

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  
 FEB 18 2016  
 RECEIVED

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.

**#AB 1605635791**      **Release Notification and Corrective Action**

**NAB 1605635917**      **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:  | Livingston Ridge Pipeline       | Facility Type: | Pipeline ROW |

|                |             |               |  |         |  |
|----------------|-------------|---------------|--|---------|--|
| Surface Owner: | State of NM | Mineral Owner |  | API No. |  |
|----------------|-------------|---------------|--|---------|--|

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| K           | 36      | 21S      | 31E   |               |                  |               |                | EDDY   |

Latitude 32.430210 Longitude -103.731708

**NATURE OF RELEASE**

|  |   |   |
|--|---|---|
| Type of Release: Pipeline liquids, natural gas   | Volume of Release: 10 bbl of oil/condensate, and a minor amount of gas (<50mcf) | Volume Recovered: 8 bbl of oil/condensate |
| Source of Release: It was believed to have been caused by a tank overflow, but the exact cause is still under investigation.             | Date and Hour of Occurrence: 2/5/16 8:00AM                                      | Date and Hour of Discovery: 2/5/16 8:30AM |
| Was Immediate Notice Given?<br><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?<br><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.\*  
 On 2/5/16 a Yates Petroleum Corporation reported a release of approximately 10 bbls from a pipeline drip tank. YPC personnel handled the initial response, which included shutting in the separator that fed the tank and having a vac truck remove 8 bbls of liquid from the ground. YPC personnel also scraped the surface contamination up, and collected the initial samples for the location.

Describe Area Affected and Cleanup Action Taken.\*  
 The affected area is approximately 10' x 25' to the east of the tank. The reported depth of contamination was 4". After all free standing liquids were removed from the surface, YPC removed the contaminated soil.

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: <i>Kerry Egan</i>             | <b>OIL CONSERVATION DIVISION</b>   |                             |
| Printed Name: Kerry Egan                 | Approved by Environmental Specialist: <i>M. L. Brantley</i>  |                             |
| Title: Eng Tech                          | Approval Date: <i>2/25/16</i>  | Expiration Date: <i>N/A</i> |
| E-mail Address: KEgan@agaveenergy.com    | Conditions of Approval: <b>Remediation per O.C.D. Rules &amp; Guidelines</b> Attached <input type="checkbox"/> |                             |
| Date: <i>2/18/16</i> Phone: 575 748-4555 | <b>SUBMIT REMEDIATION PROPOSAL NO</b>  |                             |

**LATER THAN:** *3/20/16*      *2RP-3560*

\* Attach Additional Sheets If Necessary