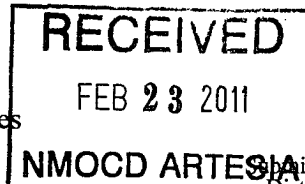


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Surface Owner: State of New Mexico	Mineral Owner:
	Lease No.:

API NO.: 30-015-02346

OCD Refer. No.: 2RP-419

LOCATION OF RELEASE

Unit Letter O	Section 12	Township 20S	Range 28E	Feet from the 330	North/South Line FSL	Feet from the 1650	East/West Line FEL	County Eddy
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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? X 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 X No	If YES, Volume Impacting the Watercourse. NA	


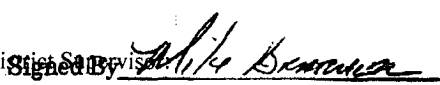
If a Watercourse was Impacted, Describe Fully.\* NA

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, 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 not withstanding 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: 	OIL CONSERVATION DIVISION	
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	Attached <input type="checkbox"/>
Date: 15 February 2011	Phone: 337-502-5227	

Final

2RP-419

\* Attach Additional Sheets If Necessary