

Corrected Copy

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

PAB1605634908

## Release Notification and Corrective Action

NMLB1010357436

## OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Agave Energy Company	OGRID Number 147831	Contact Robert Asher
Address 104 S. 4 <sup>TH</sup> Street, Artesia, NM 88210	Telephone No. 505-748-1471	
Facility Name Dagger Draw Gas System	APT Number	Facility Type Pipeline
Surface Owner Federal	Mineral Owner Federal	Lease No.

## LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	24	19S	24E					Eddy

Latitude 32.63987 Longitude 104.54762

## NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 40 B/O & 10 B/PW	Volume Recovered 38 B/O & 7 B/PW
Source of Release PVC Pipe Line	Date and Hour of Occurrence 12/16/2009 AM 12/16/2009	Date and Hour of Discovery 12/16/2009 AM 12/16/2009
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD Artesia	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 12/16/2009, PM (Voice mail & E-mail)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		


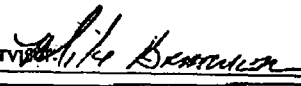
## Describe Cause of Problem and Remedial Action Taken.\*

Pressure buildup caused 12" PVC Gas line to fail, possible bad collar. Shut in line and called for vacuum trucks to recover oil & produced water. Crew called to begin repairs and clean up.

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

An approximate area of 20' X 10' (line failure area), total area of 750' X 10'. Standing fluids were picked up, crews repaired line and microblaze applied to impacted surface area. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides results for documentation). If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. Depth to Ground Water: >100' (approximately 322', Section 26, T19S-R24E, New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.

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 Asher	Approved by 	
Title: Environmental Regulatory Agent	Approval Date: APR 13 2010	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, December 29, 2009	Phone: 505-748-4217	

REMEDATION per OCD Rules and  
Guidelines: SUBMIT REMEDIATION  
PROPOSAL BY: REC'd 3/12/10

2RP-404

\* Attach Additional Sheets If Necessary  
Seven Rivers Compressor Sta.  
fMLB1010356474  
PMLB1010359217