

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	Americo Energy Resources, LLC	Contact	Oscar Nosrati
Address	7575 San Felipe, Ste 200, Houston, TX 77063	Telephone No.	713-984-9700
Facility Name	East Shugart Unit Well #56 <i>30-015-27949</i>	Facility Type	Injection Well

Surface Owner	BLM	Mineral Owner	BLM	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	2,250	North	1,910	East	Eddy

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release	Oil and salt water	Volume of Release	200 bbls	Volume Recovered	150 bbls
Source of Release	Failed injector valve	Date and Hour of Occurrence	11/19/07 night	Date and Hour of Discovery	11/19/07 8:00 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Gerry Guy via voice mail		
By Whom?	Don Gray	Date and Hour	2:55 p.m. 11/19/2007		
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.\*  
Injector valve failed. Release consisted of approximately 194 bbls of saltwater and 6 bbls of oil. Valve repaired

Describe Area Affected and Cleanup Action Taken.\*  
All work has been performed according to the approved Workplan dated February 25, 2008

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.

**OIL CONSERVATION DIVISION**

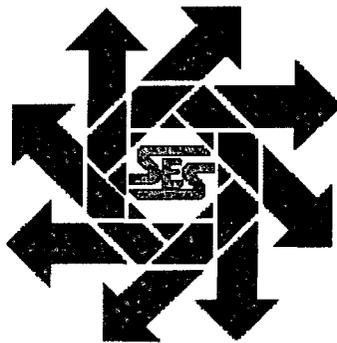
Signature:			
Printed Name: Jerri Lee	Approved by District Supervisor: <i>J. Gumbay SB</i>		
Title: Consultant	Approval Date: <i>08-08-08</i>	Expiration Date: <i>N/A</i>	
E-mail Address: office@sesi-nm.com	Conditions of Approval: <i>N/A</i>		Attached <input type="checkbox"/> <i>N/A</i>
Date: August 6, 2008	Phone: 575-397-0510		

\* Attach Additional Sheets If Necessary

*JRP-144*

**Americo Energy Resources  
East Shugart Unit #56  
Closure Report  
Unit G, Section 35, Township 18S, Range 31E  
Eddy County, New Mexico**

**August 6, 2008**



**Prepared for:**

**Americo Energy Resources  
7575 San Felipe, Ste 200  
Houston, TX 77063**

**By:**

***Safety & Environmental Solutions, Inc.  
703 E. Clinton  
Hobbs, New Mexico 88240  
(575) 397-0510***

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**I. Company Contacts**

<b>NAME</b>	<b>Company</b>	<b>Telephone</b>	<b>E-mail</b>
Oscar Nosrati	Americo Energy	713-984-9700	Oscar.nosrati@americoenergy.com
Brian Cuellar	SESI	505-390-7066	bcuellar@sesi-nm.com

**II. Background**

Safety and Environmental Solutions, Inc. (SESI) was engaged by Americo Energy Resources to perform cleanup services at the East Shugart Unit #56 spill site. On November 19, 2007 an injection valve failure caused a release of approximately 200 barrels of produced fluids. A vacuum truck was utilized to recover 145 barrels of produced water and 5 barrels of oil.

**III. Surface and Ground Water**

The closest groundwater of record is in Section 34 of the same Range and Township. The depth of water in this well was 261' in March of 1994.

**IV. Work Performed**

On May 21, 2008 SESI began remediation of the contaminated areas according to the approved workplan dated February 25, 2008. The entire spill area was excavated to a depth of 4'. Approximately 1,360 cubic yards of soil were transported to Lea Land, an NMOCD approved facility, for disposal. The bottom of the excavation was then lined with a 20-mil impervious liner to prevent and further migration of contamination left in place. The entire area was then backfilled using like soils and contoured to grade. Windrows were also installed to help with re-vegetation and the area was reseeded.

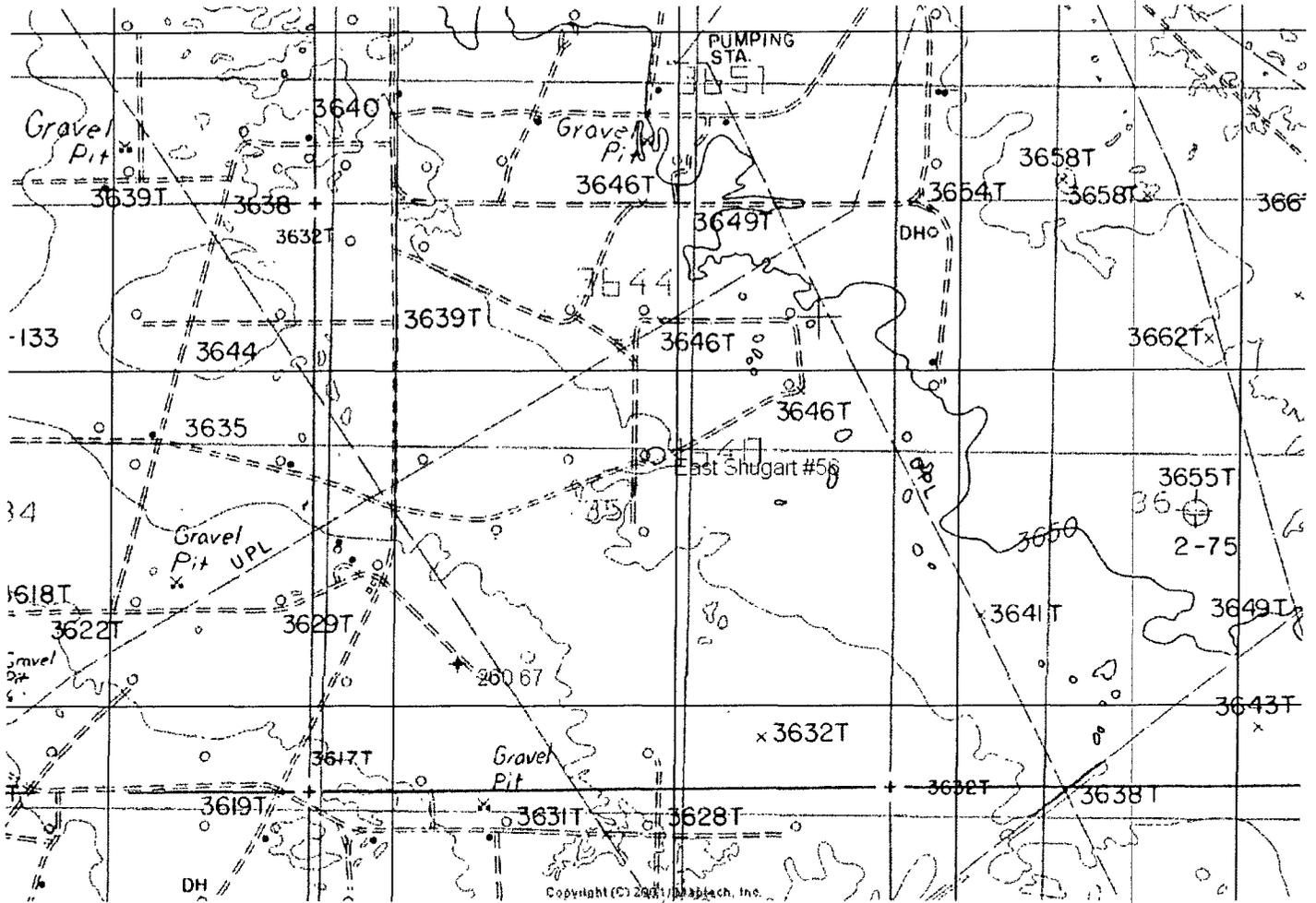
**V. Closure Plan**

It is requested that the spill report be closed with no further remediation required.

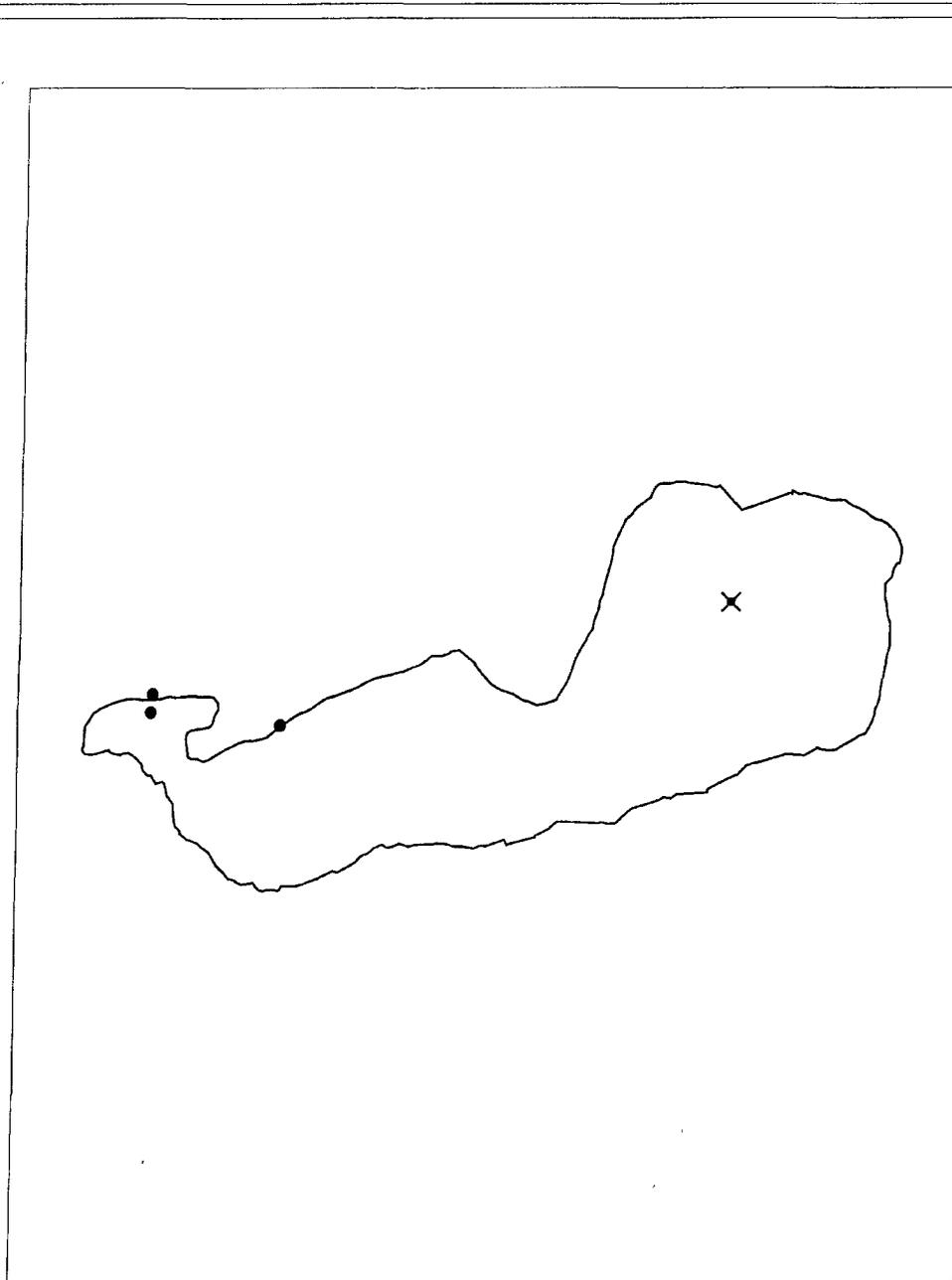
**VI. Figures & Appendices**

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – C-141
- Appendix B – Site Photos

**Figure 1**  
**Vicinity Map**

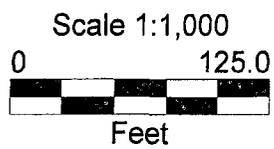


**Figure 2  
Site Plan**



## Amercio East Shugart #56

Lat/Long  
WGS 1984



Site Plan.ssf  
1/30/2008

GPS Pathfinder<sup>®</sup> Office  
 **Trimble**

**Appendix A**  
**C-141**

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**Release Notification and Corrective Action**

30-015-27949

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Name of Company Americo Energy Resources, LLC	Contact Oscar Nosrati
Address 7575 San Felipe, Ste. 200, Houston, Tx 77063	Telephone No. 713-984-9700
Facility Name East Shugart Unit Well #56	Facility Type Injection Well Valve
Surface Owner BLM	Mineral Owner BLM
Lease No.	

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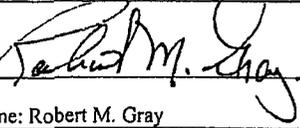
Describe Cause of Problem and Remedial Action Taken.\*

Injector valve failed . Release consisted of approximately 194 bbls of saltwater and 6 bbls of oil. Valve repaired.

Describe Area Affected and Cleanup Action Taken.\*

Approximately 80' x 100' area on pad, 10' x 100' on road and 50' x 60' off road or pad affected by release. Called vacuum truck which recovered 145 bbls of water and 5 bbls of oil. Soil cleaned 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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Robert M. Gray	Approved by District Supervisor: 	
Title: Land Manager	Approval Date: DEC 18 2007 Expiration Date:	
E-mail Address: don.gray@amricoenenergy.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 12/7/2007 Phone: 713-984-9700		

\* Attach Additional Sheets If Necessary

# **Appendix B Site Photos**

