

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 #42 30 015-27670	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
A	34	18S	31E	330	North	1140	East	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced salt water with slight oil cut	Volume of Release	100 bbls	Volume Recovered	70 bbls
Source of Release	Blown relief valve	Date and Hour of Occurrence	8/10/2007 prior to 12:30 pm	Date and Hour of Discovery	8/10/2007 12:30 pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Gerry Guye		
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.*
Relief valve blew. Release consisted of approximately 95 bbls of saltwater and 5 bbls of oil. Well shut-in. Valve was repaired

Describe Area Affected and Cleanup Action Taken.*
All work has been performed according to the approved Workplan dated February 8, 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

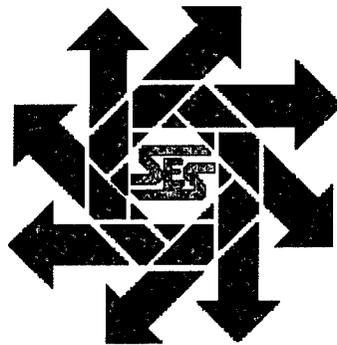
Signature:	Approved by District Supervisor: <i>T. Gumby SD</i>		
Printed Name: Jerri Lee	Approval Date: <i>08-08-08</i>	Expiration Date:	<i>N/A</i>
Title: Consultant	Conditions of Approval: <i>N/A</i>		
E-mail Address: office@sesi-nm.com	Attached <input type="checkbox"/> <i>N/A</i>		
Date: July 22, 2008	Phone: 575-397-0510		

* Attach Additional Sheets If Necessary

2 RP-145

**Americo Energy Resources
East Shugart Unit #42
Closure Report
Unit A, Section 34, Township 18S, Range 31E
Eddy County, New Mexico**

July 1, 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

NAME	Company	Telephone	E-mail
Oscar Nasrati	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 #42 spill site. This is an injection well site, in which a relief valve malfunctioned, releasing 95 barrels of produced water and 5 barrels of oil. A vacuum truck was used to remove the standing fluids.

III. Surface and Ground Water

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

IV. Work Performed

On May 14, 2008 SESI began remediation of the contaminated areas. The top 2' of soil was excavated and stockpiled onsite to be blended with the clean surrounding soils. The area was then excavated and additional 2' and approximately 500 cubic yards were transported to Lea Land, an NMOCD approved facility, for disposal.

The stockpiled soils were blended onsite with clean soils in the surrounding area. Composite samples were retrieved from the blended soils and transported under Chain of Custody to Argon Laboratories, of Hobbs, New Mexico for analysis. The samples were analyzed for Chlorides (EPA Method 300.0). The results of the analysis were as follows:

Sample ID	Cl ⁻ ppm
NW of Pad	ND
NE of Pad	ND
West of PAd	17

The excavation was lined with a 20-mil impervious liner in a manner that will prevent any further migration of contamination left in place. The excavation was then backfilled with the blended soils. Windrows were installed to help with re-vegetation and the area was reseeded.

V. Closure

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

VI. Figures & Appendices

Figure 1 – Vicinity Map

Figure 2 – Site Plan

Appendix A – Analytical Results

Appendix B – Site Photos

Figure 1
Vicinity Map

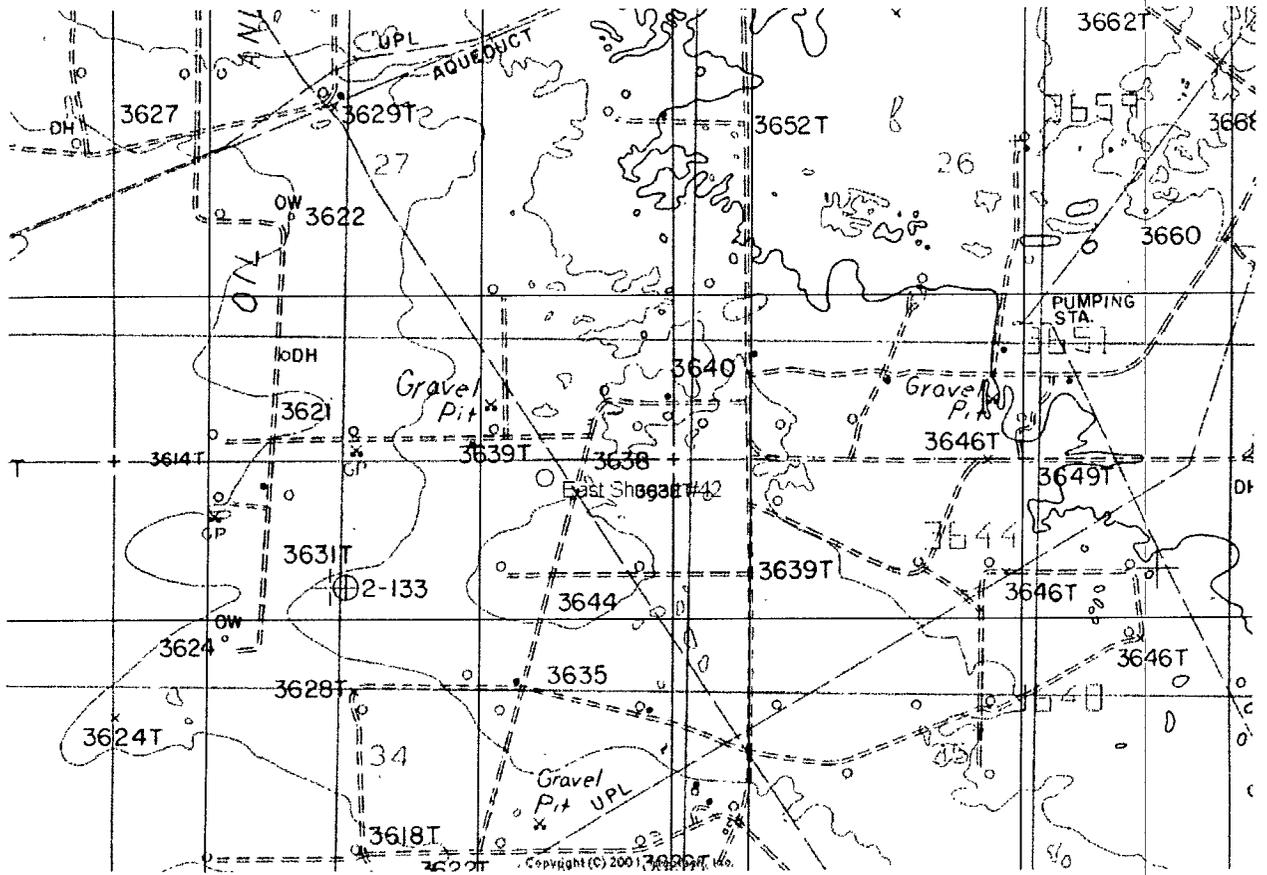
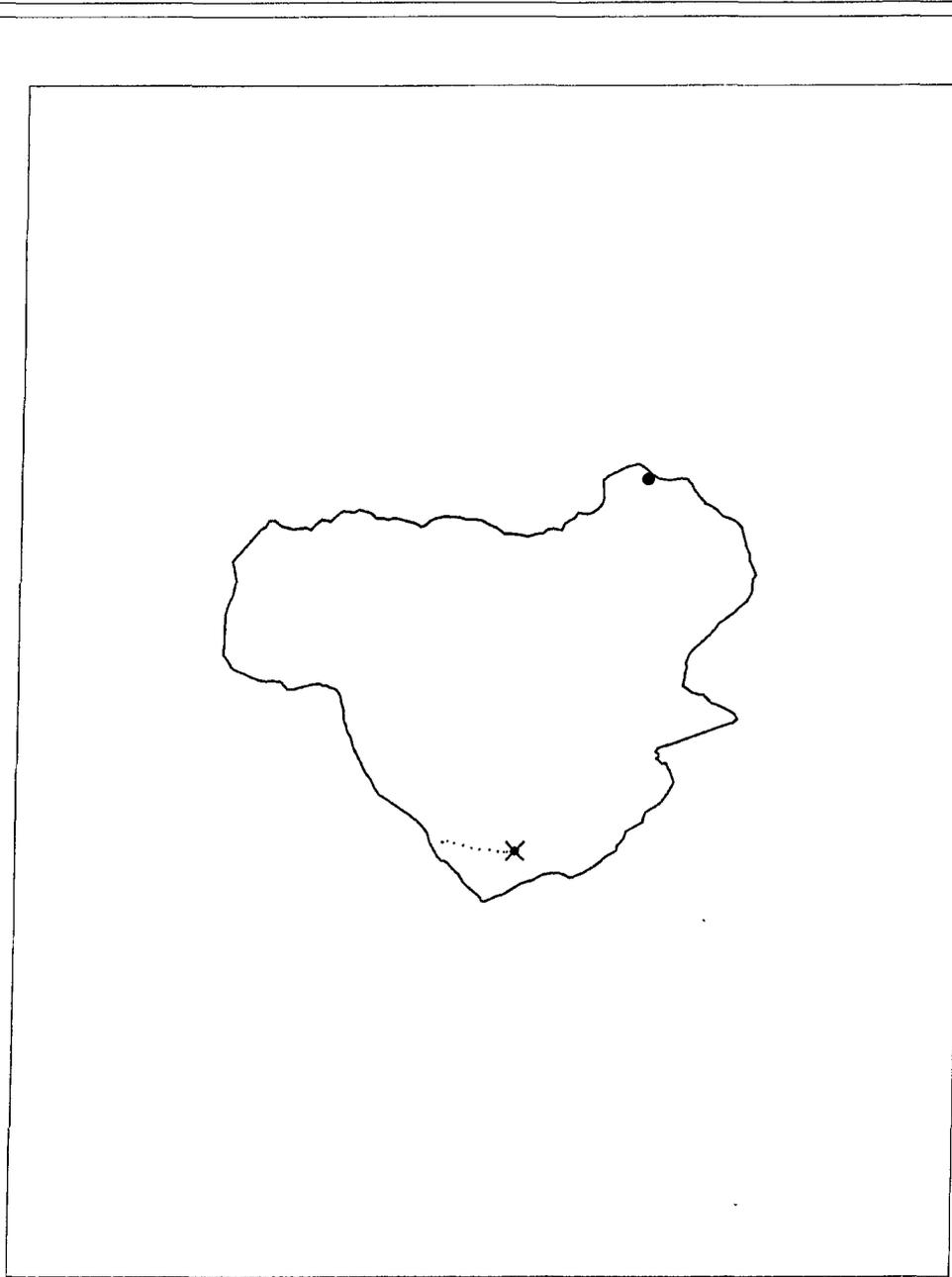


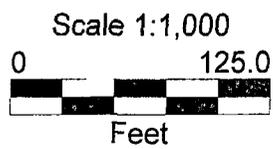
Figure 2
Site Plan



Americo East Shugart #42

Lat/Long
WGS 1984

N



Site Plan.ssf
1/30/2008

GPS Pathfinder[®] Office
 Trimble

Appendix A

Analytical Results

Appendix B Site Photos

