

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

NM OIL CONSERVATION
ARTESIA DISTRICT

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

FEB 11 2016
Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

RECEIVED

FAB1604928208 **Release Notification and Corrective Action**

NAB1604928430 **OPERATOR** Initial Report Final Report

Name of Company: Agave Energy Company 147831	Contact: Kerry Egan
Address: 326 West Quay Artesia, NM 88210	Telephone No.: 575 513-8988
Facility Name: Hangman Lateral	Facility Type: Pipeline ROW

Surface Owner: State of NM	Mineral Owner	API No.
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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
K	28	19S	25E					EDDY

Latitude 32.630518 Longitude -104.491536

NATURE OF RELEASE **1200 MCF**

Type of Release: Natural Gas only, no liquids	Volume of Release: 1.2 MMscfd	Volume Recovered: N/A
Source of Release: Open Pipeline/Pipeline construction	Date and Hour of Occurrence: 2/8/16 5:00PM	Date and Hour of Discovery: 2/9/16 8:00AM
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	
By Whom? Kerry Egan, Agave Energy Co.	Date and Hour: 2/10/16 3:30PM	
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.*
The "Hangman Lateral" pipeline was in ongoing construction. The 'Boneyard #11' owned and operated by Concho Oil and Gas, was tied into a section of the line that had been completed. An Agave employee prematurely set a sales meter, which resulted in the well being brought into production before the entire line was complete, and Agave was ready to accept the gas. This resulted in the release of gas for several hours at the open end of the pipe, until its discovery. The well was shut in immediately upon discovery of the leak.

Describe Area Affected and Cleanup Action Taken.*
There were no liquids released with the gas, which was released from the open ended pipe. The gas release resulted in no soil or water contamination, as such no cleanup action was taken, or even possible.

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:  Printed Name: Kerry Egan Title: Eng Tech E-mail Address: KEgan@agaveenergy.com Date: 2/11/16 Phone: 575 748-4555	OIL CONSERVATION DIVISION Approved by Environmental Specialist:  Approval Date: 2/18/16 Expiration Date: N/A Conditions of Approval: FINAL Attached <input type="checkbox"/>
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* Attach Additional Sheets If Necessary

2RP-3555