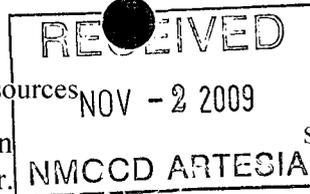


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30-015-27944

Release Notification and Corrective Action

NKMW 1109646107

OPERATOR

Initial Report Final Report

Name of Company	Americo Energy Resources, LLC <i>228057</i>	Contact	Ehsan Bayat
Address	7575 San Felipe Ste 200 Houston, TX 77063	Telephone No.	713-984-9700
Facility Name	East Shugart Unit	Facility Type	Central Tank Battery

Surface Owner	Federal	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
G	35	18S	31E					EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Saltwater	Volume of Release	17 bbls	Volume Recovered	16 bbls
Source of Release	Injection Trunk line	Date and Hour of Occurrence	10/24/09 7:45am	Date and Hour of Discovery	10/24/09 7:50am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Richard Inge		
By Whom?	Jim Smith	Date and Hour	7:50 am		
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.*
The spill was due to bad flange fittings.
Called trucking company, and vacuum truck.
Called back hoe and crew.

Describe Area Affected and Cleanup Action Taken.*
The area was on right on the fence line of the East Shugart Battery. The trucking company and vacuum truck were immediately called and brought to the site. A back hoe and crew were brought and dug out the affected area for the fiberglass repairman. Repaired fiberglass sub. Crew opened valve, checked for leaks, set the tin horn, Then filled area,

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: <i>Ehsan Bayat</i>	OIL CONSERVATION DIVISION	
Printed Name: EHSAN BAYAT	Approved by District Supervisor	Signed By: <i>Mike Brannon</i>
Title: REGULATORY ANALYST	Approval Date: <i>4/6/11</i>	Expiration Date:
E-mail Address: Ehsan.bayat@amerioenergy.com	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	Attached <input type="checkbox"/>
Date: 10/27/2009 Phone: 713-984-9700	<i>5/6/11</i>	<i>2RP-718</i>

* Attach Additional Sheets If Necessary