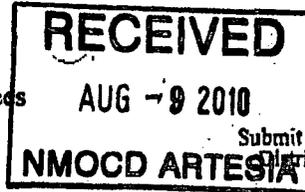


District I
1625 N. French Dr., Hobbs, NM 88240
 District II
1301 W. Grand Avenue, Artesia, NM 88210
 District III
1000 Rio Brazos Road, Aztec, NM 87410
 District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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: Apollo Energy, LP	Contact: Thomas G. Wright
Address: 4823 Ihles Road, Lake Charles, LA 70605	Telephone No.: 337-502-5227
Facility Name: Russell USA No. 2	Facility Type: Oil well
API NO.: 30-015-02346	
OCD Refer. No.: 2RP-419	

Surface Owner: State of New Mexico	Mineral Owner:	Lease No.:
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	12	20S	28E	330	FSL	1650	FEL	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. 1300 Hrs.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bracher	
By Whom? Cheryl Winkler and Randy Holman	Date and Hour: Thursday, 29 July 2010	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. 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, loading especially toward and into the wellhead area.

Describe Area Affected and Cleanup Action Taken.*

Please refer to the *Corrective Action Plan (CAP)* for details. The contaminated material needs to be removed to an authorized disposal and the pad area returned to a useable state. At this time, the well is "shut in" and will remain so for the unforeseeable future.

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.

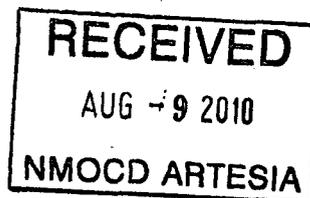
Signature:	OIL CONSERVATION DIVISION	
Printed Name: Thomas G. Wright	Approved by District Supervisor	
Title: Certified Professional Landman (CPL)	Approval Date:	Expiration Date:
E-mail Address: tommyw@doresenergy.com	Conditions of Approval: Remediation per NMOCD Rules & Guidelines	Attached <input type="checkbox"/>
Date: 9 August 2010 Phone: 337-502-5227		

* Attach Additional Sheets If Necessary

nMLB 1016137418

Release # 2 of 2
 Remediation ongoing

2RP-419



Mr. Thomas G. Wright, CPL
APOLLO ENERGY, L.P.
4832 Ihles Rd.
Lake Charles, LA 70605

9 August 2010

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Russell USA No. 2 Produced Water Unauthorized Discharge *Corrective Action Plan*
API No.: 30-015-02346 / NMOCD RN NO.: 2RP-419 (Extended)
U/L O 12-20S-28E 330' FSL 1650' FEL

Dear Mr. Bratcher:

Please be advised Apollo Energy, L.P. (Apollo) herewith notifies the New Mexico Oil Conservation Division (NMOCD) that an unauthorized discharge of produced water occurred at the Russell USA No. 2 (Russell) location. The unauthorized produced water discharge occurred at an unknown time as detailed in the enclosed Initial C-141 and was transported from a foreign location to the Russell located as cited above in Eddy County, New Mexico during an unidentifiable time frame.

The unauthorized discharge occurred from a transport truck hauling produced water onto location from a foreign source and releasing its tank contents into Apollo's Russell USA No. 2 excavated area located around the wellhead. At the time of the unauthorized discharge, Apollo had already contracted the removal to disposal of previously contaminated soils in the area. Thus, temporarily leaving an open hole in the existing pad (See Apollo's letter of 2 July 2010).

Apollo Energy, LP herewith states that it assumes sole responsibility for its own actions but not those of an outside, unauthorized source. The responsibility for cleanup in this case should rest with the trucking company who has performed the unauthorized discharge. Apollo has no control over non-contracted trucks which randomly ingress or egress from the area. Apollo desires, therefore, to meet with the NMOCD as soon as feasibly possible in order to discuss potential solutions to this situation.

Your time and consideration of our situation is sincerely appreciated. Please call 337-502-5227 (office) or 337-540-1243 (cell) should you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Wright".

Thomas G. Wright, CPL

Enclosure: Jim Amos (BLM)