



**Agave Energy Company**

**Seven Rivers Compressor Station Remediation Project**

**Sec 25, T19S – R 24E**

**Eddy County, New Mexico**

**February 19, 2016**

## Location

From Artesia, NM travel south to Rock Daisy Rd (CR 23 - mile marker 54.9). Turn west and go 6.0 miles. Turn right at Foster Windmill on Crossbuck (CR 29) and go 1.0 mile north and then turn west and go 1.5 miles. Turn left on caliche road then go 0.3 miles. Stay on right and follow for 1.4 miles to station.

## Introduction

The Seven Rivers Compressor Station is a natural gas compressor station gathering sweet field gas, with sour gas lines running through the location. The station was constructed and began operating in 1981 under Yates Petroleum Corporation, and has been in continuous operation since then. In 2012 ownership of the station was transferred to Agave Energy Company.

The facility included storage tanks for both natural gas condensate and produced water that were both produced through the operations at the compressor station. A second set of tanks were located at the north end of the location, which was installed by Yates Petroleum. These tanks had historically been used to collect liquids from Yates gas and water lines, when the lines were blown down, as well as collecting waste water from the station's drains

These tanks were constructed of fiberglass, and placed in an unlined dirt containment. These tanks were removed in July of 2014. Sometime after the tanks were removed, signs of contamination began to appear on the surface. It is suspected that the cause of the contamination were the tanks, that had leaked over the years. Agave believes that higher than normal precipitation over the last several years has resulted in the contamination migrating to the surface. There are additional Yates lines that remain in place directly below the location of the old tanks, which may be causing additional contamination.

## Site Ranking

Based on the *Guidelines for Remediation of Leaks, Spills and Releases* (NMOCD, August 13, 1993), hereafter referred to as "the Guidelines", the site ranking criteria are as follows.

**Depth to Ground Water:** The nearest Depth to Groundwater record (RA-04727) listed on the New Mexico Office of the State Engineer (Sec 26, T19S-R24E) shows depth of groundwater to be approximately 322 feet. Exhibiting a depth to groundwater of greater than 100 feet, results in a ranking score of 0.

**Wellhead Protection Area:** The nearest water sources to the station is one well used for livestock watering, located 2,777 feet to the northwest of the site. According to the *Guidelines*, not being within 1000 feet of a water source results in a site ranking of 0.

***Distance to Surface Water Body:*** The nearest surface water body is the Pecos River, located 12.7 miles to the east, resulting in a site ranking of 0.

**Total Site Ranking:**

Depth to Ground water	0
Wellhead Protection Area	0
Distance to Surface Water Body	<u>0</u>
Total:	0

### **Recommended Remediation Action Level**

According to the *Guidelines*, a location with a site ranking of 19 or greater is subject to the following Recommended Remediation Action Level (RRAL).

Benzene	10 ppm
BTEX	50 ppm
TPH	5000 ppm

There are no standards set for chloride contamination set within the *Guidelines*. If chlorides are determined to be present, Agave will work with the District II Oil Conservation office to determine an appropriate action level.

### **Scope of Work**

The work being conducted at station is primarily in an effort to address known and suspected contamination concerns. Agave will excavate the area exhibiting signs of contamination.

Agave will remove existing lines that are no longer in use if they appear to be causing soil contamination, and will additionally remove any concrete that is no longer being used, if it is contaminated or if it is impeding the removal of contaminated soil. Agave also intends to remove all PVC lines within the station where it is possible, to prevent continuing contamination.

Where possible, contaminated soil will be remediated on site and used to back fill any resulting excavations. Contaminated soil that is not remediated on site, along with all contaminated

concrete will be sent to an NMOCD approved disposal. Agave will collect soil samples to determine the horizontal and vertical extent of the contamination, and to determine when we have completed the removal of contaminated material. Once the contamination is removed, and pending NMOCD approval, Agave will backfill the excavations at the location. Agave will not reseed this area due to the fact that it is within the property boundaries of the compressor station.



# New Mexico Office of the State Engineer

## Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,  
O=orphaned,  
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)  
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
<a href="#">RA 04727</a>			ED	1	2	26	19S	24E		541594	3611184*	354	322	32

Average Depth to Water: **322 feet**

Minimum Depth: **322 feet**

Maximum Depth: **322 feet**

Record Count: 1

### PLSS Search:

Section(s): 23-26

Township: 19S

Range: 24E

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



# New Mexico Office of the State Engineer

## Water Right Summary



[get image list](#)

**WR File Number:** RA 04727

**Subbasin:** -

**Subfile:** -

**Primary Purpose:** STK 72-12-1 LIVESTOCK WATERING

**Primary Status:** PMT PERMIT

**Total Acres:**

**Total Diversion:** 3

**Owner:** RONALD HOUGHTALING

**Owner:** CATHY HOUGHTALING

### Documents on File



[get images](#)

Trn #	Doc	File/Act	Status		Transaction Desc.	From/ To	Acres	Diversion	Consumptive
			1	2					
<a href="#">469791</a>	<a href="#">COWNF</a>	<a href="#">2010-11-05</a>	CHG	PRC	RA 04727	T		3	
<a href="#">243892</a>	<a href="#">72121</a>	<a href="#">1962-11-08</a>	PMT	LOG	RA 04727	T		3	

### Current Points of Diversion

(NAD83 UTM in meters)

POD Number	Source	Q	Q	Q	Sec	Tws	Rng	X	Y	Other Location Desc
<a href="#">RA 04727</a>	Shallow	1	2	26	19S	24E		541594	3611184*	

\*An (\*) after northing value indicates UTM location was derived from PLSS - see Help



Google earth

Imagery Date: 4/16/2013 lat 32.636298° lon -104.549344° elev 3632 ft eye alt 4188 ft

1997



Google earth

February 16, 2016

KERRY EGAN

AGAVE ENERGY COMPANY

P. O. BOX 158

ARTESIA, NM 88211

RE: 7 RIVERS CS

Enclosed are the results of analyses for samples received by the laboratory on 02/10/16 8:30.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-15-7. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list of accredited analytes and matrices visit the TCEQ website at [www.tceq.texas.gov/field/ga/lab\\_accred\\_certif.html](http://www.tceq.texas.gov/field/ga/lab_accred_certif.html).

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

Method EPA 552.2	Total Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Cardinal Laboratories is accredited through the State of New Mexico Environment Department for:

Method SM 9223-B	Total Coliform and E. coli (Colilert MMO-MUG)
Method EPA 524.2	Regulated VOCs and Total Trihalomethanes (TTHM)
Method EPA 552.2	Total Haloacetic Acids (HAA-5)

Accreditation applies to public drinking water matrices for State of Colorado and New Mexico.

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:**AGAVE ENERGY COMPANY  
P. O. BOX 158  
ARTESIA NM, 88211Project: 7 RIVERS CS  
Project Number: NONE GIVEN  
Project Manager: KERRY EGAN  
Fax To: (575) 748-4275Reported:  
16-Feb-16 15:41

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
7 RIVERS #1	H600307-01	Soil	04-Feb-16 15:00	10-Feb-16 08:30
7 RIVERS #2	H600307-02	Soil	04-Feb-16 15:10	10-Feb-16 08:30
7 RIVERS #3	H600307-03	Soil	04-Feb-16 15:20	10-Feb-16 08:30

Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

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AGAVE ENERGY COMPANY  
P. O. BOX 158  
ARTESIA NM, 88211

Project: 7 RIVERS CS  
Project Number: NONE GIVEN  
Project Manager: KERRY EGAN  
Fax To: (575) 748-4275

Reported:  
16-Feb-16 15:41

### 7 RIVERS #1 H600307-01 (Soil)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
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### Cardinal Laboratories

#### Inorganic Compounds

Chloride	64.0		16.0	mg/kg	4	6021202	AP	15-Feb-16	4500-Cl-B	
Sulfide, total	8.70		0.0100	mg/kg	1	6021203	AP	12-Feb-16	9030	

#### Volatile Organic Compounds by EPA Method 8021

Benzene*	<0.500		0.500	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Toluene*	4.41		0.500	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Ethylbenzene*	6.79		0.500	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Total Xylenes*	40.6		1.50	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Total BTEX	52.1		3.00	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Surrogate: 4-Bromofluorobenzene (PID)			131 %	73.6-140		6021205	MS	12-Feb-16	8021B	

#### Petroleum Hydrocarbons by GC FID

GRO C6-C10	1250		10.0	mg/kg	1	6021106	MS	11-Feb-16	8015B	
DRO >C10-C28	2080		10.0	mg/kg	1	6021106	MS	11-Feb-16	8015B	
Surrogate: 1-Chlorooctane			121 %	35-147		6021106	MS	11-Feb-16	8015B	
Surrogate: 1-Chlorooctadecane			118 %	28-171		6021106	MS	11-Feb-16	8015B	

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Reported:  
16-Feb-16 15:41

### 7 RIVERS #2 H600307-02 (Soil)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
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### Cardinal Laboratories

#### Inorganic Compounds

Chloride	<16.0		16.0	mg/kg	4	6021202	AP	15-Feb-16	4500-Cl-B	
Sulfide, total	<b>6.45</b>		0.0100	mg/kg	1	6021203	AP	12-Feb-16	9030	

#### Volatile Organic Compounds by EPA Method 8021

Benzene*	<0.500		0.500	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Toluene*	<b>5.84</b>		0.500	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Ethylbenzene*	<b>8.62</b>		0.500	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Total Xylenes*	<b>55.5</b>		1.50	mg/kg	500	6021205	MS	12-Feb-16	8021B	
Total BTEX	<b>69.9</b>		3.00	mg/kg	500	6021205	MS	12-Feb-16	8021B	

Surrogate: 4-Bromofluorobenzene (PID) 140 % 73.6-140 6021205 MS 12-Feb-16 8021B

#### Petroleum Hydrocarbons by GC FID

GRO C6-C10	<b>1440</b>		10.0	mg/kg	1	6021106	MS	11-Feb-16	8015B	
DRO >C10-C28	<b>2120</b>		10.0	mg/kg	1	6021106	MS	11-Feb-16	8015B	

Surrogate: 1-Chlorooctane 127 % 35-147 6021106 MS 11-Feb-16 8015B

Surrogate: 1-Chlorooctadecane 112 % 28-171 6021106 MS 11-Feb-16 8015B

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Reported:  
16-Feb-16 15:41

### 7 RIVERS #3 H600307-03 (Soil)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
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### Cardinal Laboratories

#### Inorganic Compounds

Chloride	<16.0		16.0	mg/kg	4	6021202	AP	15-Feb-16	4500-Cl-B	
Sulfide, total	<b>5.88</b>		0.0100	mg/kg	1	6021203	AP	12-Feb-16	9030	

#### Volatile Organic Compounds by EPA Method 8021

Benzene*	<0.050		0.050	mg/kg	50	6021205	MS	12-Feb-16	8021B	
Toluene*	<b>0.081</b>		0.050	mg/kg	50	6021205	MS	12-Feb-16	8021B	
Ethylbenzene*	<b>0.077</b>		0.050	mg/kg	50	6021205	MS	12-Feb-16	8021B	
Total Xylenes*	<b>0.605</b>		0.150	mg/kg	50	6021205	MS	12-Feb-16	8021B	
Total BTEX	<b>0.763</b>		0.300	mg/kg	50	6021205	MS	12-Feb-16	8021B	

Surrogate: 4-Bromofluorobenzene (PID) 105 % 73.6-140 6021205 MS 12-Feb-16 8021B

#### Petroleum Hydrocarbons by GC FID

GRO C6-C10	<10.0		10.0	mg/kg	1	6021106	MS	11-Feb-16	8015B	
DRO >C10-C28	<10.0		10.0	mg/kg	1	6021106	MS	11-Feb-16	8015B	

Surrogate: 1-Chlorooctane 80.5 % 35-147 6021106 MS 11-Feb-16 8015B

Surrogate: 1-Chlorooctadecane 96.9 % 28-171 6021106 MS 11-Feb-16 8015B

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Project Number: NONE GIVEN  
Project Manager: KERRY EGAN  
Fax To: (575) 748-4275

Reported:  
16-Feb-16 15:41

### Inorganic Compounds - Quality Control

#### Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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#### Batch 6021202 - 1:4 DI Water

##### Blank (6021202-BLK1)

Prepared &amp; Analyzed: 12-Feb-16

Chloride ND 16.0 mg/kg

##### LCS (6021202-BS1)

Prepared &amp; Analyzed: 12-Feb-16

Chloride 416 16.0 mg/kg 400 104 80-120

##### LCS Dup (6021202-BSD1)

Prepared &amp; Analyzed: 12-Feb-16

Chloride 432 16.0 mg/kg 400 108 80-120 3.77 20

#### Batch 6021203 - General Prep - Wet Chem

##### Blank (6021203-BLK1)

Prepared &amp; Analyzed: 12-Feb-16

Sulfide, total ND 0.0100 mg/kg

##### Duplicate (6021203-DUP1)

Source: H600305-01

Prepared &amp; Analyzed: 12-Feb-16

Sulfide, total 0.0300 0.0100 mg/kg 0.0400 28.6 20

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Reported:  
16-Feb-16 15:41

### Volatile Organic Compounds by EPA Method 8021 - Quality Control

#### Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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#### Batch 6021205 - Volatiles

##### Blank (6021205-BLK1)

Prepared &amp; Analyzed: 12-Feb-16

Benzene	ND	0.050	mg/kg							
Toluene	ND	0.050	mg/kg							
Ethylbenzene	ND	0.050	mg/kg							
Total Xylenes	ND	0.150	mg/kg							
Total BTEX	ND	0.300	mg/kg							
Surrogate: 4-Bromofluorobenzene (PID)	0.0521		mg/kg	0.0500		104	73.6-140			

##### LCS (6021205-BS1)

Prepared &amp; Analyzed: 12-Feb-16

Benzene	1.95	0.050	mg/kg	2.00		97.5	82.6-122			
Toluene	1.91	0.050	mg/kg	2.00		95.7	72.9-122			
Ethylbenzene	1.73	0.050	mg/kg	2.00		86.5	65.4-131			
Total Xylenes	5.36	0.150	mg/kg	6.00		89.4	73.8-125			
Surrogate: 4-Bromofluorobenzene (PID)	0.0508		mg/kg	0.0500		102	73.6-140			

##### LCS Dup (6021205-BSD1)

Prepared &amp; Analyzed: 12-Feb-16

Benzene	1.91	0.050	mg/kg	2.00		95.7	82.6-122	1.94	8.23	
Toluene	1.89	0.050	mg/kg	2.00		94.7	72.9-122	1.01	8.71	
Ethylbenzene	1.73	0.050	mg/kg	2.00		86.3	65.4-131	0.206	9.46	
Total Xylenes	5.34	0.150	mg/kg	6.00		88.9	73.8-125	0.512	8.66	
Surrogate: 4-Bromofluorobenzene (PID)	0.0513		mg/kg	0.0500		103	73.6-140			

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Celey D. Keene, Lab Director/Quality Manager

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Reported:  
16-Feb-16 15:41

### Petroleum Hydrocarbons by GC FID - Quality Control

#### Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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#### Batch 6021106 - General Prep - Organics

##### Blank (6021106-BLK1)

Prepared &amp; Analyzed: 11-Feb-16

GRO C6-C10	ND	10.0	mg/kg							
DRO >C10-C28	ND	10.0	mg/kg							
EXT DRO >C28-C35	ND	10.0	mg/kg							
Total TPH C6-C28	ND	10.0	mg/kg							
Surrogate: 1-Chlorooctane	41.6		mg/kg	50.0		83.1	35-147			
Surrogate: 1-Chlorooctadecane	47.8		mg/kg	50.0		95.6	28-171			

##### LCS (6021106-BS1)

Prepared &amp; Analyzed: 11-Feb-16

GRO C6-C10	219	10.0	mg/kg	200		110	76.7-115			
DRO >C10-C28	208	10.0	mg/kg	200		104	78.3-122			
Total TPH C6-C28	427	10.0	mg/kg	400		107	79.8-117			
Surrogate: 1-Chlorooctane	49.0		mg/kg	50.0		98.1	35-147			
Surrogate: 1-Chlorooctadecane	51.0		mg/kg	50.0		102	28-171			

##### LCS Dup (6021106-BSD1)

Prepared &amp; Analyzed: 11-Feb-16

GRO C6-C10	218	10.0	mg/kg	200		109	76.7-115	0.648	9.42	
DRO >C10-C28	207	10.0	mg/kg	200		103	78.3-122	0.772	13.2	
Total TPH C6-C28	424	10.0	mg/kg	400		106	79.8-117	0.709	10.7	
Surrogate: 1-Chlorooctane	44.8		mg/kg	50.0		89.6	35-147			
Surrogate: 1-Chlorooctadecane	46.5		mg/kg	50.0		92.9	28-171			

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Celey D. Keene, Lab Director/Quality Manager

**Notes and Definitions**

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

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Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240

**(575) 393-2326 FAX (575) 393-2476**

[illegible]

## Sampling Summary for Seven Rivers Station

Analytical Report H600307	Sample Date	Depth	BTEX (PPM)	BENZENE (PPM)	GRO (PPM)	DRO (PPM)	Cl- (PPM)	Comments
7 Rivers #1	2/4/2016	0'-1'	52.1	ND	1250	2080	64	
7 Rivers #2	2/4/2016	1'-2'	69.9	ND	1440	2120	ND	
7 Rivers #3	2/4/2016	2'-3'	0.763	ND	ND	ND	ND	

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in  
accordance with 19.15.29 NMAC.

## Release Notification and Corrective Action

### OPERATOR

X Initial Report

Final Report


Name of Company	Agave Energy Company	Contact	Kerry Egan
Address	326 West Quay Artesia, NM 88210	Telephone No.	575 513-8988
Facility Name:	Seven Rivers Compressor Station	Facility Type:	Compressor Station
Surface Owner:	Mineral Owner	API No.	

### LOCATION OF RELEASE

Unit Letter	Section 25	Township 19S	Range 24E	Feet from the	North/South Line	Feet from the	East/West Line	County EDDY
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Latitude 32.636136 Longitude-104.549427

### NATURE OF RELEASE

Type of Release: Pipeline liquids	Volume of Release: Unknown (historic leak)	Volume Recovered: N/A
Source of Release: Pipeline liquids,	Date and Hour of Occurrence: Unknown (historic leak)	Date and Hour of Discovery: 2/16/16
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.* Two fiberglass tanks located on the north side of the compressor station, placed in a dirt containment, were used to collect pipeline liquids from PVC water and gas lines in the area. Upon removal of the tanks there were no indications of soil contamination. After removal, signs of soil contamination began to appear where the tanks had been. All PVC gas lines in the area have been shut in and blown down.		
Describe Area Affected and Cleanup Action Taken.* The area with signs of contamination is only 15' by 15'. The containment, which has been removed, is approximately 30' by 50' in extent. This is believed at this point to be the worst case for contamination. Investigation is beginning to determine the total extent of contamination.		
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: Kerry Egan	Approved by Environmental Specialist:	
Title: Eng Tech	Approval Date:	Expiration Date:
E-mail Address: KEgan@agaveenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 2/23/16	Phone: 575 748-4555	

\* Attach Additional Sheets If Necessary