

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

**RECEIVED**  
FEB 23 2011  
NMOCD ARTESIA

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  **X Final Report**

|  |  |                             |                                |
|--|--|-----------------------------|--------------------------------|
| Name of Company: Apollo Energy, LP               |  | Contact: Thomas G. Wright   |                                |
| Address: 4823 Ihles Road, Lake Charles, LA 70605 |  | Telephone No.: 337-502-5227 | <b>API NO.: 30-015-02346</b>   |
| Facility Name: Russell USA No. 2                 |  | Facility Type: Oil well     | <b>OCD Refer. No.: 2RP-419</b> |
| Surface Owner: State of New Mexico               |  | Mineral Owner:              | Lease No.:                     |

**LOCATION OF RELEASE**

|                  |               |                 |              |                      |                         |                       |                       |                |
|------------------|---------------|-----------------|--------------|----------------------|-------------------------|-----------------------|-----------------------|----------------|
| Unit Letter<br>O | Section<br>12 | Township<br>20S | Range<br>28E | Feet from the<br>330 | North/South Line<br>FSL | Feet from the<br>1650 | East/West Line<br>FEL | County<br>Eddy |
|------------------|---------------|-----------------|--------------|----------------------|-------------------------|-----------------------|-----------------------|----------------|

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

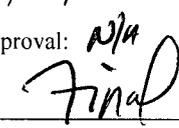
**NATURE OF RELEASE**

|  |   |  |
|--|---|--|
| Type of Release: Unauthorized discharge  | Volume of Release: Unknown                      | Volume Recovered: None                                     |
| Source of Release: Unknown – Unauthorized water hauler.  | Date and Hour of Occurrence: Unknown            | Date and Hour of Discovery: 29 July 2010 Approx. 1500 Hrs. |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Mike Bracher                |  |
| By Whom? Cheryl Winkler and Randy Holman   | Date and Hour: Thursday, 29 July 2010           |  |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br>NA |  |
| If a Watercourse was Impacted, Describe Fully.* NA   |   |  |

Describe Cause of Problem and Remedial Action Taken.\* An unauthorized discharge was identified on the location after excavation of the contaminated materials had been completed and previously sampled. The discharge has likely resulted from a transport truck carrying produced water from a foreign location and disposing of it on the Russell lease. No remedial action was taken because the discovery occurred after the discharged liquid had saturated the surrounding environment, leading especially toward and into the wellhead area. Refer to *Corrective Action Plan* for details.

Describe Area Affected and Cleanup Action Taken.\*  
By 15 December 2010, Apollo extended the investigation to identify the particular salts which were triggering high EC values and subsequently was able to verify that the subject area was within the outer limits a gypsum quarry showing salt values for (1) calcium totaling 288,000 mg/K / averaging 144,000 mg/K, (2) sulfate totaling 240,800 mg/K / averaging 120,400 mg/K and chlorides totaling 2,757 mg/K / averaging 393 mg/K which actually agreed with the 7 July 2010 sampling results. Background soil chloride for this area, taken from infield data, averages around 120 mg/K. Therefore, decreasing affected soil chloride values down to 273 mg/K notwithstanding the significant effect (extremely high ratios of gypsum to chloride) of the gypsum influence on the chloride itself, which competitively binds itself to the soil reducing the toxicity of sodium. Therefore, the NMOCD and the BLM concurred no further remediation would be required. The area has been backfilled and the drilling pad reconstructed. See *Final Remediation Report* and attachments for details.

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.

|  |  |   |                                   |
|--|--|---|-----------------------------------|
| Signature:  |  | <b>OIL CONSERVATION DIVISION</b>  |                                   |
| Printed Name: Thomas G. Wright   |  | Approved by District Supervisor  |                                   |
| Title: Certified Professional Landman (CPL)  |  | Approval Date: 2/28/2011  | Expiration Date: N/A              |
| E-mail Address: tommyw@doreenergy.com  |  | Conditions of Approval: N/A<br>   | Attached <input type="checkbox"/> |
| Date: 15 February 2011 Phone: 337-502-5227   |  |   |                                   |

\* Attach Additional Sheets If Necessary

2RP-419