

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

JUL 23 2007 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
OCD-ARTESIA

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 #39	Facility Type Oil Well flow line

Surface Owner BLM	Mineral Owner BLM	Lease No. NM 10193
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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
P	34	182	316	990	SOUTH	990	ETPST	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced oil and salt water	Volume of Release 15 bbls.	Volume Recovered 0
Source of Release Ruptured flow line	Date and Hour of Occurrence 7/18/2007 +/- 8:00 a.m.	Date and Hour of Discovery 7/18/2007 11:30 a.m.
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.*

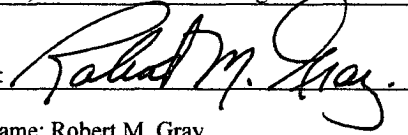
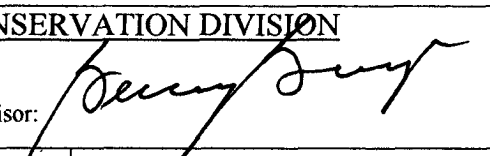
Describe Cause of Problem and Remedial Action Taken.*

Flow line ruptured approximately 300' south of well. Release consisted of approximately 12 bbls of saltwater and 3 bbls of oil. Line repaired.

Describe Area Affected and Cleanup Action Taken.*

Approximately 20' x 30' area affected by release. Soil to be 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert M. Gray	Approved by District Supervisor: 	
Title: Land Manager	Approval Date: JUL 23 2007	Expiration Date:
E-mail Address: don.gray@americoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/18/2007 Phone: 713-984-9700		

* Attach Additional Sheets If Necessary