

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

RECEIVED

By JKeyes at 7:59 am, Jul 28, 2016

Form C-141

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:	Grace Well 8" Poly Line	Facility Type:	Gas Gathering Line
Surface Owner:	BLM	Mineral Owner	
		API No.	

LOCATION OF RELEASE

Unit Letter	Section 20	Township 22S	Range 32E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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Latitude 32.379139 Longitude -103.696727

NATURE OF RELEASE

Type of Release: Pipeline liquids, natural gas	Volume of Release: unknown volume of gas; approximately 5-10 bbls of condensate	Volume Recovered: None
Source of Release: Pipeline rupture.	Date and Hour of Occurrence: 7/16/16 10:00AM	Date and Hour of Discovery: 7/16/16 12:00PM
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.* Agave believes a gouge in the poly line, in combination with being exposed by the shifting sand dunes, and high line pressure caused the line to rupture. The line was shut in as soon as possible after discovery.



Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 450' x 200' at its largest extent. The contamination for a majority of this area is only on the surface, it does not appear that the condensate saturated the ground to any discernable depth. In the area immediately surrounding the point of rupture, liquids appeared to have penetrated 6"-12" into the soil. Sampling will be conducted to confirm the extent of contamination. There is no visible indication of chloride contamination, but sampling will verify its presence or absence.

No cleanup action has been taken as of yet. Agave is proposing to attempt remediation in place of those areas affected by hydrocarbon contamination. This will be done by spraying the affected area with MicroBlaze or similar product, and mulching the vegetation that has been covered with the condensate overspray to encourage aeration and decomposition of the hydrocarbons. In addition to these efforts it Agave may till or disc portions of the affected area experiencing higher concentrations of contamination to further increase volatilization of the contaminants.

Excavation of material at this location is inadvisable due to the nature and location of the release. The line is located in the sand dunes of Livingston Ridge, and the nearest lease road or well pad is 100 or 150 yards away. The affected area is inaccessible by any vehicle without tracks. Attempting to excavate contaminated material will result in damage to uncontaminated vegetation and soil. Excavation and removal of soil may be required if sampling shows chlorides present in levels above action levels.

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: 07/28/2016	Expiration Date: 09/28/2016	
E-mail Address: KEgan@agaveenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 7/27/16	Phone: 575 748-4555		Discrete samples only. Delineate and remediate per NMOCD guidelines. Ensure BLM concurrence/approval.
		1RP 4370	nJXK1621028606 pJXK1621028697