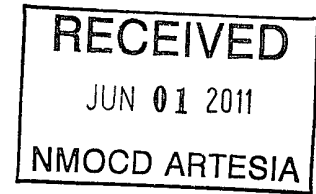




May 31, 2011



Mr. Mike Bratcher
NMOCD District 2
1301 Grand Avenue
Artesia, NM 88210

Re: Soil Assessment and Remediation Work Plan
Humble State Well No. 4

Dear Mr. Bratcher,

As we discussed the subject well experienced a stuffing box leak on or about 04-25-2010. The leak was discovered by Kimberly Wilson. A letter was sent to Doral Energy Corporation (copy attached), the operator at that time by Ms. Wilson. She was contacted to discuss remediation of the spill. She asked that the cellar area around the well be dug up and that she be contacted to review the condition of the soil before approving a plan to remediate the spill. Unfortunately she was not able to approve the remediation due to her motorcycle accident. The well has remained shut down pending her return and review.

In order to close out this spill and to return the well to production Alamo Permian Resources collected samples at three depths in the excavated cellar area and sent them to an independent laboratory for analysis. The analysis indicates that there is no residual damage from the small spill. As stated on the attached C-141 the excavated soil will be treated with a commercial product containing organic material and bacteria as an additional precaution and the cellar filled with the material.

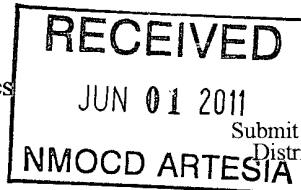
Sincerely,

A handwritten signature in black ink, appearing to read "C. M. Bloodworth".

C. M. "Marty" Bloodworth, P.E.
Senior Vice President, Operations

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 Alamo Permian Resources, LLC	Contact Joanne Keating	
Address 415 West Wall St; Ste 500	Telephone No. 432-897-0673	
Facility Name Humble State Well No. 4	Facility Type Well site	
Surface Owner NA	Mineral Owner State	Lease No. E742

LOCATION OF RELEASE

Unit Letter N	Section 19	Township 17S	Range 29E	Feet from the 990	North/South Line South	Feet from the 1236	East/West Line West	County Eddy
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Latitude 32.81558 Longitude 104.1174

NATURE OF RELEASE

Type of Release Stuffing box leak	Volume of Release est 0.5 bbls	Volume Recovered 0
Source of Release Pumping well	Date and Hour of Occurrence NA	Date and Hour of Discovery 04/25/10
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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 well was shut down and the cellar area around the wellhead was dug out to check for the depth reached by leak. Samples of soil were taken at three depths and analyzed by a third party laboratory. Samples indicate that no damage was done to the soil at the well site. Copies of the laboratory reports are included with this filing.

Describe Area Affected and Cleanup Action Taken.*

Soil will be conditioned with Oil Hogg (organic material with bacteria) and the cellar area refilled with the treated soil.

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: C.M. Bloodworth, P.E.	Approved by District Supervisor	
Title: Sr Vice President Operations	Approval Date: 6/1/2011	Expiration Date: N/A
E-mail Address: martyb@alamoresources.com	Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 05-31-2011 Phone: 432-897-0673		

* Attach Additional Sheets If Necessary

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

15-Apr-10

DORAL ENERGY CORP.
415 W. WALL ST, SUITE 500
MIDLAND TX 79701

LOVNO 02-09-147

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

HUMBLE STATE No.004

N-19-17S-29E

30-015-03008-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/15/2010	Routine/Periodic	Kimberly Wilson	Yes	No	5/12/2010	iKMW101055532
Comments on Inspection: Inspection of this site on April 13, 2010, found oil/fluids pooled at wellhead and running onto location which violates NMAC 19.15.2.8 and NMAC 19.15.29.8.						

Operator must submit a C-141 to NMOCD District II office no later than May 15, 2010. A remediation work plan proposal may be required.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

Kimberly M. Wilson
Artesia OCD District Office



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

May 10, 2011

AL PERRY

ALAMO PERMIAN RESOURCES

1601 N. TURNER

HOBBS, NM 88240

RE: HUMBLE STATE #4

Enclosed are the results of analyses for samples received by the laboratory on 04/29/11 11:10.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.



Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager



Analytical Results For:

ALAMO PERMIAN RESOURCES
AL PERRY
1601 N. TURNER
HOBBS NM, 88240
Fax To: (575) 391-9682

Received: 04/29/2011
Reported: 05/10/2011
Project Name: HUMBLE STATE #4
Project Number: NONE GIVEN
Project Location: LOCO HILLS, NM

Sampling Date: 04/28/2011
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

Sample ID: 1 (H100886-01)

BTEX 8021B			mg/kg							Analyzed By: CMS	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
Benzene*	<0.050	0.050	05/03/2011	ND	2.04	102	2.00	2.03			
Toluene*	<0.050	0.050	05/03/2011	ND	1.99	99.4	2.00	0.937			
Ethylbenzene*	<0.050	0.050	05/03/2011	ND	2.02	101	2.00	0.321			
Total Xylenes*	<0.150	0.150	05/03/2011	ND	5.93	98.8	6.00	0.190			

Surrogate: 4-Bromofluorobenzene (PIL) 90.0 % 70-130

Chloride, SM4500Cl-B			mg/kg							Analyzed By: HM	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
Chloride	<16.0	16.0	05/03/2011	ND	432	108	400	3.77			

TPH 8015M			mg/kg							Analyzed By: AB	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
GRO C6-C10	<10.0	10.0	05/10/2011	ND	239	119	200	2.25			
DRO >C10-C28	19.4	10.0	05/10/2011	ND	242	121	200	9.96			

Surrogate: 1-Chlorooctane 92.4 % 70-130

Surrogate: 1-Chlorooctadecane 88.8 % 70-130

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

ALAMO PERMIAN RESOURCES
AL PERRY
1601 N. TURNER
HOBBS NM, 88240
Fax To: (575) 391-9682

Received: 04/29/2011
Reported: 05/10/2011
Project Name: HUMBLE STATE #4
Project Number: NONE GIVEN
Project Location: LOCO HILLS, NM

Sampling Date: 04/28/2011
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

Sample ID: 2 (H100886-02)

BTEX 8021B			mg/kg		Analyzed By: CMS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	05/03/2011	ND	2.04	102	2.00	2.03	
Toluene*	<0.050	0.050	05/03/2011	ND	1.99	99.4	2.00	0.937	
Ethylbenzene*	<0.050	0.050	05/03/2011	ND	2.02	101	2.00	0.321	
Total Xylenes*	<0.150	0.150	05/03/2011	ND	5.93	98.8	6.00	0.190	

Surrogate: 4-Bromofluorobenzene (PIL) 89.5 % 70-130

Chloride, SM4500Cl-B			mg/kg		Analyzed By: HM				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	05/03/2011	ND	432	108	400	3.77	

TPH 8015M			mg/kg		Analyzed By: AB				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	05/03/2011	ND	239	119	200	2.25	
DRO >C10-C28	<50.0	50.0	05/03/2011	ND	242	121	200	9.96	

Surrogate: 1-Chlorooctane 101 % 70-130

Surrogate: 1-Chlorooctadecane 105 % 70-130

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ALAMO PERMIAN RESOURCES
 AL PERRY
 1601 N. TURNER
 HOBBS NM, 88240
 Fax To: (575) 391-9682

 Received: 04/29/2011
 Reported: 05/10/2011
 Project Name: HUMBLE STATE #4
 Project Number: NONE GIVEN
 Project Location: LOCO HILLS, NM

 Sampling Date: 04/28/2011
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Celey D. Keene

Sample ID: 3 (H100886-03)

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	05/03/2011	ND	2.04	102	2.00	2.03	
Toluene*	<0.050	0.050	05/03/2011	ND	1.99	99.4	2.00	0.937	
Ethylbenzene*	<0.050	0.050	05/03/2011	ND	2.02	101	2.00	0.321	
Total Xylenes*	<0.150	0.150	05/03/2011	ND	5.93	98.8	6.00	0.190	

Surrogate: 4-Bromofluorobenzene (PIL) 90.5 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	05/04/2011	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	05/03/2011	ND	239	119	200	2.25	
DRO >C10-C28	<50.0	50.0	05/03/2011	ND	242	121	200	9.96	

Surrogate: 1-Chlorooctane 98.8 % 70-130

Surrogate: 1-Chlorooctadecane 105 % 70-130

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

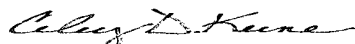
Notes and Definitions

Z-01	One or more surrogates above historical limits.
ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

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