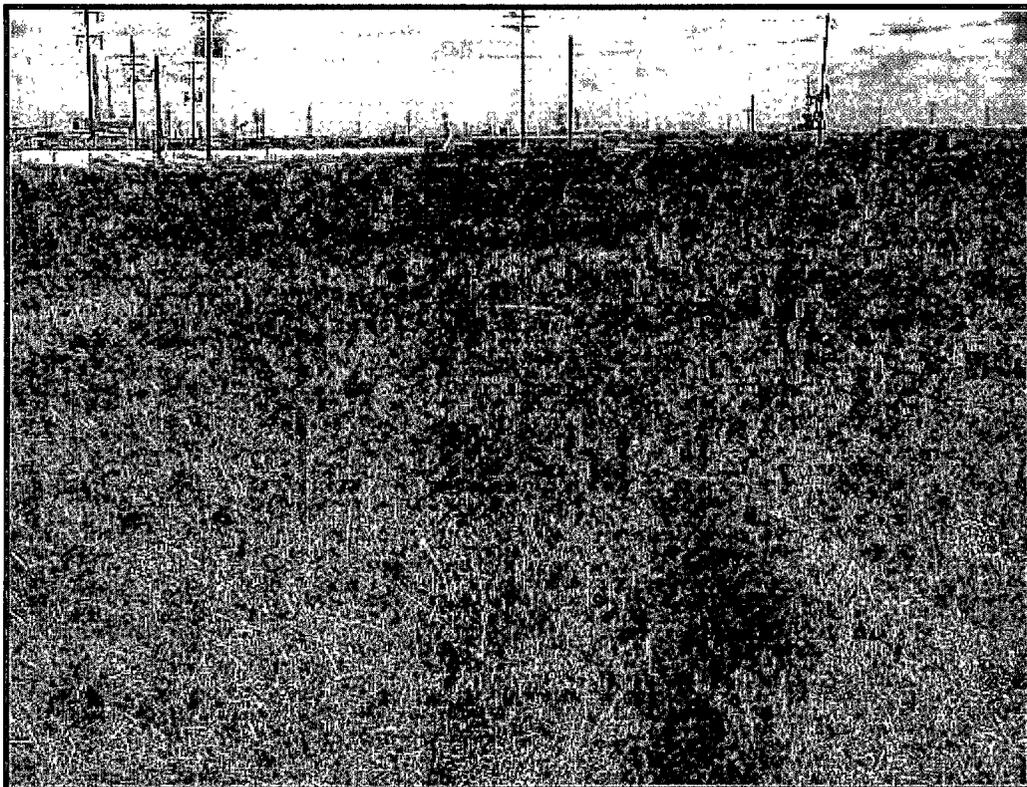
Release area in pasture facing southeast



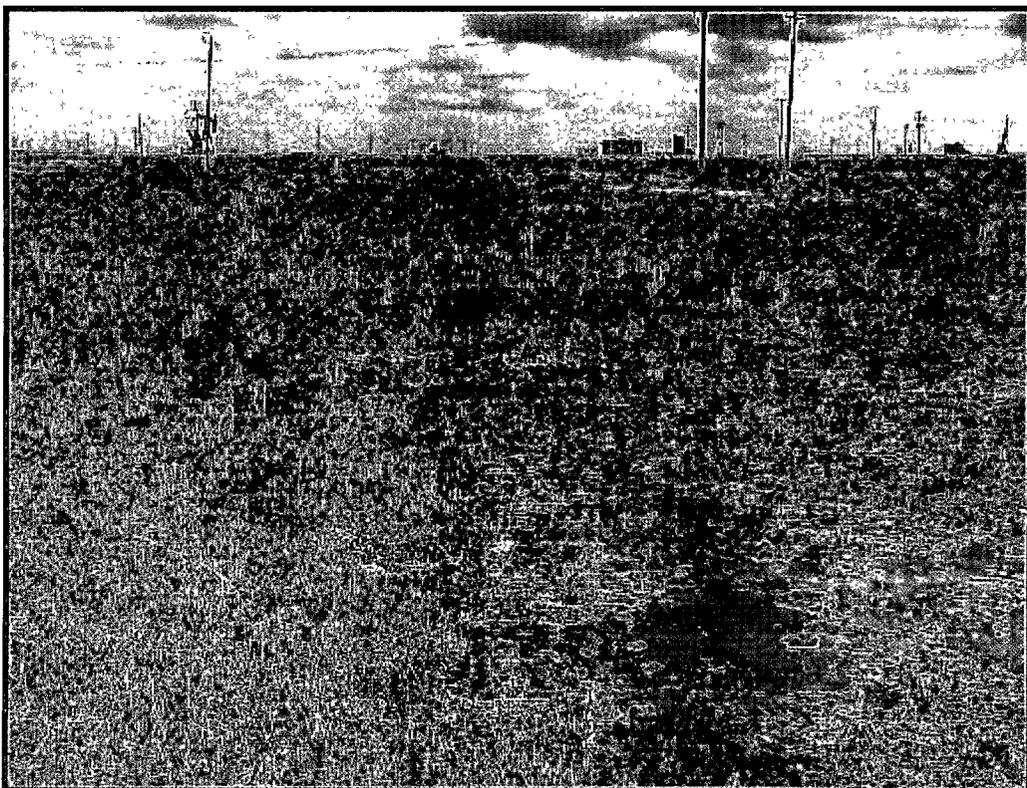
Release area in pasture facing east



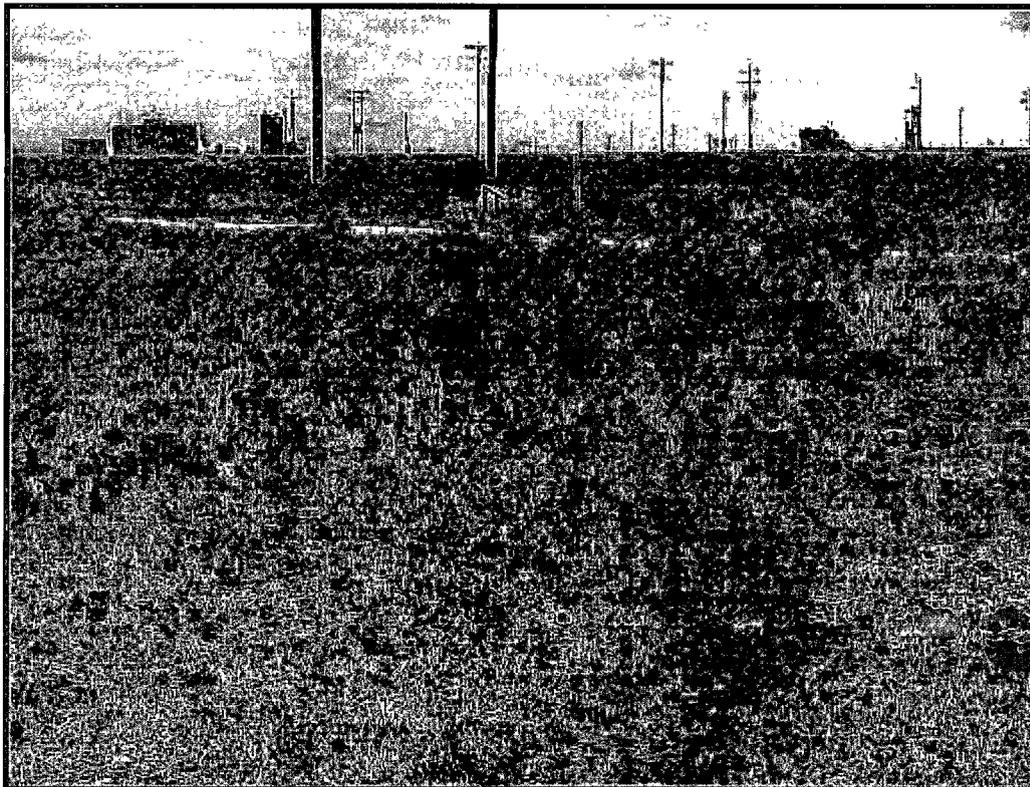
Release area on location pad facing west



Release area facing north



Release area facing east



Release area facing south



Release area on location pad facing northwest

May 20, 2007



Excavated area facing east



Excavated area facing north



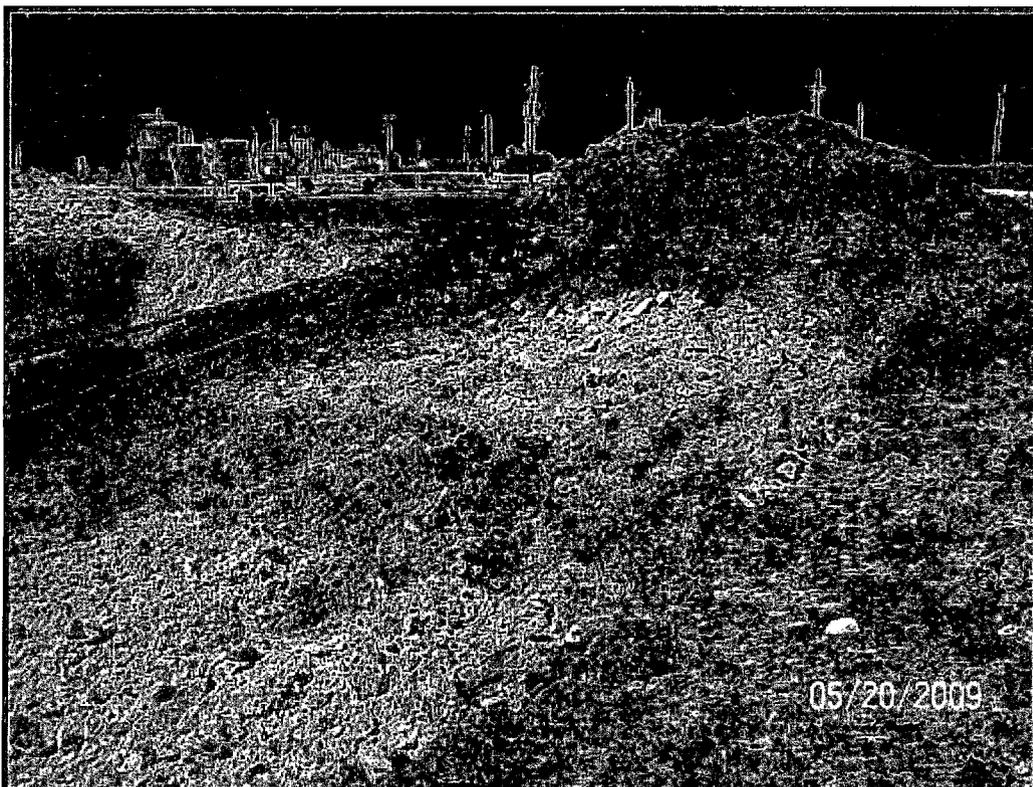
Excavated area facing east



Excavated area facing east



Excavated area facing east



Excavated area facing east



Excavated area facing west



Northeast corner bottom

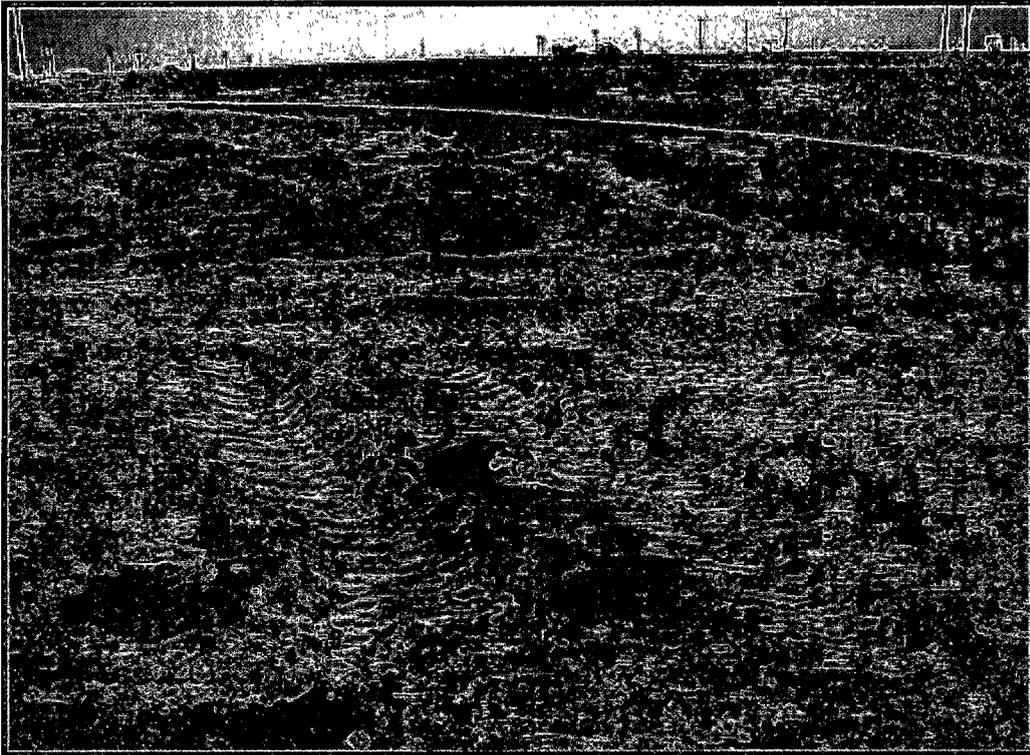


Excavated area facing west



Excavated area facing northwest

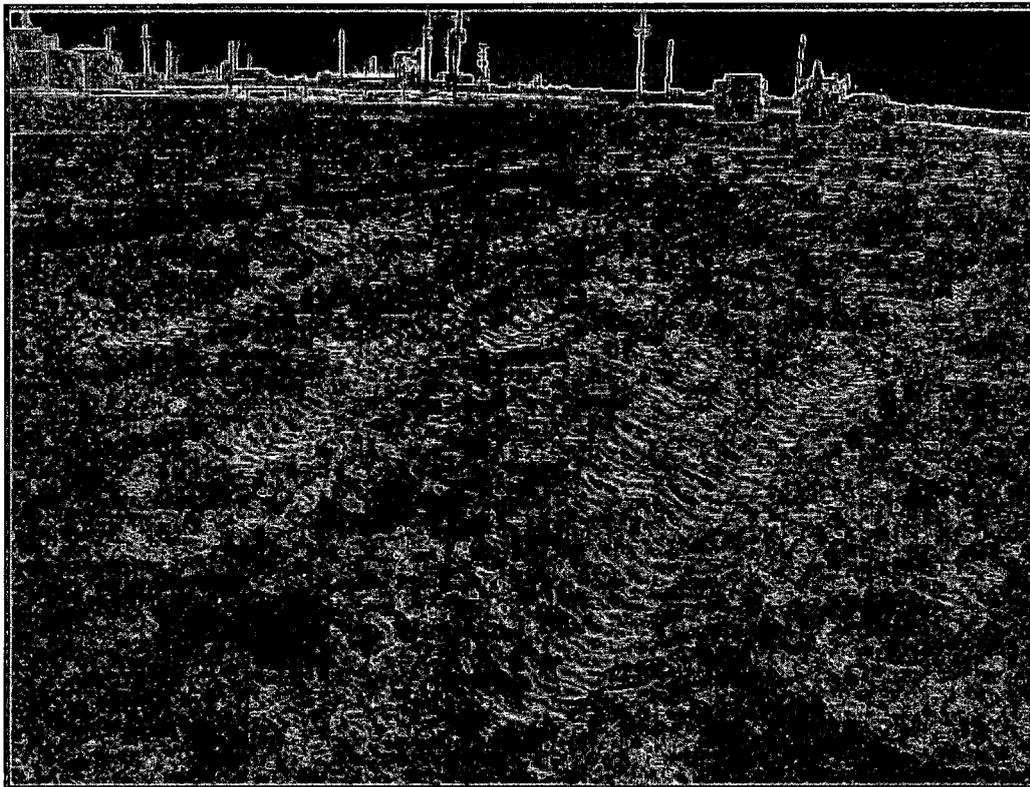
May 27, 2009



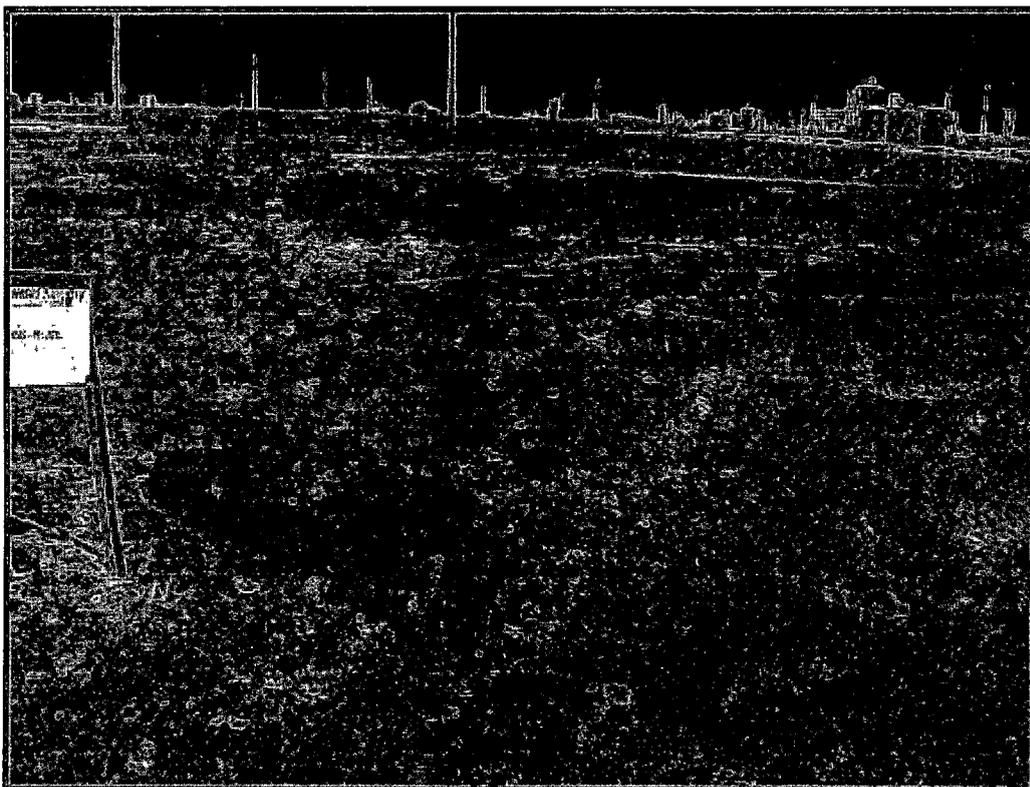
South side of backfilled area facing East



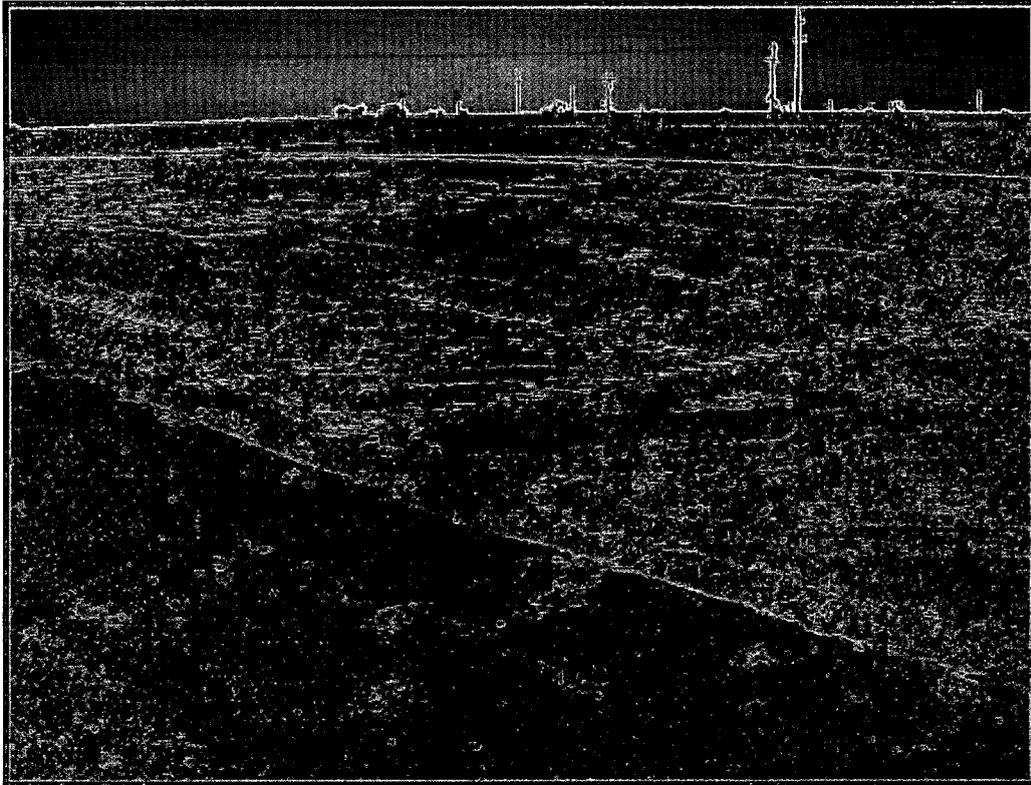
Backfilled area facing east



Backfilled area facing northeast



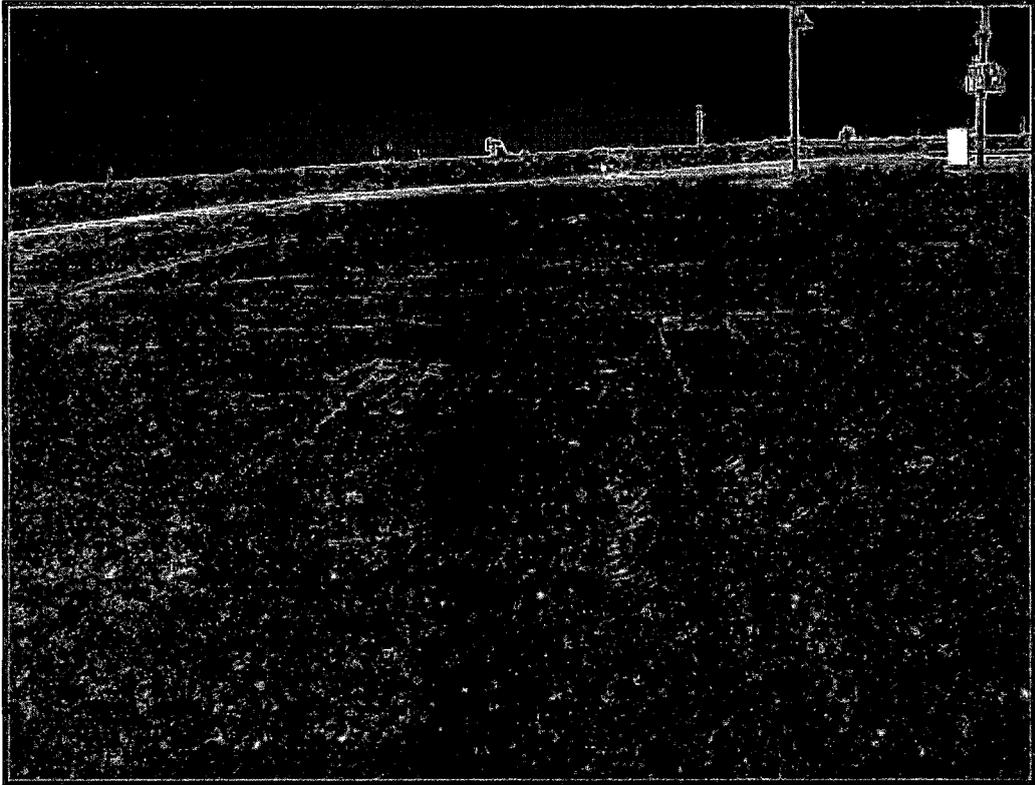
Backfilled area facing north



Backfilled area facing south



Backfilled area facing southeast



Backfilled area facing west



COVER LETTER

Friday, May 29, 2009

Isaac Kincaid
Safety & Environmental Solutions
PO Box 1613
Hobbs, NM 88241

TEL: (575) 397-0510
FAX (575) 393-4388

RE: Americo State T#9

Order No.: 0905425

Dear Isaac Kincaid:

Hall Environmental Analysis Laboratory, Inc. received 7 sample(s) on 5/22/2009 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. Below is a list of our accreditations. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites.

Reporting limits are determined by EPA methodology. No determination of compounds below these (denoted by the ND or < sign) has been made.

Please don't hesitate to contact HEAL for any additional information or clarifications.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Freeman", is written over a horizontal line.

Andy Freeman, Business Manager
Nancy McDuffie, Laboratory Manager

NM Lab # NM9425
AZ license # AZ0682
ORELAP Lab # NM100001
Texas Lab# T104704424-08-TX



Hall Environmental Analysis Laboratory, Inc.

Date: 29-May-09

CLIENT: Safety & Environmental Solutions
Project: Americo State T#9

Lab Order: 0905425

Lab ID: 0905425-01 **Collection Date:** 5/19/2009 1:50:00 PM
Client Sample ID: #1 2 1/2' **Matrix:** SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: TAF
Chloride	360	3.0		mg/Kg	10	5/26/2009 10:40:58 PM

Lab ID: 0905425-02 **Collection Date:** 5/19/2009 2:55:00 PM
Client Sample ID: #2 2 1/2' **Matrix:** SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: TAF
Chloride	370	3.0		mg/Kg	10	5/26/2009 11:15:48 PM

Lab ID: 0905425-03 **Collection Date:** 5/19/2009 4:35:00 PM
Client Sample ID: #3 3' **Matrix:** SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: TAF
Chloride	640	6.0		mg/Kg	20	5/26/2009 11:50:37 PM

Lab ID: 0905425-04 **Collection Date:** 5/19/2009 3:15:00 PM
Client Sample ID: #4 2' **Matrix:** SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: TAF
Chloride	520	6.0		mg/Kg	20	5/27/2009 12:25:27 AM

Lab ID: 0905425-05 **Collection Date:** 5/19/2009 4:25:00 PM
Client Sample ID: #6 3 1/2' **Matrix:** SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: TAF
Chloride	840	3.0		mg/Kg	10	5/27/2009 1:35:03 AM

Lab ID: 0905425-06 **Collection Date:** 5/19/2009 2:10:00 PM
Client Sample ID: #7 3 1/2' **Matrix:** SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: TAF
Chloride	270	3.0		mg/Kg	10	5/27/2009 2:09:53 AM

Qualifiers: * Value exceeds Maximum Contaminant Level
 E Estimated value
 J Analyte detected below quantitation limits
 ND Not Detected at the Reporting Limit
 S Spike recovery outside accepted recovery limits
 B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 MCL Maximum Contaminant Level
 RL Reporting Limit

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Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
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with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Americo Energy	Contact Oscar Nosrati
Address 7575 San Felipe, Suite 200, Houston, TX 77063	Telephone No. 713-984-9700
Facility Name: State T #9	Facility Type Well

Surface Owner Private State of NM	Mineral Owner State	Lease No. B-9774
--	---------------------	------------------

API 30 025 25570

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	Eas/West Line	County
N	2	15S	37E					Lea

Latitude 32°02'23.02" Longitude 103°10'27.05"

NATURE OF RELEASE 350

Type of Release: Produced Fluids	Volume of Release: >100 bbls	Volume Recovered: 300 bbls
Source of Release: Well Head	Date and Hour of Occurrence unknown	Date and Hour of Discovery 7.20.07
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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.*

Describe Cause of Problem and Remedial Action Taken.*
Release from wellhead

Describe Area Affected and Cleanup Action Taken.*
Approximately 23,500 sq.ft. were affected. SESI called to assess and develop 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: Sergio Contreras	Approved by District Supervisor:	Approval Date: 8-10-07
Title: Consultant	Expiration Date: 11-16-07	Attached <input type="checkbox"/>
E-mail Address: scontreras@sesi-nm.com	Conditions of Approval: COMPLETE CLEANUP BY	
Date 8/9/07 Phone: 505-397-0510		

* Attach Additional Sheets If Necessary

ENVIRONMENTAL ENGINEER
ATTACHED TO
SUBMITAL
2-23-10

RPT# 1573