

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

SA collection

Name of Company Americo Energy Resources, LLC	Contact Oscar Nosrati
Address 7575 San Felipe, #200, Houston, TX 77063	Telephone No. 713-984-9700
Facility Name State T Battery (near State T #5 well)	Facility Type Production and Water Storage Facility

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. B-9774
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LOCATION OF RELEASE (State T #5 Well Location)

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	2	15S	37E	2115	South	2046	West	Lea

42' GW

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Oil and produced water	Volume of Release 20 BO/30 BW	Volume Recovered 19BO & 29 BW
Source of Release: Fire tube at heater/treater	Date and Hour of Occurrence 9/10/06 -evening	Date and Hour of Discovery 9/11/06 evening
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Unknown person at OCD	
By Whom? Joe Whitman	Date and Hour: 9/11/06 evening	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

Received
12345

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Leak occurred in the fire-tube at the heater/treater, releasing oil and produced saltwater. All of the release was contained within the facility firewall and was floating on one to two inches of rainwater that was also retained by the firewall during recent rains.
Production was re-routed through alternate heater/treater and fire-tube was repaired.

Describe Area Affected and Cleanup Action Taken.*
Area affected lies within the confines of the firewall around tank battery facility. Vacuum truck was contracted to remove oil, saltwater and most of rainwater. Remaining affected soil was mixed and tilled.

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>[Signature]</i>	OIL CONSERVATION DIVISION	
Printed Name: Oscar Nosrati	Approved by District Supervisor: <i>[Signature]</i>	
Title: Vice-President, Operations	Approval Date: 10-25-06	Expiration Date: _____
E-mail Address: oscar.nosrati@americoenergy.com	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: _____	Phone: 713-884-9700	

Attach Additional Sheets If Necessary
facility - #PAC0631747700
incident - #PAC0631747800
application - #PAC0631748725 RP# 1117