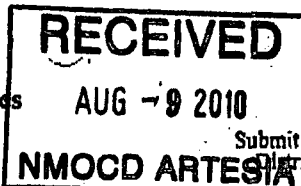


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

X 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
API NO.: 30-015-02346	OCD Refer. No.: 2RP-419
Surface Owner: State of New Mexico	Mineral Owner:
Lease No.:	

## 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. 1300 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, loading especially toward and into the wellhead area.

## Describe Area Affected and Cleanup Action Taken.\*

Please refer to the *Corrective Action Plan (CAP)* for details. The contaminated material needs to be removed to an authorized disposal and the pad area returned to a useable state. At this time, the well is "shut in" and will remain so for the foreseeable future.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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.

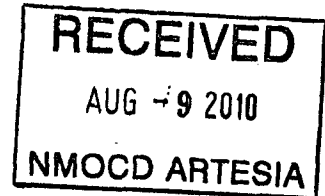
Signature:	OIL CONSERVATION DIVISION	
Printed Name: Thomas G. Wright	Approved by District Director:	
Title: Certified Professional Landman (CPL)	Approval Date:	Expiration Date:
E-mail Address: tommyw@doresenergy.com	Conditions of Approval: Remediation per NMOC Rules & Guidelines	Attached <input type="checkbox"/>
Date: 9 August 2010 Phone: 337-502-5227		

\* Attach Additional Sheets If Necessary

Release # 2 of 2  
Remediation ongoing

2RP-419

nmlb 1016137418



Mr. Thomas G. Wright, CPL  
APOLLO ENERGY, L.P.  
4832 Ihles Rd.  
Lake Charles, LA 70605

9 August 2010

Mr. Mike Bratcher  
OIL CONSERVATION DIVISION  
1301 West Grand Avenue  
Artesia, NM 88210

Re: Russell USA No. 2 Produced Water Unauthorized Discharge *Corrective Action Plan*  
API No.: 30-015-02346 / NMOCD RN NO.: 2RP-416 (Extended)  
U/L O 12-20S-28E 330' FSL 1650' FEL

Dear Mr. Bratcher:

Please be advised Apollo Energy, L.P. (Apollo) herewith notifies the New Mexico Oil Conservation Division (NMOCD) that an unauthorized discharge of produced water occurred at the Russell USA No. 2 (Russell) location. The unauthorized produced water discharge occurred at an unknown time as detailed in the enclosed Initial C-141 and was transported from a foreign location to the Russell located as cited above in Eddy County, New Mexico during an unidentifiable time frame.

The unauthorized discharge occurred from a transport truck hauling produced water onto location from a foreign source and releasing its tank contents into Apollo's Russell USA No. 2 excavated area located around the wellhead. At the time of the unauthorized discharge, Apollo had already contracted the removal to disposal of previously contaminated soils in the area. Thus, temporarily leaving an open hole in the existing pad (See Apollo's letter of 2 July 2010).

Apollo Energy, LP herewith states that it assumes sole responsibility for its own actions but not those of an outside, unauthorized source. The responsibility for cleanup in this case should rest with the trucking company who has performed the unauthorized discharge. Apollo has no control over non-contracted trucks which randomly ingress or egress from the area. Apollo desires, therefore, to meet with the NMOCD as soon as feasibly possible in order to discuss potential solutions to this situation.

Your time and consideration of our situation is sincerely appreciated. Please call 337-502-5227 (office) or 337-540-1243 (cell) should you have questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "T. Wright", written over the word "Sincerely,".

Thomas G. Wright, CPL

Enclosure: Jim Amos (BLM)